

NETAŞ

**ENVIRONMENT,
HEALTH, AND SAFETY
REPORT**

2023

ENVIRONMENT, HEALTH, AND SAFETY

REPORT 2023

Preservation of ecological balance, a crucial concern in today's world, necessitates the more efficient utilization of energy and raw materials. Organizations must be knowledgeable about national and international climate change policies, proactively prepared for their implications, and effectively manage the risks associated with greenhouse gas emissions to remain competitive in future markets. Failure to identify and address greenhouse gas risks may expose organizations to potential legal sanctions in the future. Additionally, they may incur greenhouse gas emission costs to engage in trading activities, which can significantly impact their competitiveness in the market. The implementation of technologies that prioritize the protection of human health and the environment during usage is of paramount importance.

In our ongoing efforts, we remain committed to combating climate change.

Contribution To The Circular Economy

Companies prioritizing environmental sustainability strive to optimize the utilization of natural resources and actively pursue circular economy initiatives. They actively respond to this evolving trend. As Netaş, we not only generate value by implementing diverse strategies in digital transformation projects for both private and public sector organizations but also provide Circular Economy solutions through our subsidiary BDH. BDH contributes significantly to the Circular Economy by offering services such as the "Renewal Center and Authorized Service Center" to the communication sector.

In addition to above;

Climate Target Studies Within The UN

The recent report by the "Intergovernmental Panel on Climate Change" (IPCC) under the United Nations (UN) sounded a "code red for humanity" alarm. This warning prompted over 600 companies to urge G20 leaders, prior to the upcoming COP26 (United Nations Climate Change Conference), to commit to cutting emissions in half by 2030 and discontinuing support for fossil fuels. Recognizing the importance of renewable energy sources, we closely follow this movement for a sustainable future.

As Netaş, we have been supporting the UN GLOBAL COMPACT since 2019. We are an active member until December 31, 2023.

<https://unglobalcompact.org/what-is-gc/participants/138297-Neta->

We also support some of the Sustainable Development Goals in our projects.

As Netaş, we will continue our commitment to making a positive impact on our world through the power of technology.

Carbon Disclosure Project

Additionally, we have prepared and submitted the Carbon Disclosure Report for 2022 to the evaluation board. Based on the evaluation results, our company has been upgraded by two levels and assigned a C scale rating. Our goals are always determined with the belief that successful implementation of our planned practices during work is essential in ensuring a sustainable and thriving environment for future generations, where happiness and good health can be achieved.

In addition to promoting environmental awareness, significant efforts are dedicated to environmental protection through the establishment of laws, contracts, and regulations.

The Covid-19 pandemic has had a profound impact on various sectors globally and domestically, leading to significant transformations in work practices. As Netaş, we adapted our working model in 2020 to a hybrid approach in response to these changes. Based on the decisions taken by our Human Resources department, it has been determined that the Hybrid working model will be maintained throughout the year 2023 and 2024.

Our employees receive regular updates on company-related changes and innovations through remote meetings led by the CEO and email announcements.

Environmental, Health, and Safety Policy

Netaş's Environmental, Health, and Safety policy aims to adhere to legal practices and standards in all its activities while also taking a leadership role in engaging other social stakeholders in these initiatives.

In 2023, Netaş successfully completed interim audits for both the **ISO 14001 Environmental Management System** and **ISO 45001 Occupational Health and Safety** certificates. The implementation of activity plans is periodically internally audited within the framework of the Environment, Health, and Safety Program (EHS).

As stated in our EHS Policy, our company places great importance on contributing to the development of environmental, health, and safety awareness by providing innovative solutions to EHS issues.

While maintaining control over activities through internal and external audits, we provide training to our solution partners, followed by periodic EHS audits. We also require them to fulfill their legal obligations and establish their own EHS systems.

At the same time, they are expected to manage the system with goals, programs, and strategies set with a zero waste and sustainability perspective.

Due to hybrid working the number of coaches have been decreased from 42 to 6 . The initiatives were taken via the best route applications depending on employees residential areas Environmental Board consisting of environmental experts, assumes control, consultancy, and implementation roles, and is responsible for the review of the environmental management system, monitoring the current approvals/licenses and permits for processes and making annual declarations on legal legislation.

Next Generation Products

Since its foundation, Netaş has an approach that creates its products and services with an environmentally friendly perspective and creates innovative designs that ends up with benefit to the ecosystem and keeps on this with an innovation approach by improving its processes. In this context, our environmentally friendly products and projects that are held are given below.

Remote Physiotherapy:

Netas aims to introduce state-of-the art technologies targeting healthcare industry. Remote Pyhsiotherapy solution developed by Netas allows physiotherapists and patients to communicate remotely while patients are performing gamified rehabilitation exercises from home. The project received R&D incentive within the Smart Cities Project funded by TUBİTAK. Remote Pyhsiotherapy solution reduces the need for patients to visit hospitals/rehabilitation centers reducing carbon emissions and traffic congestion, contributing to a more sustainable

society and environment. Additionally, in the context of a pandemic or similar situation, this solution allows for continuity of care while maintaining social distancing guidelines.

Smart-WIND

Netaş aims to increase the efficiency of wind turbines with the use of information and communication technologies with the Smart-Wind project carried out within the scope of EUROGIA. The project is carried out by seven institutions from Spain, Germany, and Türkiye, and Netaş processes data collected by IoT solutions from wind turbines operated by Zorlu Enerji, using advanced artificial intelligence and machine learning techniques. Thus, the efficiency of critical components in the turbines is increased.

