



2021-2022

SUSTAINABILITY REPORT



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ABOUT THE REPORT

Qua Granite, whose mission is to offer glazed and unglazed technical granite products with a creative, innovative, efficient and ethical working approach, is proud to be the leading establishment of the sector today in its journey that began in 2016.

Qua Granite contributes to the national economy with its experience in the sector and qualified workforce and it does not neglect its responsibility towards future generations. In line with this responsibility, the company has accelerated its efforts on its sustainability journey and integrated a sustainability perspective into all its processes through projects on both environmental and social issues. Being aware of the importance of cooperation to achieve success in sustainability activities, Qua Granite presents all the work done in this process and its future goals in an open and transparent manner to its stakeholders with this first Sustainability Report for the period January 2021 - December 2022 data and in accordance with GRI Standards. Qua Granite plans to report its sustainability performance annually in the upcoming period.

Qua Granite always places strong communication with its stakeholders at the core of its activities and attaches great importance to stakeholder feedback. For your comments and suggestions on the report, please contact info@qua.com.tr



CHAIRMAN'S MESSAGE

Esteemed Stakeholders,

In 2022, while the importance of sustainability was once again grasped all over the world, the negative impacts of the pandemic and climate change have recurrently demonstrated the need for more sustainable, innovative and environmentally conscious approaches. During this period, companies that adopted sustainability as a management approach stood out with their performance. As Qua Granite, we continued to successfully manage all our goals and strategies for the future in line with our "sustainable growth" approach. As one of the youngest and most dynamic technical granite producers in our country, we are taking decisive steps in line with the vision of catching up with the conditions of global competition and reaching world standards. On the other hand, we continue to contribute to the strength of our country in areas such as export, production, employment and innovation while gaining an important place in the sector in which we operate with a sustainable growth approach..

As Qua Granite, we adopt sustainability as a strategic management model and continue our efforts to become one of the important actors of sustainable development. As part of our sustainability vision, we signed the United Nations Global Compact (UN Global Compact), the world's largest corporate sustainability initiative based on ten universal principles in the areas of human rights, labor standards, environment and anti-corruption, on October 25, 2021, and documented our perspective and responsibility in this regard. We started working on our Sustainability Report, which summarizes our performance in the relevant topics, in 2022 and crowned our efforts with this first report. We will continue to share our sustainability efforts in an open and transparent manner in the upcoming years.

As an organization that adopts a lifelong sustainability approach for its processes and products, and as an exemplary company in Türkiye that has implemented exemplary practices to reduce the consumption of natural resources and minimize the environmental impact of its products, we have launched wastewater treatment plants in compliance with all legal regulations prior to the construction of our production plants. Recognizing that sustainable water management is essential for the future of the planet, we strive to leave a better world to the next generations and manage our water use effectively throughout the process. In this context, we are proud to be the first and only company in the sector that treats all of the water used in production with the treatment plants established within the factory and reuse it in production.

Supporting women's employment has been one of our top priorities since the day we were founded. As an establishment that approaches all its employees with the basic principle of equality and recognizes the fight against gender inequality as a necessity for social and societal development, we adopt the principle of gender equality in recruitment processes and all internal activities. We aim to increase the number of our employees, which reached 1,076 in 2022, to over 1,400 in 2023 and to continue our contribution to the Turkish economy.

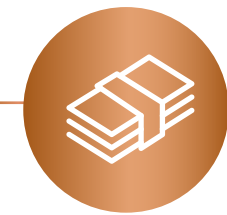
I would like to thank you, our valued stakeholders, for sharing our excitement by taking the time to read this first sustainability report, which is one of the first steps on our sustainability journey, and to all our employees who are the source of our success, especially those who contributed to the preparation of the report.

Sincerely,



ALİ ERCAN
Chairman

QUA GRANITE AT A GLANCE



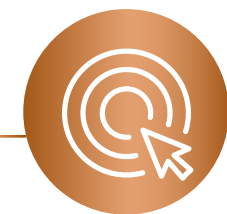
Strong Financial Performance

250.4% growth in sales volume and
108.0% growth in EBITDA in 2022



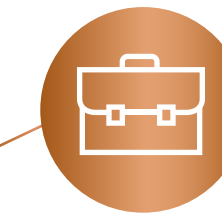
Wide and Strong Sales Network

Exports to approximately 100 countries



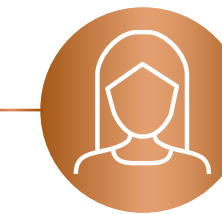
Strong and Leading Brand

The largest production facility in Türkiye
focusing exclusively on technical granite production



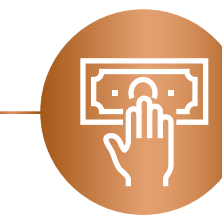
Diversified Product Portfolio

Products that make a difference in the sector



Support for Women

High ratio of female blue-collar employees
in the sector with 14%



Local Employment

Contribution to the local economy with 80%
local employment rate

ABOUT QUA GRANITE



HISTORY

In July 2016, Qua Granite started its operations in Söke Organized Industrial Zone, Aydın, and has been growing steadily and rapidly since its establishment. Having started with a production capacity of **5.5 million m²/year**, today the company produces technical granite and glazed granite (granite tile), the product group with the highest added value in the floor covering sector, in a closed area of **70,000 m² on 232,965 m²** of land.

Qua Granite completed the second production line in a short period of 6 months and put it into operation in June 2017 with a capacity of **5.5 million m²** with the objectives of reaching optimum capacity utilization of the first line, benefiting from economies of scale and focusing on exports. With this investment, the company's total production capacity has reached **11 million m²**, making Qua Granite Türkiye's largest facility exclusively producing technical granite.

As of 2021, Qua Granite started its investments for capacity increase, and with the commissioning of 4 new lines in 2022, the company expanded its production capacity to **41.0 million m²** in its facilities built on an open area of **304,068.58 m²** and indoor area of **170,493 m²**, becoming one of the world's largest technical granite facilities producing under a single roof.

Qua Granite, which has attached importance to exports since the day it was founded, obtains more than half of its sales revenues from foreign markets. The company exports to approximately **100** countries and over **400** customers in **5** continents, mainly EU countries and the USA. Qua Granite, which develops strategies with the aim of pioneering sustainable development in every region where it operates and carries out its activities accordingly, considers environmental, social and economic sustainability as its main priority.



