



 SUSTAINABILITY
REPORT

2022



We will heal our wounds together

The earthquake disaster that occurred in our country on February 6, 2023 and was felt intensely in many of our cities has deeply saddened our entire nation. We convey our get well wishes to all our citizens affected by the earthquake, and we wish Allah's mercy to our citizens who lost their lives, condolences to their families and loved ones, and urgent healing to our wounded. As Panelsan, we continue to stand by our nation with all our strength, hoping that our nation and our state will never experience such pain again.

Our Condolences to our country and nation .



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 **panelsan**

 **OUR REPORT**

2022

OUR REPORT

With our first sustainability report, we aimed to present our organization's environmental, social and governance-oriented management approach to our stakeholders. We prepared our report based on the consolidated sustainability data of our 2 head offices in İstanbul and Ankara, our liaison office in Izmir and our production center in Ankara for the operating year January 1 - December 31, 2022.

Our report has been prepared in Turkish and English in accordance with the Global Reporting Initiative (GRI) 2021 Standards. Our report, prepared by our sustainability team, has not been externally audited. In our report, we have included our performance in relation to the United Nations 17 Sustainable Development Goals. In line with our sustainability strategy, our material issues, which were determined as a result of our analyses, were determined with the opinions of our stakeholders.

You can send us your comments and questions about our sustainability report via surdurulebilirlik@panelsan.com.

In the coming years, we aim to carry out all our activities within the scope of environment, economic growth and social development, taking into account the resources and needs of future generations.

All of our statements regarding the projects we intend to realize in the future are forward-looking statements that we believe in and are based on our long-term growth strategy.

Such statements are our forecasts that interact with the assessments made by our management and employees on the basis of conjunctural factors, sectoral activities and strategic goals.

Our future performance may differ from those projected due to developments in the business world, international initiatives to combat climate change, diversity in technological innovations.





MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS



SERHAT MAŞLAK
CHAIRMAN OF THE BOARD OF
DIRECTORS

Stakeholders;

As sustainability gains increasing importance in the business world, we believe that businesses should make their operations more environmentally, socially and economically sustainable, and we are pleased to present a detailed report of our sustainability activities in 2022.

Our report summarizes the initiatives we undertook in 2022 to ensure that our operations are carried out in a socially and environmentally responsible manner and demonstrates our commitment to social and governance standards and how Panelsan is taking meaningful steps to build a better future.

Pannelsan strives to achieve high sustainability standards to ensure that its activities make a positive contribution to the planet and its inhabitants. Through our innovative practices and commitment to sustainability, we strive to minimize our impact on the environment, reduce our dependence on limited resources and create a positive future for future generations. With our supportive efforts to reduce our country's dependence on foreign energy, we are also taking the necessary responsibilities in the fight against the climate crisis that the whole world is facing.

We are confident that the results of our sustainability efforts will deliver meaningful improvements to both our society and our environment. We are proud to be an industry-leading organization committed to environmental sustainability and ethical business practices.

As Pannelsan, we will continue to invest in sustainable technologies and practices and we will realize all our actions with this sense of responsibility. We aim to be a leader in environmental management with our efforts and hope that our report will inspire our readers for a greener tomorrow.

I would like to thank you, our valued stakeholders, who are a part of our success, for your belief in us and your support, and I wish you a pleasant reading of our sustainability report.

Best Regards



MESSAGE FROM OUR GENERAL MANAGER



RECEP KAAAN MAŞLAK
VICE CHAIRMAN OF THE BOARD OF
DIRECTORS / GENERAL MANAGER

Dear Stakeholders;

Our planet is facing a climate crisis and we all have a responsibility to take action to reduce our carbon footprint and protect our environment for future generations.

Our commitment to sustainability is not just a business strategy; it is a moral obligation. As Panelsan, we believe that every step we take can make a difference in protecting our planet. We know that our organization has responsibilities to set an example for its sector.

We are aware that the insulation products we produce play a very important role in combating the climate crisis. Sandwich panels and EPS products can significantly reduce energy consumption and carbon emissions. We have always been aware of the positive impact of our products on the environment and we are proud of our commitment to sustainability and responsible production practices.

We also understand the importance of being transparent and accountable for our actions. As the only company representing its sector on the stock exchange, we recognize the importance of showing our investors and other stakeholders how seriously we take sustainability. We believe that the information in our report will be useful in explaining Panelsan's contribution to sustainability.

As Panelsan, we adopt a proactive approach to managing our environmental impacts and social responsibilities by focusing on reducing our carbon footprint, increasing our resource efficiency and making our processes more sustainable. We recognize that sustainability is a value that affects all our activities. As Panelsan, we have placed sustainability at the center of our management strategy. This report reflects the progress we have made in implementing this strategy.

We are aware that the journey to sustainability is not easy, but we are determined to take action and multiply our positive impacts. We will work hard to continue to reduce our carbon footprint, promote responsible practices in our supply chain and support our customers in their sustainability efforts.

We appreciate the contributions of all our stakeholders to sustainability and hope that our report provides a better understanding of these efforts.

We are very pleased to present our sustainability report for 2022 to our business partners, investors, valued employees and all stakeholders

Best Regards.



 **panelsan**

 ABOUT
PANELSAN

2022



ABOUT US

In 2004, our establishment in Ankara Polatlı Organized Industrial Zone first started to produce Mineral Wool (Rockwool-Glasswool) and Expanded Polystyrene Polystyrene (EPS) insulated sandwich panels. Analyzing that the need for sandwich panels and EPS products will increase due to the awareness of the construction sector and investors about insulation in the changing and developing geography, EPS insulation boards and injection packaging products production line was commissioned in 2005.

In the 2010s, with its R&D investments, the importance it attaches to institutionalization and total quality management, and the increasing market share in line with the steps taken towards branding, our management entered the decision-making process for new investments. In 2014, we supported our work and investments with Kaizen and 5S, and in the same period, the Polyurethane (PUR) and Polyiso-cyanurate (PIR) insulated sandwich panel line was commissioned.

Our organization, which is a preferred brand in the Middle East, Turkic Republics, Africa and Europe, has been included in the ISO 2nd 500 list of brands that shape the Turkish economy since 2016.

We are the vision leader of the sector with our registered trademarks, total quality management approach, expert staff and R&D studies. Our products, which are at the forefront of performance-based testing and certification, have FM Global, Ghost R, TSE and CE certificates. Our organization has established an Integrated Management System based on a continuous improvement approach. With the goal of ensuring employee participation at the highest level in business models, it has received ISO 9001, ISO 14064, ISO 14001 and ISO 45001 management system certificates.

With the aim of increasing our investments as we approach our 20th year in the sector, we are the only company representing our sector on the stock exchange by going public in Borsa İstanbul in 2022. With the awareness that the insulation products we produce play an innovative role in the fight against the energy crisis facing the world, we continue our efforts to leave a livable world for future generations by offering our environmentally friendly and economical products with high technology, innovation quality and high insulation values to the market with our sustainability and recycling policies





ABOUT US

Our activity points are in 4 different locations. Please [click here](#) for more detailed information about us.



61.540 m²
Total Open Area



21.530 m²
Total Closed Area

Central Office

Maidan İş ve Yaşam Merkezi Mustafa
Kemal Mahallesi 2118. Cadde No:4 A Blok
3.Kat Daire: 18 Çankaya / Ankara
Tel: +90 312 342 03 82
Fax: +90 312 342 03 80

Factory

Polatlı Organize Sanayi Bölgesi 202.
CaddeNo:20 - 22 Polatlı / Ankara
Tel: +90 312 626 50 50
Fax: +90 312 626 50 45

İstanbul Office

Mesa Koz Sahrayıcedit
Mahallesi Atatürk Cad. No: 69 / 283
Kadıköy / İstanbul
Tel: +90 216 683 93 63

İzmir

İrtibat ofisimiz mevcuttur.



OUR MILESTONES

2004 Establishment of Panelsan

Polatli Organized Industrial Zone
Closed Area: 2.500 m²
Open Area: 7.500 m²

2005 Production Capacity

Sandwich Panel Production Capacity: 1.250.000 m²/year
EPS Production Capacity: 120.000 m³/year

2006-2007 Production-Investment

EPS Production Capacity: 240.000 m³/year
Investment Amount: 6.500.000 TL

2008-2009 Production Capacity

EPS Production Capacity: 320.000 m³/year
Investment Amount: 9.250.000 TL
Total Assets: 17.000.000 TL

2010-2011 Production-Investment

Sandwich Panel Production Capacity: 1.750.000 m²/year
Investment Amount: 10.500.000 TL
Total Assets: 35.000.000 TL

2012-2013 Production Capacity

EPS Production Capacity: 620.000. m³/year
Sandwich Panel Production Capacity: 4.250.000 m²
Number of Personnel 120 People

Total assets: TL 1.209.250.350
Closed Area 21.530 m²
Open Area: 61.540 m²
Number of Personnel: 170 People

2022

Total assets: TL 398,063,910
Sandwich Panel Production Capacity: 6.000.000 m²/ Year
EPS Production Capacity: 620.000 m³/year
Number of Personnel: 159 People

2021 INVESTMENT

1.2 MW SPP Rooftop Power Plant installation
Total assets: TL 298,055,682
Number of Personnel: 129 People

2019-2020 INVESTMENT

Total assets: TL 151,209,641
Closed Area 21.530 m²
Open Area: 56.358 m²
Number of Personnel: 124 People

2017-2018 INVESTMENT

Closed Area: 20.000 m²
Open Area: 53.000 m²

2016 Production-Investment

Investment Amount: 28.748.247 TL
Sandwich Panel Production Capacity: 6.000.000 m²/year
Number of Personnel 127 people

2014-2015 Investment-Production



VISION, MISSION AND CORPORATE VALUES

SINCE THE DAY WE WERE FOUNDED, WE HAVE BEEN GROWING WITHOUT LOSING OUR VALUES WITH A RESPONSIBLE, INNOVATIVE, RELIABLE, CUSTOMER-ORIENTED, PARTICIPATORY AND SHARING MANAGEMENT APPROACH TOWARDS OUR STAKEHOLDERS AND NATURE.

OUR VISION

Pannelsan, which constantly updates its corporate structure with advanced technology, has adopted the vision of being a company that aims to provide fast, high quality, perfect service to the needs of the sector, sensitive to the needs, innovative and pioneering.

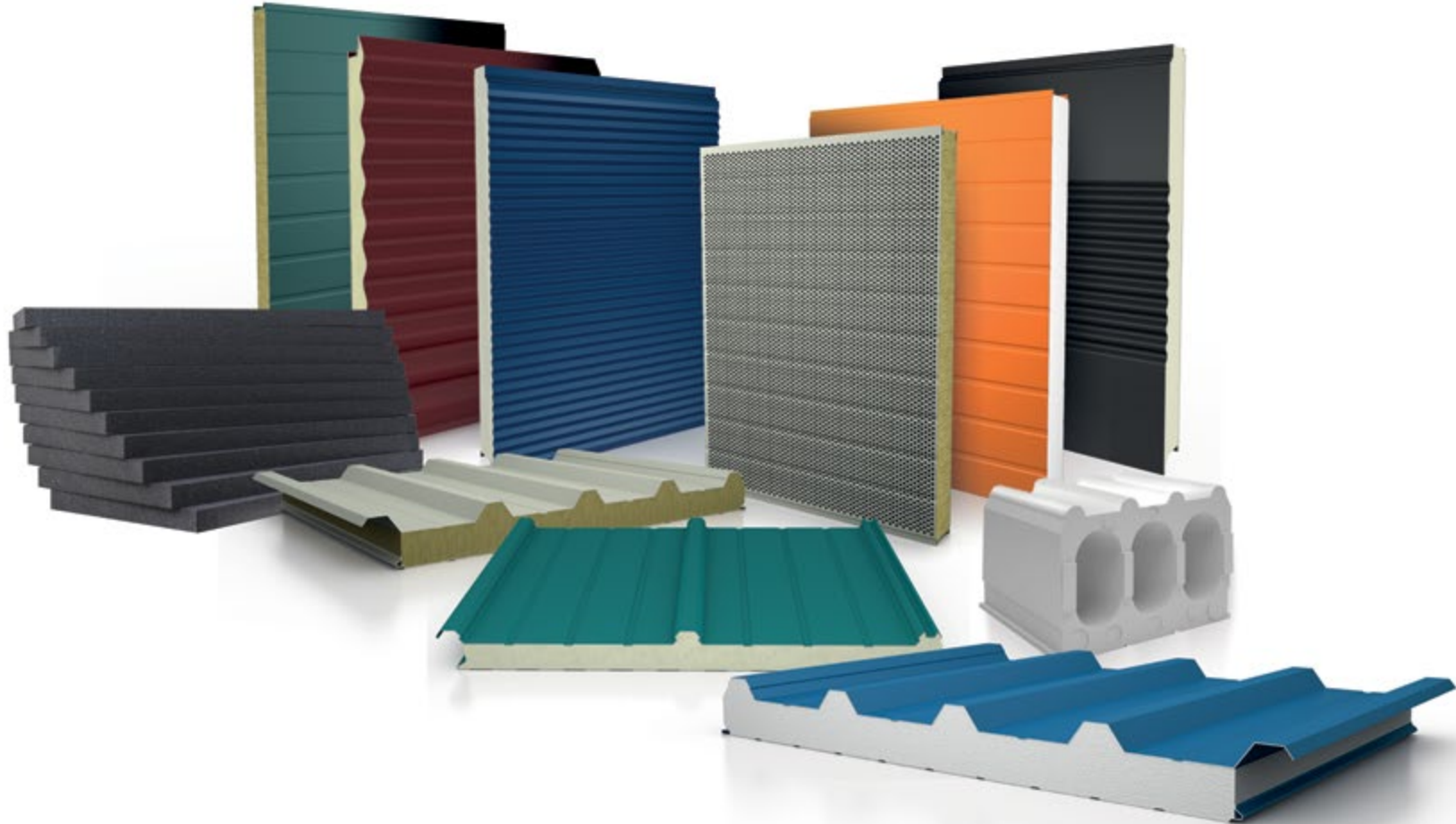
OUR MISSION

Leading the way through investments in Türkiye, Pannelsan is chosen for providing correct solutions and for satisfaction-based service approach, and continues to operate with the excitement on the first day without compromising the awareness of social responsibility and losing the acquired values.





OUR BRANDS



cephepan

çatıpan

mantopan

panboard

panbox

decopa

ventpan

tekpan

çatıpor

panpor

geopan

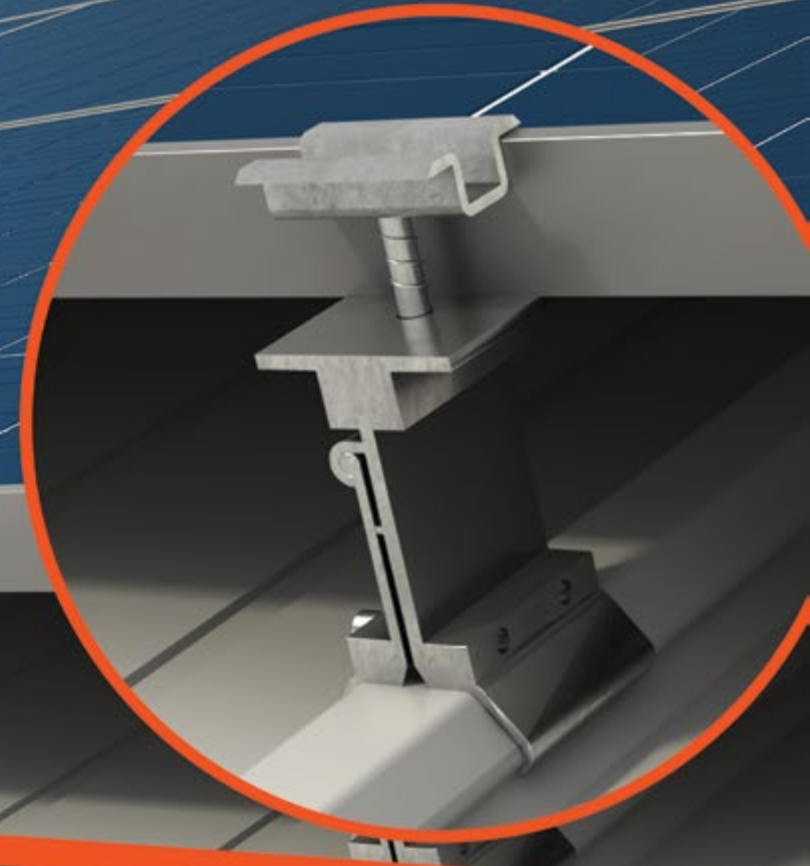


OUR BRANDS

While we offer a wide range of products with 13 trademarks and 1 design registration, we continue to develop projects to increase product diversity with 2 trademarks, 6 utility models, 2 design registrations and 1 patent application within the scope of our R&D studies.

We Clamp on Power, We Protect Your Energy

New generation profile-free connection bracket compatible with concealed screw roof panel, enables the installation of SPP systems without drilling holes in the roof with clamping technology.





OUR FIELDS OF ACTIVITY

As Panelsan, we produce technologies and solutions for roof and facade systems operating in the industrial building sector.

We have three different production lines; Sandwich Panel, EPS Insulation Board and Injection production.

Our products are generally used in industrial buildings; factories, logistics, warehouses, hangars and prefabricated buildings. On the other hand, we also produce solutions for similar needs of sectors such as automotive and packaging.

With the production we realize in our facility; we have a product range that will meet all needs such as heat and sound insulation, air impermeability, hygiene, perspiration, safety, aesthetics, fire resistance in the sector.





PANELSAN AT A GLANCE

Sustainability of production, domestic/international sales and profit margins is ensured through our long-term investment strategy and investments to increase capacity.

Ankara - Polatli Factory Investment

In the twelve-month period of 2022, the process was initiated for the Sandwich Panel Line and various additional machinery investments and factory construction in our production facility in Polatli, Ankara, where a portion of the funds obtained from the public offering will be used, and for the construction of a new factory to be built on the land we own in the Organized Industrial Zone of Polatli District. The foundation excavations of the fourth facility, which is located on an area of approximately 5,000 m², have been made and construction has started. Negotiations are ongoing with domestic and foreign companies for the purchase of machinery. We are also continuing our efforts to obtain LEED certification for our new factory building, the construction of which has started.

Single Shift Production Capacity:

- 650.000 m² Rock Wool Panel
- 1.250.000 m² Polyurethane Panel





PANELSAN AT A GLANCE

Sustainability of production, domestic/international sales and profit margins is ensured through our long-term investment strategy and investments to increase capacity.

Kazakhstan Factory Investment

We are planning Rock Wool/Polyurethane Combi Sandwich Panel Line and additional machinery investments in the production facility to be established in Almaty, Kazakhstan.

Single Shift Production Capacity:

- 650.000 m2 Rock Wool Panel
- 1.250.000 m2 Polyurethane Panel





PANELSAN AT A GLANCE

We continue to create value in the local economy by increasing our points of operation.

We are developing our sales points with the aim of increasing our financial performance. In line with this goal, we acquired a workplace in Konya and planned the opening of the Konya Branch for next year. We continue to work on our long-term goals based on increasing productivity by increasing information sharing and interaction.

By moving our İstanbul Branch's campus to a different location, we have brought an innovation to our field of activity that also increases employee productivity. We continue to provide services by shaping our work culture, which is based on working with different teams and focusing on the same goal together, with our new office.

In addition to our ongoing and planned investments, we continue to renovate and invest in our production facilities.





PANELSAN AT A GLANCE

- We have rooftop SPP panels on the roof of our factory, where we meet a significant portion of our energy needs, and we have set our investment target for an additional
- 0.5 MW additional installation.
- In our rainwater collection system project, we have decided to increase our capacity of 180 tons and start our project to meet the water we consume next year.
- Thanks to the financing support of the European Bank for Reconstruction and Development's (EBRD) BlueRibbon program, we will continue our efficiency-enhancing projects with our energy audit work at full speed in 2023 and we will start our EPD Certification studies, which will transparently show the environmental performance of our products.





PANELSAN AT A GLANCE



In 2022, we became the first company to have a public offering on Borsa İstanbul.

We are the only representative of the panel sector in the stock exchange.



In 2020, we took a step to reduce greenhouse gas emissions with the SPP system we installed on the roof of our production facilities in Polatlı OSB, and won the “Solar Energy System Project” award at the Energy Producing Factories Summit thanks to this transformation



Since 2016, we have been included in the ISO second 500 list of brands that shape the Turkish economy.

In 2021, we improved our ranking by 61 places to 315th place.



PANELSAN AT A GLANCE



According to the results of the OIZ Stars Survey conducted under the leadership of the Supreme Organization of Organized Industrial Zones (OSBÜK) and in cooperation with the Economic Policy Research Foundation of Turkey (TEPAV), our Awards with 2022 data;

- We ranked 13th in the category of the Company with the Highest Increase in Intern Employment in OIZs
- We ranked 14th in the category of the company that increased its exports the most in OIZs
- We ranked 26th in the category of the Company that Increased Women's Employment the Most in OIZs
- We ranked 56th in the category of Companies with the Highest Increase in Employment in OIZs
- We ranked 88th in the category of the Company that Increased its Sales the Most in OIZs.



Our PIR Filled 100 mm Facade Panel has received fire resistance certificate in integrity and insulation.



PANELSAN AT A GLANCE



Our concealed screw roof panel, a form produced within Panelsan, received the roofing material of the year 2014 award in the organization organized by the Roof and Facade Systems Magazine.



NEW SUCCESS FROM PANELSAN ROOF AND FACADE SYSTEMS FAMILY

“İnovaLİG”

As Panelsan Roof and Facade Systems Family, we were entitled to receive the Certificate of Outstanding Achievement in the “Innovation Organization and Culture” category.

Our organization, which spends its energy on the future, believes that the future will be shaped by institutions with qualified people and continues to work rapidly for more



As Panelsan, we were at the 9th International Conference on Materials Science and Nanotechnology for the Next Generation held at Gazi University. At this conference, which was attended by many academicians from Turkey and abroad, we presented our newly developed profile-free solar apparatus with great pleasure.



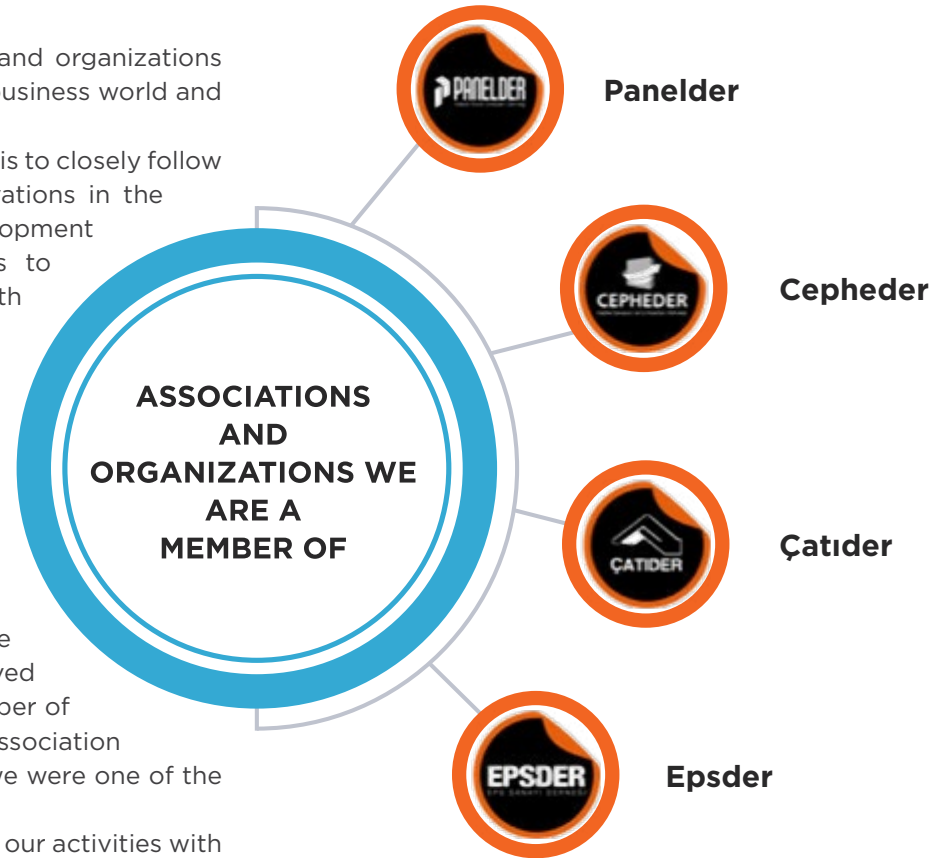
OUR MEMBERSHIPS AND INITIATIVES

Our memberships with associations and organizations allow us to play an active role in the business world and our

sector. The main purpose of our work is to closely follow the current developments and innovations in the sector and to contribute to the development of the sector by offering solutions to sectoral problems in cooperation with these organizations. In line with these objectives, we became a member of the Ankara Chamber of Industry (ASO) in 2004.