With the Smart-Wind project, which started in January 2020 and completed on 2023, advanced information technologies in the field of smart energy are developed domestically. Advanced cooperation and mutual know-how transfer are realized with the work done with partner organizations in Germany and Spain.

V2X

Tests for compatible applications like Vehicle-to-Everything (V2X) Communication Units for Smart Transportation and Roadside Communication Units, along with 5G applications such as Remote Physiotherapy for next-generation healthcare services, continue through collaborations in both the private and public sectors.

Funded Projects

SOCFAI

Netaş has been developing novel technologies to ensure energy efficiency in airports within the ITEA4 labelled and TUBITAK funded SOCFAI Project. The project consortium consists of partners from Turkey, South Korea and Singapore. The main objective of the project is to develop a modern data transmission hub through which various software services can communicate with each other in an airport. Netaş has been working on the development of an IoT-based solution that optimizes the HVAC system operations based on indoor air quality, ensuring energy efficiency of airports. The project is planned to be completed in 3 years and the pilot activities will be performed in İzmir Adnan Menderes Airport.

Smart Farming Project for Qatar

The 5GPP Greenhouse project of Netaş, started upon the joint call from the Scientific and Technological Research Council of Turkiye (TUBİTAK) and Qatar National Research Fund (QNRF), aims to process data coming from greenhouses through ION and increase the efficiency and digitalization, in order to secure the sustainability of the agricultural production. As a pilot study, a greenhouse in Qatar will be controlled through ION set up on a cloud in Istanbul.

Ecosystem collaboration

We contribute significantly to the preservation of our world for future generations by conducting studies and inspections in collaboration with our solution partner organizations within our ecosystem. These efforts aim to promote environmental, health, and safety awareness and ensure its development.

Supply Chain department is controlling its new and current suppliers once a year based on a questionnaire and requested for their ISO14001,45001, environmental regulations and emission if possible.

(501-T-KEK-4.4.1 Supplier Selection and Approval Procedure)

(501-T-KEK-4.4.3 Supplier Performance Evaluation Procedure)

In the following section, we provide a summary of our company's activities in 2023 related to **waste reduction, resource conservation, energy consumption reduction, employee health and safety management system** and the **sustainability of the environmental management system**.

Reducing Hazardous Waste

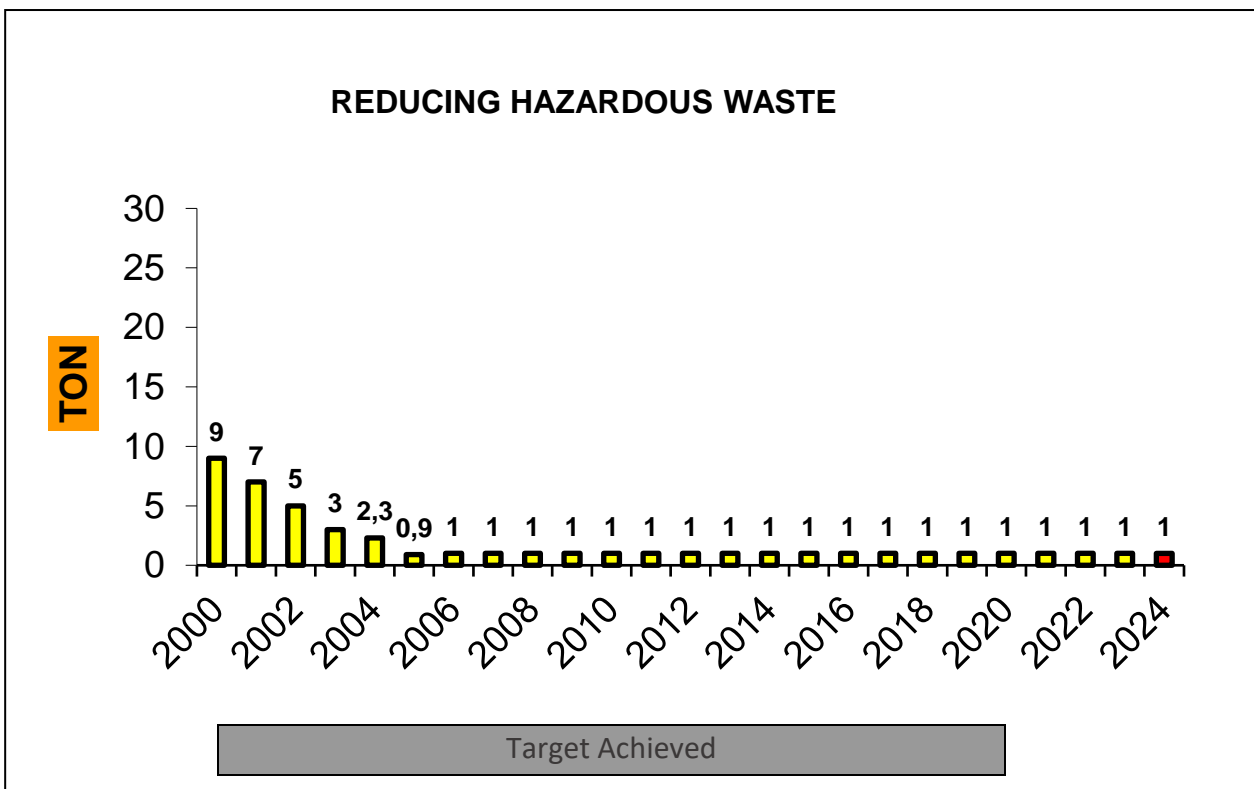
Environmental pollutants consist of harmful and toxic gases (gas emissions) that become mixed with the air, as well as other hazardous solid and liquid wastes.