Our Mission

Our Raison d'être

- To serve with a sustainable production approach that exceeds international standards in the sector we lead
- To lead the sector with innovative and creative products
- To create sustainable value for all business partners and employees

Our Goals

Our goals and the path we follow

- To increase our market share day by day in Türkiye and abroad with quality products and an understanding of quality service
- To provide efficient service with innovative technologies that are environmentally friendly and sensitive to occupational safety
- To become a leading and preferred company in our field
- To invest in the future of our country with an understanding of environmental and social sustainability

Our Core Values

Values that determine our mentality of production and guide our behavior

- Environmental awareness
- Ethical values
- Respect for the principle of equality
- Employee satisfaction
- Customer orientation

Our Strategy

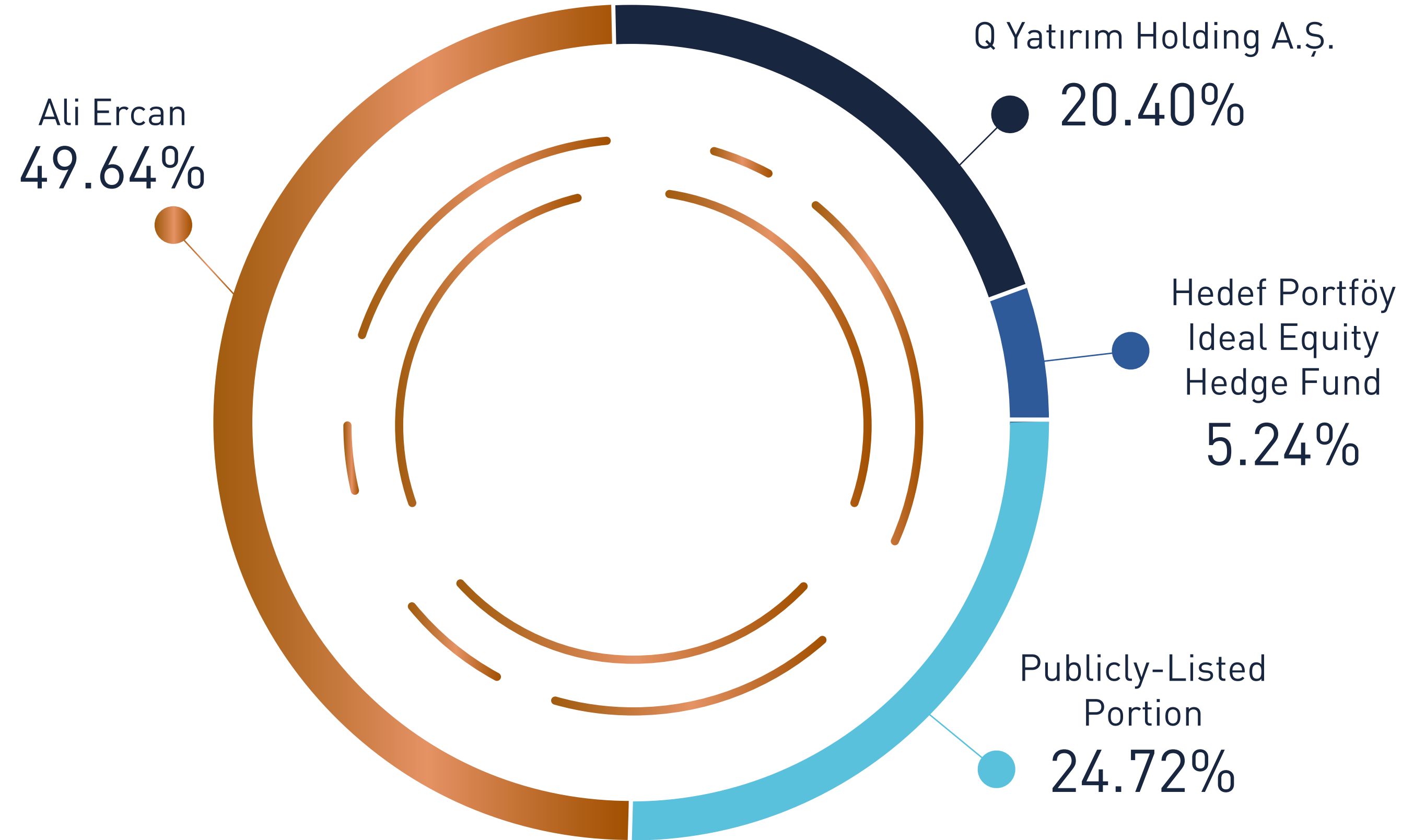
Shaped by a sustainable, environmentally friendly production approach, growth and profitability...

- To grow organically and inorganically by developing new products in new markets and existing business areas
- To offer innovative and environmentally friendly products by prioritizing creativity in the entire workflow
- To become the most reliable brand that meets customer needs and expectations
- To increase the benefits provided to employees in human resources processes, to boost the employment of women in all positions, including production
- To continuously improve overall customer satisfaction



CAPITAL AND SHAREHOLDING STRUCTURE

Qua Granite, which went public in 2021, has a capital of TL 240 million and its shareholding structure is as follows:



MILESTONES

2015

- The company is established in İstanbul in 2015.
- An investment incentive certificate of TL 169 million is received in December 2015, initiating the investments for the factory in Söke OIZ.

2016

- The first production line with a capacity of 5.5 million m² in an indoor area of 70,000 m² on a land of 232,965 m² is commissioned in Söke OIZ, Aydın.
- ISO 9001:2015 (Quality Management System Certificate), OHSAS 18001:2007 (Occupational Health and Safety Management System Certificate), ISO 14001-2015 (Environmental Management System Certificate) and Turkish Standards Institute (TSE) Certificate of Conformity are obtained.

2017

- The second production line with a capacity of 5.5 million m² is commissioned.
- Production of 2 cm thick technical granite begins.

2018

- With the commissioning of the second production line, the Company's total production capacity reaches 11 million m², making it the biggest facility in Turkey to exclusively produce technical granite.
- TSE Double Star Certificate of Conformity is obtained.

2019

- The share of export revenues reaches 58%.
- Production of 0.65 cm tiles begins – a brand new size for 60x120 cm tiles.

2020

- As capacity utilization rate reaches optimum limits, a decision is taken to invest in new production lines.
- Relatedly, an investment incentive certificate of TL 584 million is received.
- TSE Covid-19 Safe Production Certificate is obtained.

2021

- Qua Granite's public offering takes place on April 5-6, 2021. On April 9, the Company starts to be traded with the code "QUAGR" on BIST Stars.
- The Company signs the UN Global Compact.
- Qua Granite's capital increases from TL 120 million to TL 240 million.
- Zero Waste Certificate is obtained.