Two years later, in 2006, we became a member of the Central Anatolian Exporters' Association (OAİB). In 2008, we became a member of the EPS Industry Association (EPSDER). In 2009, when our Chairman of the Board of Directors Serhat Maşlak served as Vice Chairman, we became a member of ÇATIDER. In 2014, we participated in association activities with PANELDER, of which we were one of the founding members.

Finally, in 2018, we started to continue our activities with CEPHEDER as a founding member.



TARGETED INITIATIVES

- Borsa İstanbul (BIST) Sustainability Index
- Carbon Disclosure Project (CDP)
- BCSD Business Council for Sustainable Development
- UN Global Compact (UNGC)

PANELSAN IN KAZAKHSTAN

Pannelsan, the Vision Leader of the Sector, is in Kazakhstan!

We are taking the first step towards expanding our service area by establishing a sandwich panel production facility in Almaty, Kazakhstan, with a total investment cost of approximately 25 million dollars.

The excavation works for the building construction of our facility have already started, and we are planning to complete the construction of the factory in the second half of 2023 and start production after the delivery of machinery & equipment.

We anticipate that the single-shift production capacity of our facility will reach the target of 1.9 million m² of sandwich panels per year and provide employment for approximately 60 people.

We aim to become a Turkish brand that adds value to the economy of Kazakhstan. As Pannelsan, we aim to increase the geographical diversity of our portfolio and our profitability within the scope of our sustainable growth and profitability strategy, and we aim to strengthen our presence in the region by increasing our services and solutions.

Our main goal is to become one of Kazakhstan's exporting brands rather than an importer and to minimize the import of sandwich panels





OUR APPROACH TO **SUSTAINABILITY**

Protect **GREEN** and **BLUE** before our future generation has to paint everything **BLACK**.

2022



OUR APPROACH TO SUSTAINABILITY

We adopt the approach of sustainable management of processes in all our activities under the guidance of the Integrated Management System.

We create sustainable processes with the awareness of our responsibilities in environmental, social and economic dimensions. We establish our value chain in line with our sustainability policy and determine our roadmap in light of our values.

We started our journey to sustainability by forming our sustainability team. With our Board of Directors, we reconstructed our organizational structure within the scope of sustainable development goals.

We create our business models under the umbrella of our sustainability priorities that we determine together with our stakeholders. We organize corporate sustainability trainings to maximize the participation of teams in sustainability efforts against changing climate conditions.

In order to reduce the impact of our organization on stakeholders, society and the environment, we adopt quality, occupational health and safety, environment, energy, greenhouse gas management systems and act within internationally proven frameworks to continuously improve them.

As a result of our efforts, the services and products we offer create value for our customers, who are an important part of the process.



For a sustainable life, we start the change from ourselves before it's too late.



OUR APPROACH TO SUSTAINABILITY

We updated our performance evaluations in order to make sustainability efforts a culture in the organization and in our relations with our stakeholders.

Not forgetting our promise to protect the culture, we keep ESG awareness alive within the organization with awareness-raising compasses.

We increase the number of our employees who participate in our sustainability-oriented efforts with commitment day by day. We sincerely reward employees' achievements and efforts.

In the coming period, our material environmental, social and governance (ESG) activities will be carried out under the leadership of the Sustainability Committee. We will measure the maturity of our processes and organizational structure with the maturity methodology. We aim to develop a common language and a common vision with all our employees to prioritize improvement activities. In this direction, we decide to implement practices that address more than one sustainability category.



As Panelsan, we act responsibly for the change we want to see in the world.



RISKS AND OPPORTUNITIES

RISKS AND OPPORTUNITIES

AREA OF POTENTIAL IMPACT	POTENTIAL RISKS	POTENTIAL OPPORTUNITY	PANELSAN ACTIVITIES
 <p>3 SAĞLIK VE KALİTELİ YAŞAM</p>	<ul style="list-style-type: none"> - Occupational Accident - Occupational Diseases - Infectious Diseases - Diseases Caused by Environmental Pollution 	<ul style="list-style-type: none"> - Increased OHS Awareness - A Cleaner Working Environment - Employee Engagement 	<ul style="list-style-type: none"> - OHS and Environmental Management Systems - Obligation to Use PPE - Private Health Insurance - OHS Specialist - Environmental Expert - DGSA Specialist - Workplace Physician - Menu Planning with Calorie Ruler
 <p>4 NİTELİKLİ EĞİTİM</p>	<ul style="list-style-type: none"> - Incompetent Organization - Failure to Adapt to Developing Technology - Being Far from Innovation Studies 	<ul style="list-style-type: none"> - Productivity - Development of Corporate Culture - Information Sharing - Qualified Employee - Employee Engagement - Sustainable Development 	<ul style="list-style-type: none"> - Annual Training Plan - Panelsan Academy - Leadership and Team Success Trainings - Incentives and Rewards
 <p>5 TOPLUMSAL CİNSİYET EŞİTLİĞİ</p>	<ul style="list-style-type: none"> - Unjust Working Environment - Loss of Motivation - Social Problems between Men and Women 	<ul style="list-style-type: none"> - Equality Applications - Employee Engagement - A Chance for Every Individual to Show Their Talents 	<ul style="list-style-type: none"> - Ethical Code of Conduct Guidelines - Human Resources and Principles Policy - Increase in the Number of Female Employees
  <p>6 TEMİZ SU VE SANİTASYON</p> <p>14 SUDA YAŞAM</p>	<ul style="list-style-type: none"> - Infectious Diseases - Water Pollution in Business - Employee Health - Decline in Marine Biodiversity 	<ul style="list-style-type: none"> - Ease of Access to Drinking Water - Water Recycling - Project Incentives - Hygienic Working Environment - Reducing Footprint in Production 	<ul style="list-style-type: none"> - Water Management Roadmap - Water Footprint Training and Calculation Plan - OHS and Environmental Management - Water Measurements - Periodic Maintenance - Treatment Systems

RISKS AND OPPORTUNITIES

RISKS AND OPPORTUNITIES

AREA OF POTENTIAL IMPACT	POTENTIAL RISKS	POTENTIAL OPPORTUNITY	PANELSAN ACTIVITIES
 <p>7 ERİŞİLEBİLİR VE TEMİZ ENERJİ</p>	<ul style="list-style-type: none"> - Lack of Access to Energy - Climate Crisis - High cost - Organization Far from Renewable Energy Technology 	<ul style="list-style-type: none"> - Energy Efficiency - Financial Gain - Conscious Consuming Employees 	<ul style="list-style-type: none"> - Energy Management System - SPP Utilization - Biogenic Resource Utilization - Use of Electric Vehicles - Energy Audit Plan - Energy Efficiency Projects
AREA OF POTENTIAL IMPACT	POTENTIAL RISKS	POTENTIAL OPPORTUNITY	PANELSAN ACTIVITIES
 <p>8 İNSANA YAKIŞIRIS VE EKONOMİK BÜYÜME</p>	<ul style="list-style-type: none"> - Economic Crisis - Low Export Rate - Difficulty in Access to Raw Materials and Supply, Constraints - Weak Financial Relations - Loss of Worker Health and Safety - Employee Loss due to Wage Policy - Lack of Youth Employment Strategy 	<ul style="list-style-type: none"> - Being an Organization Providing Full and Productive Employment - Seizing Venture Opportunities - Incentive Systems - Increasing the Company's Overall Goals and Performance 	<ul style="list-style-type: none"> - Increased Financial Initiatives - Automation Systems - Tackling the Climate Crisis - Stakeholder (Supplier, Customer, Employee) Relationship Management - Wage Policy - OHS and Environmental Management - Education Incentive
AREA OF POTENTIAL IMPACT	POTENTIAL RISKS	POTENTIAL OPPORTUNITY	PANELSAN ACTIVITIES
 <p>10 EŞİTSİZLİKLERİN AZALTILMASI</p>	<ul style="list-style-type: none"> - Poor Use of Technology - Staying Away from R&D Studies - Poor Internet Access - Environmental and Social Threats ** - Lack of Investment Power 	<ul style="list-style-type: none"> - Sustainable and Resilient Infrastructures - Industrial Development Supports - Utilization Rate of Environmental Technologies - GDP Growth 	<ul style="list-style-type: none"> - Continuity in Investment Activities - Digital Transformation Studies - R&D Studies - Equipment and Machinery Investments - Information Security Management Plan
AREA OF POTENTIAL IMPACT	POTENTIAL RISKS	POTENTIAL OPPORTUNITY	PANELSAN ACTIVITIES
  <p>10 EŞİTSİZLİKLERİN AZALTILMASI</p> <p>16 BARIŞ, ADALET VE GÜÇLÜ KURUMLAR</p>	<ul style="list-style-type: none"> - Increasing Inequalities - Failure to Protect Human Rights - Loss of Skilled Workers - Poorly Managed Migration Policy - Distrust of the Organization 	<ul style="list-style-type: none"> - Income and Equal Opportunity - Employee Engagement - Ease in Customs Transactions - Investment Incentives - Development Aid 	<ul style="list-style-type: none"> - Ethical Code of Conduct Guidelines - Salary Policy - Increasing the Female Employment Rate - Human Resources and Principles Policy

RISKS AND OPPORTUNITIES

RISKS AND OPPORTUNITIES

AREA OF POTENTIAL IMPACT	POTENTIAL RISKS	POTENTIAL OPPORTUNITY	PANELSAN ACTIVITIES
 <p>11 SÜRDÜRÜLEBİLİR ŞEHİRLER VE TOPLULUKLAR</p>	<ul style="list-style-type: none"> - Lack of Safe and Accessible Housing - Inadequacy of Transportation Systems - Lack of Sustainable Settlement Plan - Disruption of Ecological Balance - Natural Disasters 	<ul style="list-style-type: none"> - Regional Development - Creating Safe Spaces - Urban Transformation - Reduced Negative Environmental Impacts - Consciously Built Structures and Employee 	<ul style="list-style-type: none"> - Management Systems - Cultural and Social Responsibility Projects - Sustainable Transportation Systems - Environmental Activities - Waste Management
 <p>12 SORUMLU ÜRETİM VE TÜKETİM</p>	<ul style="list-style-type: none"> - Hazardous Chemical and Solid Wastes - Unconscious Use of Resources - Food Waste - Unsustainable Production and Consumption 	<ul style="list-style-type: none"> - High Awareness Organization - Clean Energy for Future Generations - Less Cost - Carbon Pricing Implementation - Sustainability Incentive Systems - Formation of a Way of Life Approach 	<ul style="list-style-type: none"> - Hazardous and Non-Hazardous Waste Disposal - Sustainability Policy and Action Plan - Carbon Footprint Studies - Energy Management System - Recycling - Reporting Sustainability Practices
 <p>13 İKLİM EYLEMİ</p>	<ul style="list-style-type: none"> - Natural Disaster - Rising Sea Level - Waste - Unconscious Use of Resources - High Greenhouse Gas Emissions 	<ul style="list-style-type: none"> - Halving Food Waste - High Awareness Organization - Disaster Risk Reduction Projects - Reducing Our Ecological Footprint - Reporting through Institutional Investors 	<ul style="list-style-type: none"> - Policies on Climate Change - Sustainability Policy and Action Plan - Projects and Investment - Greenhouse Gas Action Plan - Energy Action Plan
 <p>17 AMAÇLAR İÇİN ORTAKLIKLAR</p>	<ul style="list-style-type: none"> - Declining Financial Resources - Borrowing - Distance from R&D Activities 	<ul style="list-style-type: none"> - Investment Incentive Practices - International Support to Capacity Building - Knowledge Sharing and Cooperation for Access to Science and Technology - Trade Systems and Export Promotion - Structuring Opportunities - Developing Effective Partnerships 	<ul style="list-style-type: none"> - Execution of Partnerships - Sustainable Economic Development - Knowledge Sharing and Cooperation for Access to Science and Technology - Export Activities



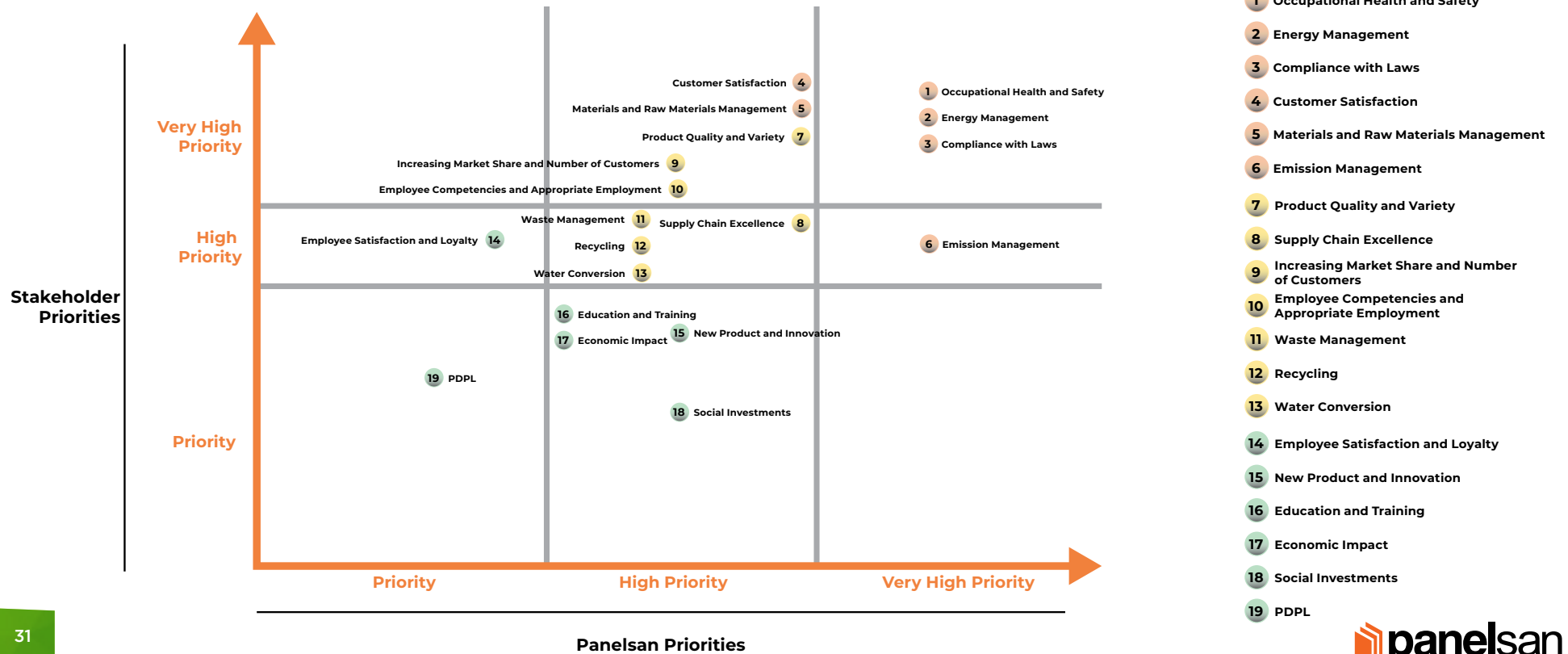
CORPORATE SUSTAINABILITY PRIORITIES

We created our materiality matrix with the stakeholder survey method in order to identify the activities that we need to prioritize. We grouped our material issues under 3 main headings: environmental, social and economic dimensions.

The materiality analysis enabled us to formulate our strategic goals for the year and evaluate our performance in this context.




Creating Shared Value

Our organization’s sustainability priorities were determined with the awareness of stakeholder engagement and the involvement of our board of directors and management team in the process. According to the results of the stakeholder survey, the importance levels of environmental, social and economic impacts for our organization were determined as very high priority, high priority and priority and presented in a matrix.







OUR CONTRIBUTION TO THE UN DEVELOPMENT GOALS

We have linked our very high and high priority issues to the UN Development Goals and demonstrated our contribution to the goals.

PANELSAN VERY HIGH PRIORITY ISSUES	OUR APPLICATIONS	UN DEVELOPMENT GOALS
<p>OCCUPATIONAL HEALTH AND SAFETY</p>	<p>OHS Policy ISO 45001 OHS Management System activities A suitable working environment and PPE for our employees in the field of OHS Risk Analysis Our trainings to create OHS culture and awareness Physician checks Establishing safe storage areas for hazardous substances Removal of polluted sources</p>	
<p>ENERGY MANAGEMENT</p>	<p>Investments in renewable energy sources New generation solar connection apparatus Solar panel compatible roof panel ISO 50001 Energy Management System installation Energy measurement systems Energy calculation systems Energy efficiency projects</p>	
<p>COMPLIANCE WITH THE LAW</p>	<p>Corporate Governance activities Policy against all forms of corruption and bribery Compliance with laws and regulations Effective, accountable and transparent corporate culture Sustainable use of technology Transparent relationships with banks and institutions</p>	













BM KALKINMA HEDEFLERİNE KATKIMIZ

PANELSAN VERY HIGH PRIORITY ISSUES	OUR APPLICATIONS	UN DEVELOPMENT GOALS
CUSTOMER SATISFACTION	<p>Customer satisfaction management system</p> <p>A sustainable future for customers with insulation products</p> <p>Voice of the customer analytics</p> <p>Financial reporting and presentation of financial statements</p> <p>Reducing financial risks</p>	
MATERIAL AND RAW MATERIAL MANAGEMENT	<p>Chemical and waste management</p> <p>Substitute material use</p> <p>Use of recycled materials</p> <p>Responsible production with efficient use of resources</p>	
EMISSION MANAGEMENT	<p>Sustainable management of natural resources</p> <p>Greenhouse Gas Emission calculation, reporting and verification in accordance with ISO 14064 Standard</p> <p>Direct and indirect emission monitoring system</p> <p>GES</p> <p>Biogenic fuel</p> <p>Utilization of investment incentive practices CO2 emission reduction targets</p>	
PRODUCT QUALITY AND VARIETY	<p>ISO 9001 Quality Management System</p> <p>Supporting the construction of sustainable and durable buildings with local products</p> <p>Providing products and services in line with customer needs and expectations</p> <p>TSE, CE, Trademark and Patent</p>	



BM KALKINMA HEDEFLERİNE KATKIMIZ

PANELSAN VERY HIGH PRIORITY ISSUES	OUR APPLICATIONS	UN DEVELOPMENT GOALS
EXCELLENCE IN THE SUPPLY CHAIN	<p>Transparent and reliable relations with stakeholders</p> <p>Purchasing, Planning, Shipping and Warehouse procedures</p> <p>Supplier performance measurement</p> <p>Logistics performance Electric vehicles</p>	 
INCREASING MARKET SHARE AND NUMBER OF CUSTOMERS	<p>Observing customer needs and expectations</p> <p>Open to changes in the market</p> <p>Growth with Ankara new line investment and Kazakhstan line investment</p> <p>Participation in international fairs Use of new technologies</p>	
EMPLOYEE COMPETENCIES AND APPROPRIATE EMPLOYMENT	<p>Our Human Resources Policy and Principles Panelsan Academy</p> <p>Vocational Technical Education</p> <p>Corporate Sustainability Training</p> <p>Leadership and Team Success Trainings</p> <p>Mastery Compensation Program</p> <p>Applied Apprenticeship Training Program</p> <p>Participation in High School and University Science Societies</p> <p>Ensuring Gender Equality</p> <p>Employment of people with disabilities</p>	 
WASTE MANAGEMENT	<p>Zero Waste and chemical waste management</p> <p>Temporary storage areas</p> <p>Waste sorting and classification bins</p> <p>Transportation, storage, collection and disposal of hazardous and non-hazardous waste</p>	 
RECYCLING	<p>ISO 14001 Environmental management system</p> <p>Providing recyclable products</p>	
WATER MANAGEMENT	<p>ISO 14046 Water Footprint training and management planning</p> <p>180 tons capacity rainwater collection system</p>	 



 **panelsan**

 CORPORATE
PROFILE

2022



BOARD OF DIRECTORS



SERHAT MAŞLAK
CHAIRMAN OF THE BOARD OF DIRECTORS

He was born in 1972 in Ankara. Over the years, he worked as Sales Manager and Assistant General Manager in the family company Maşlak Makine San. ve Tic. A.Ş., which is a family company, and in 1999, he founded Timaş Endüstriyel Ürünler A.Ş., which is currently one of the solution partners of the company. In 2004, he founded Panelsan with Recep Kaan Maşlak and started production activities. Founded in 2013, Polres Elektrik Üretim A.Ş. is a founding partner of the company and carries out production activities in the energy sector. As a founding member of İZODER, ÇATIDER and PANELDER, the associations of the roof and facade panels sector, he has been the Vice Chairman of the Board of Directors of ÇATIDER for 6 years. He is currently the Chairman of the Board of Directors at Timaş Endüstriyel Ürünler A.Ş. and Maşlak Makine İnşaat San. A.Ş. and Polres Elektrik Üretim A.Ş. He is currently serving as the Vice Chairman of the Board of Directors at Timaş Industrial Products Inc. and the company. He is married and has 3 children.



RECEP KAAAN MAŞLAK
VICE CHAIRMAN OF THE BOARD OF DIRECTORS
GENERAL MANAGER

Born in 1976 in Ankara. In 1999, he completed his Business Administration education at Hesser College in the USA and started his business life in import and representation in the construction materials sector in Turkey. Afterwards, he worked as the Foreign Trade and Purchasing Manager of Panelsan and currently serves as the Vice Chairman of the Board of Directors and General Manager of Panelsan. He is currently the Vice Chairman of the Board of Directors at Timaş Endüstriyel Ürünler A.Ş. and Chairman of the Board of Directors at Merks Yapı Kimyasalları Sanayi ve Ticaret A.Ş. He is also the Vice Chairman of the sector association EPSDER and a Board Member of Ankara Ferrous and Non-Ferrous Metals Exporters Association.



BOARD OF DIRECTORS



MUSTAFA COŞKUN KARADENİZ
BOARD MEMBER

He was born in 1978 in Samsun. In 2001, he graduated from Uludağ University, Department of Economics and then completed his master's degree at Atılım University, Department of Business Administration. He started his career in the automotive sector and entered the banking sector in 2004. He worked in various banks over the years and lastly worked as Portfolio Manager at Odea Bank Ankara Commercial and Corporate Branch. In 2013, he established his own company and has been engaged in consultancy activities in the field of finance / accounting for years. In 2020, he acquired a company operating in the defense industry and provides CYBER security systems products and software solutions to both public and private sector companies. He currently serves as a Board Member in the company.



PROF. DR. VOLKAN PARLAKTAŞ
INDEPENDENT BOARD MEMBER

He was born in 1974 in Ankara. In 1998, he graduated from Gazi University, Department of Mechanical Engineering, in 2001 he completed his master's degree in METU, Department of Mechanical Engineering and in 2007 he completed his doctorate in the same university and department. Between 2000 and 2007, he worked as a Research and Teaching Assistant in METU Mechanical Engineering Department, and in 2007, he continued his career as a Faculty Member in Hacettepe University Mechanical Engineering Department and still continues his career as a Professor at the same university. His articles have been published in many international refereed journals and he has taken part in various projects. He is married and has one child.



DR. FİGEN GÜNEŞ DOĞAN
INDEPENDENT BOARD MEMBER

She was born in 1978 in Bolu. In 2000, she graduated from Boğaziçi University, Department of Business Administration. She received her MBA from Babson University in 2004 and her PhD in Business Administration with a concentration in Finance from Bilkent University in 2015. She started her professional career as an Analyst at Investthink, first in İstanbul and then in London, and then as an Assistant Investment Specialist at Akbank. Between 2004 and 2013, she worked in the Boston office of Thomas Partners Investment Management on investment analysis. Since 2015, she has worked as an Assistant Professor at TOBB University and part-time lecturer at Koç University. As of 2021, she continues her academic career as an Assistant Professor at Başkent University and has published many articles in international refereed journals. She is married and has one child.



GOVERNANCE MODEL

GOVERNANCE

We adopt a systematic management approach that supports innovative initiatives in line with our long-term growth targets. Our Board of Directors directs the activities of the organization in line with our mission, vision and values. According to our core values, we have created our Corporate Governance Policy in the light of our mission and vision. [Click here](#) to access Panelsan Corporate Governance Policy.

We continue our efforts to comply with corporate governance principles and fulfill our responsibilities effectively. You can access Panelsan Corporate Governance Compliance Report by [clicking here](#).

