

# QUA

**QUA GRANITE HAYAL YAPI VE ÜRÜNLERİ  
SANAYİ TİCARET ANONİM ŞİRKETİ**

**ESG SUPPORTING DOCUMENT**

## **ENVIRONMENTAL**

### **TARGETS WATER EFFICIENCY**

It is aimed to decrease water consumption per m<sup>2</sup> by 5% by 2023 compared to 2021.

### **WATER WITHDRAWAL TOTAL**

526.352 m<sup>3</sup>

### **FRESH WATER WITHDRAWAL TOTAL**

752 m<sup>3</sup>

### **WATER RECYCLED**

11.388.000 m<sup>3</sup>

### **TARGETS ENERGY EFFICIENCY**

It is aimed to decrease energy consumption per m<sup>2</sup> by 3% by 2023 compared to 2021.

### **ENERGY USE TOTAL**

1.824.641,32 GJ

### **CO<sub>2</sub> EQUIVALENT EMISSIONS TOTAL**

86.435, 55 tCO<sub>2</sub>e

### **CO<sub>2</sub> EQUIVALENT EMISSIONS INDIRECT, SCOPE 3**

61.639,19 tCO<sub>2</sub>e

### **NOX AND SOX EMISSIONS REDUCTION**

In order to reduce NOX & SOX emissions silicone, water and dry type filters are used in spray dryers.

### **NOX EMISSIONS**

41,34 ton

### **SOX EMISSIONS**

58,70 ton

### **VOC EMISSIONS**

VOC emission studies has been conducted and it is observed that since there are no organic compounds in our production process, our VOC emissions are 0.

### **PARTICULATE MATTER EMISSIONS REDUCTION**

In order to reduce PM10 emissions:

- Sprinkling systems have been installed to raw material fields,
- Paths inside the plant have been paved with concrete.

### **STAFF TRANSPORTATION IMPACT REDUCTION**

To reduce impacts of staff transportation, employees are chosen from Söke, where the plant exists. There are also company buses to ensure employee transportation.

### **E-WASTE REDUCTION**

Total e-waste is 0 since 2016.

## **WASTE TOTAL**

514,255 ton

## **HAZARDOUS WASTE**

15,499 ton

## **WASTE RECYCLED TOTAL**

454,516 ton

## **WATER POLLUTANT EMISSIONS**

Amount of water discharged is 0. Therefore, water pollutant emissions are 0.

## **SUSTAINABLE BUILDING PRODUCTS**

Porcelain tiles are the best conductive product in tile category. With the decrease in thickness, conductivity increases. We have started producing 7 mm ceramic tiles.

## **TAKE-BACK AND RECYCLING INITIATIVES**

Used packages are collected and shipped to licensed disposal companies.

## **ENVIRONMENTAL R&D EXPENDITURES**

The amount spent on the raw material field perimeter wall: 8.953.800,27 TRY.

## **EMS CERTIFIED PERCENT**

Our facility has ISO 14001 Environmental Management System quality standard.

## **ENVIRONMENT MANAGEMENT TEAM**

There is an Environment and Sustainability Manager that is responsible for monitoring environmental issues.

## **ENVIRONMENTAL EXPENDITURES**

Waste disposal: 2.480,76 TRY

Household waste disposal: 129.639,52 TRY

Total: 132.120,28 TRY

## **SELF-REPORTED ENVIRONMENTAL FINES**

No fines were reported for the year 2021.

## **BIODIVERSITY IMPACT REDUCTION**

Impact to diversity within plant area is observed periodically. Ground water and surface water, fauna, flora, protected areas and agricultural areas are investigated and potential risks are reported prior an investment decision.

## **ENVIRONMENTAL PARTNERSHIPS**

Our activities are aligned with UNGC 10 principles which includes environmental principles:

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

## **ENVIRONMENTAL RESTORATION INITIATIVES**

With the waste water treatment facility a total volume of 34.000 m<sup>3</sup> water recycled and reused daily. Also, the volume of discharged water is 0 m<sup>3</sup>. Therefore, ground water and surface water consumption minimized.

## **CLIMATE CHANGE COMMERCIAL RISKS OPPORTUNITIES**

Climate risks and opportunities are considered within risk management activities. Risks and opportunities as the result of climate change have been analyzed and determined under 3 subjects:

- Production
- Supply Chain
- Customers

## **ENVIRONMENTAL INVESTMENTS INITIATIVES**

-Raw material storage site surroundings and floor covered with concrete in order to reduce dust emissions. Rain water collection system installed to roof: 8.426.760 TRY.

-Waste water treatment facility and equipment investment: 7.558.607 TRY

## **POLICY ENVIRONMENTAL SUPPLY CHAIN**

Selection of Suppliers and Assessment Criteria Guide has been established within company. Suppliers expected to abide regulations related to environment and waste management. Suppliers noncompliant with regulations related to environment and waste management are warned with official statement, if the noncompliance continues partnership is terminated by company.