In this context, waste oils, contaminated clothes and rags, fluorescent lamps, and medical wastes are safely and responsibly removed from the environment through the services of authorized recycling and disposal companies. Wastes that can be recycled, such as electrical and electronic equipment wastes, are sent to licensed recycling companies. Additionally,

flue gas emissions are effectively managed through regular maintenance and measurements to ensure compliance with environmental regulations.

Netaş has set a target for 2023 to maintain the amount of polluting waste below the threshold of 1 tone. The target to reduce environmentally polluting waste was successfully achieved in 2023 as a result of implementing effective measures (however, due to remote working conditions for about 12 months, obtaining realistic data was not possible).

In 2024, the objective is to maintain the total amount of environmentally hazardous waste at the current level. The chart below presents the performance regarding the reduction of hazardous wastes.



All non-recoverable hazardous wastes are transported to İzaydaş, a division of İzmit Metropolitan Municipality, for environmentally safe disposal. Additionally, Anel Doğa company is actively involved in both waste disposal and recycling operations.

Medical wastes generated from the company’s infirmary are transported using vehicles owned by the Istanbul Metropolitan Municipality to the designated disposal station for incineration. The contract for the disposal of medical waste is renewed on an annual basis.

“Declarations of Hazardous Wastes” are submitted to the respective regulatory authorities on the specified dates as required by the regulations.

The company non hazardous waste is 12.8 tonnes. The target was 14 tonnes for non hazardous waste. hazardous waste is 0,11 tonnes but the target for hazardous waste was 1 tonne. The recycled waste is 9.16 tonnes. The ratio is 40 %. the target for 2023 was tonnes. The total waste is 12,9 tonnes and it is apart from recycled waste which is 9.16

Reducing Non-Hazardous Waste

Non-hazardous wastes include recyclable materials such as packaging materials, cardboard, paperboard, plastics, wood, iron, aluminum, and copper.

By collecting and categorizing non-hazardous waste materials in our company, we ensure their storage and subsequent sale for re-evaluation. This process enables the re-evaluation of these materials in terms of technology and their transformation into raw materials ready for production. As a result, the negative environmental impacts that could arise from their disposal are effectively eliminated.

We have started implementing initiatives pursuant to the Zero Waste Regulation, providing awareness training to our employees, which is an ongoing effort. As part of this, we have procured suitable collection containers and raised awareness about waste management. Additionally, in collaboration with the building management, we have obtained the Zero Waste Certificate for our Kurtköy location through the necessary applications.

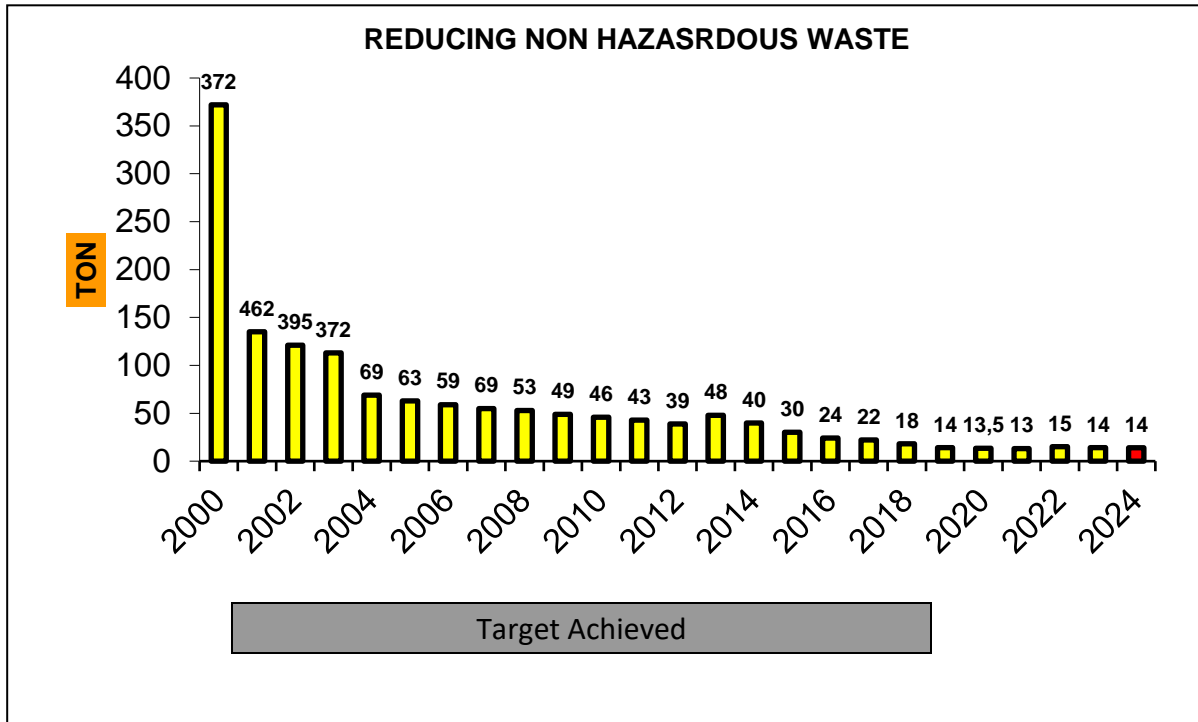
After reusing packaging materials such as cardboard, paperboard, composite, and pallets in our storage and shipping processes, we successfully collected and repurposed 3 tons of waste through the necessary repairs.