STRUCTURE OF OUR BOARD OF DIRECTORS

Our governance structure includes a Board of Directors that oversees corporate strategic performance, takes strategic decisions, is responsible for organizing corporate governance and presenting it to the general assembly, preparing general assembly meetings and executing general assembly resolutions. Our Board of Directors consists of five members, one of whom is a woman and two of whom are independent.





GOVERNANCE MODEL

COMMITTEES

The structure of the Board of Directors consists of the Corporate Governance Committee, Audit Committee and Committee of Early Detection of Risk and became operational following the public offering.

In order to ensure that the duties and responsibilities of the Board of Directors are fulfilled in a healthy manner, a Corporate Governance Committee has been established to make recommendations to the Board of Directors in order to improve the corporate governance practices of our organization.

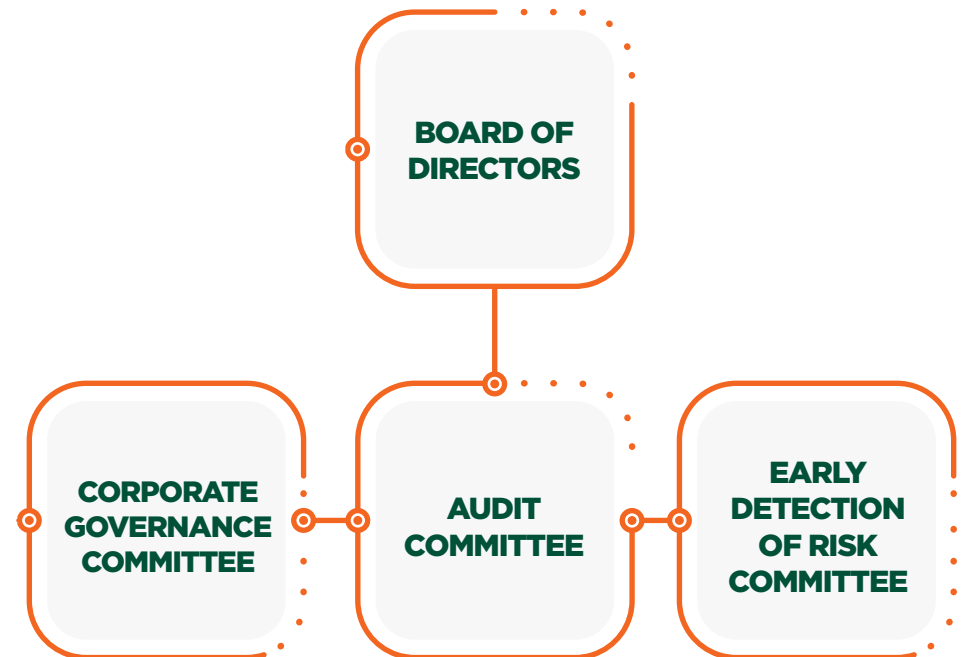
Our Corporate Governance Committee ensures that Corporate Governance Principles are adopted and implemented within the organization and makes recommendations to the Board of Directors to improve the degree of compliance.

The Committee is responsible for determining whether or not the corporate governance principles are applied in our organization, if not, the reasons thereof and the conflicts of interest arising from not fully complying with these principles, making recommendations to the Board of Directors to improve corporate governance practices and overseeing the activities of the Annual Work Unit.

The Committee reviews the Corporate Governance Compliance Report and Corporate Governance Information Form, checks the accuracy of the information and conducts studies on the development and implementation of Corporate Governance Principles within our organization, and makes suggestions to the Board of Directors to improve the degree of compliance in cases where they are not implemented.

A Sustainability Committee will be established to develop strategies, establish policies and processes, set targets, carry out certification, independent audit and internal audit processes by drawing up the sustainability roadmap of our company, and we have initiated our efforts to establish a Sustainability Team to coordinate the work.

[Click here](#) to access Panelsan Corporate Governance Committee Working Principles.





GOVERNANCE MODEL

MANAGEMENT REVIEW MEETINGS

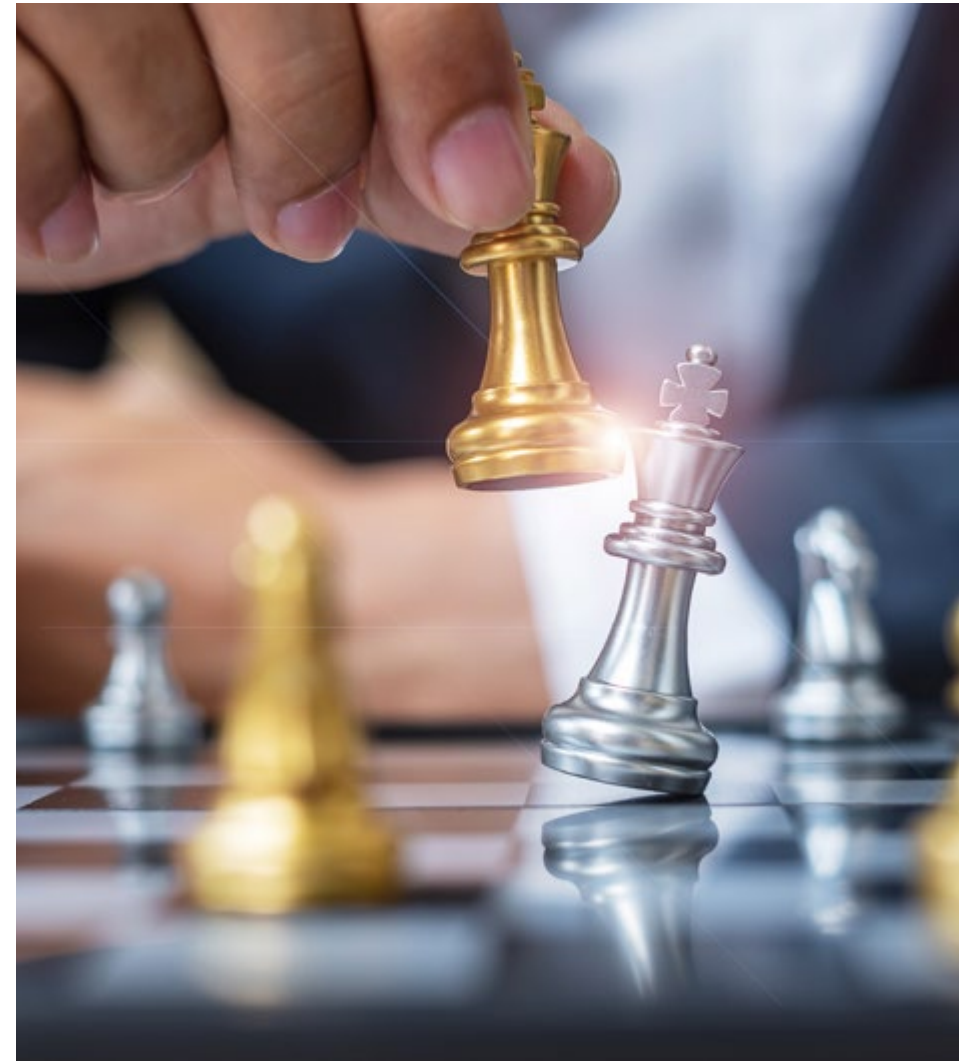
We hold management review meetings four times a year to review the performance of our organization.

In these meetings, which are attended by our Board of Directors and executives, we evaluate the current situation by addressing our strategic goals. We examine the adequacy of the resources required to maintain effective systems and discuss our future plans.

While evaluating the implementation of our policies that we have determined in line with our founding objectives, we review our processes with the awareness of our responsibilities and with our management approach based on reliable, transparent, fair and accountable elements.

Activities carried out within the scope of Quality, Sustainability, OHS, Environment and Energy Management Systems and on the basis of all departments are reported to the Board of Directors at management review meetings.

We aim to create a sustainable review culture by taking a disciplined approach in all our evaluation systems such as management review meetings.





OUR RELATIONSHIP WITH INVESTORS

Our organization, the vision leader of the sector, became the first company whose shares were offered to the public in 2022.

With our shares traded on the Stars Market of Borsa İstanbul (BIST) under the symbol PNLSN, 28% of our company's capital is publicly traded.

Throughout 2022, the number of our shares traded under the symbol PNLSN is 75,000,000 shares (1 share has a nominal value of TL 1).

As PNLSN, we are included in BIST IPO, BIST ALL, BIST METAL MAIN, BIST PARTICIPATION ALL, BIST INDUSTRIAL, BIST ALL-100, BIST ANKARA, BIST STAR indices. PNLSN's share value increased by 269% in TRY terms and 169% in USD terms.

We care about establishing transparent and trust-based communication with all our stakeholders by complying with Corporate Governance Principles. We add value to all our shareholders by placing sustainable development at the center of our business relations.

We share important developments and reports that our stakeholders may need through the Public Disclosure Platform and our web pages. We answer all questions that our investors and shareholders are curious about via the e-mail address yatirimciiliskileri@panelsan.com. In this way, we offer our investors and shareholders a secure communication method where accurate information is conveyed. During the year, we communicated with 90 investors by phone and/or e-mail. We organized 7 investor meetings by participating in roadshows and conferences.

We informed our organization about the legislative amendments in the capital markets and made the reporting of investor relations processes within the framework stipulated by the communiqué on share performance. The independent audit of our organization for 2022 was carried out by Eren Bağımsız Denetim A.Ş.

We carry out our Investor Relations processes effectively with the approach of creating value for our investors and shareholders.





SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK

A. GENERAL PRINCIPLES		COMPLIANCE STATUS					
	A1. Strategy, Policy and Objectives	YES	NO	PARTLY	NOT APPLICABLE	EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION (Page number should also be indicated) /LINK
A1.1	Material environmental, social and corporate governance (ESG) issues, risks and opportunities have been identified by the Company's board of directors.	X				Within the scope of our sustainability efforts, policies and material issues have been established by the Board of Directors. Risks and opportunities have been identified within the scope of our environmental, social and corporate governance.	"Panelsan Sustainability Report - Our Sustainability Approach"
	ESG policies (e.g. Environmental Policy, Energy Policy, Human Rights and Employee Policy, etc.) have been established and disclosed to the public by the board of directors.	X				Our policies, which are the guidelines that determine our roadmap for our activities, are accessible on the corporate web page.	Our Human Resources Policy and Principles Energy policy OHS-Environment Policy Quality Policy Corporate Governance Policy Sustainability Policy
A1.2	Short and long term targets set within the scope of ESG policies have been disclosed to the public.			X		Our targets have been determined and some of them have been shared with the public, some of them are at the project approval stage. A Strategic Plan will be created.	"Panelsan Sustainability Report - Our Sustainability Approach - Good Future for the Environment"
A2. Implementation/Monitoring							
A2.1	Committees and/or units responsible for the execution of ESG policies and the highest level responsible persons in the partnership related to ESG issues and their duties have been identified and disclosed to the public.			X		Corporate Governance Committee, Early Detection of Risk and Audit Committees have been established. Sustainability Committee and Team will be established and disclosed to the public. Sustainability policy and tasks are carried out under Integrated System Responsibility.	PDP committee and working principles
	The activities carried out by the responsible committee and/or unit within the scope of the policies have been reported to the board of directors at least once a year.	X				Activities are reported to the board of directors at least once a year for presentation at the Management Review meeting in accordance with the policy.	
A2.2	Implementation and action plans have been established and disclosed to the public in line with ESG objectives.			X		Some of our plans at the project stage have not been disclosed to the public.	"Panelsan Sustainability Report - Our Sustainability Approach - Good Future for the Environment"
A2.3	ESG Key Performance Indicators (KPIs) and the level of achievement of these indicators on an annual basis have been disclosed to the public.	X				ESG Key Performance Indicators have been identified and are monitored on an annual basis.	"Panelsan Sustainability Report-Sustainability Performance Indicators"
A2.4	The activities to improve the sustainability performance of business processes or products and services have been disclosed to the public.			X		Panelsan carries out R&D studies. Our Targets Some of them have been shared with the public and some are at the project approval stage. A Strategic Plan will be developed.	"Panelsan Sustainability Report - Our Sustainability Approach - Good Future for the Environment"
A3. Reporting							
A3.1	Information on the Company's sustainability performance, targets and actions has been provided in the annual reports in an understandable, accurate and sufficient manner.		X			In its 2022 Sustainability Report, Panelsan associated its organizational activities with the United Nations (UN) 2030 Sustainable Development Goals.	
A3.2	The Incorporation has publicly disclosed information on which of the United Nations (UN) 2030 Sustainable Development Goals its activities are related to.	X				There are no lawsuits filed on behalf of Panelsan in the fields of environmental, social and corporate governance that may significantly affect its activities.	"Panelsan Sustainability Report - Our Sustainability Approach"
A3.3	Lawsuits filed against and/or finalized on ESG issues, which are important in terms of ESG policies and/or which may significantly affect operations, have been disclosed to the public.	X				There are no lawsuits filed on behalf of Panelsan in the environmental, social and corporate governance areas that may significantly affect its activities.	"Panelsan Sustainability Report - Our Corporate Profile"
A4. Verification							
A4.1	ESG Key Performance Measures of the Incorporation have been verified by an independent third party and disclosed to the public.		X			2022 activities have not been verified by independent third parties.	



SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK

B. ENVIRONMENTAL PRINCIPLES		COMPLIANCE STATUS				-	-
		YES	NO	PARTLY	NOT APPLICABLE	EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION (Page number should also be indicated) /LINK
B1	The Company has publicly disclosed its policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs in the field of environmental management.	X				In 2022, the Environmental Management System ISO 14001 certificate was obtained.	"Panelsan Sustainability Report - Good Future for the Environment" Web page Environmental Policy ISO 14001 Environmental Management System certificate
B2	Restrictions on the scope of the report, reporting period, reporting date, reporting conditions regarding the environmental reports prepared for providing information on environmental management have been disclosed to the public.	X				2022 data and Sustainability Report are presented.	"Panelsan Sustainability Report-Our Report"
B3	Given in A2.1.			X			
B4	Environmental targets included in the rewarding criteria within the scope of performance incentive systems on the basis of stakeholders (such as board members, managers and employees) have been disclosed to the public.	X				The performance management system is determined according to the company's strategic objectives and weighted target performance alignment is expected. Environmental targets are included in sub-target breakdowns. It is included in the incentive system.	"Panelsan Sustainability Report - Our Corporate Profile"
B5	How material environmental issues are integrated into business objectives and strategies has been disclosed to the public.	X					"Panelsan Sustainability Report - Good Future for the Environment"
B6	Given in A2.4.			X			
B7	How environmental issues are managed and integrated into business objectives and strategies, including suppliers and customers along the partnership value chain, including the operational process, has been disclosed to the public.	X				Supplier evaluation procedure has been updated and evaluation criteria have been established. Development work is ongoing.	"Panelsan Sustainability Report - Our Corporate Profile" Web page Supplier Performance Form
B8	Whether or not relevant environmental institutions and non-governmental organizations are involved in policy-making processes and the cooperation with these institutions and organizations have been disclosed to the public.		X			Panelsan is not involved in the policy-making processes of relevant organizations and non-governmental organizations on environmental issues.	
B9	In the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts), information on environmental impacts has been disclosed to the public in a periodically comparable manner.			X		2022 data carbon footprint greenhouse gas emissions are periodically calculated. For the 2021 calculation, the ISO 14064 Verification Statement has been disclosed to the public. Periodic comparison analyzes on energy, water and waste management are carried out within Panelsan. We have zero waste certificate, OHS and Environment certificates.	"Panelsan Sustainability Report - Good Future for the Environment - Sustainability Performance Indicators" Webpage 2021 Carbon footprint verification document
B10	Details of the standard, protocol, methodology and base year used to collect and calculate the data have been disclosed to the public.	X					"Panelsan Sustainability Report - Good Future for the Environment"
B11	The increase or decrease in environmental indicators for the reporting year in comparison with previous years has been disclosed to the public.	X					"Panelsan Sustainability Report-Sustainability Performance Indicators"
B12	Short and long-term targets have been set to reduce environmental impacts, and these targets and progress against the targets set in previous years have been disclosed to the public.			X		Our targets have been set and some of them have been shared with the public, some of them are in the project phase. Some of the comparative data has been presented.	"Panelsan Sustainability Report - Good Future for the Environment - Sustainability Performance Indicators"



SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK

B. ENVIRONMENTAL PRINCIPLES		COMPLIANCE STATUS				-	-
		YES	NO	PARTLY	NOT APPLICABLE	EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION (Page number should also be indicated) /LINK
B13	A strategy to combat the climate crisis has been established and planned actions have been disclosed to the public.			X		Within the scope of combating the climate crisis, 2050 carbon net zero targets have been set on a yearly basis. Work on the planned actions is ongoing.	"Panelsan Sustainability Report - Our Sustainability Approach - Good Future for the Environment"
B14	Programs or procedures have been established and disclosed to the public to prevent or minimize the potential negative impact of products and/or services on the environment. Actions have been taken to reduce the greenhouse gas emissions of third parties (e.g. suppliers, subcontractors, dealers, etc.) and these actions have been disclosed to the public.	X		X		Renewable energy use, ISO 14064 Verification Certificate, ISO 14001 Certificate Greenhouse gas emission calculations of third parties are made. It is included as Scope 3 in the calculations.	"Panelsan Sustainability Report - Our Sustainability Approach - Good Future for the Environment" "Panelsan Sustainability Report - Good Future for the Environment - Sustainability Performance Indicators"
B15	Environmental benefits/gains and cost savings from initiatives and projects to reduce environmental impacts have been disclosed to the public.	X				SPP and GHG emission prevention gains and costs are explained.	"Panelsan Sustainability Report - Good Future for the Environment - Sustainability Performance Indicators"
B16	Energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) data have been disclosed to the public as Scope-1 and Scope-2.	X				Energy consumption as Scope-1, Scope-2 and Scope-3 for 2022 is publicly disclosed in the Sustainability Report.	"Panelsan Sustainability Report - Good Future for the Environment - Sustainability Performance Indicators"
B17	Public disclosures have been made on electricity, heat, steam and cooling generated in the reporting year.			X		Direct and indirect calculations are made for energy production and consumption and energy use is reported.	"Panelsan Sustainability Report - Good Future for the Environment - Sustainability Performance Indicators"
B18	Efforts have been made to increase the use of renewable energy and transition to zero or low carbon electricity and disclosed to the public.			X		Renewable energy sources are utilized. With the developments in this field, the work on our new SPP project continues.	"Panelsan Sustainability Report - Our Sustainability Approach - Good Future for the Environment"
B19	Renewable energy generation and utilization data have been disclosed to the public.	X				Renewable energy generation and utilization are publicly disclosed in the Sustainability Report Performance Indicators.	"Panelsan Sustainability Report-Sustainability Performance Indicators"
B20	Energy efficiency projects have been carried out and the amount of energy consumption and emission reduction achieved through energy efficiency projects has been disclosed to the public.			X		Within the scope of energy efficiency, SPP and biogenic fuel are used. ISO 50001 Energy Management System studies and efficiency-enhancing project implementations are ongoing.	"Panelsan Sustainability Report - Good Future for the Environment"
B21	Water consumption, the amounts, sources and procedures for underground or surface water withdrawal, recycling and discharge, if any, have been disclosed to the public.			X		Total water consumption amounts are calculated. Sources are monitored separately. Water Management studies are ongoing.	"Panelsan Sustainability Report-Sustainability Performance Indicators"
B22	It is publicly disclosed whether the operations or activities have been included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).		X			There is no involvement in any carbon pricing.	
B23	Information on carbon credits accumulated or purchased during the reporting period has been disclosed to the public.		X			There are no carbon credits accumulated/purchased in our organization.	
B24	If carbon pricing is applied within the Incorporation, details have been disclosed to the public.		X			No carbon pricing is applied.	
B25	Platforms on which the Incorporation discloses its environmental information have been publicly disclosed.				X	There is no involvement in any platforms.	



SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK

C. SOSYAL İLKELER		UYUM DURUMU				-	-
	C1. İnsan Hakları ve Çalışan Hakları	EVET	HAYIR	KISMEN	İLGİSİZ	EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION (Page number should also be indicated) /LINK
C1.1	A Corporate Human Rights and Employee Rights Policy has been established in line with the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other relevant legislation, the responsible parties for the implementation of the policy have been identified and the policy and responsible parties have been disclosed to the public.	X					"Panelsan Sustainability Report - Our Corporate Profile" Web Page Human Resources Policy and Principles Panelsan Code of Ethical Conduct Guide Panelsan Supplier Code of Conduct Guide
C1.2	Fair labor, improvement of labor standards, women's employment and inclusion issues (such as non-discrimination on gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc.) have been included in the employee rights policy, taking into account supply and value chain impacts.	X					"Panelsan Sustainability Report - Our Corporate Profile" Web Page Human Resources Policy and Principles Panelsan Code of Ethical Conduct Guide Panelsan Supplier Code of Conduct Guide
C1.3	Measures taken along the value chain to protect the rights of segments sensitive to certain economic, environmental, social factors (low-income segments, women, etc.) or minority rights/ equal opportunities have been disclosed to the public.	X					"Panelsan Sustainability Report - Our Corporate Profile" Web Page Human Resources Policy and Principles Panelsan Code of Ethical Conduct Guide Panelsan Supplier Code of Conduct Guide
C1.4	Progress in preventing and remedying discrimination, inequality, human rights violations, forced labor and child labor has been made public.	X					"Panelsan Sustainability Report - Our Corporate Profile" Web Page Human Resources Policy and Principles Panelsan Code of Ethical Conduct Guide Panelsan Supplier Code of Conduct Guide
C1.5	Investments in employees (training, development policies), compensation, fringe benefits, the right to unionize, work/life balance solutions and talent management have been included in the policy on employee rights.	X					"Panelsan Sustainability Report - Our Corporate Profile" Web Page Human Resources Policy and Principles Panelsan Code of Ethical Conduct Guide
	Mechanisms for resolving employee complaints and disputes have been established and dispute resolution processes have been determined.	X				Panelsan ensures that employees can easily express their discomfort by keeping our complaint and suggestion system confidential. It carries out solution processes for complaints.	"Panelsan Sustainability Report - Our Corporate Profile" Web Page Human Resources Policy and Principles Panelsan Sustainability Report - Our Corporate Profile - Our Values - Sustainability Performance Indicators"
C1.6	Activities carried out during the reporting period to ensure employee satisfaction have been disclosed to the public.	X				Reports are made through employee satisfaction surveys and analysis meetings. The fringe benefits offered are increasing day by day.	"Panelsan Sustainability Report - Our Corporate Profile - Our Values - Sustainability Performance Indicators"
	Occupational health and safety policies have been established and disclosed to the public.	X					Web page OHS-E Policy
C1.7	Measures taken to prevent occupational accidents and protect health, and accident statistics have been publicly disclosed.	X				Zero occupational accidents are targeted in operational processes. Accident statistics are kept under record.	"Panelsan Sustainability Report - Our Values - Sustainability Performance Indicators"
	Personal data protection and data security policies have been established and disclosed to the public.	X					Web page Personal Data Processing and Protection Policy Personal Data Storage and Destruction Policy
C1.8	Ethics policy has been established and disclosed to the public.	X					Web page Panelsan Code of Ethical Conduct Guide
C1.9	It explains its activities within the scope of social investment, social responsibility, financial inclusion and access to finance.	X					PDP and web page: Panelsan Annual Report Panelsan Sustainability Report
C1.10	Informative meetings and training programs were organized for employees on ESG policies and practices	X				Trainings are organized continuously within the scope of ESG policies.	"Panelsan Sustainability Report - Our Values - Sustainability Performance Indicators"



SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK

C. SOCIAL PRINCIPLES		COMPLIANCE STATUS					
	C2. Stakeholders, International Standards and Initiatives	YES	NO	PARTLY	NOT APPLICABLE	EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION (Page number should also be indicated) /LINK
C2.1	A customer satisfaction policy on the management and resolution of customer complaints has been prepared and disclosed to the public.	X					Quality Policy "Panelsan Sustainability Report - Our Corporate Profile"
C2.2	Information on communication with stakeholders has been disclosed to the public.	X					"Panelsan Sustainability Report - Our Corporate Profile"
C2.3	International reporting standards adopted in reporting have been explained.	X					"Panelsan Sustainability Report-Our Report"
C2.4	Principles adopted in relation to sustainability, international organizations, committees and principles of which the Company is a signatory or member have been disclosed to the public.		X			We continue to participate in global movements such as the Global Compact.	
C2.5	Developments have been made and studies have been carried out to be included in the sustainability indices of Borsa İstanbul and/or international index providers.			X		Efforts are underway to be included in the BIST Sustainability Index.	Panelsan Sustainability Report
D. Corporate Governance Principles							
D1	Measures and strategies in the area of sustainability Stakeholders' opinions have been consulted in the determination of the Company's capital expenditures.	X					"Panelsan Sürdürülebilirlik Raporu-Sürdürülebilirlik Yaklaşımımız"
D2	Social responsibility projects, awareness activities and trainings have been carried out to raise awareness about sustainability and its importance.	X				In order to support the economic and social development of our country and to support organizations that will carry our humanity forward such as science, art and sports, studies have been carried out, trainings have been planned and carried out.	"Panelsan Sustainability Report - Our Values"