2022

- The first new line with a capacity of 7.5 million m² is commissioned in March, the second new line is commissioned in May and the third new line is commissioned in September, increasing total production capacity to 33.5 million m². With the commissioning of the fourth new line in December, the total production capacity increases to 41.0 million m².
- Long-Term Corporate Credit Rating Score of A + (Stable) by JCR.
- Corporate Governance Rating score rises to 9.05.
- ISO 14064-1:2018 Carbon Footprint Certificate, ISO 14046:2014 Water Footprint Certificate, ISO 50001:2018 Energy Management System Certificate are obtained.
- Production of 0.7 cm thick technical granite begins.

PRODUCTS AND SERVICES

Qua Granite, which started production with standard thickness technical granite, diversified its product portfolio in a short time and started to produce glazed granite. It has become one of the leading brands of the sector known all over the world by producing on various surfaces such as full lappato, matte, metallic and granulated matte.

Although ceramic tiles can cause problems such as cracking in hot and cold weather due to their high water absorption rate, owing to its lower rate technical can be easily used in coatings such as exterior facades and pools as well as indoors.

Technical granites produced by Qua Granite are 0.65 cm, 0.70 cm, 0.90 cm, 2 cm and 3 cm thick. Working uninterruptedly in its R&D and design department, Qua Granite prepares to increase its product range and evaluates its products according to market demands.



OPERATING REGIONS

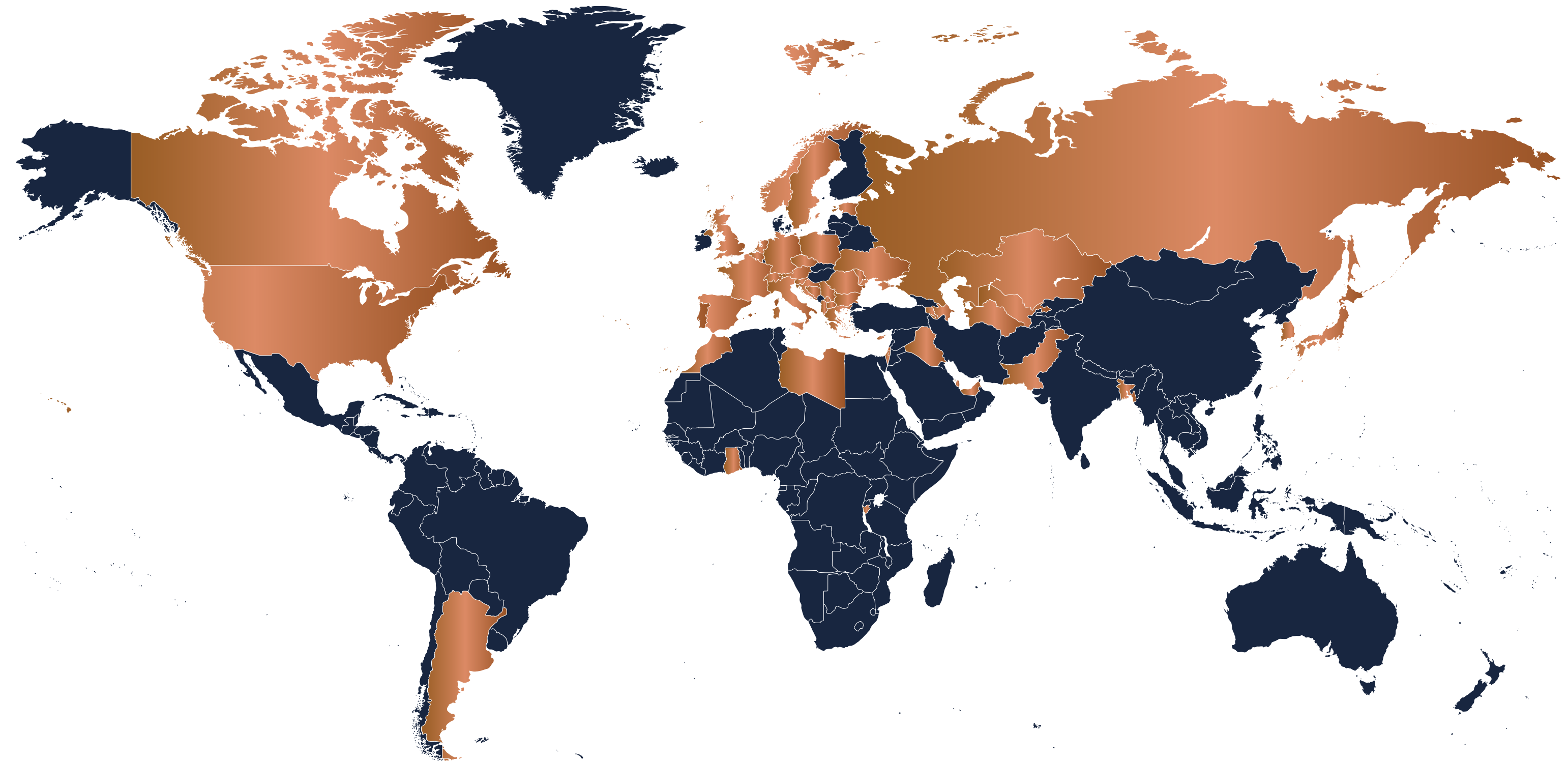
Qua Granite, with its 25 brands, has a strong distribution network with 57 dealers spread across seven regions of Türkiye.

In the period covering January 1-December 31, 2022, Qua Granite’s export revenues amounted to TL 929.9 million, with a share of 24.6% in total net sales revenues, and export revenues increased by 84.8% compared to 2021. With the European countries as the main export market, 71% of total exports were made to the European continent, mainly to Belgium, Germany, Poland, UK and France.

Qua Granite has added the USA to its main target markets with ongoing investments while maintaining its goal to become the company with the widest sales geography in the sector. Exports to the USA increased by 22.5% compared to the same period of 2022, reaching TL 61.5 million.