In the year 2023, 14 tons of non-hazardous waste were sent for recycling (paper, cardboard, plastic, with a rate of 93%).

A contract has been established with the District Municipalities in compliance with legal regulations regarding non-hazardous wastes. The collection of recyclable wastes falling under this category is carried out by the respective municipalities.

In 2023, the target for non-hazardous waste was set at a total of 16 tons per year.

The chart below presents the performance regarding the reduction of nonhazardous wastes.



Resource Conservation

Netaş has established goals to reduce paper consumption and improve paper efficiency as part of its resource conservation efforts.

Our company places great importance on addressing the negative environmental and health impacts associated with excessive paper consumption. In light of this, we have taken proactive measures such as upgrading our printers and implementing a card system for printing. Additionally, we have optimized machine utilization based on speed and service directions, resulting in a reduced number of machines in certain areas.

By saving 1 ton of paper, we are able to preserve 17 trees, covering an area of approximately 2.3 square meters of forest. Additionally, it saves 31,787 liters of water and 4,100 kWh of electrical energy.

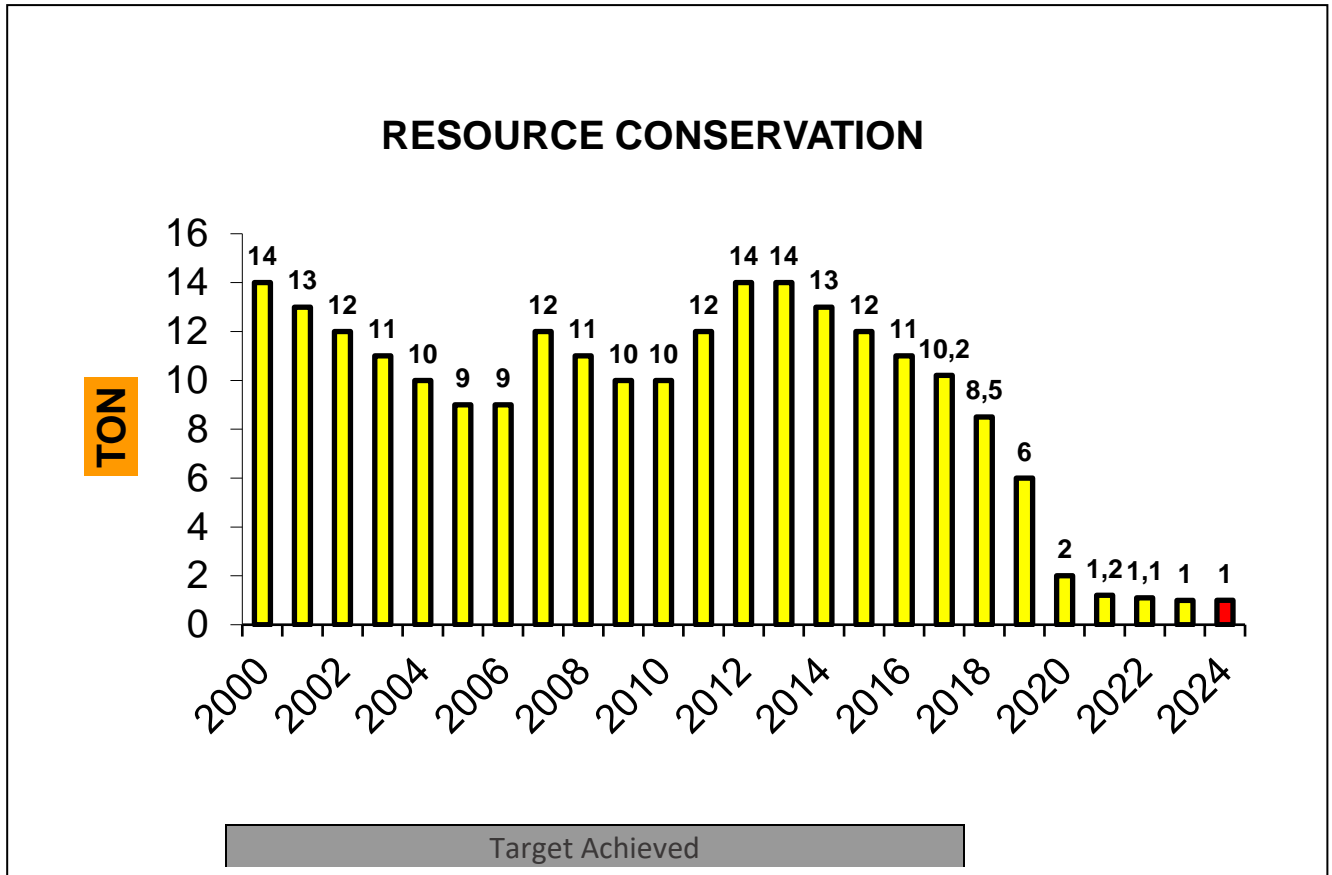
To date, our conscious collection of recycling materials such as paper, cardboard, and wood has prevented the cutting down of 570 trees.

Netaş aims to reduce paper purchases in 2023 by 50% compared to the previous year, taking into account the effects of hybrid working.

Additionally, the target for 2023 is to keep the total paper purchases below 1 ton. While there may be temporary increases in consumption during certain periods due to organizational

growth, it gradually declines as awareness improves. (However, due to remote working conditions for about 12 months, obtaining realistic data was not possible).

The performance related to resource conservation is depicted in the chart below.