CORPORATE GOVERNANCE COMPLIANCE REPORT

CORPORATE GOVERNANCE COMPLIANCE REPORT	YES	PARTLY	NO	EXEMPTED	NOT APPLICABLE	EXPLANATION
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2 - Up-to-date information and explanations that may affect the exercise of shareholders' rights are made available to investors on the corporate website.	X					
1.2. RIGHT TO INFORMATION AND INSPECTION						
1.2.1- The Company's management has refrained from taking actions that would make it difficult to conduct a special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2 - The Company has ensured that the agenda of the General Assembly is clearly stated and that each proposal is given under a separate heading.	X					
1.3.7 - Persons with privileged access to partnership information have informed the board of directors to be added to the agenda in order to ensure that the general shareholders' meeting is informed about the transactions carried out on their behalf within the scope of the partnership's field of activity.			X			There was no such agenda item at the general assembly
1.3.8 - The members of the board of directors, other related persons, authorized persons who are responsible for preparing the financial statements and auditors were present at the general shareholders' meeting.	X					
1.3.10- The amounts of all donations and grants and the beneficiaries of such donations and grants are included in a separate item on the agenda of the general shareholders' meeting.	X					
1.3.11 - The General Assembly meeting was open to the public, including stakeholders and the media, without the right to speak.	X					
1.4. RIGHT TO VOTE						
1.4.1 - There are no restrictions and practices that make it difficult for shareholders to exercise their voting rights.	X					
1.4.2- The Company has no shares with privileged voting rights.			X			Each of 10,000,000 type A shares has 5 (five) voting rights
1.4.3 - The Company has not exercised its voting rights in the General Assembly of any company with which it has a cross-shareholding relationship, which brings with it a relationship of dominance.	X					
1.5. MINORITY RIGHTS						
1.5.1- The Company has paid utmost attention to the exercise of minority rights.	X					
1.5.2- Minority rights are also recognized for shareholders holding less than one-twentieth of the share capital and the scope of minority rights is expanded by the articles of association.			X			There is no provision in the articles of association on this issue



CORPORATE GOVERNANCE COMPLIANCE REPORT

CORPORATE GOVERNANCE COMPLIANCE REPORT	YES	PARTLY	NO	EXEMPTED	NOT APPLICABLE	EXPLANATION
1.6. RIGHT TO DIVIDEND						
1.6.1 - The dividend distribution policy approved by the general shareholders' meeting has been disclosed to the public on the corporate web site.	X					
1.6.2 - The dividend distribution policy contains minimum information clear enough for shareholders to be able to foresee the procedures and principles of distribution of future profits of the Company.	X					
1.6.3 - The reasons for not distributing dividends and the use of the undistributed profit have been stated in the relevant agenda item.			X			Dividend has been distributed.
1.6.4 - The board of directors has reviewed whether the dividend distribution policy strikes a balance between the interests of shareholders and those of the Company.	X					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions that make it difficult to transfer shares.	X					
2.1. CORPORATE WEBSITE						
2.1.1 - The Company's corporate website contains all the elements listed in the corporate governance principle numbered 2.1.1.	X					
2.1.2- The shareholding structure (names, privileges, number and ratio of shares held by real person shareholders holding less than 5% of the issued capital) is updated on the corporate website at least every 6 months.	X					
2.1.4 - The information on the Company's corporate website has been prepared in foreign languages selected according to need, with the exact same content as Turkish.	X					
2.2. ACTIVITY REPORT						
2.2.1 - The board of directors ensures that the annual report fully and accurately reflects the company's activities.	X					
2.2.2 - The annual report includes all elements of principle 2.2.2.	X					
3.1. COMPANY POLICY ON STAKEHOLDERS						
3.1.1- Stakeholders' rights are protected within the framework of relevant regulations, contracts and good faith rules.	X					
3.1.3 - Policies and procedures regarding the rights of stakeholders are published on the corporate website.	X					
3.1.4 - Necessary mechanisms have been established for stakeholders to report transactions that are contrary to the legislation and unethical.	X					



CORPORATE GOVERNANCE COMPLIANCE REPORT

CORPORATE GOVERNANCE COMPLIANCE REPORT	YES	PARTLY	NO	EXEMPTED	NOT APPLICABLE	EXPLANATION
3.1.5 - The Company handles conflicts of interest between stakeholders in a balanced manner.	X					
3.2. SUPPORTING STAKEHOLDERS' PARTICIPATION IN COMPANY MANAGEMENT						
3.2.1 - Employee participation in management is regulated by the articles of association or internal regulations.			X			No arrangements have been made
3.2.2 - Methods such as surveys/consultations have been applied to obtain the opinions of stakeholders on important decisions that have consequences for stakeholders.			X			Survey and consultation are not applied
3.3. COMPANY'S HUMAN RESOURCES POLICY						
3.3.1 - The Company has adopted an equal opportunity employment policy and succession planning for all key management positions.		X				There is no succession planning
3.3.2 - Criteria for staff recruitment have been set in writing.	X					
3.3.3 - The Company has a Human Resources Development Policy and organizes trainings for employees within this scope.	X					
3.3.4 - Meetings have been organized to inform employees about the Company's financial status, remuneration, career planning, training and health issues.	X					
3.3.5 - Decisions that may affect employees have been communicated to them and employee representatives. The opinions of the relevant trade unions have also been taken on these issues.			X			Employees are not unionized
3.3.6 - Job descriptions and performance criteria have been prepared in detail for all employees, announced to employees and used in remuneration decisions.	X					
3.3.7 - Measures such as procedures, trainings, awareness raising, targets, monitoring, complaint mechanisms have been taken to prevent discrimination among employees and to protect employees against physical, mental and emotional mistreatment within the company.	X					
3.3.8 - The Company supports freedom of association and the effective recognition of the right to collective bargaining.	X					
3.3.9 - A safe working environment is provided for employees.	X					
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1- The Company measured customer satisfaction and operated with the understanding of unconditional customer satisfaction.	X					
3.4.2 - Customers are notified when there is a delay in the processing of customer requests for goods and services purchased.	X					
3.4.3 - The company is committed to quality standards for goods and services.	X					
3.4.4 - The Company has controls in place to protect the confidentiality of sensitive trade secret information of customers and suppliers.	X					



CORPORATE GOVERNANCE COMPLIANCE REPORT

CORPORATE GOVERNANCE COMPLIANCE REPORT	YES	PARTLY	NO	EXEMPTED	NOT APPLICABLE	EXPLANATION
3.5. ETHICS AND SOCIAL RESPONSIBILITY						
3.5.1 - The board of directors has determined the Code of Ethical Conduct and published it on the corporate website.	X					
3.5.2- The Company is sensitive to social responsibility. It has taken measures to prevent corruption and bribery.	X					
4.1. FUNCTION OF THE BOARD OF DIRECTORS						
4.1.1- The board ensures that strategies and risks do not threaten the long-term interests of the company and that effective risk management is in place.	X					
4.1.2- Meeting agendas and minutes reveal that the board of directors discusses and approves the company's strategic goals, determines the resources needed and monitors the performance of management.	X					
4.2. OPERATING PRINCIPLES OF THE BOARD OF DIRECTORS						
4.2.1- The board of directors has documented its activities and submitted them to the shareholders' information.	X					
4.2.2- Duties and authorities of the board members have been disclosed in the annual report.	X					
4.2.3 - The board has established a system of internal control appropriate to the scale of the company and the complexity of its operations.	X					
4.2.4- Information on the functioning and effectiveness of the internal control system has been provided in the annual report.	X					
4.2.5 - The roles of chairman of the board of directors and chief executive officer (general manager) are separated and defined.	X					
4.2.7- The board of directors ensures that the investor relations department and the corporate governance committee function effectively and has worked in close cooperation with the investor relations department and the corporate governance committee in resolving disputes between the company and shareholders and in communicating with shareholders.	X					
4.2.8 - The Company has taken out an executive liability insurance policy with an amount exceeding 25% of the share capital in respect of damages that may be caused by the negligence of the members of the board of directors during the execution of their duties.		X				This insurance will be taken out.
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9- The Company has set a minimum target of 25% for the ratio of female members on the board of directors and established a policy to achieve this goal. The composition of the board of directors is reviewed annually and the nomination process is carried out in accordance with this policy.		X				The rate of female members is 20%.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/ accounting and finance.	X					



CORPORATE GOVERNANCE COMPLIANCE REPORT

CORPORATE GOVERNANCE COMPLIANCE REPORT	YES	PARTLY	NO	EXEMPTED	NOT APPLICABLE	EXPLANATION
4.4. FORM OF BOARD OF DIRECTORS MEETINGS						
4.4.1 - All board members have physical or electronic attendance at the majority of board meetings.	X					
4.4.2 - The board of directors has set a minimum time limit for the information and documents related to the items on the agenda to be sent to all members prior to the meeting.	X					
4.4.3 - The opinions of the members who could not attend the meeting but submitted their opinions in writing to the board of directors were submitted for the information of the other members.	X					
4.4.4 - Each member has one vote in the board of directors.	X					
4.4.5 - The conduct of the board meetings is documented in writing in the Company's internal regulations.	X					
4.4.6 - The minutes of the board meeting show that all items on the agenda have been discussed and the minutes are prepared in a way to include dissenting opinions.	X					
4.4.7 - Board members are restricted from assuming other duties outside the company. Management At the general shareholders' meeting, shareholders were informed about the external duties of the board members.			X			There are no limitations
4.5. COMMITTEES ESTABLISHED UNDER THE BOARD OF DIRECTORS						
4.5.5 - Each board member serves on only one committee.			X			Independent members serve on more than one committee
4.5.6 - The Committees invited the persons they deemed necessary to attend the meetings and received their views.			X			Such a situation has not occurred
4.5.7 - Information on the independence of the person/organization that the Committee receives consultancy services from is included in the annual report.			X			There is no person or organization consulted
4.5.8 - A report on the results of the committee meetings was prepared and submitted to the members of the board of directors.	X					
4.6. FINANCIAL BENEFITS PROVIDED TO BOARD MEMBERS AND EXECUTIVES WITH ADMINISTRATIVE RESPONSIBILITIES						
4.6.1 - The board of directors has conducted a board performance evaluation to assess whether it has fulfilled its responsibilities effectively.			X			No performance evaluation has been conducted
4.6.4 - The Company has not extended any loans or credits to any of its board members or executives with administrative responsibilities, or extended the term of any such loans or credits, or improved the terms and conditions of any such loans or credits under the title of personal loan through third parties, or provided any guarantees such as surety in favor of them.	X					
4.6.5 - Remuneration of board members and executives with administrative responsibilities is disclosed on individual basis in the annual report.			X			Explained as a total figure, not on a person basis



CORPORATE GOVERNANCE INFORMATION FORM

1. SHAREHOLDERS

1.1. Facilitating the Exercise of Shareholder Rights	
Number of investor conferences and meetings organized by the company throughout the year	6
1.2. Right to Information and Inspection	
Number of special auditor requests	0
Number of special auditor requests accepted at the general assembly meeting	0
1.3. General Assembly	
Link to the PDP announcement disclosing the information requested under Principle 1.3.1 (a-d)	https://www.kap.org.tr/tr/Bildirim/1019305
Whether the documents related to the general assembly meeting are available in English simultaneously with Turkish	Not presented
Within the scope of Principle 1.3.9, links to PDP announcements regarding transactions that do not have the approval of the majority of independent members or unanimous vote of those attending	N/A
Links to PDP announcements related to related party transactions within the scope of Article 9 of the Communiqué on Corporate Governance (II-17.1)	N/A
Links to PDP announcements regarding common and continuous transactions within the scope of Article 10 of the Communiqué on Corporate Governance (II-17.1)	N/A
The name of the section on the corporate website that demonstrates the policy on donations and grants	Investor Relations / Corporate Governance / Policies / Donations and Aid
Link to the PDP announcement containing the minutes of the general assembly meeting where the policy on donations and grants was approved	https://www.kap.org.tr/tr/Bildirim/1030528
Number of the article in the articles of association regulating the participation of stakeholders in the general shareholders' meeting	12
Information on stakeholders who attended the general shareholders' meeting	The 2021 General Assembly meeting was not attended by anyone other than shareholders. However, there are no restrictions on the participation of stakeholders in the General Assembly.
1.4. Voting Rights	
Whether there are voting privileges	Yes
If there are privileged voting rights, privileged shareholders and their voting rates	Class A shares have 5 voting rights
Shareholding rate of the largest shareholder	33,33%
1.5. Minority Rights	
Whether minority rights are expanded (in terms of content or ratio) in the articles of association of the company	No
If minority rights have been expanded in terms of content and ratio, please indicate the number of the relevant article of the articles of association.	-
1.6. Dividend Right	
The name of the section on the corporate website that demonstrates the dividend distribution policy	Investor Relations / Corporate Governance / Policies / Dividend Distribution
In the event that the board of directors proposes to the general assembly not to distribute the profit, the text of the minutes of the agenda item of the general assembly stating the reasons for this and the use of the undistributed profit	Dividend distribution was made
If the board of directors proposes to the general assembly not to distribute dividends, the link to the PDP announcement containing the minutes of the relevant general assembly meeting	-
Notification Content	
General Assembly Meetings	



CORPORATE GOVERNANCE INFORMATION FORM

GENEL KURUL TOPLANTILARI

General Assembly Date	Number of requests for additional explanations regarding the agenda of the general shareholders' meeting	Shareholders' participation rate in the general assembly	Proportion of shares represented directly	Proportion of shares represented by proxy	The name of the section on the Company's corporate website that contains the minutes of the general shareholders' meeting, including the affirmative and negative votes on each agenda item	The name of the section on the corporate website that includes all questions asked at the general shareholders' meeting and the answers provided to them	Article or paragraph number of the minutes of the general assembly meeting related to related parties	Number of people who have privileged access to shareholder information who report to the board of directors (Insider list)	Link to the general assembly notice published on PDP
16.05.2022	0	73,60%	73,60%	0%	https://www.panelsan.com/tr/page/25/genel-kurul-bilgileri	https://www.panelsan.com/tr/page/25/genel-kurul-bilgileri	-	17	https://www.kap.org.tr/Bildirim/1030528



CORPORATE GOVERNANCE INFORMATION FORM

2. PUBLIC DISCLOSURE AND TRANSPARENCY

2.1. Corporate Website	
The names of the sections on the corporate website that contain the information required by the corporate governance principle numbered 2.1.1.	Investor Relations
The section of the corporate website containing the list of real person shareholders who directly or indirectly own more than 5% of the shares	Investor Relations
Languages in which the corporate website is prepared	Turkish, English, Russian and Arabic
2.2. Annual Report	
Page numbers or section names where the information specified in the corporate governance principle numbered 2.2.2. is included in the annual report	
a) Page numbers or section names of the sections containing the duties of the members of the board of directors and executives outside the company and declarations of independence of the members	Page 10
b) Page numbers or section names of the information on the committees formed within the Board of Directors	Page 11
c) Page numbers or section names of the information on the number of meetings of the board of directors during the year and the attendance of the members to the meetings	23, page 9
c) Page number or section name of the information on legislative amendments that may significantly affect the Company's activities	N/A
d) Page number or section name of the information on significant lawsuits filed against the Company and their possible outcomes	Page 15
e) Page number or section name of the information on conflicts of interest between the Company and the institutions that provide services such as investment consultancy and rating services and the measures taken to prevent them	N/A
f) Page number or section name of the information on cross-shareholdings where direct participation rate exceeds 5%	Page 12
g) Page numbers or section names of the information on corporate social responsibility activities related to social rights and vocational training of employees and other company activities that have social and environmental consequences	Page 13



CORPORATE GOVERNANCE INFORMATION FORM

3. STAKEHOLDERS

3.1. Company Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the compensation policy	N/A
Number of judicial decisions finalized against the company due to violation of employee rights	N/A
Title of the official in charge of the reporting mechanism	N/A
Information on access to the company's reporting mechanism	-
3.2. Supporting Stakeholders' Participation in Company Management	
The name of the section on the corporate website that demonstrates the internal regulations on employee participation in the management bodies	N/A
Governance bodies where employees are represented	N/A
3.3. Company's Human Resources Policy	
The role of the board in developing a succession plan for key executive positions	-
The name of the section on the corporate website that includes the human resources policy on equal opportunities and recruitment criteria or a summary of the relevant articles of the policy	Corporate/Career
Whether there is a share acquisition plan	There isn't an employee stock ownership program
The name of the section on the corporate website that includes the human resources policy on measures to prevent discrimination and ill-treatment or a summary of the relevant articles of the policy	Corporate/Career
Number of judicial decisions finalized against the company due to liability related to occupational accidents	N/A
3.5. Code of Ethics and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics policy	-
The name of the section on the corporate website that includes the corporate social responsibility report. If there is no corporate social responsibility report, measures taken on environmental, social and corporate governance issues	All processes required by the Corporate Governance Communiqué are carried out
Measures to combat all forms of corruption, including extortion and bribery	-



CORPORATE GOVERNANCE INFORMATION FORM

4. BOARD OF DIRECTORS-I

4.2. Operating Principles of the Board of Directors	
Date of the most recent board performance evaluation	N/A
Whether independent experts are utilized in the performance evaluation of the board of directors	No
Whether all board members are discharged or not	Yes
Names of the members of the board of directors to whom authority is delegated with the distribution of duties and the content of such authorities	There was no delegation of authority
Number of reports submitted by the internal control unit to the audit committee or other relevant committees	The Committee of Early Detection of Riskacts as the internal control unit. Number of reports 1
The name of the section or page number of the annual report that includes the assessment of the effectiveness of the internal control system	Page 15
Name of the chairman of the board	Serhat MAŞLAK
Name of the chief executive officer/general manager	Recep Kaan MAŞLAK
Link to the PDP announcement stating the reason for the chairman of the board of directors and chief executive officer/general manager being the same person	-
Link to the PDP announcement regarding the insurance of the damages that may be caused by the members of the board of directors during the execution of their duties for an amount exceeding 25% of the company's capital	No insurance was taken out
The name of the section on the corporate website that provides information on the diversity policy to increase the proportion of female board members	-
Number and proportion of female members	1; %20
Notification Content	
Structure of the Board of Directors	



CORPORATE GOVERNANCE INFORMATION FORM

STRUCTURE OF THE BOARD OF DIRECTORS

Name / Surname of the Board Member	Executive Or Not	Independent Director or Not	Date of First Election to the Board of Directors	Link to the PDP Disclosure of Independence Declaration	Whether the Independent Member is Evaluated by the Nomination Committee	Whether there are any members who lost their independence	At least 5 Years of Experience in Auditing, Accounting and/ or Finance
Serhat MAŞLAK	Executive	Not independent director	18.03.2004	-	Not applicable	Not applicable	Yes
Recep Kaan MAŞLAK	Executive	Not independent director	18.03.2004	-	Not applicable	Not applicable	Yes
Mustafa Coşkun KARADENİZ	Executive	Not independent director	4.11.2021	-	Not applicable	Not applicable	Yes
Volkan PARLAKTAŞ	Non-executive	Independent director	4.11.2021	https://www.kap.org.tr/tr/Bildirim/1020021	Not considered	No	No
Figen GÜNEŞ DOĞAN	Non- executive	Independent director	4.11.2021	https://www.kap.org.tr/tr/Bildirim/1020021	Not considered	No	Yes



CORPORATE GOVERNANCE INFORMATION FORM

4. BOARD OF DIRECTORS-II

4.4. Form of Board of Directors Meetings	
Number of board meetings held physically or electronically during the reporting period	23
Average attendance rate at board meetings	95,60%
Whether an electronic portal is used to facilitate the work of the board of directors	No
In accordance with the working principles of the board of directors, how many days prior to the meeting the information and documents are presented to the members	-
The name of the section on the corporate website that includes information about the internal regulations governing the conduct of board meetings	-
The upper limit set in the policy limiting the members from taking other duties outside the company	-
4.5. Committees Established within the Board of Directors	
Page numbers or section names of the annual report where information on board committees are presented	Page 10
Link to the PDP announcement of the Committee's working principles	-
Notification Content	
Board Committees-I	



CORPORATE GOVERNANCE INFORMATION FORM

BOARD COMMITTEES-I

Names of Board Committees	Name of the Committee Indicated as "Other" in the First Column	Name-Surname of Committee Members	Committee Chairman or Not	Board Member or Not
Audit Committee	-	Figen GÜNEŞ DOĞAN	Yes	Board member
Audit Committee	-	Volkan PARLAKTAŞ	No	Board member
Committee of Early Detection of Risk	-	Volkan PARLAKTAŞ	Yes	Board member
Committee of Early Detection of Risk	-	Figen GÜNEŞ DOĞAN	No	Board member
Committee of Early Detection of Risk	-	Mustafa Coşkun KARADENİZ	No	Board member
Corporate Governance Committee	-	Figen GÜNEŞ DOĞAN	Yes	Board member
Corporate Governance Committee	-	Volkan PARLAKTAŞ	No	Board member
Corporate Governance Committee	-	Murat KEDİCİ	No	Not board member



CORPORATE GOVERNANCE INFORMATION FORM

4. BOARD OF DIRECTORS-III

4.5. Committees Established within the Board of Directors-II	
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	-
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	-
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	-
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	-
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	-
4.6. Financial Benefits Provided to Board Members and Executives with Administrative Responsibility	
Page numbers or section names of the annual report where information about operational and financial performance targets and whether they have been achieved or not	Pages 5 and 6
The name of the section of the corporate website that demonstrates the remuneration policy for executive and non-executive members	Investor Relations/Corporate Governance/Policies
Page numbers or section names of the annual report where the remuneration and all other benefits provided to board members and executives with administrative responsibilities are presented	Page 11
Notification Content	
Board Committees-II	



CORPORATE GOVERNANCE INFORMATION FORM

BOARD COMMITTEES-II

Names of Board Committees	Name of the Committee Indicated as "Other" in the First Column	Proportion of Non-Executive Directors	Ratio of Independent Directors in the Committee	Number of Physical Meetings Held by the Committee	Number of Reports Submitted to the Board of Directors on the Activities of the Committee
Audit Committee	-	100%	100%	3	3
Corporate Governance Committee	-	100%	66%	1	1
Committee of Early Detection of Risk	-	66%	66%	1	1



DIVIDEND RIGHTS AND TRANSFER

The “Dividend Distribution Policy” prepared in accordance with the Capital Markets Board’s (CMB) Dividend Communiqué No. II-19.1 and Corporate Governance Communiqué No. II-17.1 and the provisions of Article 16 of our Articles of Association titled “Determination and Distribution of Profit” was submitted to the approval of the shareholders at the Ordinary General Assembly meeting and approved.

The purpose of our policy is to determine the principles of profit distribution in accordance with the regulations to which our organization is subject and the provisions of the Articles of Association, and to enable shareholders to foresee the distribution procedures and principles of the profit to be obtained in the future periods. Our Company complies with the provisions of the Turkish Commercial Code, CMB, CMB’s Dividend Communiqué and other relevant legislation and the provisions of the Articles of Association. In dividend distribution, the Company pays utmost attention to pursue a balanced and consistent policy between the interests of the shareholders and the Company in accordance with the Corporate Governance Principles set forth in the Annex of the CMB’s Corporate Governance Communiqué.

The Dividend Distribution Policy formulated by the Board of Directors within the framework of the CMB’s Corporate Governance Principles is submitted to the approval of the shareholders as a separate agenda item on the agenda of the Company’s General Assembly meeting.

As a principle, our Company decides on dividend distribution by taking into consideration, but not limited to, national and global economic conditions, changes in the relevant legislation and our Company’s market expectations, long-term strategies, capital requirement, investment and financing policies, indebtedness, profitability and cash position.

The method and time of distribution of the profit decided to be distributed are decided by the General Assembly upon the proposal of the Board of Directors.

[Click here to access the Dividend Distribution Policy.](#)





HUMAN RESOURCES POLICY

We carry out our business processes by respecting cultural differences and diversity regardless of language, race, gender, color, age, nationality, beliefs, with our “human” focused approach in all areas we operate.