Countries of export

- | | | |
|--------------------------|------------------------------|----------------|
| Belgium | Romania | Norway |
| Germany | Malta | Argentina |
| Poland | Bosnia-Herzegovina | Kosova |
| United Kingdom | Canada | Kazakhstan |
| France | Macedonia -Fyrom- | Ukraine |
| United States Of America | Moldova | Uzbekistan |
| Israel | Netherlands Antilles | Austria |
| Bulgaria | Sweden | Bangladesh |
| Bahrain | Greece | Turkmenistan |
| Pakistan | Morocco | Czech Republic |
| Italy | Croatia | Albania |
| Russia | Libyan Arab Jamahiriya | Burundi |
| Serbia | Palestinian Occ. Territories | Japan |
| Azerbaijan | United Arab Emirates | Slovakia |
| Cyprus | Georgia | Ghana |
| Iraq | Spain | Estonia |
| Netherlands | Portugal | Switzerland |
| Qatar | Republic Of Korea | |



QUA GRANITE'S VALUE CREATION MODEL

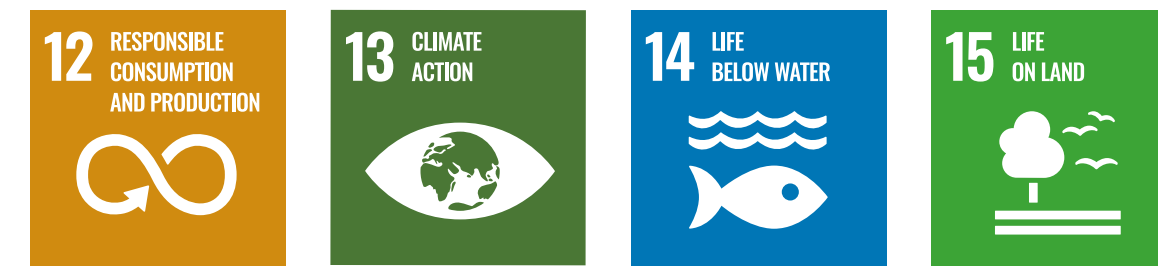
Global Trends →

- Global Warming
- Climate Change
- Increasing Energy Costs
- Renewable Energy
- Alternative Raw Materials
- Equal Opportunities
- Innovation and Digitalization

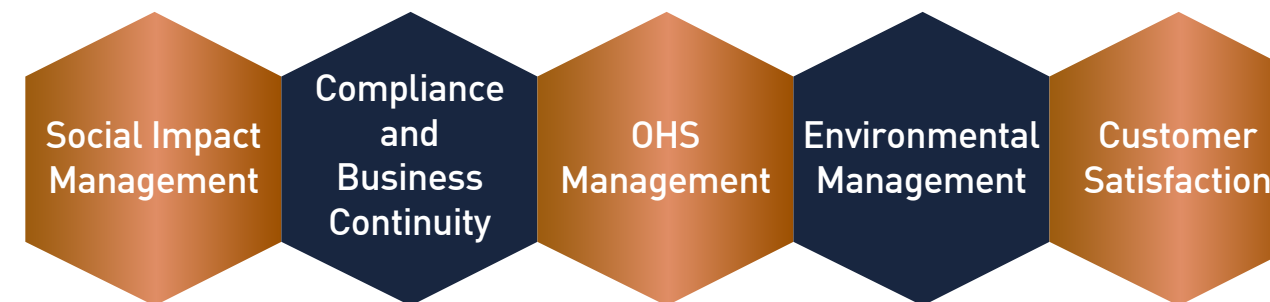
Our Inputs →

- **Financial Capital**
 - Strong financial management
 - Net sales revenue of TL 4,031 million
- **Manufactured Capital**
 - Technical granite production facility of 41 million m² capacity
 - Technical granite kilns
 - Hydraulic presses
 - Polishing and sizing line
 - Technical granite glazing lines
 - Quality sorting and packaging
 - Mills
- **Intellectual Capital**
 - 25 patented brands
 - R&D expenditures of TL 7.1 million
 - Experienced R&D employees in the floor covering sector
- **Human Capital**
 - 1,076 experienced employees
 - Youngest average age of employees in the sector (35)
- **Social Capital**
 - 57 distributors in 7 regions
 - Social cooperation with public institutions in Aydin
- **Natural Capital**
 - Natural raw materials, the main raw materials being feldspar, clay and kaolin
 - Energy
 - Water

Qua's Contribution to the SDG →



Our Strategic Approach



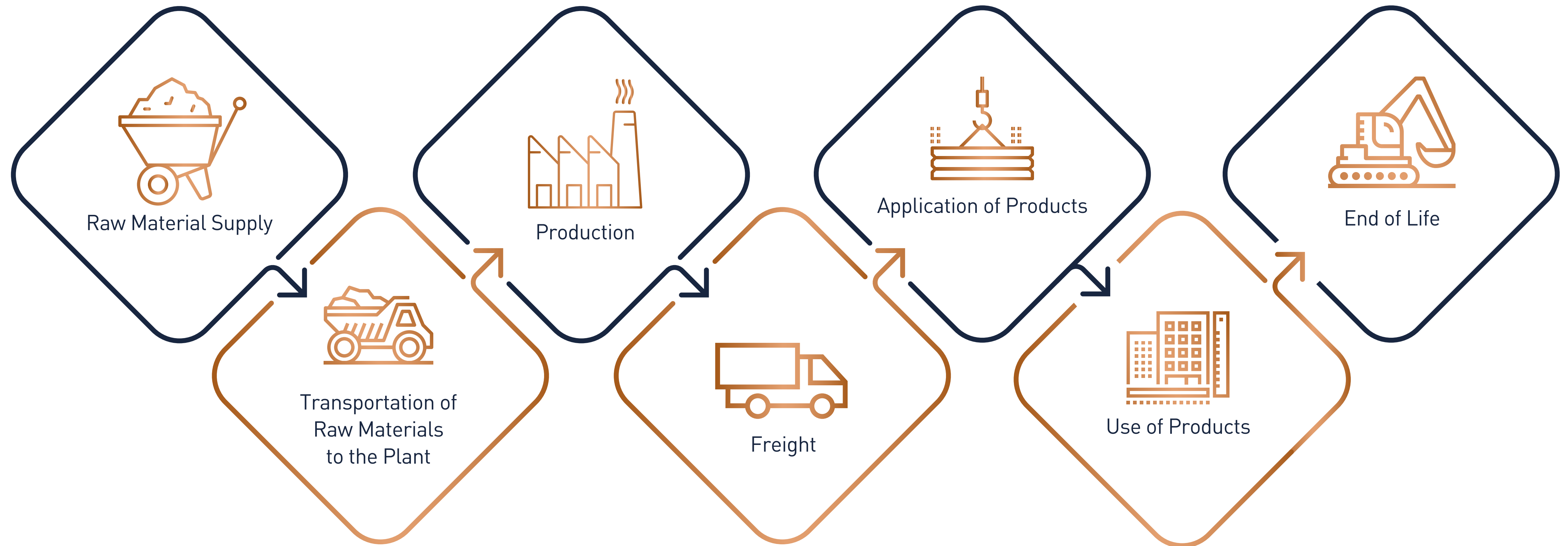
Stakeholders We Create Value for



Our Key Outputs

- **Financial Capital**
 - Technical granite production of 22.4 million m²
 - Export revenue of TL 992.9 million
 - Net profit of TL 1,700 million
 - TL 160.3 million in salary payments to employees
 - Turkey's largest producer of technical granite exclusively
- **Manufactured Capital**
 - New investments of TL 1,581 million
 - Total capacity increased to 41.0 million m²
- **Intellectual Capital**
 - An average of 10 P&D projects each year
 - Raw material recycling projects
- **Human Capital**
 - The highest number of women employed in production in our own sector
 - Female employee rate of 14%
- **Social Capital**
 - Aid and material support to schools in Aydin
 - Assistance and support to employees
- **Natural Capital**
 - The only company in the sector that does not discharge water
 - Energy and resource savings by using recycled products as raw materials