Reducing Energy Consumption

The total energy consumption value is calculated by converting the energy used from electricity, natural gas, and diesel fuel into TEP (Ton Equivalent Petroleum).

Netaş was awarded the 1st prize in the electrical equipment manufacturing sector in the YES category at the “17 Industrial Energy Efficiency Project Competition” (SENER-17) held in 2016.

Within the scope of our company’s moving process;

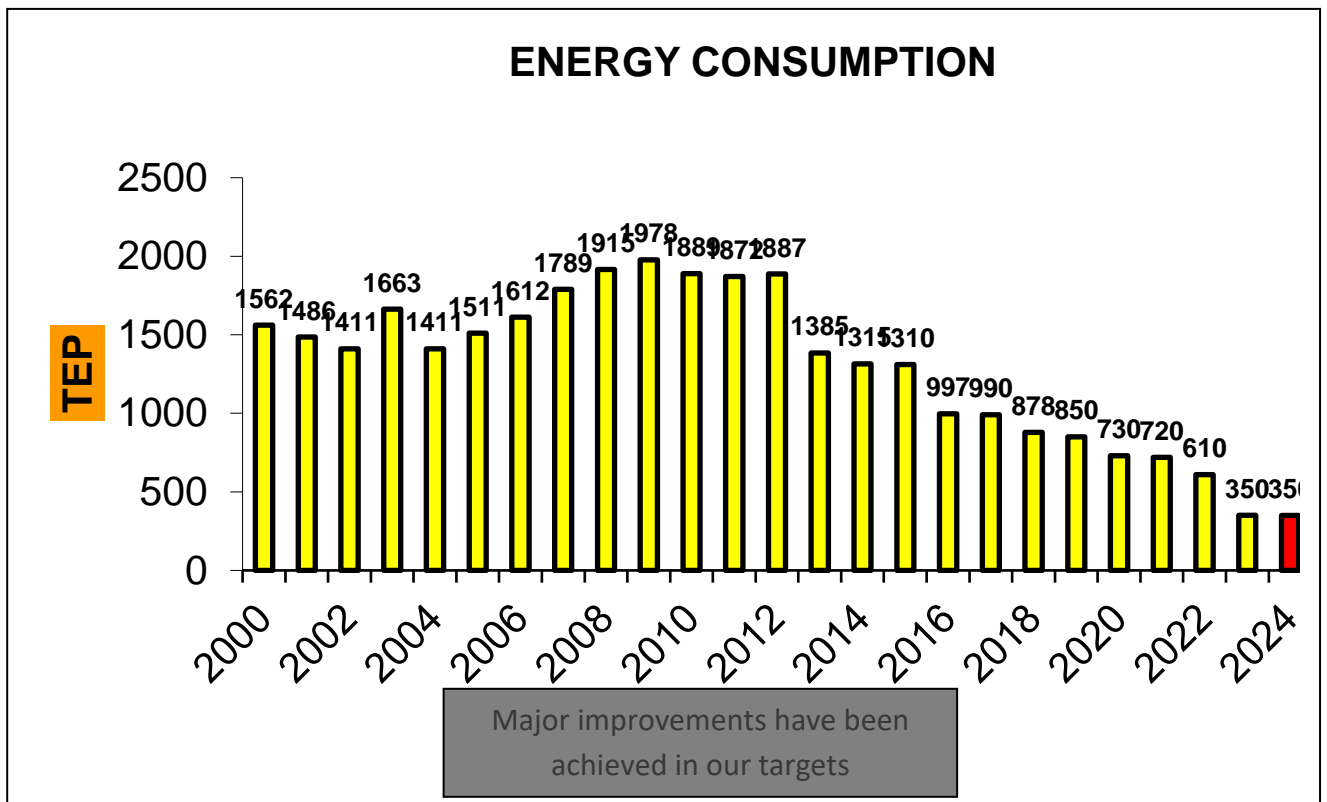
- The award was received for achieving reduced energy consumption through optimal adjustments in office residential areas, laboratory areas, data centers, and storage areas, as well as monitoring these areas using an automation system to control heating, cooling, lighting, and thermal comfort conditions.

In 2023, the electricity usage amounted to 3,369 million kWh, natural gas usage was 349,876 kWh, and diesel oil usage was 1 ton, resulting in a total annual energy consumption of 317 TEP.

As of May in the new period, in accordance with the Hybrid working model, floors in our Kurtköy office building have been vacated, resulting in a reduction of our leased space from 14,000 m² to 4,000 m². Similarly, there has been a reduction in laboratory areas.

Comfort conditions are provided only in areas where critical personnel are stationed.

The significant improvement in our energy consumption is attributed to the completion of all planned enhancements for achieving goals, along with the establishment of new employment, offices, and laboratory environments, in line with the hybrid working model.



In 2024, our aim is to maintain energy consumption at the level of 350 TEP.

Water Consumption Management

We do not generate any industrial wastewater as part of our operations, and as a result, we do not have a wastewater treatment or recovery facility. The only water we utilize during our office activities is from the mains supply for purposes such as toilets and kitchen. Our monthly water consumption is monitored monthly. In 2023, our total water consumption amounted to 5490 m3.

Our target for water efficiency is to decrease 10% in a year. However, it increased 5% due to a sharp incline in Office Works stemmed from business growth.

As part of our efforts to minimize water consumption in our processes, we have implemented various measures. These include:

- the installation of waterless urinals in our toilets,
- the incorporation of sensor-based systems in our toilet cisterns, and
- the use of basin faucets equipped with sensors.