## **ENVIRONMENTAL MATERIALS SOURCING**

-The most used material is feldspar in our production process. In order to reduce logistics costs and emissions our facility was established to the closest organized industrial site where feldspar is mined.

-We are also close to the harbor to use seaway to transport out products to overseas.

-We choose 100% recycled packaging material from suppliers to reduce our environmental footprint.

-We choose suppliers accordingly with our "Environmental Policy".

## **ENVIRONMENTAL SUPPLY CHAIN MANAGEMENT**

Selection of Suppliers and Assessment Criteria Guide has been established within company. Suppliers with ISO 9001, ISO14001, ISO 45001, ISO 50001 certifications are preferred while considering quality, price and logistics methods.

## **ENV SUPPLY CHAIN PARTNERSHIP TERMINATION**

Selection of Suppliers and Assessment Criteria Guide has been established within company. Suppliers expected to abide regulations related to environment and waste management. Suppliers noncompliant with regulations related to environment and waste management are warned with official statement, if the noncompliance continues partnership is terminated by company.

## **ENVIRONMENTAL SUPPLY CHAIN MONITORING**

Selected suppliers are monitored periodically and audited once a year. Procurement Department and Quality Assurance Department chooses suppliers to be audited. Quality Assurance Department schedules each audit for the fiscal year and inspects suppliers.

## **WASTE RECYCLING RATIO**

Recycled Waste: 454,516 ton

Total Waste: 514,255

Recycled Waste / Total Waste = 88,38%

## **VOC EMISSION REDUCTION**

There are certifications related to VOC emissions from "eurofins". Our products are tested and can be summarized as "A+".

## **WATER TECHNOLOGIES**

Waste water treatment facility with 7.558.607 TRY investment constructed. With the waste water treatment facility our discharged water became 0 m<sup>3</sup>. We completely recycle the waste water from our production processes.

## **GREEN BUILDINGS**

Since our products are tested and certified with VOC free emissions (A+), this certification is a step to obtain LEED/BREEAM certificates.

## **TARGETS EMISSIONS**

We aim to decrease our Scope 2 emissions by 5% in 2023 compared to 2021 per m<sup>2</sup> product produced.

## **POLICY SUSTAINABLE PACKAGING**

We ensure and prefer the development, implementation and use of sustainable environmentally friendly products, services and packaging materials.

Used packages are collected and shipped to licensed recycling companies to be recycled. Also, used packages are 100% recyclable.

## **POLICY EMISSIONS**

- Raw material storage site surroundings and floor covered with concrete in order to reduce dust emissions.
- Waste water treatment facility installed.

## **TOXIC CHEMICALS REDUCTION**

There are no toxic chemicals usage in our production processes.

## **SOCIAL**

### **TARGETS DIVERSITY AND OPPORTUNITY**

There is a target to increase women employees by 2% in 2023 compared to 2021.

#### **WOMEN EMPLOYEES**

Total women employees: 129

Total employees: 867

Women employees ratio:  $129/867 = 14,88\%$

#### **WOMEN MANAGERS**

Woman managers and above level: 4

Total managers and above level: 35

Women managers ratio:  $4/35 = 11,43\%$

#### **EMPLOYEES WITH DISABILITIES**

Employees with disabilities: 25

Total employees: 867

Disabled employee ratio:  $25/867 = 2,88\%$

#### **FLEXIBLE WORKING HOURS**

Architectures are working remotely in our company.

#### **INTERNAL PROMOTION**

Promotions are implemented accordingly to Qua Granite Career Management Procedure. The compatibility of the year, field, education and level of experience, performance, and competency values with the values of the position to be promoted to are evaluated. Personality and competency inventories, case analysis, and similar applications may be used if necessary. The Department Manager is consulted regarding which tool to use.

Based on the evaluations of the Human Resources department, if the necessary conditions are met, the relevant unit manager determines the additional evaluation methods and valid scores required for the position.

According to the evaluation results, if the score obtained is sufficient for promotion, the employee is contacted and the promotion date is determined. If the score obtained is not sufficient for promotion, the process is terminated.

#### **DAY CARE SERVICES**

There is a lactation room for our women employees.

#### **POLICY SKILLS TRAINING**

Individual and occupational trainings are given to employees. Training requirement analysis is performed on a yearly basis to schedule training calendar. In addition to individual and occupational trainings, mandatory trainings by laws and regulations are given to employees periodically. Our employees are encouraged to complete specific certification programs such as Sustainability Expert Certification, Energy Management Certification, Professional Competence Certificates etc.