LIFE CYCLE ANALYSIS



LIFE CYCLE ANALYSIS

	Raw Material	Production Processes	Use	End of Life
Process Stages	<ul style="list-style-type: none"> Extraction of raw materials from quarries Bringing the purchased raw materials to the plant Weighing and wet grinding of raw materials Transferring the granule passed through the spray dryer to the mass silos Transferring the mass to the presses and shaping it Applying digital printing to the tile and transferring it to the kilns Transferring the tiles to the Polishing-Sizing line to eliminate the size differences Storing the tiles that arrive at Quality, Separation and Packaging section in the stock area ready for shipment 	<ul style="list-style-type: none"> Includes the transportation phase for the product to reach the final consumer. Covers the processes during the application of the product. 	<ul style="list-style-type: none"> The use phase considers the effects that may arise when using the product. The tiles do not cause any emissions during use. 	<ul style="list-style-type: none"> Disposal of end of life final products or transferring them to cement factories as alternative raw materials.
Impacts	<ul style="list-style-type: none"> Land Use Water Use Emissions Waste 	<ul style="list-style-type: none"> Greenhouse Gas Emissions 		<ul style="list-style-type: none"> Greenhouse Gas Emissions Waste
Impact Mitigation	<ul style="list-style-type: none"> The water treated in the industrial treatment plant is 100% reused. Raw waste from the dust absorption system in the facility is 100% recycled into the production process. Waste from production is sent to licensed recycling companies for recycling and recovery. In order to reduce carbon emissions from transportation, raw materials are sourced from nearby areas. 	<ul style="list-style-type: none"> The production of environmentally friendly 7 mm thin ceramics, which reduce the use of boxes and pallets, allow for more transportation at one time and thus less fuel consumption, has begun. 		<ul style="list-style-type: none"> Ceramic shards are sent to cement factories as alternative raw materials.
Qua Granite's Sustainability Approach and Practices	<ul style="list-style-type: none"> Strategic agreements with domestic suppliers to ensure supply security Carrying out R&D and P&D studies for more efficient production by making changes to the recipes of the products Ensuring that raw materials and materials are recycled 	<ul style="list-style-type: none"> ISO 50001 Energy Management System certification was obtained. ISO 14064 Carbon Footprint certificate was obtained. ISO 14046 Water Footprint certificate was obtained. In order to reduce energy consumption, inert heat from the kiln chimney is reused in drying and LED systems started to be used in lighting. Feasibility studies on SPP renewable energy sources are being carried out. 	<ul style="list-style-type: none"> According to the test method carried out in accordance with the ISO 16000 standard, Indoor Air Emissions are A+. There is no Volatile Organic Carbon. The company holds a GREENGUARD GOLD Certificate. 	<ul style="list-style-type: none"> A project to reduce the use of wooden pallets used to transport our products to the end user and to increase the use of recycled plastics was implemented.

AWARDS



“Innovative Building Product Brand of the Year” Award at the Türkiye Innovation and Success Awards



“Leading Innovative Building Products Brand” Award at the 2nd International Diamond Awards Ceremony



Received the 4th Company with the Highest Exports in Aydın Province in 2021 Award from the Aegean Exporters Association



Ranked 46th in Türkiye’s Second Top 500 Industrial Enterprises.



Rose 22 places to rank 453rd in the Fortune 500 Türkiye survey.



Featured in the METAVERSE with a large island and became the first company to invest in the METAVERSE Universe.



CORPORATE GOVERNANCE



CORPORATE GOVERNANCE

Effective corporate governance plays an important role in the sustainability of organizations. The fact that the board of directors meets regularly, that the roles and responsibilities of the members are clearly defined and that the committees perform their duties effectively provides clues about the awareness of the corporate governance approach within the organization. Being transparent to investors, managing risks well, seizing opportunities and

ensuring accountability are among the requirements of effective corporate governance practices. Qua Granite, which went public in 2021 by achieving great success thanks to its production approach that makes a difference in the sector, has taken a big step towards institutionalization.

Compliance with Corporate Governance Principles

The Corporate Governance Principles Compliance Report is a corporate document prepared by the Capital Markets Board (CMB), Borsa İstanbul (BIST) and expert academics in the light of the work of the OECD, the World Bank and the Global Corporate Governance Forum (GCGF) and contains 27 main articles. Publicly traded companies are obliged to publish the report. Qua Granite has been publishing a "Corporate Governance Principles Compliance Report" annually since its initial public offering.

You can access Qua Granite's 2021 Corporate Governance Principles Compliance Report [here](#).

Qua Granite's Corporate Governance Rating Score in the evaluation carried out by an external rating agency in 2022 increased by 1.01 points compared to the previous period, reaching 9.05 points. The main factors that have a significant share in the score increase are as follows:

- A Policy on Donations and Aids and a Dividend Distribution Policy were formulated, submitted to the general shareholders' meeting for approval and disclosed to the public on the corporate website.

- The English version of the website has been enriched, making it equivalent in content to the Turkish version. In addition, a calendar of events and developments of interest to investors was published on the website.

- The Corporate Governance Information Form (CGIF) and Corporate Governance Compliance Report Form (CGCRF) were disclosed to the public through the Public Disclosure Platform (PDP) 3 weeks prior to the General Assembly. The links to access the said forms can be found in the Annual Report.

- On October 25, 2021, Qua Granite signed the United Nations Global Compact, which is based on ten principles in the areas of human rights, labor standards, environment and anti-corruption, and committed to act in accordance with these principles.

- CGIF and CGCRF were included in the Board of Directors' decision to accept the financial statements and annual reports.

- All important decisions are taken by the Board of Directors and the General Assembly. With the completion of the public offering process and the establishment of committees, there is no single person with unlimited authority in the company.

- One female member was elected to the Board of Directors.