Additionally, we have adjusted the water pressure levels during usage to optimize the quantity of water utilized.

Occupational Health And Safety Activities

An occupational accident and an occupational disease has occurred in our company in accordance with the regulations outlined in the Labor Law. (There were no lost workdays)

Occupational health and safety activities are monitored using two fundamental metrics:

Lost Days Case Frequency and Intensity of Number of Lost Days.

$$\text{Intensity of Number of Lost Days} = \frac{\text{number of lost days X 1,000,000}}{\text{Total working hours (all staff)}}$$

$$\text{Lost Days Case Frequency} = \frac{\text{number of lost days case X 1.000.000}}{\text{Total working hours (all staff)}}$$

Within the framework of the planned inspections outlined in the EHS Management System, preventive and corrective actions impacting the health and safety of employees have been identified during regular checks conducted throughout Netaş. These actions have been incorporated into the implementation plan, and significant progress has been made. The process is managed through Occupational Health and Safety Board meetings held every three months.

Simultaneously, the outcomes of the risk analyses conducted prior to any physical modifications in the facility were assessed, and precautions were implemented for employees involved in high-risk tasks. Relevant matters were incorporated into the environmental, health, and safety initiatives as deemed necessary.

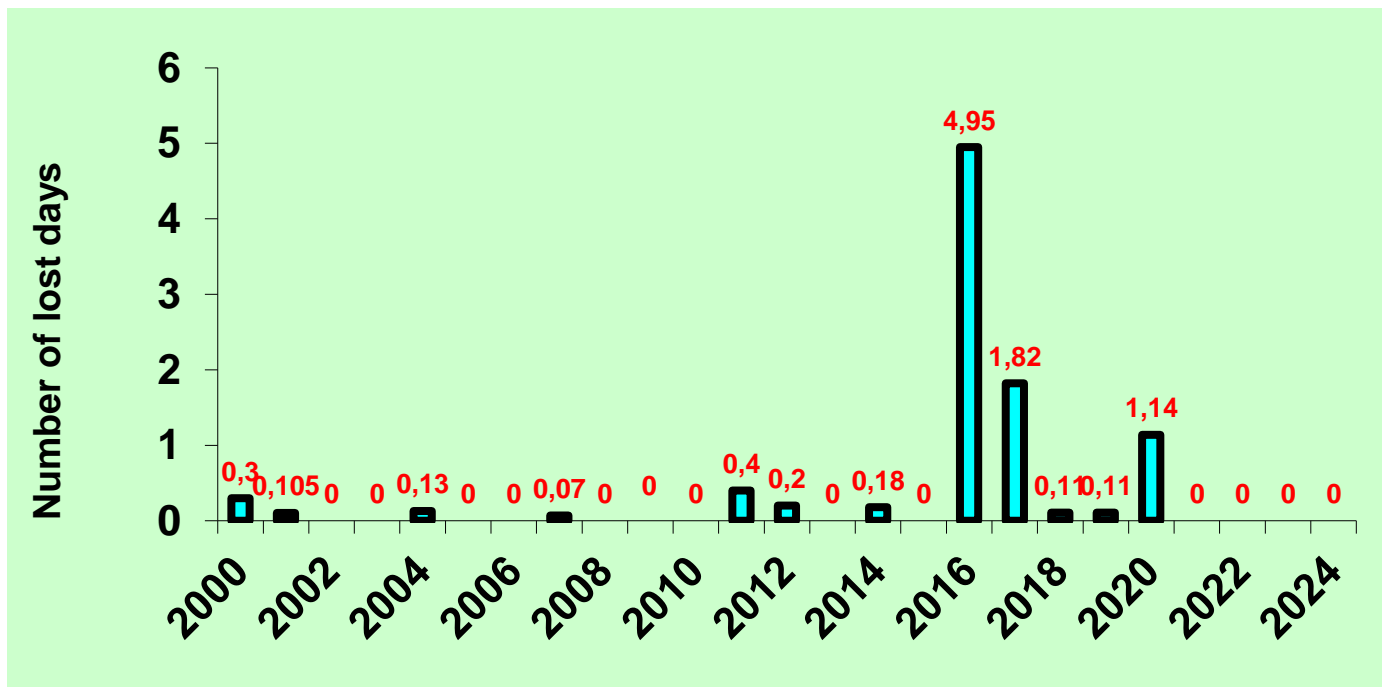
Health examinations are conducted in accordance with legal regulations, depending on the hazard class. (Every 5 years)

Awareness-raising training sessions on ergonomics were provided to employees to enhance their understanding of soft tissue injuries that impact the musculoskeletal system.

Intensity of Number of Lost Days

Our objective is to maintain this value at zero through ongoing enhancements and occupational safety measures.