#### **POLICY CAREER DEVELOPMENT**

Individual and occupational trainings are given to employees. Training requirement analysis is performed on a yearly basis to schedule training calendar. In addition to individual and occupational trainings, mandatory trainings by laws and regulations are given to employees periodically. Our employees are encouraged to complete specific certification programs such as Sustainability Expert Certification, Energy Management Certification, Professional Competence Certificates, Ethical Behaviour and Social Skills, Effective Management

Skills, Communication and Behavioural Science, Orientation, Mentoring and Individual Development, Stress Management and Anger Control, Team Work, A1 Level English.

## **EMPLOYEES HEALTH & SAFETY TEAM**

There is an OHS Department responsible of tracking and implementing OHS related issues.

## **LOST WORKING DAYS**

Lost Working Days by Year

- 2019: 130
- 2020: 246
- 2021: 86

## **EMPLOYEE LOST WORKING DAYS**

Lost Working Days by Year

- 2019: 130
- 2020: 246
- 2021: 86

## **OCCUPATIONAL DISEASES**

There are no occupational diseases encountered in 2021.

## **POLICY SUPPLY CHAIN HEALTH & SAFETY**

It is mandatory for suppliers:

- To have ISO 45001,
- To comply with international occupational regulations such as child labor and forced labor.

## **HEALTH & SAFETY TRAINING**

OHS trainings are given to all employees prior to their employment and periodically repeated. Trainings given to employees:

- Working safely at height
- Working safely with forklifts
- Working safely with chemicals
- Fire trainings
- First-aid trainings

## **GENDER PAY GAP PERCENTAGE**

Our company principle is equal pay for equal work. There is no gender based remuneration criteria for employees.

## **PRODUCT RESPONSIBILITY MONITORING**

Quality control systems are used for product tracking, with product analyses being conducted at each unit. Only high-quality products are delivered to customers, with quality data being recorded and managed through a Quality Management System (QMS). Products produced in compliance with EN ISO 14411 standards are monitored through the QMS and tracked using the 9001 standard. Additionally, employees involved in product analysis are trained to ensure quality.

## **POLICY COMMUNITY INVOLVEMENT**

Our employees joined İzmir Maraton with Community Volunteers Foundation to support youngsters. We will be continuing to support and join voluntary community activities.

## **DONATIONS TOTAL**

Total donations for the year 2021: 366.217 TL

## **HUMAN RIGHTS CONTRACTOR**

It is mandatory for suppliers:

- To have ISO 45001 certification,
- To have ISO 9001 certification,
- To comply with international occupational regulations such as child labor and forced labor.

## **HUMAN RIGHTS BREACHES CONTRACTOR**

According to Selection and Evaluation of Suppliers Procedure suppliers with not enough score are removed from procurement list. Also, suppliers who received warning or do not rely on deadlines about corrective and preventative actions are removed from supplier list.

## **TURNOVER OF EMPLOYEES**

Turnover Rate by Year

- 2019: %7,5
- 2020: %1,32
- 2021: %2,8

## **AVERAGE TRAINING HOURS**

Total Training Hours: 19361

Total Employees: 867

Average Training Hours: 22,33 Hours

## **TOTAL INJURY RATE TOTAL**

Total Injury Rate by Years:

- 2019: 104,17
- 2020: 91,34
- 2021: 76,71

## **TOTAL INJURY RATE EMPLOYEES**

Total Injury Rate by Years:

- 2019: 104,17
- 2020: 91,34
- 2021: 76,71

## **IMPROVEMENT TOOLS BUSINESS ETHICS**

When an employee starts working in our company, trainings related to ethics are given. There is an ethics line established within company. There are complaint boxes in certain places.

## **WHISTLEBLOWER PROTECTION**

According to Grievance Mechanism Procedure established within Qua Granite, company will establish a complaint mechanism for workers and develop a transparent process for workers to express their concerns and complaints, including anonymous complaints. It will ensure that no discrimination is made against those who express complaints, all complaints are taken seriously, and appropriate measures are taken immediately.



# GOVERNANCE

## GLOBAL COMPACT SIGNATORY

We are a signatory of UNGC since October 2021.

<https://www.unglobalcompact.org/what-is-gc/participants/148605-Qua-Granite-Hayat-Yapi-ve-Urunleri-Sanayi-Ticaret-A-S->

## STAKEHOLDER ENGAGEMENT

Senior Management:

- Email, phone and face-to-face meetings
- Announcements and notifications
- Internal publications

Employees:

- Email, phone and face-to-face meetings
- Meetings and trainings
- Digital communication tools
- Digital training programs
- Employee satisfaction surveys
- Events for employees
- Committee meetings
- Announcements and notifications
- Internal publications

Shareholders and Investors:

- Email, phone and face-to-face meetings
- Website
- News
- Social Media

Distributors:

- Customer satisfaction surveys
- Email, phone and face-to-face meetings
- Customer visits and meetings
- Exhibitions, conferences, fairs
- Website
- News
- Social media
- Request/complaint sites

Customers:

- Customer satisfaction surveys
- Email, phone and face-to-face meetings
- Customer visits and meetings
- Exhibitions, conferences, fairs
- Website
- News
- Social media
- Request/complaint sites

Suppliers:

- Email, phone and face-to-face meetings
- Meetings
- Supplier audits

## EXTERNAL CONSULTANTS

Committees/management have the right to consult independent consultants if it is needed. The consultancy fees are being paid by company itself. If a consultant provides services to management or a committee its information must be shared in annual report.