We attach importance to open and honest communication with our employees. We support the participation of individuals in issues such as human rights, quality, continuous development, etc. that concern the future of our organization. In our company, which has adopted quality and trust as its philosophy, we attach importance to communication in order to create a harmonious and peaceful environment for our employees.

We strive to create an equal and reliable environment for everyone with our policies that are based on human value. We strive to provide equal employment conditions for all our employees and to offer career opportunities without discrimination.

Our goal is not only to meet the expectations of our employees in business life, but also to make a positive difference in their social lives.

As Panelsan family, we do our part and create a free working environment where everyone has equal rights. We create performance targets that will increase the success of our employees in realizing their goals and adopt equal opportunity.

We offer an equal and competitive remuneration policy based on employees' past experience, position, appropriate market criteria in the relevant cities, countries and regions, and the individual's performance.

We expect our organization to consist of individuals who are compatible with our corporate culture, support teamwork, respect moral and social values, have a positive view of people and events, are sensitive to the environment and their colleagues, and adopt the principle of being loyal and honest.

Our main goal is to fulfill our activities effectively in the light of our Human Resources Policy and Principles and to make these activities sustainable.

You can access Panelsan Human Resources Policy and Principles at

<https://www.panelsan.com/insan-kaynaklari-politikasi>





ETHICAL MANAGEMENT

Our organization continues its activities in compliance with laws and rules by adhering to our core values. Panelsan Ethical Code of Conduct Guide has been prepared to inform our stakeholders about our ethical values based on the principles of honesty and equality in our processes. With this guide, we are committed to providing a non-discriminatory working environment by offering equal opportunities to everyone working in our organization.

There are rules on compliance with laws, rules and regulations.

In our ethical management approach, we fight against all kinds of bribery and corruption. In the activities of our organization, all our employees are expected to comply with all applicable laws against bribery and corruption by complying with the rules of ethics, sustainability and integrity. In order to report inappropriate activities in our organization, suspicions of misconduct or violations of our policies can be reported at any time and by anyone (anonymously) using the etikdavranis@panelsan.com contact address. In this regard, we ensure that our employees can easily express their discomfort on ethical issues by keeping our complaint and suggestion system confidential. Our organization manages its work on this issue meticulously. During the reporting period, no problems were encountered in ethics management. There were no lawsuits filed against and/or finalized in environmental, social and corporate governance issues.

[Click here](#) to access detailed explanations of Panelsan Code of Ethical Conduct Guide.



ETHICAL MANAGEMENT

OUR ETHICAL PRINCIPLES



Compliance with Laws, Rules and Regulations

In the process of compliance with laws and rules, our stakeholders are expected to follow and comply with our rules and policies.



Combating Bribery or Corruption

We hereby declare that it is unlawful to offer, promise, give or accept any illegal, material advantage or other advantage to, or accept any such advantage from, a public official, party official or candidate operating at the local, national or international level, or a director of a private organization.



Data Protection

We respect and protect the information of our employees, customers and our organization within the scope of personal data protection law.



Equal Employment and Non-Discrimination

We offer equal opportunities to our employees and provide a discrimination-free work environment.



Insider Trading

All board members and employees are prohibited from conducting transactions regarding confidential information belonging to our organization. Thus, insider trading is not allowed.



Gifts, Hospitality, Entertainment Expenditures and Donations

Employees' financial transactions are fairly recorded in the accounting books, which are examined by the Audit Committee and independent auditors. Strict rules have been set in this context.



Work Environment and Harassment Prevention

We recognize our responsibility to provide employees with a healthy and safe working environment and to take measures to promote respect in the workplace.



Reporting of Ineligible Activities

In our organization, suspected misconduct or violations of our policies can be reported at any time and by anyone (even anonymously).



INTERNAL AUDIT MANAGEMENT

Risks that may prevent our organization from achieving its strategic goals constitute the focal point of internal audit. In this context, in order to ensure that the duties and responsibilities of the Board of Directors are fulfilled in a healthy manner, an Audit Committee has been established to oversee the functioning and effectiveness of the accounting system, public disclosure of financial information, independent audit, internal control and internal audit systems. Regarding the independence of the Committee members, the independence criteria set out in the CMB Corporate Governance Principles are taken as basis.

The Committee is responsible for assessing the independent auditor's status against the independence criteria, independence declaration and additional services that may be obtained from the independent audit firm. The Committee evaluates the determinations within the scope of independent audit communicated to the Committee by the independent audit firm, important issues related to accounting policies and practices, alternative application and public disclosure options within the framework of accounting standards and accounting principles previously communicated to the management by the independent audit firm, their possible results and implementation proposal, important correspondence between the independent audit firm and the management. In this context, our methods and criteria to be applied in the examination and finalization of complaints regarding the accounting, reporting and internal control systems and independent audit, and the evaluation of our employees' notifications regarding accounting and independent audit within the framework of the confidentiality principle are determined. The Audit Committee convenes as often as deemed necessary for the effectiveness of its work, but at least four times a year, at least once every three months.

[Click here](#) to access Panelsan Audit Committee Working Principles.



INTERNAL AUDIT MANAGEMENT

Under the direction of our Audit Committee, we monitor the functioning of all our departments through annual internal audits at international standards and prevent potential risks.

Thanks to our internal control structure, we continue to disseminate good practice examples within the organization. While making a difference in our operations, we ensure the optimization of our resources.

In order to ensure that processes and methods are as efficient, effective and precise as possible, we form teams of auditors by targeting the participation of employees. In this context, we organized ISO 19011 Internal Audit certified training programs in 2022 and increased the competencies of our employees and ensured their active participation in audit processes.

We create our annual internal audit plans to cover all units and implement audits with our teams of auditors. We determine the actions to be taken regarding the findings, observations and suggestions identified as a result of internal audit activities as auditor and audited teams. We identify our development points with the control approach that provides efficiency to our organization and evaluate process-based compliance by measuring the adequacy of management systems.

We have the opportunity for continuous improvement through our internal audit system, which is established for periodic monitoring of our performances.



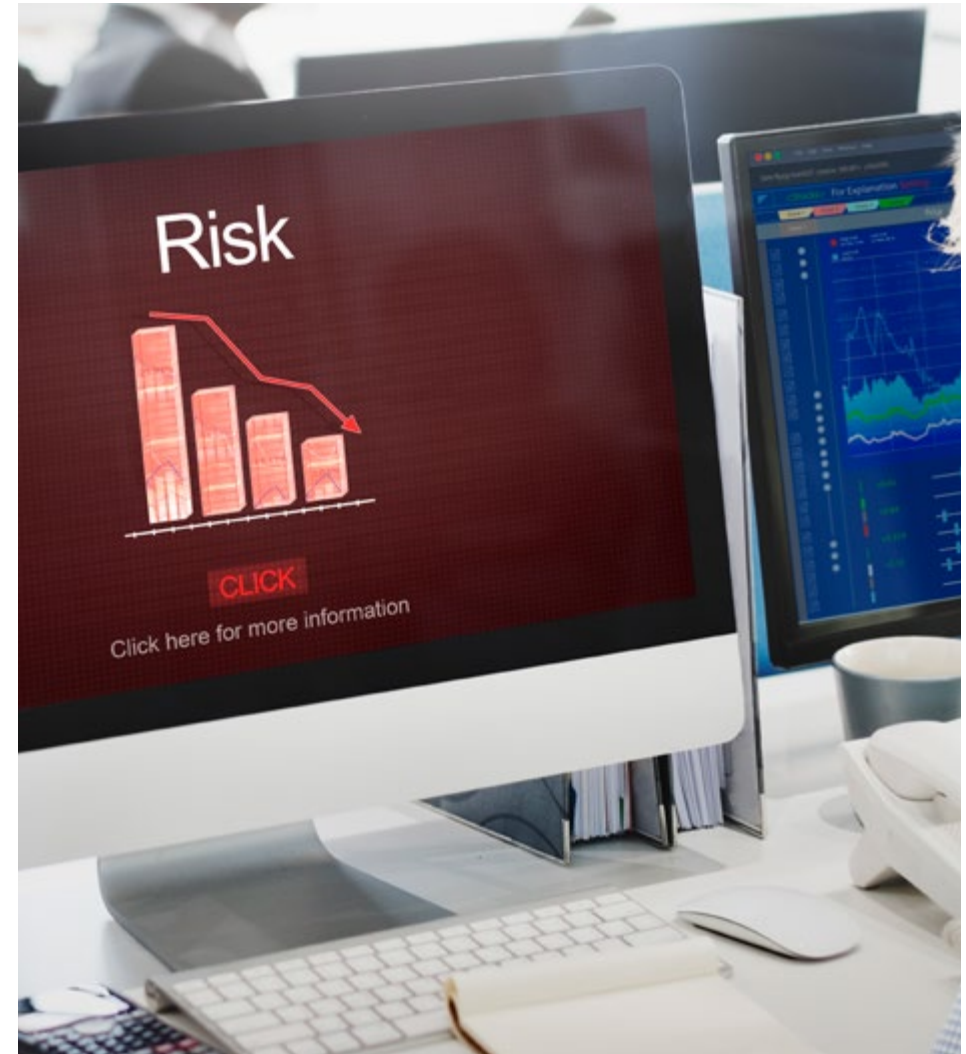


CORPORATE RISK MANAGEMENT

The Risk Management System is applied to identify significant threats and opportunities that may arise in all our operations. We make our risk assessments based on the risks that may threaten our business continuity and the data obtained from the World Economic Forum Global Risks Report for 2022. In this context, we create a corporate risk culture to cover our employees and business processes. As emphasized in the 2022 Global Risks Report, the negative economic and social impact of COVID-19 continues. It points to a decrease in economic and social interaction between countries. The results of the Global Risks Perception Survey (GRPS), current situation analysis and current risks are presented in the Global Risks Report 2022. According to the survey results, the environmental risks identified are climate action issues, extreme weather events, biodiversity loss, human damage to the environment and natural resource crises. Social risks include erosion of social cohesion, livelihood crises and infectious diseases. Economic risks are emerging as debt crises. Due to the risk of climate change, it is understood that environmental policies must be managed correctly. In the long term, famine, drought, floods, fires, rising sea water levels, extreme weather events, melting of glaciers, etc. are predicted to have consequences that seriously threaten living life. Within the scope of risk management, the Early Detection of Risk Committee, which reports to the Board of Directors, has been established. The Early Detection of Risk Committee consists of members who are knowledgeable and experienced in risk management. The Committee is responsible for identifying, defining, prioritizing, monitoring and reviewing strategic, financial, operational, etc. risks and opportunities that may affect the activities of the organization, calculating their impact and probability, and managing and reporting these risks and opportunities that may be exposed in parallel with the risk profile and appetite of the organization.

The Committee convenes at least once every two months for the purpose of early detection of risks that may jeopardize our processes and strategic goals, taking the necessary measures against the risks identified and evaluating the work carried out on risk management, and makes suggestions and recommendations to the Board of Directors on issues that should be taken into consideration in decision-making mechanisms.

[Click here](#) to access Panelsan Early Detection of Risk Committee Working Principles.





CORPORATE RISK MANAGEMENT

While creating our business models, we ensured that the risk approach and internal control systems are integrated into our corporate structure from the beginning. In this way, we evaluate our risk and opportunity analyses with our teams in order to adopt risk management practices on the basis of all departments in our integrated system processes.

With our Total Quality Management approach, we identify potential errors by utilizing process-based failure mode and effect analysis (FMEA) techniques. We use a strong analysis method that prevents potential risks thanks to a proactive risk approach that aims to prevent errors before they occur.

We review the effectiveness of risk management on a quarterly basis through our performance management system based on quality targets. We identify risk factors in environmental, social, governance and economic areas on a departmental basis and define control activities to prevent them. Identifying potential risks in advance, creating residual risks by reducing potential errors through root cause analysis, or eliminating the risk completely ensures the improvement of our processes.

The ever-increasing competitive environment creates the need for companies to constantly renew and improve their systems. Organizations should manage all financial and operational risks in order to reduce uncertainties to reasonable levels within the scope of ESG and to ensure sustainable development in their organization. Companies that anticipate risks and take precautions have the opportunity to use and manage their resources in the most efficient way.

The material threats we face on the way to achieving our goals and the actions planned to prevent these threats are shared with the Committee of Early Detection of Risk.





INTEGRATED MANAGEMENT APPROACH

At every stage of our product and service offerings, we have gathered the activities we carry out by considering Quality, Environment, Occupational Health and Safety Management Systems as the basic standards under a single roof and ensured the dissemination of the integrated thinking system within our organization. We have ensured that international standard requirements are met in all our processes through independent third-party audits.

We aimed to increase efficiency and effectiveness by reducing the workforce. In this way, we encourage our employees to contribute to systematic progress with innovative ideas by ensuring the necessary coordination between departments. We build our documentation structure with a process-oriented approach in line with our policies that express our core values. Through comprehensive evaluations with departments, we create process flow diagrams and process maps that emphasize the key features of our business processes.

Data obtained from our corrective action system, error resolution data center, waste management, emergency action plans and teams, customer satisfaction and feedback tracking system, quality cost analysis and risk assessments constitute the inputs of our improvement activities.

We monitor the maturity of our systems with our documented know-how in order to understand the fulfillment of the requirements and ensure their sustainability. We reduce inputs through the integration of processes and aim for effective process performance through accessible and traceable systems.

We maintain our energy audit studies with ISO 50001 Energy Management System, which creates processes that encourage the efficient use of energy resources, ISO 14001 and Environmental Management System, which certify the sensitivity of businesses and organizations to nature, and ISO 45001 Occupational Health and Safety Management System, an internationally recognized standard established to prevent possible material and moral occupational accidents. All our activities are carried out within the scope of ISO 9001:2015 Quality Management System. The number of projects and certifications we carry out with our recycling and sustainability management policies is increasing day by day.

We encourage the management and development of corporate culture in international standards with analysis techniques such as key indicators, ESG strategy tracking systems, maturity business model creation, etc.





INTEGRATED MANAGEMENT APPROACH

IMS BENEFITS





INTEGRATED MANAGEMENT APPROACH

INTEGRATED MANAGEMENT SYSTEM CERTIFICATES



ISO 9001 QUALITY MANAGEMENT SYSTEM



ISO 14001 ENVIRONMENTAL MANAGEMENT SYSTEM



ISO 45001 OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM



ISO 14064-1 GREENHOUSE GAS EMISSIONS AND REMOVALS CALCULATION AND REPORTING SYSTEM AT ORGANIZATION LEVEL





QUALITY ASSURANCE

We define management processes to ensure that product and service quality meets customer requirements and international norms. A Quality Policy was created in line with our quality assurance system objectives and shared with the public.

Within the scope of ISO 9001:2015 Quality Management System, we carry out our operations in a system culture with a holistic approach that prioritizes customer satisfaction, creates a qualified workforce and enables accurate production. We offer our products and services by evaluating all aspects of social, environmental and economic factors.

Within the scope of our total quality management approach, we are the vision leader of the sector with our registered brands and expert staff. Our products, which are at the forefront of performance-based testing and certification, have TSE, FM Global, Ghost R and CE mark certificates of conformity and international fire reaction and fire resistance certificates. Our laboratory carries out innovative work with technological equipment infrastructure where tests can be applied in international standards.

Our management systems and products are periodically audited and secured by accredited organizations. Our activities are improved through continuous internal audits. Our quality assurance system is accountable to internal and external stakeholders. By determining the quality requirements of our customers, we support our employees, who provide the right product and service output, carry out activities related to increasing satisfaction and improving quality, with continuous training.



STANDARDS/CERTIFICATIONS

ISO 9001:2015 Quality Management System
ISO 14001:2015 Environmental Management System
ISO 45001:2018 OHS Management System
TS EN 14509
TS EN 13163
FM (Factory Mutual)
GHOST-R
UTO - National Technical Approval
Certificate of Domestic Goods
Certificate of Industrial Registry
UNI EN ISO 14021: 2016 Environmental Label Self Declaration
Zero Waste Certificate
ISO 14064-1 Carbon Footprint Verification Statement

FIRE RESISTANCE CERTIFICATES

120 mm TY Cephepan / E240-EW90-EI90
80 mm TY Cephepan / EI20 - EW60 - EI60
50 mm TY Cephepan / E30 - EI15
120 mm TY Çatıpan / REI45
60 mm TY Çatıpan / REI20 - REI60
100 mm PIR Cephepan / E45 - EW30 - EI45
120 mm PIR Çatıpan / RE30 - REI20

FIRE CLASS CERTIFICATES

Rockwool Filled Panel / A2-s1-d0
PIR Filled Panel / B-s1-d0
PUR Filled Panel / B-s2-d0
EPS / E



PERFORMANCE INDICATOR

We use a Performance Indicator tool to determine our organization's strategic goals and measure the achievement of these goals. Thanks to our holistic valuation approach, we examine all aspects of our organization's activities.

We can analyze the success indicators of our business processes that we have created on a departmental basis with person-based breakdowns. While this indicator provides us with the opportunity to evaluate the relationships between different data groups on the way to achieving the company's strategic goals, we also identify the development points of our employees.

While measuring our corporate performance, we set targets for process sub-headings such as customer satisfaction, productivity, profitability, growth, maintenance, audit, supply chain, production, product quality systems development, after-sales services, OHS, environment, energy, sales, budget, training, corrective action, employee relations and communication.

We ensure that performance targets are reviewed by assigning control periods to them and evaluate their weighted target performance compliance. Our targets meet the criteria of being specific, measurable, monitorable, achievable, realistic and trackable.

While measuring the success of the processes, we observe that corporate motivation has increased, employee productivity has increased and this situation can be sustained.

Key Performance Indicator



PURPOSE



MEASUREMENT



OPTIMIZATION



STRATEGY



PERFORMANCE



EVALUATION

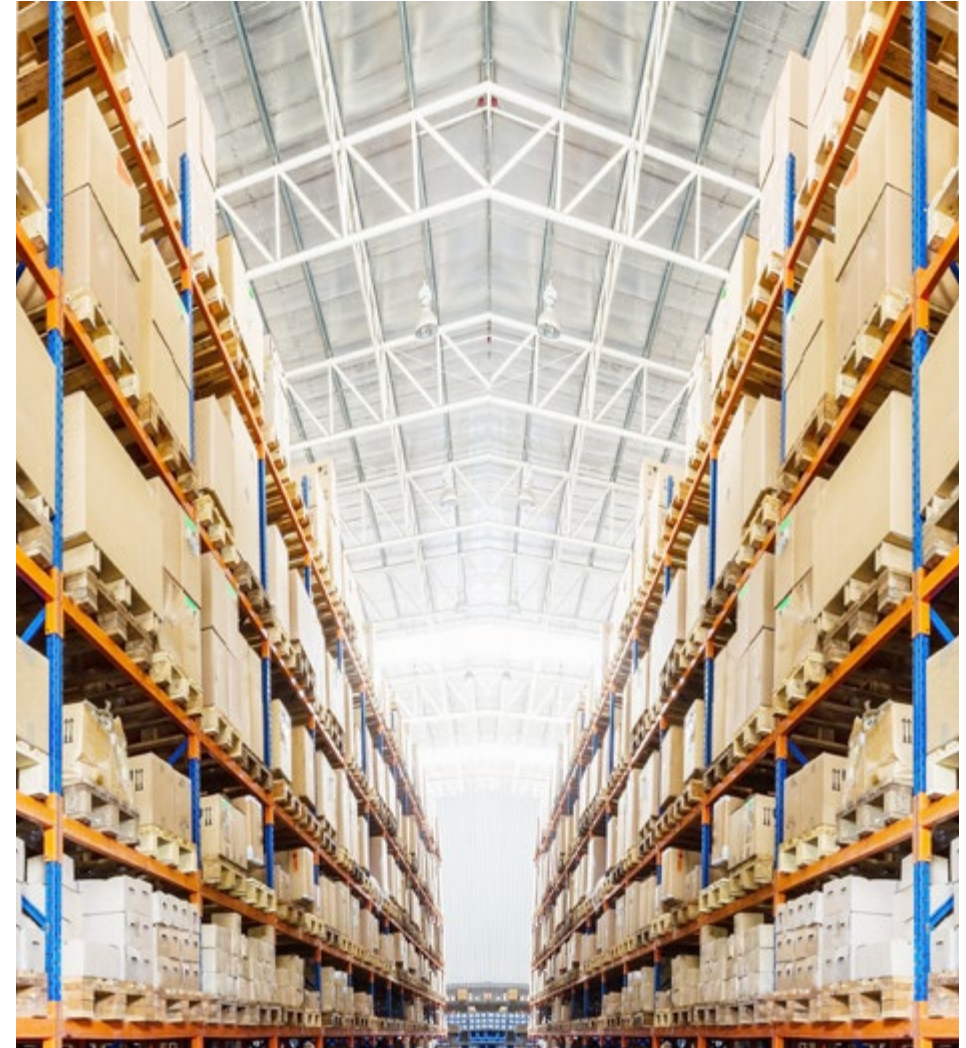
SUPPLY CHAIN

The activities carried out to ensure that the products and services offered in our organization reach our customers on time and in accordance with their needs and expectations are under the management of the Supply Chain Directorate. Our supply chain management model is based on the correct planning of materials and the execution of purchasing and storage dynamics at the same time, the maintenance of logistics management with an awareness of risk and opportunity, and the execution of all information flow in pre- and post-order processes through sales operations.

We maintain our inter-unit communication through periodic meetings and compatible tools. The coordinated progress of the teams is one of our biggest gains. We increase our operational efficiency by using advanced software systems in customer contact and planning channels. We strengthen our communication with all our stakeholders by creating a maximum level of feedback infrastructure. Establishing effective communication with our stakeholders who are committed to our management principles and ensuring that all our procurement processes are managed in a way that meets expectations are crucial for us to provide quality products and services to our customers. Thus, we continue our journey as a brand aiming for sustainable customer loyalty.

Throughout the product and service life cycle, environmentally responsible procurement, just- in-time and energy-efficient production, sustainable logistics, product use and safe disposal are the supply chain stages that our organization adopts. We continue to support the integrated management of raw materials, logistics and financial resources in our supply chain network and develop our business models with innovative solutions.

Our company is one of the leading and reliable producers of Sandwich Panel and EPS (Expanded Polystyrene). Our production quality and sustainable supply chain meet the supply needs of leading and globally recognized companies in the construction and building chemicals, construction and building chemicals sector and have long-standing cooperation relationships with these companies. Our industry credibility and supply chain help to create a sustainable business model, while ensuring a high level of customer satisfaction. This makes us a preferred brand in both regional and national markets.





SUPPLY CHAIN

As Panelsan, within the framework of the Responsible Procurement Policy we have adopted, we aim to create collaborations with all our suppliers, business partners and their affiliated organizations, subsidiaries, subcontractors and all other persons and organizations (Suppliers) in the supply chain, creating common value in economic, social, societal and ecological terms, based on mutual trust and long-term, giving importance to protecting the “common heritage” for future generations.

Accordingly, when selecting our suppliers, we strive to choose reputable business partners that operate in a sensitive manner in terms of high ethical standards, safe and healthy working environments, protection of human rights and dignity, protection of the environment and compliance with the law.

Pannelsan Supplier Code of Conduct outlines the general framework of our expectations regarding the workplace standards and business practices of our suppliers and the general scope of the various services they provide to Pannelsan. These expectations are critical factors for our decision to enter into or extend a business relationship.

[Click here](#) to access the Supplier Code of Conduct Guide, which includes provisions on Workplace, Labor and Human Rights, Compliance, Ethical Values, Health, Safety and Environment, and Supplier Declaration.