CORPORATE GOVERNANCE POLICIES AND QUALITY SYSTEMS

Qua Granite, together with its policies and quality systems, strengthens its corporate governance structure day by day, while taking into account current conditions. It is of utmost importance that policies include good institutional

practices and are centered on equality and independence. Qua Granite employees are expected to adopt all established policies and comply with the rules.

<p>Quality certificates and documents obtained by Qua Granite are as follows:</p> 	Certificates Issued to the Company:	Certificates Issued to the Products:
	ISO 9001:2015 Quality Management System	TSE Double Star Certificate of Conformity to Turkish Standards
	ISO 14001:2015 Environmental Management System	TS EN 14411 Ceramic Tiles - Definitions, Classification, Specifications and Marking
	ISO 45001:2018 Occupational Health and Safety Management System	UPEC.F+ Certificate - CSTB le futur en construction
	ISO 50001:2018 Energy Management System	UPEC Certificate - CSTB le futur en construction
	ISO 14064-1:2018 Carbon Footprint Certificate	UL Greenguard Gold Certificate
	ISO 14046:2014 Water Footprint Certificate	UL Greenguard Certificate
	Zero Waste Certificate	SASO – Quality Mark
	TSE Covid-19 Safe Production Certificate	Gost-R Certificate
		SNI ISO 13006:2010

CORPORATE GOVERNANCE POLICIES AND QUALITY SYSTEMS

The company’s corporate policies are listed below.

Sustainability Policy

Qua Granite is aware of the importance of operational sustainability and is conscious of efficiently using raw materials and energy as it carries out production activities. It strives to leave the best possible planet to future generations. Formulated accordingly, Qua Granite’s Sustainability Policy clarifies Qua Granite’s responsible business approach and how its environmental and social impacts are managed. The policy is available [here](#).

Energy Policy

In essence, the Energy Policy aims to continuously improve energy performance and energy management systems in all production facilities owned by Qua Granite, to leave a habitable planet for future generations and to use energy and raw materials efficiently in production processes. The policy is available [here](#).

Quality Policy

Qua Granite continues to work uninterruptedly in order to keep customer satisfaction at the highest level. Shaping its quality standards within the framework of ISO 9001, Qua Granite continues to raise

awareness among its employees within the scope of in-house training and social activities with a continuous development perspective. By greatly leveraging technology in production processes, it makes use of raw materials and energy consumption efficiently, turning the level of quality into a high standard. The policy is available [here](#).

Environmental Policy

Qua Granite positions its sustainable environmentally friendly work in all its production activities as the most basic production principle together with quality, efficiency and occupational safety. Within the scope of its Environmental Policy, the company recovers the waste generated by production through continuous improvement efforts and recycles raw materials by selecting sustainable materials. The policy is available [here](#).

Ethics Policy

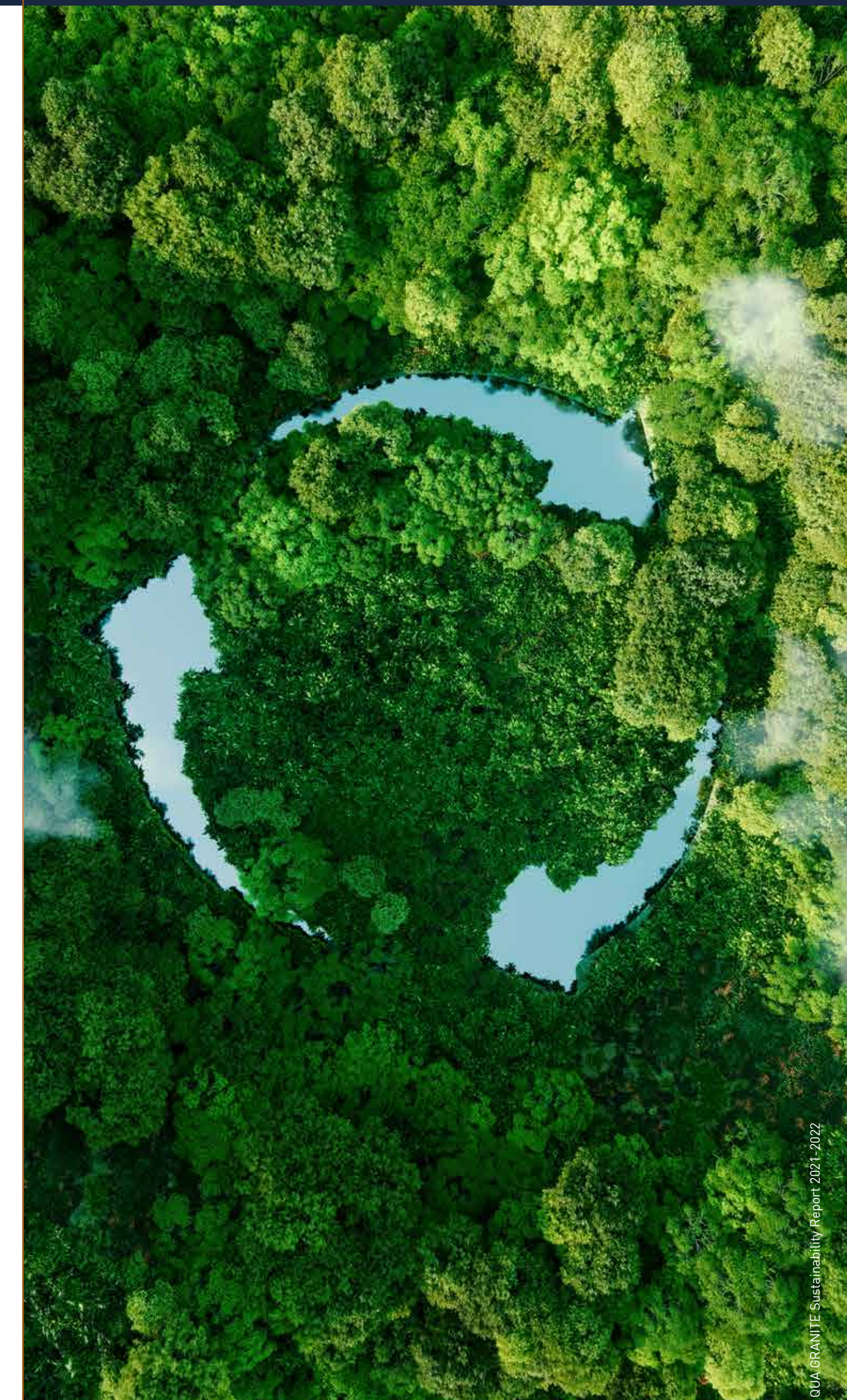
The Ethics Policy defines the ethical rules that Qua Granite employees must comply with. It is a list of rules and values, ranging from Qua Granite employees representing the company to the company’s protection of employee benefits. The policy is available [here](#).