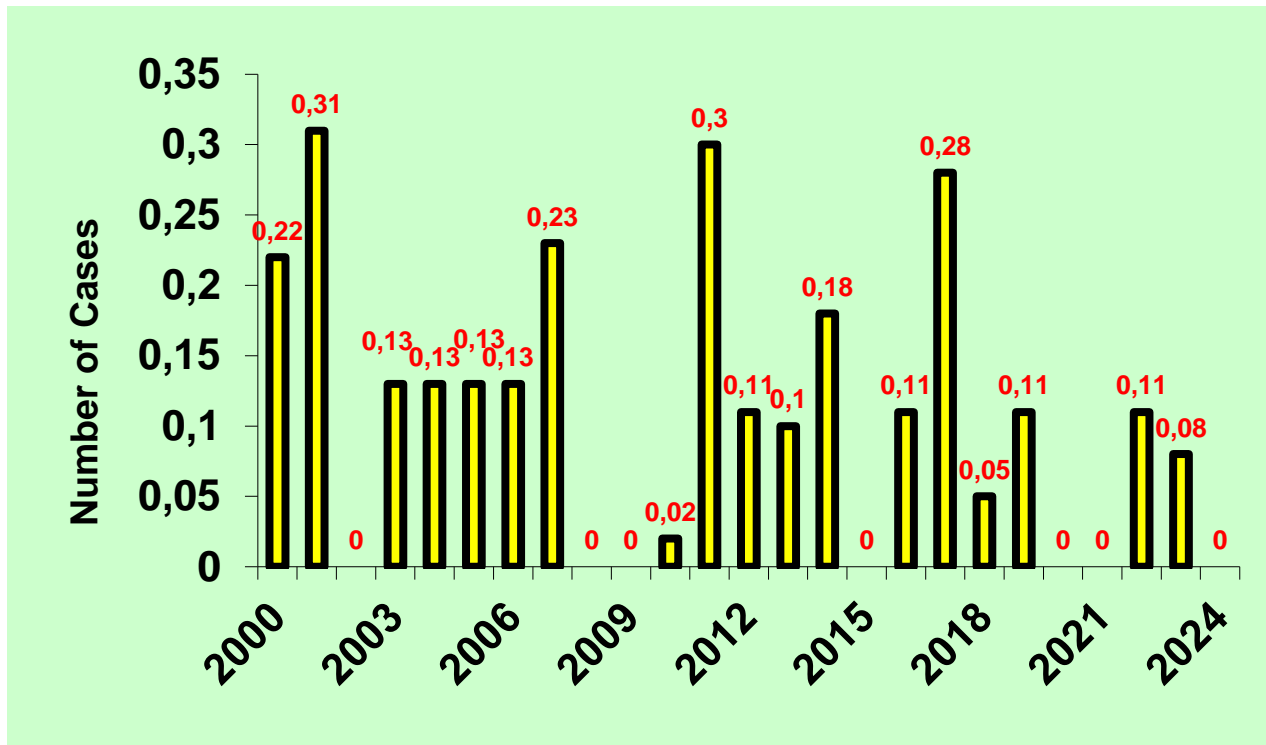
The performance regarding the intensity of number of lost days is depicted in the chart below.



Lost Days Case Frequency

In 2023, there was one incident. Our objective is to consistently maintain this value at zero.

The performance regarding the lost days case frequency is depicted in the chart below.



Other Environmental, Health, And Safety Activities

- **A total of 1592 man-hours of certified training were provided to 193 individuals,** including Netaş employees and supplier companies. The training covered various topics related to our company's Environment, Health, and Safety activities, including ISO 14001 Environmental Management System, ISO 45001(OHSAS 18001 changed) Occupational Health and Safety Management System, work permissions, emergency preparedness, Environmental Legislation, Business Continuity Planning (BCP), and Occupational Health and Safety Awareness. External training companies were also engaged to provide the training sessions.
 - In 2023, we continued our collaboration with the Turkish Education Foundation (TEV) to implement mentorship programs specifically designed to support women's employment, particularly in the technology sector, which is a high-value industry.
 - Through this program, we provide comprehensive support to female university students, empowering them to confidently enter the business world.
- In 2020, we partnered with e-cording, an inspiring initiative in the startup ecosystem, to promote sustainability in rural development and nature through the use of technology. As part of this collaboration, 40,000 sage seed capsules were brought together with soil in the **Netaş Healing Forest** using drones. The project not only benefited the environment but also provided a source of income for the women of Gaziköy, who prepared the 40,000 seed balls. With this project, which combines women's labor with smart technology, Netaş aimed to support the transformation of forest villagers into exporters while also promoting biodiversity.
- During the Covid-19 pandemic, we established an internal harmonization process in line with the Ministry of Health's Working Guide and international recommendations. We have continuously improved our system by taking necessary precautions and considering the well-being of our employees, visitors, technical meetings, and gatherings. We have implemented appropriate measures both during the teleworking period and the transition back to office models, and we have promoted these measures through publications and our company film. Regular situation assessments, prioritized in CEO and Executive Board meetings, have been regularly communicated to our employees. In our back-to-office and hybrid work process, we have adopted a low-intensity work model that is mutually determined by employees and their managers, and we continue to implement it.
- We participated in the "SDG Innovation for Young Professionals" Program implemented by the "United Nations Global Compact," of which we are a member, for the future business leaders and change-makers.

Young innovators from Netaş, participating in teams of three alongside teams from various sectors and prominent brands, engaged in the program. During the program, they established connections with entrepreneurial young professionals from both domestic and international backgrounds. Together, they reimagined traditional business models, generated solutions with a radical innovation perspective on sustainability issues, and uncovered new business opportunities.