We wish that human rights efforts will become more widespread among all our stakeholders



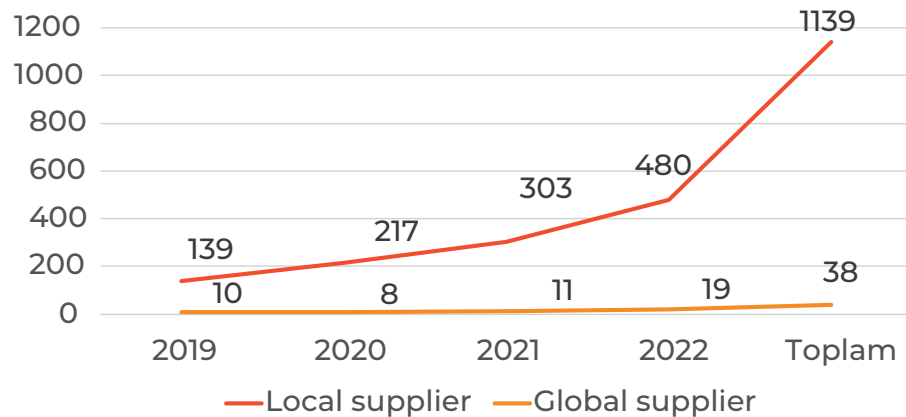


SUPPLY CHAIN

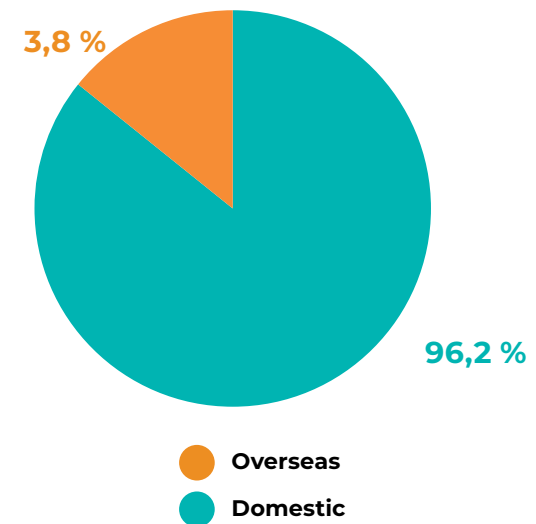
Sustainable supply chain management plays an important role in the development of the environmental, social and economic dimensions of our brand in the delivery of our products and services to the market.

In order to support the environmental development and economic growth of our country, we produce high quality products with an increasing number of local suppliers every year. With this approach aimed at local development, 96% of our supply chain was composed of local organizations in 2022.

Number of Local - Global Suppliers between 2019 - 2022



Local-Global Purchase Ratios in 2022



OUR DIALOG WITH STAKEHOLDERS

We maintain our relations with our stakeholders based on the principles of transparency, equality, accountability and responsibility. We attach great importance to the opinions of our stakeholders in our effective communication.

We increase our awareness and create value for society and the environment in the sustainable development journey we carry out in cooperation. We continuously work on improvement and aim to grow together with our stakeholders, with whom we have established a strong bond through effective internal and external dialog.

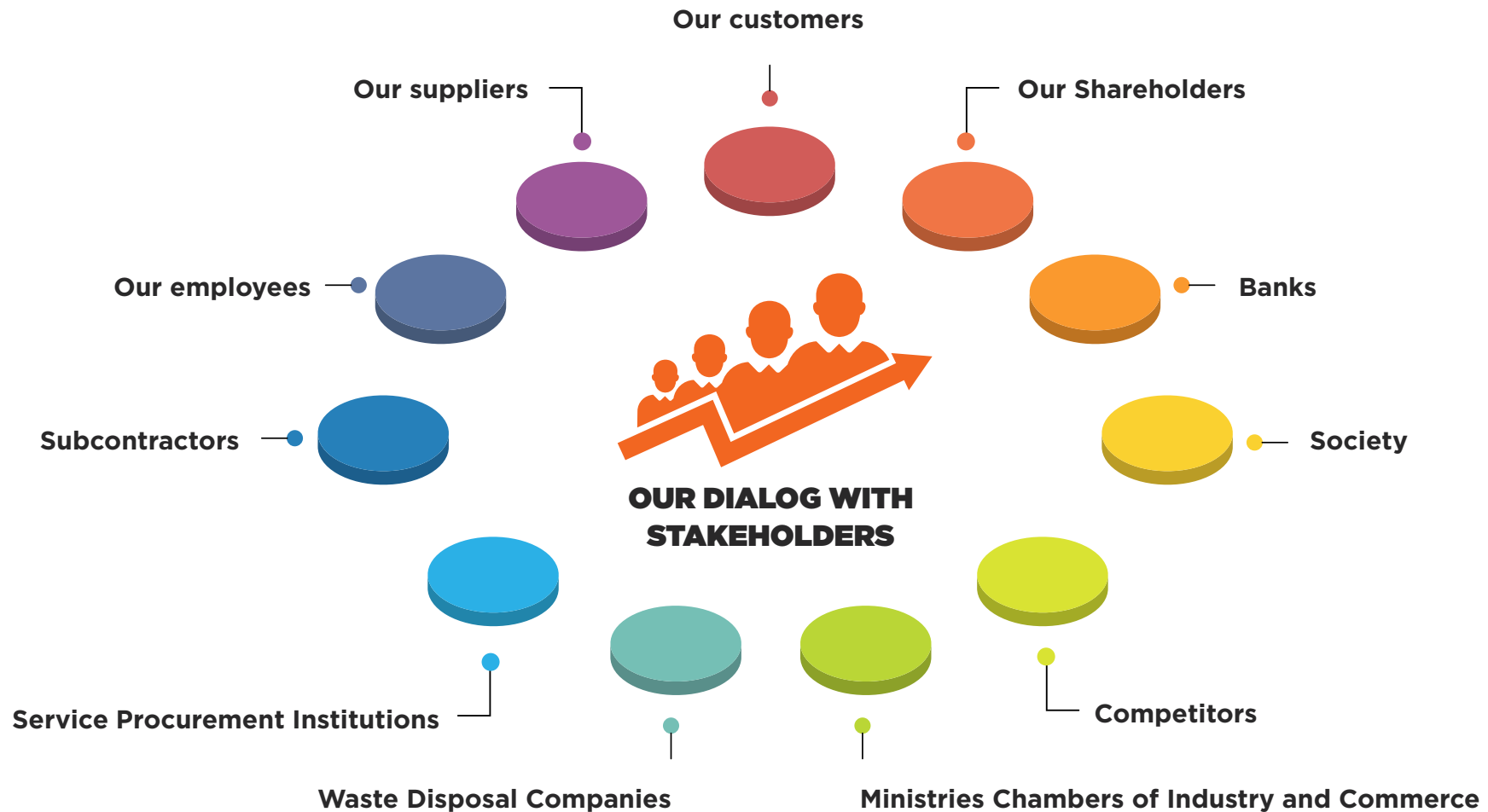
In order to improve our related parties and interactions, we create stakeholder groups by ensuring that all our departments identify their related parties. We conduct stakeholder analyses to understand responsibilities, identify and mitigate risks early, and seize opportunities in our relationships with our stakeholders based on trust.





OUR DIALOG WITH STAKEHOLDERS

We are aware that our stakeholders, with whom we interact at every stage of our operations, have a great impact on sustainable development. By keeping our feedback alive, we provide bidirectional guidance for continuous product and service delivery of the same quality. As Panelsan, it is our fundamental responsibility to consider the interests of all our stakeholders who are affected by our activities and whose activities affect our organization and to receive their feedback.





STAKEHOLDER ANALYSIS

OUR STAKEHOLDERS	WAYS OF COMMUNICATION	PARTICIPATION STATUS
OUR CUSTOMERS	CUSTOMER SATISFACTION SURVEY	REGULAR/AS NEEDED
	CUSTOMER SATISFACTION MANAGEMENT SYSTEM	
	VISITS	
	FAIRS	
	DIGITAL COMMUNICATION TOOLS	
OUR SUPPLIERS	DOCUMENTS (CATALOG, TECHNICAL DATA SHEETS...)	REGULAR/AS NEEDED
	VISITS	
	DIGITAL COMMUNICATION TOOLS	
	JOINT ACTIVITIES CARRIED OUT IN COOPERATION	
OUR EMPLOYEES	SUPPLIER EVALUATION SURVEY	REGULAR
	PERFORMANCE EVALUATION SURVEY	
	TARGET PERFORMANCE EVALUATION SYSTEM	
	EMPLOYEE SATISFACTION SURVEY	
	TRAINING	
	SUGGESTION SYSTEM	
SUBCONTRACTORS	DOCUMENTS (PROCEDURE, INSTRUCTION...)	REGULAR/AS NEEDED
	DIGITAL COMMUNICATION TOOLS	
SERVICE PROCUREMENT INSTITUTIONS	DIGITAL COMMUNICATION TOOLS	AS NEEDED
	CONTRACTS	
	MEETINGS	
	VISITS	
	DIGITAL COMMUNICATION TOOLS	
WASTE DISPOSAL COMPANIES	CONTRACTS	REGULAR/AS NEEDED
	FACTORY VISITS	
	MEETINGS	

OUR STAKEHOLDERS	WAYS OF COMMUNICATION	PARTICIPATION STATUS
MINISTRIES CHAMBERS OF INDUSTRY AND COMMERCE	DIGITAL COMMUNICATION TOOLS	REGULAR/AS NEEDED
	VISITS	
	DOCUMENTS (INVESTMENT AND FINANCIAL PROCESSES, LAWS AND COMPLIANCE WITH LEGISLATION, NECESSARY DOCUMENTS...)	
	MEETINGS	
COMPETITORS	DIGITAL COMMUNICATION TOOLS	AS NEEDED
	ACTIVITY REPORT	
	SUSTAINABILITY REPORT	
	SECTORAL ASSOCIATION PARTICIPATIONS	
SOCIETY	DOCUMENTS (CATALOG, TECHNICAL DATA SHEETS...)	REGULAR/AS NEEDED
	DIGITAL COMMUNICATION TOOLS	
	SPONSORSHIPS	
	DONATIONS	
	ACTIVITY REPORT	
	SUSTAINABILITY REPORT	
BANKS	INTERNSHIP PROGRAMS	REGULAR/AS NEEDED
	DOCUMENTS (CATALOG, TECHNICAL DATA SHEETS...)	
	DIGITAL COMMUNICATION TOOLS	
	VISITS	
SHAREHOLDERS	DOCUMENTS (INVESTMENT AND FINANCIAL PROCESSES, NECESSARY DOCUMENTS...)	REGULAR
	MEETINGS	
	PUBLIC DISCLOSURE PLATFORM (KAP) DISCLOSURES	
	DIGITAL COMMUNICATION TOOLS	
	ACTIVITY REPORT	
	SUSTAINABILITY REPORT	
	INVESTOR PRESENTATIONS	
	GENERAL ASSEMBLY	
	VISITS	
MEETINGS		



CUSTOMER SATISFACTION

Customer Satisfaction = Quality

As Panelsan, our indispensable main strategic goal is to provide our customers with the best customer experience in a sustainable structure.

It is our basic corporate policy to determine and implement the responsibilities and methods regarding the issues related to measuring, analyzing and evaluating customer satisfaction, securing the activities carried out to increase the degree of satisfaction, and meticulously following the feedbacks and making decisions.

We have aligned the individual goals of our employees, who are part of your corporate culture, with our strategic goals. Our target performance system makes it easier for us to see our strengths and areas open to improvement. In this way, we ensure the improvement of internal and external customer experiences.

We regularly review our processes in order to make our customers' satisfaction sustainable with the concept of continuous improvement by effectively implementing the Quality Management System.

Satisfaction Surveys

We give our customers a voice with an understanding that focuses on their needs, preferences and expectations. With the awareness of continuous self-improvement and renewal, we strive to improve our customer service before and after the product/service.

We present the Customer Satisfaction Survey on Panelsan's official website to our customers for their opinions. With our periodic internal and external customer surveys, we analyze all suggestions and positive/negative feedback from customers and create our action plans with concrete indicators. We attach importance to the feedback of each of our employees and create our processes together. Creating value in our organization

we are aware that we gain the loyalty and satisfaction of our external customers in line with the efficiency, success and satisfaction of our internal customers.





CUSTOMER SATISFACTION

Customer Feedback Tracking System

Our After Sales Services team manages the action approval system, which ensures that decisions are taken by coordinating with the relevant units in order to maximize satisfaction and presents the findings to our customers with technical inspection reports.

In our customer feedback tracking system, all detailed information about the product and service is recorded, and root causes and action plans are determined for permanent solutions.

We attach importance to on-site quality control culture at our production site and customer site. We make quality measurements in accordance with international product standards and produce permanent solutions by implementing corrective actions with immediate intervention.

Thanks to our proactive customer relations, we see the activities we implement by anticipating the needs of our customers as an opportunity to provide customer-oriented products and services.

Our Customer Communication Model

We adopt a service-oriented approach with our capacity to produce in line with customer needs. We use all digital and traditional communication channels to ensure bilateral information flow and continuous communication with our employees, suppliers and customers, and we strive to provide the fastest response to requests and questions. In order to ensure that our customers have access to the right information, we publish videos, brochures, catalogs, manuals and similar technical documents open to access. We follow trends for digital transformation and constantly update ourselves.

Traceability

In all project productions reported by our customers as project continuation, all production data are recorded on the ERP system in order to ensure that the first production and subsequent productions are at the same quality standards and can be accessed when needed.

Thanks to the Feedback, we bring our brand to the hearts of our customers!





 **panelsan**



GOOD

FOR THE ENVIRONMENT

2022

RESPONSIBLE PRODUCTION WITH OUR ENVIRONMENTAL JOURNEY

We aim to achieve sustainable development goals in a way that preserves the balance between environment, society and economy. Improper waste management, unconscious use of natural resources and a changing climate have put negative pressure on the environment. The environment gives us the message that the needs of future generations are in danger every day.

As Panelsan, we develop environmentally sensitive business models in our operations. We lay solid foundations to minimize our negative impacts on the environment with our energy management, water road map, conscious resource use and greenhouse gas emission reduction targets.

We observe the health, safety and welfare of all our stakeholders within the scope of the Environmental Management System we implement within the framework of the ISO 14001 Standard. Our system procedures provide guidance to our organization on compliance with laws and regulations. In order to achieve the intended outputs, we apply our environmental management with a systematic approach more effectively and with commitment at all levels of our organization.

We have created environmental teams that know their duties and responsibilities with the environmental management system we have created for conducting dimension impact analysis that interact with the environment and controlling the identified activities, evaluating opportunities for improvement and reporting the results.

We conduct internal audits once a year in order to make processes sustainable and to control system effectiveness. In order to review the environmental management system carried out within our organization, we hold board meetings at least once a month under the leadership of our Environmental Management Representative and with the participation of the teams.

Thanks to our multi-disciplinary system, we monitor our environment-oriented processes and observe that they provide financial and operational benefits.

[Please click here](#) to access the Environmental Policy of our organization, which we have determined as a compass in environmental management.



RESPONSIBLE PRODUCTION WITH OUR ENVIRONMENTAL JOURNEY

We support our employees with trainings to increase their environmental awareness. We create a corporate culture that consciously consumes energy and water, separates waste and works towards the reuse of natural resources.

We take precautions by identifying the environmental impacts of our activities through environmental impact analyses. Environmental Impact Analysis is re-evaluated in case of revisions in legal regulations, growth, restructuring, technology, equipment purchases, violations, accidents, nonconformities and similar changes affecting the process. Normal, abnormal, emergency situations and natural disasters are defined in our organizational activities.

Our efforts for the reuse of natural resources, zero/minimum discharge efforts, ensuring reuse through our waste management, energy efficiency and use of renewable energy resources, environmental studies carried out with suppliers and third parties, outperforming compliance obligations, new technology environmentally friendly equipment and process studies, improvement of environmental culture, improvement of employee consultancy and participation process can be listed.

In order to manage the environmental impact of our products and services, we are starting Life Cycle Analyses (LCA) and Environmental Product Declaration (EPD) certification studies. By measuring the environmental performance of our products, processes and services through production, sourcing and disposal, we will have the opportunity for further environmental improvements.

It's not too late to protect the planet!



HAND IN HAND WITH OUR ENVIRONMENTAL STAKEHOLDERS

In line with our sustainability strategies, we disseminate our ESG material issues throughout our value chain with our responsible purchasing awareness.

We encourage our stakeholders to improve their sustainable performance. In this context, we have updated our supplier evaluation system, which includes quality, procurement criteria and environmental factors. In order to minimize the environmental impact of our products, we have integrated the criteria we have determined regarding the observance of environmental sensitivity in our procurement processes into our supplier sustainability performance evaluation system. We strive to ensure that our product and service quality is at a high level and sustainable through the systematic evaluation we regularly apply to our suppliers. We support a sustainable supply chain and want to contribute to a sustainable future by evaluating our needs and expectations in cooperation with our suppliers. We use multi-criteria decision-making methods to evaluate our suppliers. We determine the main and sub-criteria for our needs and expectations. We assign weighted performance scores for each criterion. Within the framework of this procedure, we evaluate our existing suppliers once a year and candidate suppliers to work with for the first time with our pre-approval selection criteria. We believe that we will add value to our stakeholders while improving our criteria within the scope of ESG by providing on-site controls with the supply audit plan.

The corporate culture we have created with this approach will provide us with healthy feedback, solidarity with our stakeholders and the opportunity to leave a clean life for future generations.





CONTINUITY IN ENERGY



With our sustainable energy saving and efficiency efforts that increase profitability by reducing costs, we generated 1,549,297 kWh of energy in 2022 and prevented 671 tCO₂e of greenhouse gas emissions.



In 2022, we produced approximately **60 percent of** our energy from our solar energy system'



SUSTAINABILITY IN ENERGY

In the global competitive environment, emissions are increasing with the release of industrial gases, smoke and other waste materials into the air. In this context, we are developing efficiency-enhancing projects for the most efficient use of our resources in order to reduce negative impacts on the environment and human health.

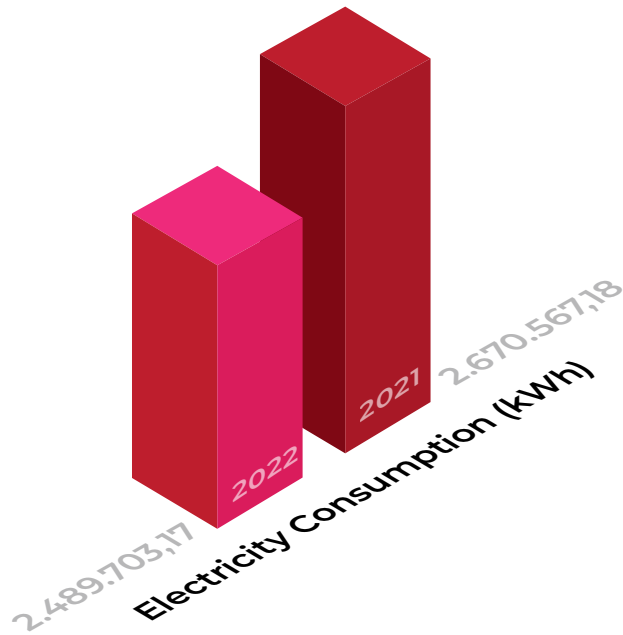
We use renewable energy resources in energy management, which we have identified as a very high priority issue, and we continue our investments to ensure energy efficiency. In 2020, we took a step towards both social responsibility and leaving a cleaner world to future generations by installing a 1.13 MW Solar Energy Systems (SPP) Roof Power Plant on the roof of our production facilities in Polatlı OSB.

At the same time, we combine our belief in the environment, green and circular economy with the innovations we bring to the sector and offer special panel-shaped apparatus systems that we produce for SPP. In this way, we facilitate and popularize the use of solar applications without drilling holes in the roofs.

In the new year, we will start our GES investment works in the panel production line to be added to our production facility in Polatlı, Ankara.



SUSTAINABILITY IN ENERGY



We started to take steps for sustainable energy management by making investments to provide the same products and services with less energy. Within the scope of the ISO 50001 Energy Management System Standard, which establishes processes that encourage the efficient use of energy resources, our efforts to establish the processes and systems required to increase the energy efficiency of our company continue. We have created our road map with flow charts showing our significant energy use (SEU) points. Thanks to the systems we monitor our energy parameters such as steam, water and electricity, we are improving our equipment infrastructure day by day by identifying the improvement points of our energy performance. We have functional devices with which we can make device-based local measurements in many areas. In this way, we are able to instantly detect disturbances, excesses and losses in the power line and gain the ability to intervene in malfunctions in a timely manner.

In order to use energy efficiently and save energy, we will conduct an energy audit in 2023 to develop efficiency-enhancing projects. As a result of the audit, our energy efficiency potentials will be identified, efficiency analyses will be made, and loss and leakage profiles will be effectively identified. (not available in pdf) Thanks to the financing support of the European Bank for Reconstruction and Development (EBRD), we are very pleased to continue our work intensively towards sustainable development goals.



OUR JOURNEY TO NET ZERO

Taking our place in the fight against the global climate crisis, we closely follow the policies and practices within the scope of the EU Green Deal process and continue our work in this field within the organization. We took 2017 as the base year for our carbon footprint calculation and emission reduction efforts related to climate change. We revealed our corporate carbon footprint in accordance with the ISO 14064 (Scope 1 and Scope 2) Standard, which includes the requirements for the calculation, removal and reporting of Greenhouse Gas Emissions. In this context, we received our Carbon Footprint Verification Statement approved by the Tüv Austria Hellas accredited laboratory in Athens. Thanks to our investment in 3 electric forklifts, we have reduced our Fixed and Moving Combustion Emission emissions, which are expressed as Scope 1. With the steps we took towards producing our own energy compared to previous years, we prevented the release of our Scope 2 Energy Indirect Emissions up to 552 tCO₂e in 2022. We also calculate and report our indirect greenhouse gas emissions, referred to as Scope 3, within the organization.

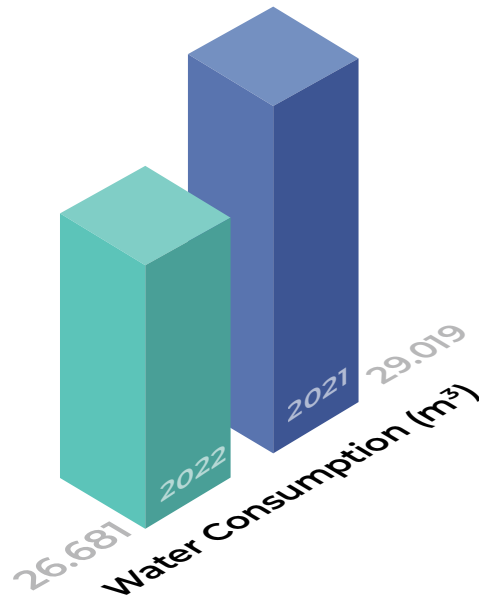
In line with our digital communication strategies, we raise awareness of our stakeholders on the use of our insulation products that directly reduce carbon emissions. In all our communication channels, we see it as our fundamental duty to provide content that emphasizes the reduction of carbon footprint, aims to raise environmental awareness by drawing attention to the energy crisis, and ensures social awareness on climate change.

We continue our environmental investments by adopting the scenario of limiting global warming to 1.5 degrees Celsius as a guide. In order to leave a cleaner world to future generations, we are rapidly developing our sustainability action plan, which aims to reduce and eventually eliminate the negative effects of climate change.





EVERY DROP OF WATER FOR OUR FUTURE



While the unconscious use of water, which is our most important natural resource, is increasing day by day due to climate change, Panelsan is moving forward with the goal of improving our work on water management.

We monitor and report our water consumption in all our production and service processes on a monthly basis.

We meet most of the water use in our production processes from the water network of the Organized Industrial Zone and some of it from well water.

With the awareness of our responsibility for the reuse of water without waste, we carry out our operations using recycled water. In this context, we recover the water used for the steam we need in production. By bringing the steam we obtain back into the system as hot water, we both save energy and prevent unnecessary water use.

We continue to work on planned projects on water management in our facility. We continue our efforts to increase the capacity of our rainwater collection system project with a capacity of 180 tons, which we carry out to meet the water we consume.

Water footprint calculation and reporting system, activities to reduce water use and projects covering risk management are among our future investments.





ZERO WASTE TARGET

With the aim of leaving a sustainable life and a clean environment for future generations, we ensure that the waste generated as a result of our operations is taken under control. We carry out the processes of waste reduction at source, sorting, storage, recovery and disposal within the scope of our Waste Management and Environmental Policy.

We also supported the Zero Waste movement initiated by the Ministry of Environment, Urbanization and Climate Change and received our Zero Waste Certificate. We see it as our fundamental responsibility to improve our waste management system for the protection of nature and to encourage our stakeholders in this direction.

In order to recycle waste, we classify our wastes in our facility and ensure their disposal in cooperation with licensed organizations outside the facility in accordance with legal regulations. We have organized our waste areas in line with conditions, needs and expectations. Our plans for next year include increasing the capacity of our waste storage area. We are drafting our wastewater project application on the water management roadmap.

We are aware that the committed execution of the Waste Management System plays an important role for our nature. We continue to organize Recycling and Zero Waste Training Programs every year to spread this awareness among our employees.



We are entitled to receive “Zero Waste Certificate”!