Anti-Bribery Policy

The Anti-Bribery Policy comprises of sets of rules defined to prevent any relationships that may be formed by Qua Granite employees in the name of bribery, corruption and personal benefit. The policy is available [here](#).

Personal Data Protection, Storage and Destruction Policy

The policy explains how stakeholder data is kept, for how long, and for which purposes. It is the policy text explaining how data is destroyed when the retention period expires. The policy is available [here](#).



CORPORATE GOVERNANCE POLICIES AND QUALITY SYSTEMS

Information Security Policy

This policy defines the rules that Qua Granite employees must comply with regarding information security. Information is provided on the actions to be taken in the event of any information security breach and the management of the risks related to various systems. The policy is available [here](#).

Waste Management Policy

The purpose of the Waste Management Policy is to determine the general principles for the management of waste from generation to disposal without causing harm to the environment and human health. The policy sets out Qua Granite’s waste management principles and provides an infrastructure for waste management practices. The policy is available [here](#).

Disclosure Policy

The purpose of the Disclosure Policy is to ensure an active, effective and transparent communication with all stakeholders, including shareholders, investors, employees, customers and relevant authorized institutions, by simultaneously sharing all kinds of information that are not trade secrets in a complete,

fair, accurate, timely, understandable, cost-effective and easily accessible manner in accordance with the regulations to which Qua Granite is subject and the provisions of the Articles of Association. It defines the measures taken by Qua Granite to inform stakeholders and principles regarding the disclosures to be made. The policy is available [here](#).

Human Resources Policy

The purpose of the Human Resources Policy is to increase Qua Granite employees’ professional commitment, to reward them and to protect their rights. It was created in light of the regulations to which Qua Granite is subject to. The policy is available [here](#).

Dividend Policy

The purpose of the Dividend Policy is to determine the principles regarding profit sharing and dividend payment to shareholders. It defines the principles of profit distribution in light of the applicable regulations and the Articles of Association. The policy is available [here](#).

Compensation Policy

The purpose of the Compensation Policy is to define the rights of employees under the Labor Law. The policy is available [here](#).

Remuneration Policy

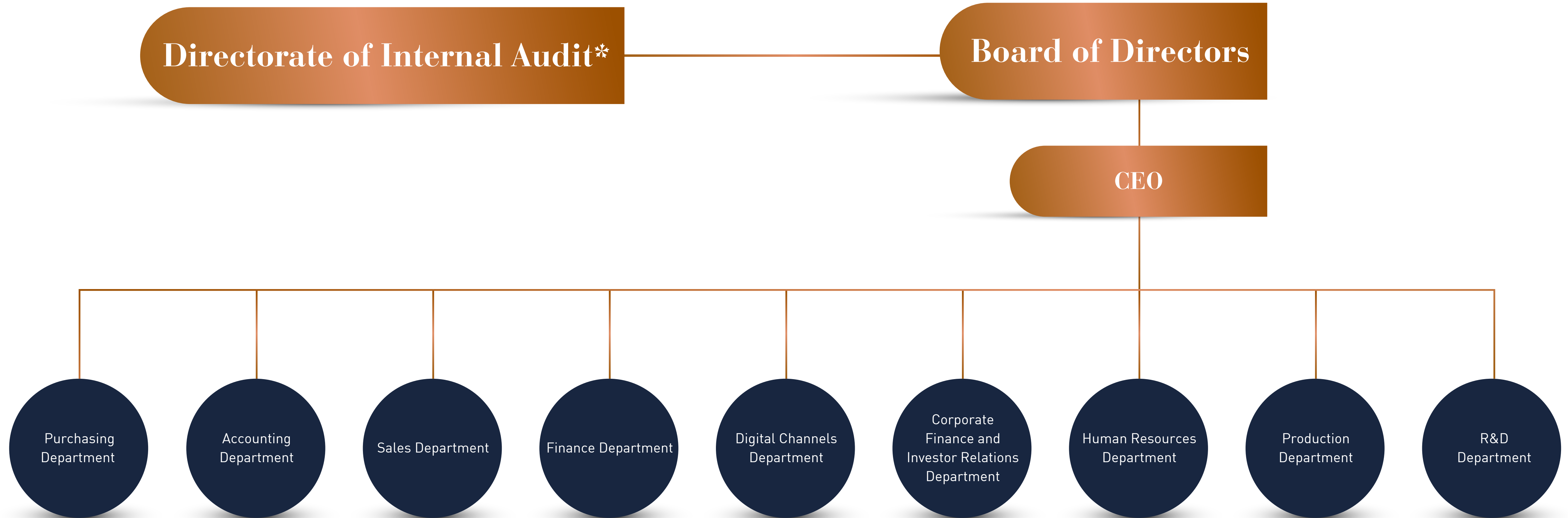
The purpose of the Remuneration Policy is to determine the principles of remuneration of senior management, Board of Directors and executives with administrative responsibilities, taking into account Qua Granite’s future goals. The policy is available [here](#).

OHS Policy

The purpose of the OHS Policy is to manage the processes related to the health and safety of employees, a non-negotiable issue for Qua Granite, and to closely monitor key performance indicators in this regard. The policy is available [here](#).



ORGANIZATIONAL STRUCTURE AND COMMITTEES



*Independent directorate reporting to the Board of Directors

ORGANIZATIONAL STRUCTURE AND COMMITTEES

Qua Granite has 4 committees reporting to the Board of Directors:

Sustainability Committee

In 2022, a Sustainability Committee, chaired by the CEO, was established. The committee is the highest-level structural body responsible for monitoring Qua Granite's sustainability practices and convenes once a year. It has 3 different working groups working on environmental, social and governance issues. The working principles of the Committee can be viewed [here](#).

Audit Committee

The purpose of the Audit Committee is to ensure the proper operation of Qua Granite's accounting system, disclosure of financial information to the public, determination and approval of the company to conduct independent audit and the scope of the audit, oversight of the functioning and effectiveness of the company's internal control and internal audit system, and the examination and resolution of complaints. The committee convenes 4 times a year and meeting minutes are submitted to the Board of Directors. The working principles of the committee can be viewed [here](#).

Corporate Governance Committee

The purpose of the Corporate Governance Committee is to ensure the implementation of Corporate Governance Principles within Qua Granite and to correct any non-compliance. In addition, since Qua Granite does not have remuneration and nomination committees, it has assumed the duties of these two committees. There is no specific period in which the committee convenes, and it meets whenever deemed necessary and shares the minutes of its meetings with the Board of Directors. The working principles of the committee can be viewed [here](#).