## **SHAREHOLDERS APPROVAL STOCK COMPENSATION PLAN**

TCC Article 421 Subject 3b.

In case of an attempt to adopt stock based compensation plans, it is necessary to obtain at least %75 of shareholder approval before implementation. Decisions regarding stocks require articles of association amendment. This subject is regulated in Article 421 of the Turkish Commercial Code. As per Article 421, articles of association amendments require general assembly decisions, thus shareholder approval. <https://www.mevzuat.gov.tr/mevzuat?MevzuatNo=6102&MevzuatTur=1&MevzuatTertip=5>

## **POLICY SHAREHOLDER ENGAGEMENT**

With surveys conducted participated by employees, open door policy and notifying policies and website communication tools all shareholders are encouraged to engage with management.

## **VETO POWER OR GOLDEN SHARE**

Voting Right Structure:

- Ali Ercan: 74%
- Q Yatırım Holding A.S.: 12%
- Free Float and Other: 14%

## **STATE OWNED ENTERPRISE SOE**

Shareholder Structure:

- Ali Ercan: 56%
- Q Yatırım Holding A.S.:20%
- Free Float and Other: 24%

## **COMPANY CROSS SHAREHOLDING**

The Company is not engaged in any cross-shareholding relationship with another company.

## **POLICY BOARD EXPERIENCE**

Board Members and candidates' experience, knowhow and knowledge criterion are taken into account.

## **DIRECTOR ELECTION MAJORITY REQUIREMENT**

BoD members were selected with 91.634.641 TRY positive votes which reflects the 76,36% of 120 millions TRY of capital.

## **SHAREHOLDER APPROVAL SIGNIFICANT TRANSACTIONS**

According to the securities regulations, significant transactions such as M&As, issuance of golden or preferred shares, sale of a significant portion of company assets etc. should be decided in the general assembly meeting, where supermajority rule (2/3 affirmative votes out of total) applies. The shareholders who attend the meeting and cast negative votes for the transaction are entitled to appraisal right. Please see Capital Markets Board's Communique no II-23.3 for detail. (<https://mevzuat.spk.gov.tr/>)

## **ELIMINATION OF CUMULATIVE VOTING RIGHTS**

Cumulative vote method is not applied.

## **SUPERMAJORITY VOTE REQUIREMENT**

According to the securities regulations, significant transactions such as M&As, issuance of golden or preferred shares, sale of a significant portion of company assets etc. should be decided in the general assembly meeting, where supermajority rule (2/3 affirmative votes out of total) applies. The shareholders who attend the meeting and cast negative votes for the transaction are entitled to appraisal right. Please see Capital Markets Board's Communique no II-23.3 for detail. (<https://mevzuat.spk.gov.tr/>)

## **PRE-EMPTIVE RIGHTS**

According to the Turkish Commercial Code numbered 6102 Article 461/1, every shareholder in joint stock companies has the right (pre-emptive rights) to acquire newly issued shares proportionate to their existing shares within total capital.

## **LIMITED SHAREHOLDER RIGHTS TO CALL MEETINGS**

Calling the General Assembly for ordinary and extraordinary meetings in accordance with the provisions of this Articles of Association and the Turkish Commercial Code, and preparing the agenda.

## **ADVANCE NOTICE PERIOD DAYS**

The provisions of the article 474 of the Turkish Commercial Code shall apply for the announcements regarding decrease of issued capital; and the provisions of the articles 532 and 541 of the Turkish Commercial Code shall apply for the announcements regarding termination and liquidation. Regarding the announcements required to be made as per the Capital Market Legislation, the provisions of the related laws shall be complied with.

13.2 Call for Meeting: Regarding the call for General Assembly meetings, regulations regarding the invitation procedure and form and the announcement periods in the relevant provisions of the TCC and capital market legislation shall be followed. The General Assembly is called for a meeting through an announcement published on the Company's website, the Public Disclosure Platform and other places determined by the CMB, and in the Turkish Trade

Registry Gazette. The call is made at least three weeks before the meeting date, excluding the date of announcement and meeting days. The information and documents specified in the relevant provisions of the TCC and the capital Market legislation are announced at least three weeks before the general assembly meeting and are made available for the examination of the shareholders.