- Netaş brings holistic well-being programs aiming to effectively enhance the corporate health, vitality, well-being, and performance of its employees to all staff through the Studio Canlı online well-being application. Within the program, Netaş employees can benefit from various supportive topics and applications in different areas such as yoga, sports, healthy living, meditation, and personal development online. So far, employees have registered for 8017 courses in various topics within the program.
- Efforts to maintain the health and well-being of our employees during this period included the continuation of the following activities:
 - Earthquake preparedness awareness communication
 - CEO's International Women's Day message on March 8th as part of the "Gender Equality" program
 - WE program
 - Women's Labor Evaluation Foundation mentorship program
- Packaging declarations were submitted in compliance with the Packaging Waste Control Regulation for the year 2023.
- Our company has been awarded the Zero Waste Certificate.
- **Waste declarations** were duly submitted to the Ministry of Environment, Urbanization, and Climate Change in accordance with the Waste Management Regulation.
- **The Integrated Environmental Information System portal**, established by the Ministry of Environment, Urbanization, and Climate Change, is utilized for the submission of permits and declarations required under the Environmental Legislation.
- **Our companies adhere to the sustainable practices outlined in the GEKAP Regulation as part of their compliance with the Environmental Legislation.**

- Netaş has defined the key aspects of its Business Continuity Planning activities and has updated them accordingly. Through the implementation of Business Continuity Plans (BCPs), Netaş aims to minimize the impact of foreseen risks on critical processes, ensuring their swift recovery with minimal loss of time and cost.
- **In this context, Netaş, Netaş Bilişim, and BDH have been awarded the ISO22301 certificate, demonstrating their commitment to providing a high level of service to our customers and business partners even during the remote working model, which was in place for over a year.**
- As part of emergency preparedness, **Emergency Evacuation Drills have been completed at 2 of our locations.** In addition, exercises were conducted considering our leak control systems.
- **A Medical Waste Agreement** was executed with **Istanbul Metropolitan Municipality.**
- In compliance with the **Waste Electrical and Electronic Equipment (WEEE) Regulation**, our company has fulfilled its recycling and recovery obligations by signing a contract with **TUBISAD** and meeting all the legislative requirements. By responsibly delivering e-waste to the authorized institution designated by TUBISAD, we have obtained the **“Circular Electronics Certificate”** in support of the Sustainable Development Goals.
- Our company diligently monitors all its activities to control and mitigate global warming and the emission of greenhouse gases. As part of our commitment, we voluntarily participated in the **“Carbon Disclosure Project”** and received an improved rating, moving from level D to level C+ after a comprehensive evaluation. Our declarations within this scope will be regularly communicated.
- With the newspaper, magazine, and battery campaigns launched in 1996, we have collected and recovered approximately 56 tons of paper and approximately
- Within the scope of the **Regulation** on the Control of **Waste Batteries and Accumulators**, we have signed contracts with **AKÜDER** for the collection and recovery of waste accumulators and with **TAP (Portable Battery Manufacturers and Importers Association)** for the recycling of waste batteries. After obtaining the approval of the Ministry of Environment and Urbanization, we obtained the **“Environmental Compliance Certificates”** validity number using the Tareks program.

- In addition to our contributions to the smoke-free economy in the Information and Communication Technologies sector, **we aim to support biological diversity and raise awareness by implementing the “Netaş Healing Forest” project.** This project will cover a total area of 10 hectares in Uçmak Dere village, located within the borders of Şarköy district in Tekirdağ province. Our objectives include the protection and development of health resource plants, the promotion of beekeeping in the region, and the contribution to honey production. We anticipate that the project will generate income for the local community and foster their support through the production of medicinal aromatic plants and wild fruits, ensuring its long-term sustainability.

To establish the “**Netaş Healing Forest,**” a total of 16,000 saplings, including various fruit trees such as chestnut, walnut, almond, and cherry, as well as medicinal aromatic plants like rosemary, lavender, sage, and thyme, were planted.

Thus, we have pioneered a model that we believe will contribute to the environmental ecosystem of our country. The project’s operation is closely monitored.

- **Our civil defense plan prepared within the scope of disaster preparedness has been approved by AFAD (Disaster and Emergency Management Authority).**
- The activities carried out after the earthquake on February 6, 2023, are listed below.
- Immediately after the earthquake centered in Kahramanmaraş on February 6, affecting 10 surrounding provinces at an extraordinary level and deeply shaking our entire country, Netaş took immediate actions.
- Contact numbers of various aid organizations such as AFAD, Turkish Red Crescent (Kızılay), AKUT, etc., were urgently shared with all Netaş employees.
- Heating devices and blanket donations were collected for the region, and the transfer was completed.
- In coordination with the Istanbul Metropolitan Municipality, the lists of identified needs were announced to Netaş employees, and urgent needs were collected and transferred.
- Priority was given to earthquake-affected mothers and babies among these needs, and a support meeting was organized for these needs.
- As a technology company, teams were coordinated to provide support to the technical/technological infrastructure in the region, including the procurement of equipment such as generators and power banks. Additionally, teams were organized to intervene in faulty equipment in the field.

- NETAŞ ZTE and BDH, as a collaborative effort, swiftly collected a large truckload of in-kind donations, which were coordinated and delivered to the field in collaboration with AFAD.
- In April, a representative team consisting of Netaş employees visited Hatay to ensure that earthquake victims are not left alone in the ongoing processes. In the course of this visit, in-kind donations were delivered.
- A Netaş Playground was established in Hatay Samandağ as a souvenir for the earthquake-affected children on April 23.
- To support the uninterrupted education of girls affected by the earthquake, Netaş participated in the 45th Istanbul Marathon on behalf of the Koruncuk Foundation. With our support to the "Hayalim Okul" (My Dream School) Project, we contributed to the education of girls.
- Contributions were made to the TÜBİSAD "E-Atıklar ile TEK (Technology Education Containers) Amaç" project, where electronic waste can be turned into benefits, to create education classes in the earthquake-stricken area.
- **The second audit of ISO14001:2015 Environmental Management System and ISO 45001 Occupational Health and Safety Management System was successfully completed, ensuring the continuity of our certification**

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Facilities Technical Management & EHS

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