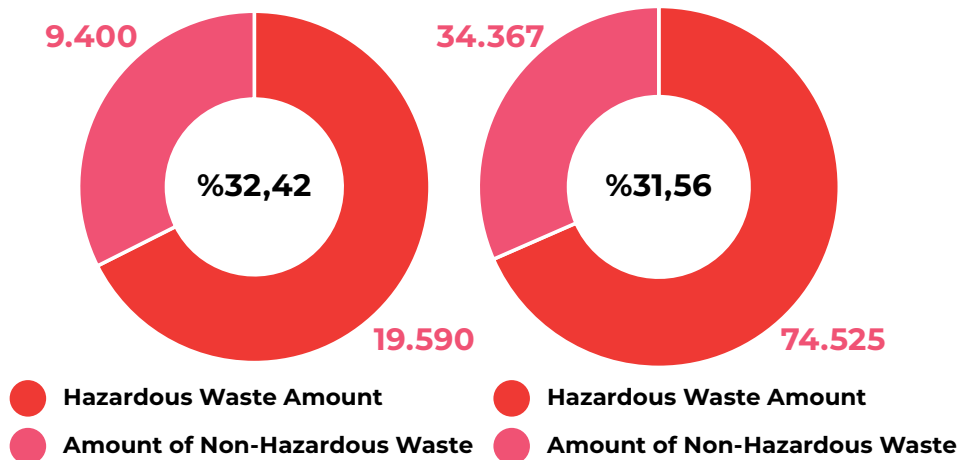
ZERO WASTE TARGET

We collect our wastes in temporary holding areas where we store them separately as non-hazardous and hazardous. We direct them to licensed companies for disposal or recycling.

We record our explosive, corrosive and similar wastes in the hazardous waste group, which pose a risk to human health and the environment, and our non-hazardous wastes that do not harm human health and the environment through the waste declaration tracking system. We can access the information through the ERP system we use, the Integrated Environmental Information System (EÇBS) of the Ministry of Environment and the Waste Management Application (Waste Declaration System / MoTAT).

Adopting the approach that forests are the natural source of paper, we recycled **56,497 kg** of paper in 2022 and prevented **960 trees** from being cut down.

2021 Waste Amount (kg) 2022 Waste Amount (kg)





 **panelsan**

 **OUR VALUES**

2022



PRIORITY FOR OUR EMPLOYEES

Our employees are the most important factor for the sustainability of our operations. We offer all our employees and subcontractors an equal and fair working environment that complies with the principles of diversity. As an organization that cares about employee loyalty, we create a respectful working environment, value human priority and take steps to improve working conditions.

Our Employee Rights and Values

- We support our disabled employees in social and economic areas with the understanding that no obstacle is an obstacle.
- We protect the right of our female employees to take maternity leave for a total period of 16 weeks, 8 weeks before and 8 weeks after the birth. Following the postnatal leave, we offer up to 6 months of unpaid leave upon written request of the relevant personnel.
- For children under the age of one, we give a total of one and a half hours of milk leave per day to our employees who start working by using their maternity leave. The employee herself/himself determines the hours and the number of hours to be used and the number of hours to be divided according to her/his own situation and the situation of the company/the task.
- We support our employees with the legal right to paternity leave in case the spouse gives birth.
- With our annual training program system, we ensure that our employees participate in internal and/or external training programs. We pay attention to the inclusion in the program of trainings that will improve the competencies of our employees to do their jobs better and enable them to reach their performance criteria and career goals.





OUR PRIORITY IS OUR EMPLOYEES

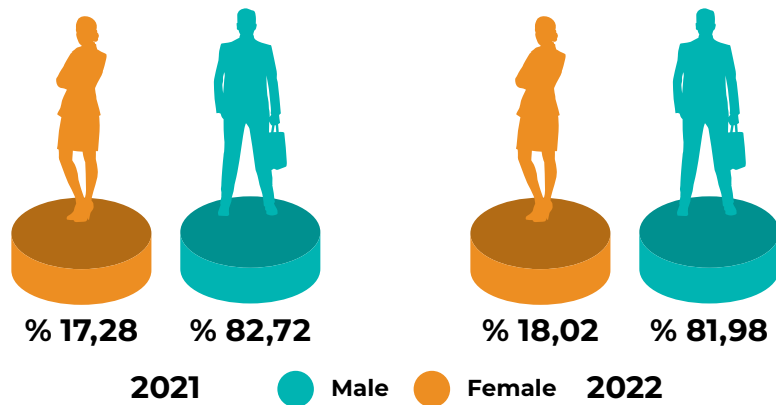
We believe in gender equality in working life and strive to increase the rate of female employment within the organization. As an organization that supports gender equality, we know that professions have no gender. We believe in the value created by diversity and women. By taking part in the fight against inequalities of opportunity experienced by women in working life, we implement our human resources policy on a basis that supports women's empowerment. We adopt the policy of equal pay for equal work in our Wage Management System. We are happy to increase the rate of female employees in our white-collar staff to 48%, and we adopt the 50%+ target in female employment by encouraging women to participate in production processes. We do not allow discrimination within the scope of the fair and equal working conditions we provide to all our employees.

We care that our staff consists of teams between the ages of 25-35, constantly improving themselves, creative, dynamic and with strong qualifications. The innovative perspectives and aspirations of our young employees for the future add value to our organization.

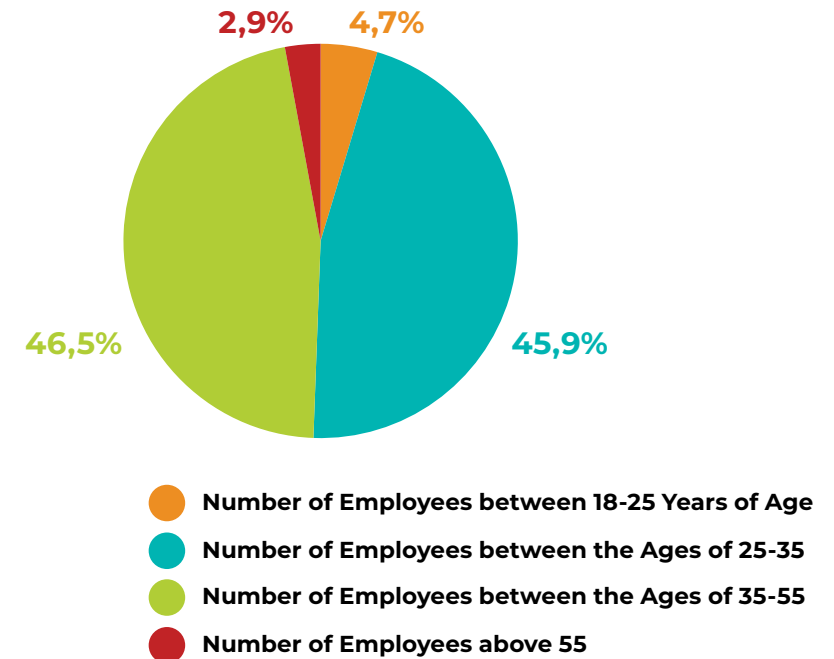
Thanks to the energy of our staff full of young talents with high communication and research skills, we have the opportunity to create new solutions for our processes.

We support the formation of creative team profiles in effective communication with young people by organizing leadership training programs for our management team. We offer our teams the opportunity to participate in social events.

Percentage Distribution of Employees by Gender



Age Distribution of Employees in 2022





OCCUPATIONAL HEALTH AND SAFETY

In our organization, Occupational Health and Safety Management System ranks first among our very high priority issues. In order to create a safe workplace environment for our employees, we aim for zero occupational accidents by constantly reviewing the possible risks they may encounter.

We increase employee awareness by integrating the elements of employee occupational health and safety into our business processes within the scope of ISO 45001 Occupational Health and Safety Management System. We ensure the effective participation of our employees in the established system through continuous trainings, experts, teams and drills. In all our operations that take place in the field, we make on-site determinations with our OHS teams and evaluate the measures that can be taken with the participation of employees. We care about the ideas of our employees with our suggestion and near-miss boxes, and we organize awareness trainings with established mentor teams.

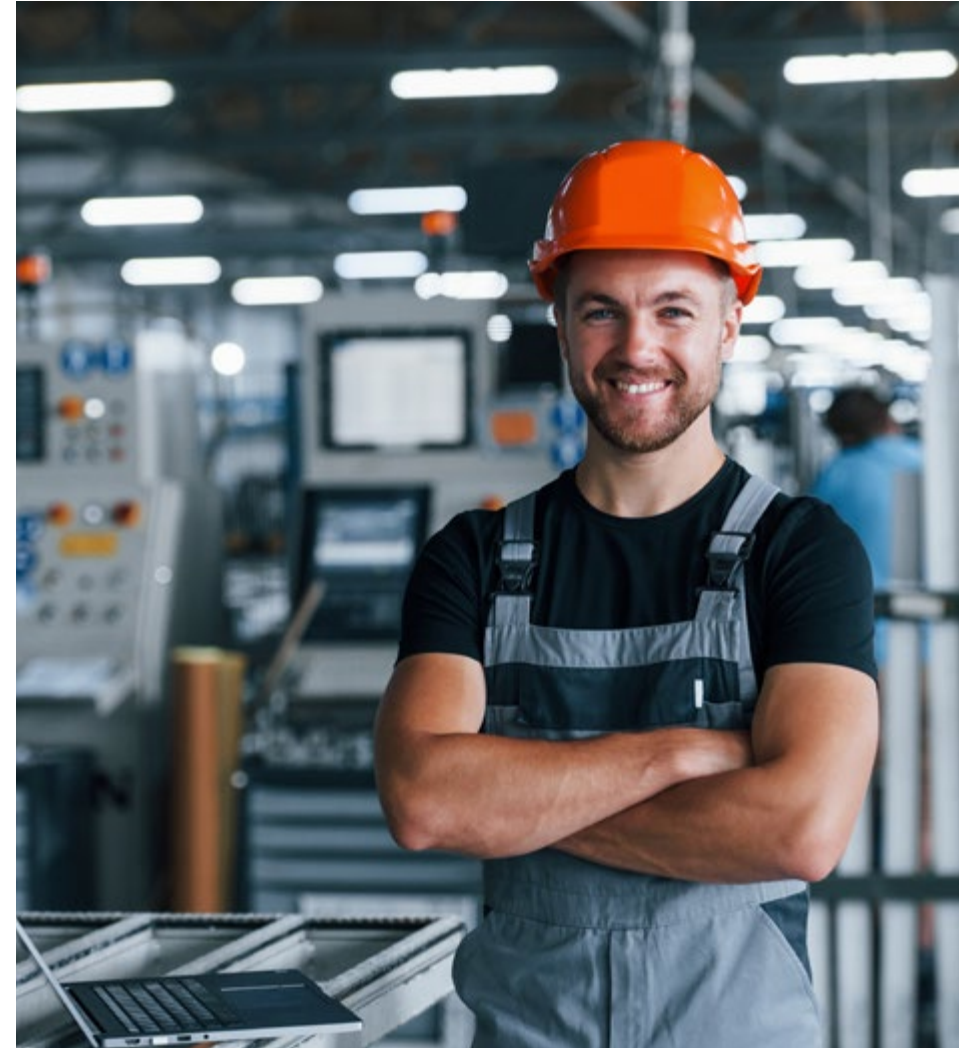
Thanks to the continuity we ensure in our occupational health and safety trainings and internal controls, we have observed an increase in near-miss notification rates. In our organization, we feel the awareness that occupational safety is a teamwork.

In addition to Basic Occupational Health and Safety Training, we provide our new employees with Basic First Aid training, which includes Protection, Notification and Rescue (PFRR) methods.

We ensure the improvement of working conditions by applying the root cause analysis (RCA) method to reduce, investigate and eliminate the causes of accidents. We reduced the “probability” multipliers in risk analysis by making improvements in machine protective equipment. Work accidents with minor injuries, which have been decreasing every year, decreased by 62.5% in 2022 compared to the previous year. Since our establishment in 2004, there have been no fatal work accidents and no occupational diseases.

We identify our improvement points through fire, evacuation and emergency drills held twice a year, organize practical trainings for our employees, and aim to reach the best possible standards in the field of occupational health and safety.

Our priority is to protect our employees, subcontracted employees, visitors and business stakeholders and to have a better working environment. We carry out various activities for the adoption and implementation of our measures by our employees with the opinions and support of our OHS Specialist. In this way, we remember and remind that occupational safety is a team work.





OCCUPATIONAL HEALTH AND SAFETY

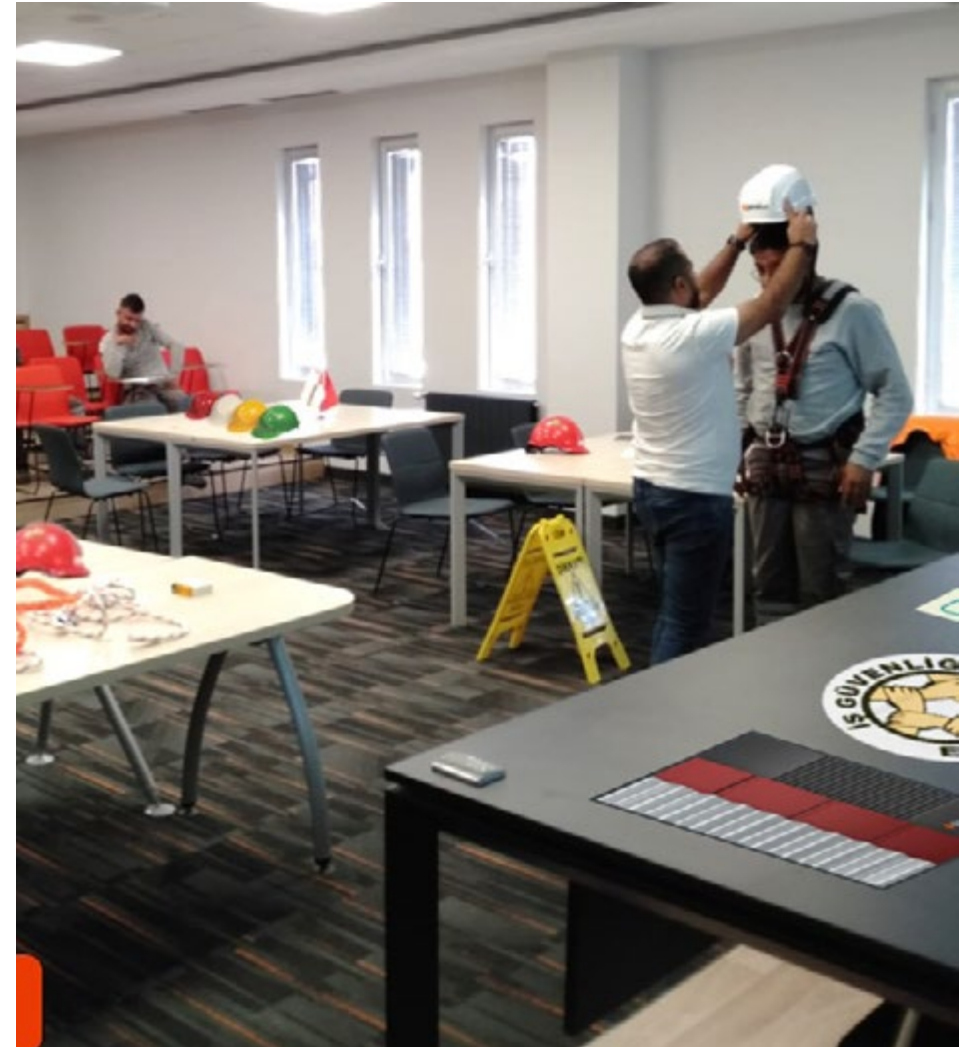
We ensure that dust, noise, vibration, thermal comfort and similar ambient measurements and personal exposure measurements are carried out periodically in order to prevent possible occupational diseases in our organization and to minimize the risks in this direction. We carry out health screenings at regular intervals under the supervision of our workplace physician, nurse, occupational health and safety specialist in order to quickly identify diagnosis and treatment services against the possibility of work-related diseases. We are prepared for possible accidents with medicines approved by the workplace physician, medicine cabinets containing all necessary materials and our examination room.

We take effective measures by identifying our risks related to natural disasters and epidemics, and raise employee awareness through in-house awareness trainings. In the name of healthy nutrition, we enrich our menus and ensure adequate and balanced nutrition for our employees through protein and calorie monitoring. We protect our employees from harmful effects by preventing working conditions that are contrary to human health.

Within the scope of occupational health and safety, we are adequately equipped for prevention, protection, evacuation, fire fighting, first aid and similar issues. We provide our employees with experience through emergency response drills in order to form responsible teams in emergencies and improve immediate interventions.

We organize OHS Board Meetings at least once every two months with our OHS teams and employee representatives under the leadership of our OHS Specialist. We evaluate the indicators we obtain from the operations we carry out in order to maintain a healthy and safe working environment with all our board members.

Our Protection, Your Trust!





EMPLOYEE DEVELOPMENT AND TRAININGS

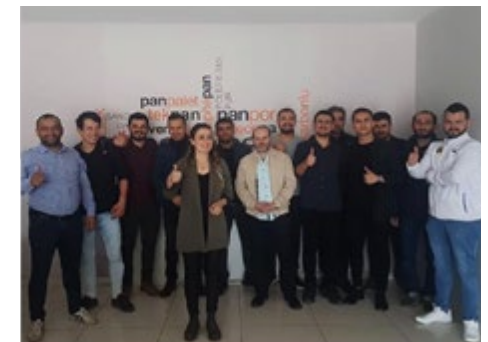
Thanks to the training programs coordinated by our organization for the development of our stakeholders, we create a stakeholder group open to innovation. With this understanding, as Panelsan Academy, we are happy with the positive feedback and increased motivation we receive from our stakeholders.

We organize trainings for our employees to refresh their understanding of team spirit and improve their competencies, and we strive to shed light on their career journeys.

With the importance we attach to training and our belief in development, within the scope of Panelsan Academy, we offer training opportunities to our employees and their teams in various fields such as leadership, technology, customer satisfaction management system, quality management, informatics, OHS, environment, energy and lean production techniques.

We offer our new employees a comprehensive training program for the introduction of the organization and their job so that they can adapt to work easily and quickly.

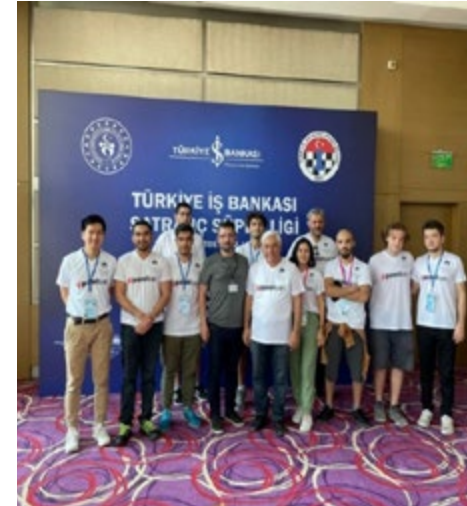
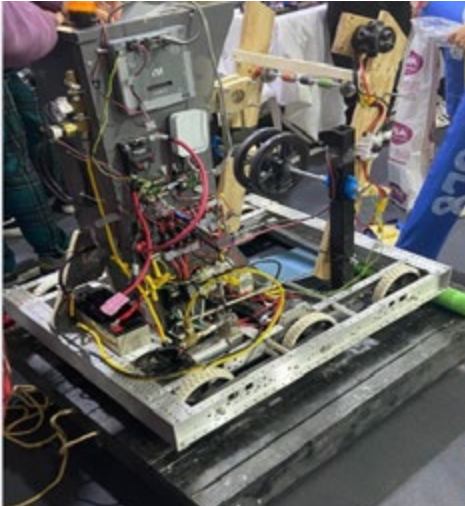
We support the leadership development journeys of our employees, which is one of the cornerstones of our corporate governance. With “Leadership for Change” and “Leadership for Business” trainings, we ensure that qualities such as organizational satisfaction, efficiency and strategic thinking are sustainable in our organization. In order to ensure that teams work peacefully with high motivation and strengthen their competencies, we completed the “Five Basic Successes of Teams” and “Creating Team Spirit in Business” trainings.



SOCIAL RESPONSIBILITY PROJECTS

In order to support the culture, history, economic and social development of the lands we live in, we take part in activities such as science, arts and sports, and participate in organizations that will advance our talents.

By supporting disadvantaged groups with positive discrimination, we are working with all our strength to contribute to our country's goal of an equal society and to leave a livable world for the future.



We support science communities of high schools and universities in developments in science and technology. We are sponsoring the Beştepe College Robotics Team.

By making a small contribution to the sports lives of our young people, who are the hope of the future, we support their socialization and prevent harmful habits and addictions.

We stand by our young people with the belief of bringing successful and healthy individuals with sports discipline to our country.

We have long been sponsoring Gökyay Foundation Sports Club, the only chess team in Ankara, which competes in the İşbank Chess Super League.

SOCIAL RESPONSIBILITY PROJECTS



We met with young engineer candidates at Panelsan for World Engineers Day. In line with our instructive and practical internship programs that we offer to our young talents, we help students create their career plans and support their entry into the business world.



In order to commemorate our liberation struggle once again, we took our place in the historical journey carried out on the 100th anniversary of the Great Offensive. We proudly carried the Independence Flag from Polatlı, where our factory was founded, to the sites of the War of Independence. We sponsored the Independence Flag Project in cooperation with the Polatlı Municipality Historical Areas Promotion Center (POTA).



 **panelsan**



IMPROVEMENTS

IN OUR VALUE CHAIN

2022



EXPORT COUNTRIES



Service to 30 Different Countries



More than 500 Customers



89 Different Points of Sale



More than 11 Brands



172 Employees



Total Production Amount of 3,410,704 m² in 2022

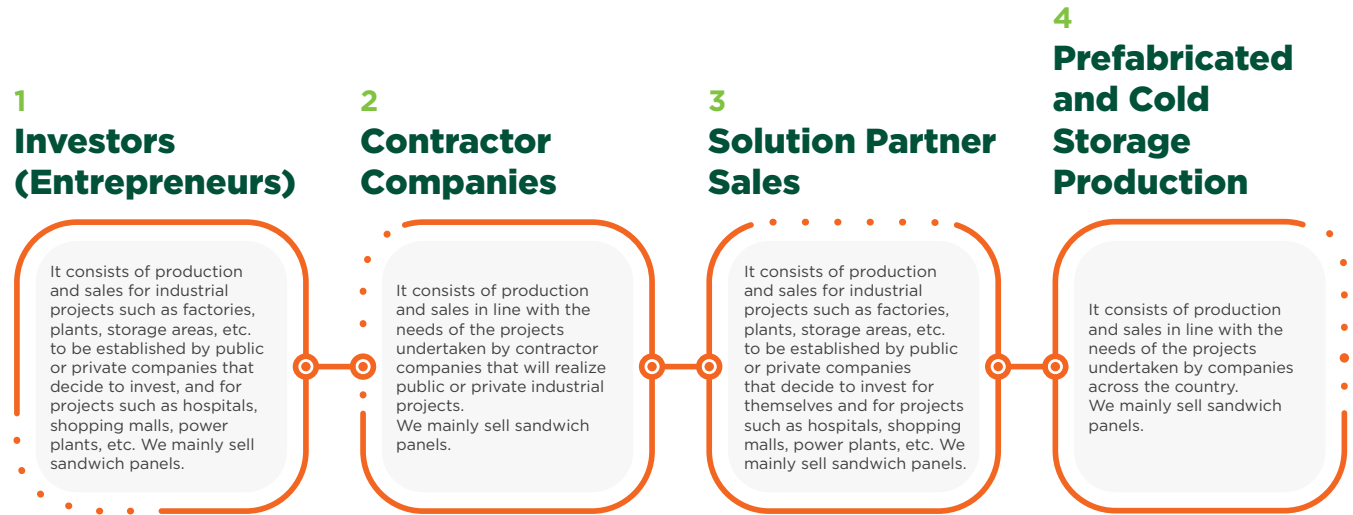




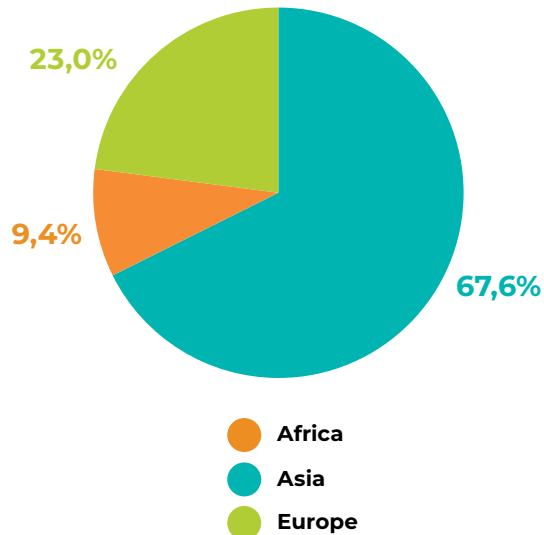
EXPORT COUNTRIES

Sales Channels

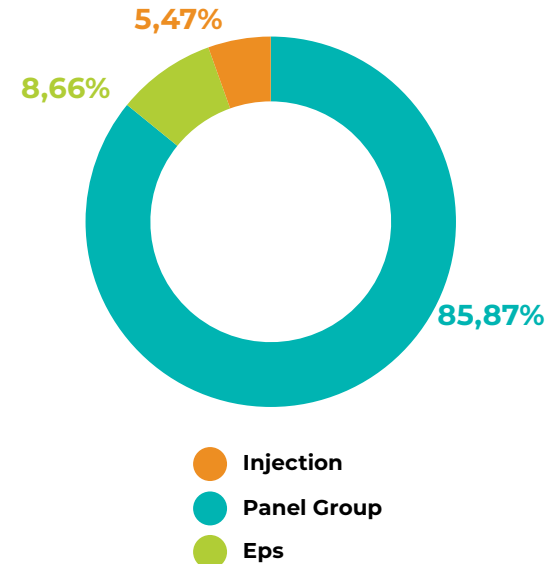
More than 350 customers sales directly and through solution partners through four different channels



Sales Share of Export Countries (m²)



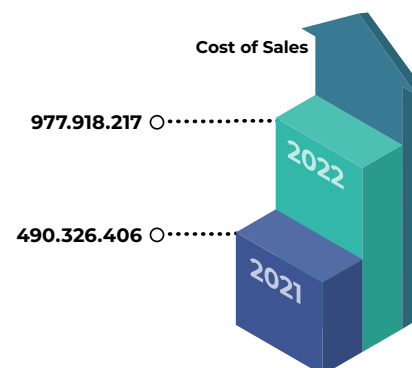
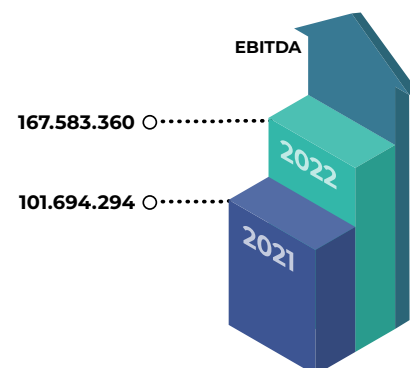
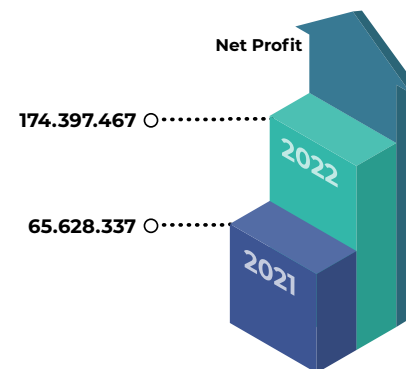
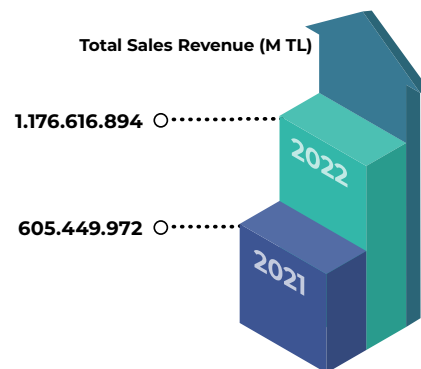
2022 Sales Rates



FINANCIAL INDICATORS

The financial statements of our organization are for the fiscal year ending on 31.12.2022 and are independently audited and reported. [Click here](#) to access the said report.

- Realized 52% above 2022 Annual EBITDA Target.
- 2021-2022 Revenue Growth results in 94.34%.





FINANCIAL RISKS

We provide financial risk management by utilizing certain financial instruments to protect our organization's assets with financial values against the risks arising from changing and developing conditions. As Panelsan, the main risk groups we take into consideration are the risks arising from uncertainties and fluctuations in exchange rates, liquidity, credit, interest, receivables and commodity prices. In this context, we conduct our risk analyses with our Committee for Early Detection of Risk, which reports to the Board of Directors, and determine the financial instruments that can be applied to mitigate the risk..

Interest Rate Risk

Short and long term loans are utilized according to the Company's financial position and fixed/variable interest rate balance is controlled.

Receivables Risk

- A certain level of collateralization of company receivables is taken into consideration. It is also supported by receivables insurance.

Credit Risk

A cash and non-cash credit limit and collateral structure is established for possible negative situations that may occur in working capital.

Liquidity Risk

Positive working capital control is maintained to ensure that the ratio of total cash and cash equivalents to short-term liabilities is at the specified level.

Currency Risk

Derivative market transactions are used to hedge foreign currency risk for borrowings denominated in foreign currencies.

STRATEGIC STUDIES

Creating Value with Our Employees

We offer an equal opportunity working environment to develop the competencies of all our employees.

- Performance Management System
- Development, Change and Leadership Trainings
- Suggestion System

Voice of Our Customers

We create solutions to improve our processes by being in constant communication with our customers.

- Customer Satisfaction Management
- Meeting Customer Needs and Expectations
- Effective Sales Operations
- Right Sales Channels

Quality First

In order to create sustainable processes, we aim for continuous efficiency with value-added products in our strategic plan by taking international management systems to our center.

- Quality Assurance & Control Applications
- Quality Cost Analysis
- Error Resolution Data Collection System
- Supplier Performance Measurement
- Advanced Equipment and Machinery Infrastructure





STRATEGIC STUDIES

Technology and Digitalization

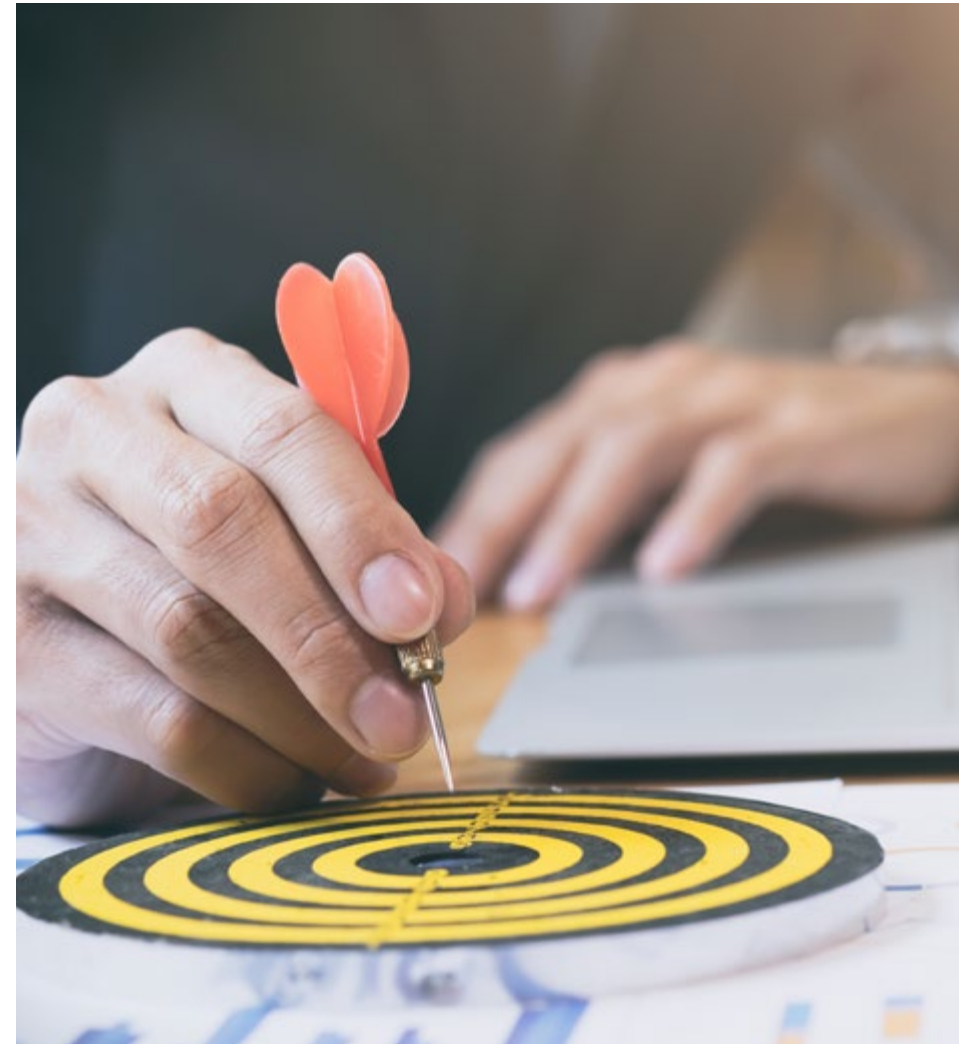
We take innovative initiatives to digitalize and increase efficiency to improve our processes in our operations.

- Digital Technology Culture
- Innovation and Innovation Project Initiatives
- Automation machines

Our Investments

Aiming for continuous growth since the day we were founded, we have made it our mission to move forward with our investments in the awareness of social responsibility and without losing the values we have.

- Energy Resources Investments
- Financial Investments
- Sustainability Investments
- New Factory Investments



R&D AND INNOVATION ACTIVITIES

Pannelsan offers environmentally friendly and economical products with high insulation values, which have high insulation values with innovation quality, to the service of the sector by using high technology with its R&D studies, which started as a department in 2017.

In order to create sustainable systems in our products and services, we develop our new product, process and process development R&D activities in order to offer solutions suitable for customer needs.

Within the scope of our projects, we continue to register our R&D activities with 1 patent application, 1 utility model application, 12 trademark and 3 design registrations. We are drawing our road map for the coming years, in which our industrial and academic cooperation in the field of R&D will intensify. Our R&D vision is to transform scientific development into economic wealth with the dynamic brain power of our country.



R&D AND INNOVATION ACTIVITIES



In order to support the technological development of our country's industry with research in the industrial field and to implement innovative ideas, we carry out our studies within the scope of cooperation programs with Atılım University and Hacettepe University.



Our high-tech tests are carried out on our life-size products. In this way, the products we offer to our customers are simulated and analyzed in advance.

LOGISTICS

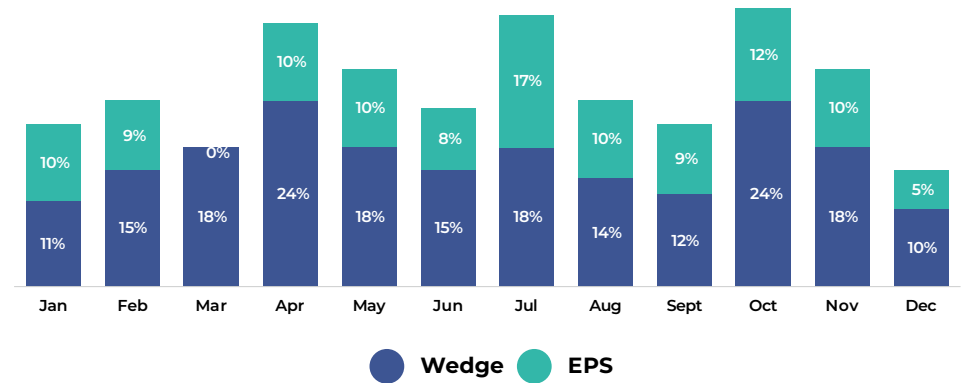
In order to prevent logistics-related emissions, we prioritize vehicles that consume less fuel and emit less carbon emissions. With our electric vehicle investments, we are getting closer to our goal of reducing greenhouse gases every day.

We make a positive contribution to the product life cycle by using packaging materials with recycled product content.

We manage all our logistics processes with the ERP system. With the advantage of operating our invoice, shipment and similar logistics processes in a digital environment, we archive input and output data and can easily access past dated information.

As part of our digitalization efforts, we aim to reduce the use of paper by implementing the digital signature project in 2023, which is among the targets we have set for the coming years.

Amounts of Recycled Product Use in Logistics





FROM STOCK TO PRODUCTION

In our organization, we ensure that raw material stocks are kept at an optimum level with material planning management. We determine the quantity and time of materials according to the need through the MRP system. We realize continuous control of stocks on the ERP software we use. We carry out material planning stages together with our main business processes such as sales, supply chain and finance. In order to maintain continuity in production, we hold regular meetings between units with the awareness that supply management needs to be made more efficient every day. In periodic meetings where we evaluate planned and actual costs with analysis reports, we determine our strategic supply chain targets and ensure financial management in supply and sales processes.

Considering the potential risks posed by climate change, we pay attention to maximum space utilization with optimized product movements. Thanks to our electric forklifts among our environmentally friendly vehicle fleet and our appropriate routing system, we are one step closer to our greenhouse gas emission reduction targets while keeping the number of transportation-related operations to a minimum. Thanks to our environmentally friendly practices, we ensure the disposal of our packaging waste collected in temporary holding areas.



CONSCIOUS PRODUCTION

We attach importance to time and cost efficiency by commissioning automation systems in our operations through our continuous improvement efforts, which we carry out with a sense of responsibility towards the environment and society.

We strive to reduce all kinds of activities that have no added value and consume our resources out of necessity by creating process flow charts that aim for uninterrupted interaction between departments. We apply SMED, Kaizen, 6 sigma lean production techniques in our production facilities to prevent scrap, waste and wastage. We aim to increase performance in our processes with our new machinery investments in our production area.





DIGITAL TRANSFORMATION

Our production is automated, continuous and efficient in our facility where a sustainable system 5s and Kaizen management systems are applied in electronic environments in order to increase the efficiency of our employees and facilitate the follow-up of the work done. Our testing processes using high technology are applied on our life-size products, so that all problems that our customers may encounter are simulated and tested before product delivery.

We carry out our business processes with ERP software to plan our resources correctly. As an organization, we adopt the 5S and Kaizen management approach and strive to build a lean, organized, sustainable and trust-based structure.

We produce solutions to the needs of the sector by adopting a customer and service-oriented approach, we keep our innovation, automation and digitalization efforts dynamic by providing bilateral information flow with our staff, suppliers and customers.

We try to reduce paper waste by transferring our promotional printed works to digital media. Our primary goal is to establish a healthy communication environment with our consumers and stakeholders digitally as well as traditionally. In this context, we are increasing our digitalization efforts and aim to be the first brand to catch the trends by closely following new technologies. We are updating our current website to keep up with new technologies and adding trend channels to the communication tools we use with our stakeholders to ensure continuous and bilateral information flow and to provide an uninterrupted service.





 **panelsan**

 **EKLER**

2022



SUSTAINABILITY PERFORMANCE INDICATORS

ECONOMIC PERFORMANCE INDICATORS		
Revenue (Sales)	2022	2021
Domestic Sales	1.073.104.024	531.697.009
International Sales	90.745.752	65.790.428
Other Income	12.767.118	7.962.535
TOTAL	1.176.616.894	605.449.972

COST OF SALES	2022	2021
Cost of Finished Goods Sold	952.405.830	482.543.135
Cost of Trade Goods Sold	22.019.693	7.281.764
Cost of Service Sold	3.172.978	117.192
Other	319.716	384.315
TOTAL	977.918.217	490.326.406

Supply Chain and Customers	2022	2021
Total Number of Customers	503	477
Total Number of Suppliers	499	314
Total Number of Local Suppliers	480	303

EBITDA	2022	2021
EBITDA	167.583.360	101.694.294
EBITDA Margin	14,2%	16,8%



SUSTAINABILITY PERFORMANCE INDICATORS

SOCIAL PERFORMANCE INDICATORS

Number of Employees	2021	2022
Total Number of Employees	162	172
Number of White Collar Employees	55	64
Number of Blue Collar Employees	107	108

Number of Employees by Age	2021	2022
Number of Employees between 18-25 Years of Age	14	8
Number of Employees between 25-35 Years of Age	71	79
Number of Employees between 35-55 Years of Age	72	80
Number of Employees Over 55	5	5
TOTAL	162	172

Number of Female Employees	2021	2022
Number of White Collar Female Employees	23	28
Number of Blue Collar Female Employees	5	3

Average Training Hours per Employee (person*hour)	2022
	23.736

Recruitment Breakdown	2022
Female	2
Male	19
Total	21

Employee Benefits	Status
Private Health Insurance	YES
Private Life Insurance	NO
Individual Pension Fund	YES
Birthday Leave	YES
Performance Related Bonus System	YES

OCCUPATIONAL HEALTH AND SAFETY PERFORMANCE INDICATORS

Occupational Health and Safety	2021	2022
Accident Frequency Rate	71	27
Occupational Disease Rate	-	-
Number of Fatal Accidents	-	-
Total Number of Lost Days	86	14
Total Hours of Occupational Health and Safety Training	3.564	4.008



SUSTAINABILITY PERFORMANCE INDICATORS

ENVIRONMENTAL PERFORMANCE INDICATORS		
GHG Emissions	2021	2022
Scope 1 (t CO2e)	246,87 tCO2e	795,07 tCO2e
Scope 2 (t CO2e)	265,60 tCO2e	442,02 tCO2e
Scope 3 (t CO2e)	2173,27 tCO2e	2421,54 tCO2e
Greenhouse gas (GHG) carbon density	0,023	0,034
Total Energy Consumption	2021	2022
Electricity Consumption (kWh)	2.670.567	2.489.703
Electricity Energy Intensity (kWh/ton)	27	28
Renewable Energy Production Amount (kWh)	1.650.906	1.549.297
Natural Gas Consumption (sm ³)	157.280	298.662
Natural Gas Energy Intensity (sm ³ /ton)	4,04	8,24

Water Management	2021	2022
Mains Water (m ³)	27.693	18.687
Well Water (m ³)	1.326	7.994
Total Water Consumption (m ³)	29.019	26.681
Water Density (m ³ /ton)	1,87	1,87
Waste Management	2021	2022
Hazardous Waste Amount (kg)	19.590	74.525
Amount of Non-Hazardous Waste (kg)	9.400	34.367



GRI CONTENT INDEX

GRI STANDARD			
GRI 1: BASIC 2021			
GRI 2: GENERAL REMARKS 2021			
	EXPLANATION	SECTION	PAGE
2-1	Details about the organization	About Us, Our Brands, Export Countries, Sustainability Performance Indicators	9-10
2-2	Organizations included in sustainability reporting	Our Report	5
2-3	Reporting period, frequency and contact information	Our Report, Back Cover	5-127
2-4	Re-articulation of knowledge	Our Report (Panelsan 2022 Sustainability Report is Panelsan's first report)	5
2-5	External Audit	Our Report (The report was not submitted for external audit)	5
2-6	Activities, value chain and other business relationships	Our Milestones, Our Brands, Our Fields of Activity, Panelsan at a Glance, Panelsan in Kazakhstan, Our Supply Chain, Stakeholder Dialog, Stakeholder Analysis, Export Countries, Financial Indicators	11, 13-14, 15, 16-22, 24, 75-77, 78-79, 103-104, 105-106
2-7	Employees	Priority Our Employees, Our Sustainability Performance Indicators (Social Performance Indicators)	95, 96-117
2-8	Non-employee employees	Our Priority is Our Employees	95-96
2-9	Management structure and composition	Governance Model, Board of Directors, Dividend Rights and Transfer, Human Resources Policy, Integrated Management System	38-40, 36-37, 62, 63,72
2-10	Nomination and election of the highest governance body	Governance Model	38-40
2-11	Chair of the highest governance body	Governance Model	36-37
2-12	The role of the highest governance body in overseeing the management of impacts	Our Governance Model, Corporate Risk Management	38-40, 68-69
2-13	Delegation of responsibility for managing impacts	Governance Model	38-40
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GRI 2: GENERAL REMARKS 2021	EXPLANATION	SECTION	PAGE
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2-16	Communicating critical concerns	Ethical Management, Stakeholder Analysis	64-65
2-17	Collective knowledge of the highest governance body	Board of Directors	36-37
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2-20	Wage setting process	Remuneration Policy	
2-21	Annual total remuneration rate	Panelsan 2022 Annual Report	
2-22	Statement on sustainable development strategy	Our Contribution to the UN Development Goals	32-34
2-23	Policy commitments	Vision-Mission-Corporate Values, Ethical Management, Corporate Risk Management	12, 64-65, 68-69
2-24	Placement policy commitments	Our Approach to Sustainability	26-27
2-25	Processes to remediate negative impacts	Risks and Opportunities, Corporate Risk Management, Financial Risks	28-30, 68-69,106
2-26	Mechanisms for seeking advice and raising concerns	Ethical Management	64-65
2-27	Compliance with laws and regulations	Ethical Management	64-65
2-28	Memberships	Our Memberships and Initiatives	23
2-29	Stakeholder engagement approach	Our Dialogue with Stakeholders, Stakeholder Analysis	78-79, 80
2-30	Collective Labor Agreements	There are no employees subject to collective bargaining agreements in our organization.	

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3-1	Process of identifying priority issues	Our Report, Our Corporate Sustainability Priorities	5, 31
3-2	Priority issue list	Our Corporate Sustainability Priorities, Our Contribution to UN Development Goals	31, 32-34
3-3	Management of the priority issue	Our Approach to Sustainability	26-27
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201-3	Defined benefit and other pension plan liabilities	Panelsan 2022 Annual Report	
201-4	Financial assistance from the government	Panelsan 2022 Annual Report	
GRI 203: INDIRECT ECONOMIC IMPACTS 2016			
203-1	Infrastructure investments and supported services	Our Social Responsibility Projects	100-101
203-2	Significant indirect economic impacts	Financial Risks	106
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GRI 205: ANTI-CORRUPTION 2016			
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GRI 206: COMPETITION CONTRARY BEHAVIOR 2016	EXPLANATION	SECTION	PAGE
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GRI 207: TAX 2019 NOTE: IF THERE IS NO EXPLANATION ABOUT TAX, THIS SECTION CAN BE REMOVED DIRECTLY.			
207-1	Approach to Taxes	Panelsan 2022 Annual Report	
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303-3	Water withdrawal	Sustainability Performance Indicators (Environmental Performance Indicators)	118
303-5	Water consumption	Sustainability Performance Indicators (Environmental Performance Indicators)	118

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306-2	Management of significant waste-related impacts	Target Zero Waste	92-93
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401-2	Benefits provided to full-time employees but not to temporary or part-time employees	Our Priority is Our Employees	95-96
401-3	Parental leave	Our Priority is Our Employees	95-96
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018			
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403-2	Hazard identification, risk assessment and incident investigation	Occupational Health and Safety	97-98
403-3	Occupational health services	Occupational Health and Safety	97-98
403-4	Worker engagement, consultation and communication on occupational health and safety	Occupational Health and Safety	97-98
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403-6	Promotion of worker health	Occupational Health and Safety	97-98
403-7	Prevention and mitigation of occupational health and safety impacts directly linked to labor relations	Occupational Health and Safety	97-98
403-8	Workers covered by the occupational health and safety management system	Occupational Health and Safety	97-98
403-9	Work-related injuries	Occupational Health and Safety Performance Indicators	117
403-10	Work-related illness	Occupational Health and Safety, Sustainability Performance Indicators (Occupational Health and Safety and Performance Indicators)	97-98, 117

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GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016			
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GRI 406: NON-DISCRIMINATION 2016			
406-1	Incidents of discrimination and corrective measures taken	Our Priority is Our Employees	95-96
GRI 408: CHILD LABOR 2016			
408-1	Operations and suppliers at significant risk of child labor incidents	There is no child labor in any of the fields of activity of our organization.	
GRI 409: FORCED OR COMPULSORY LABOR 2016			
409-1	Operations and suppliers at significant risk of incidents of forced or compulsory labor	There is no forced or compulsory labor in any of our organization's fields of activity.	
GRI 410: SECURITY APPLICATIONS 2016			
410-1	Security personnel trained in human rights policies or procedures	Our organization's security personnel were trained on human rights policies or procedures.	

GRI 413: LOCAL COMMUNITIES 2016	EXPLANATION	SECTION	PAGE
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GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016			
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414-2	Negative social impacts in the supply chain and actions taken	Supply Chain	75-77
GRI 416: CUSTOMER HEALTH AND SAFETY 2016			
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416-2	Incidents of non-compliance related to health and safety impacts of products and services	No incidents of non-compliance were reported during the year.	
GRI 417: CUSTOMER HEALTH AND SAFETY 2016			
417-1	Product and service information and labeling requirements	Conscious Production	113
417-2	Incidents of non-compliance related to product and service information and labeling	No incidents of non-compliance were reported during the year.	
417-3	Incidents of non-compliance related to marketing communications	No incidents of non-compliance were reported during the year.	
GRI 418: CUSTOMER PRIVACY 2016			
418-1	Substantiated complaints of breach of customer privacy and loss of customer data	Customer Satisfaction	81-82



Panelsan Sustainability Report

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