Early Detection of Risk Committee

The purpose of the Early Detection of Risk Committee is to ensure that risks that threaten Qua Granite's development, profitability and existence are identified as early as possible and that relevant precautionary actions are taken. There is no specific period in which the committee convenes, and it meets whenever deemed necessary and shares the minutes of its meetings with the Board of Directors. The working principles of the committee can be viewed [here](#).

RISK MANAGEMENT

Effective risk management has direct impact on the sustainability of organizations in terms of identifying, assessing and taking measures against risks in a timely manner. Qua Granite carries out risk management activities related to the identification of all kinds of risks and opportunities such as strategic, financial, operational, climate, etc. in the short, medium and long term, as well as their possible impact on activities, possibility of materialization and prevention. The Early Detection of Risk Committee carries out activities to identify risks. With the report prepared once a year, Qua Granite’s risks are identified and evaluated, decision and control mechanisms related to identified risks are established and adapted to internal control processes. Responsibility is assigned for



the risks identified, actions are determined and the targeted outcomes of the actions are evaluated.

Business continuity and crisis management activities are carried out to prevent physical and supply chain risks that may disrupt production. The Qua Granite Emergency Action Plan has been prepared for the effective management of such cases.

The risks, opportunities and actions taken by Qua Granite under the heading of sustainability are as follows:

	Risk	Action
 Production	Increase in production costs through Carbon Pricing Mechanisms EU Green Deal and Carbon Border Adjustment Mechanism	The goal is to reduce Scope 2 emissions through renewable power generation. Feasibility studies are being carried out to utilize the roof of the factory in Söke OIZ, which is particularly efficient in terms of solar energy.
	Availability of workforce with sufficient experience	Employees are regularly recruited for training and MT programs are implemented.
	Covid 19, global pandemics and natural disasters and damages that may occur to our assets	Risks arising from sales are neutralized by increasing sales in Türkiye and abroad, in extensive locations.
 Supply Chain	Production may be affected by problems in raw material and fuel logistics due to climate change and consumption of limited natural resources	The goal is to reduce CO ₂ emissions with the use of alternative fuels. Raw materials are generally supplied from Söke and its surrounding area.
	The risk that disruptions in obtaining/renewing the licenses of our raw material suppliers due to changing environmental/climate policies may cause interruptions in production and thus cost increases.	We focus on the use of alternative raw materials by making continuous improvements in product recipes.
 Customers	Potential loss of revenue from the substitution of our existing products and services with low-carbon alternatives.	Certificates are obtained from accredited organizations, certifying that the products are low emission. GREENGUARD and GREENGUARD GOLD Certificates issued by UL Environment, an independent auditing organization, prove that the products comply with the requirements set in terms of indoor air quality. Work was initiated to obtain EPD Certificates for all our products in 2023.

RISK MANAGEMENT

	Opportunity	Action
 Production	Resource efficiency to be achieved by using new and superior technologies within the scope of transition to a low-carbon economy.	Energy efficiency is ensured by heat recovery in kilns. Utilization of renewable energy sources; in this way, the goal is to reduce carbon emission rates and further increase energy efficiency.
	Avoiding rising energy prices by using renewable energy sources.	
 Customers	Revenue growth as customers demand low emission products .	In line with the demand of export customers, VOC A+ emission certificate was obtained from Eurofins.
	Revenue increase due to the demand for sustainable products from green projects targeting environmental certifications such as GREENGUARD.	R&D studies are continuously carried out to focus on low emission products. In this context, GREENGUARD and GREENGUARD GOLD Certificates were obtained.

ETHICAL PRINCIPLES, TRANSPARENCY AND COMPLIANCE

Qua Granite has defined the ethical codes that all employees and managers must comply with in its “Ethics Policy”. The code of ethics is a set of principles designed to increase the awareness and liability of Qua Granite employees, in line with the United Nations Global Compact.

Identification of ethical principles aims to:

- Establish standard behavior models in the face of increasing number of locations and employees,
- Make it easier for people from different cultures to work at Qua Granite,
- Ensure non-discrimination in business life on issues such as ethnicity, language, religion and gender,
- Identify areas to which Qua Granite is sensitive.

Qua Granite’s ethical and moral values define the principles of behavior that employees must comply with in terms of honesty, sense of duty, responsibility, confidentiality, gifts and conflict of interest. In addition, as a signatory to the United Nations Global Compact, Qua Granite is taking concrete steps to take collective action against corruption and implement anti-corruption compliance programs.



QUA GRANITE'S APPROACH TO SUSTAINABILITY



SUSTAINABILITY POLICY

Qua Granite set forth its compliance and contribution to environmental and social sustainability in its Sustainability Policy published in 2022. Qua Granite places the focal points of sustainable growth at the core of its activities.

Additionally, Qua Granite:

- To combat climate change, develops methods to protect natural resources by reducing greenhouse gas emissions and energy consumption.
- Continuously monitors its energy efficiency, develops new mechanisms, creates the necessary infrastructure and works to renew the existing system.
- Ensures that groundwater consumption is minimized by treating the wastewater generated during operation activities in the treatment plant and reusing it 100% without discharging it.
- Contributes to the circular economy by encouraging the recovery, recycling and reuse of waste generated as a result of business activities.
- Develops and implements environmentally friendly products and services.
- Carries out all its activities in line with the Sustainable Development Goals.
- As a signatory of the United Nations Global Compact, complies with 10 principles in the areas of human rights, labor standards, environment and anti-corruption.
- Prioritizes the interests of the company over personal interests, fights against corruption and bribery, avoids conflicts of interest at all levels of business life, respects its competitors and acts honestly in competitive relations.
- Ensures equal and effective participation of women in business life and attaches importance to women's employment.
- Aware of the importance of equality in working life, excludes discrimination based on religion, language, race, color, politics and gender from business conduct and believes in the importance of being fair.
- Organizes training activities to create and improve occupational health and safety awareness.
- Keeps up with technological changes and new economic models of the changing world and incorporates good and successful practices into its working methods.
- Involves its stakeholders in sustainability practices and contributes to their development in this area.
- Complies with and follows all national and international regulatory requirements.
- Ensures information security and business continuity in all its activities.

SUSTAINABILITY GOVERNANCE STRUCTURE



QUA GRANITE WORKING GROUPS

Environment – Energy Working Group

(Material Topics: Circular Economy and Waste Management – Environmentally Friendly Products – Resource Efficiency – Transition to a Low Carbon Economy and Combating the Climate Crisis)

Responsible for the execution of Qua Granite’s work on environmental and energy issues (integrated waste management, biodiversity, effective management of chemicals, water management, emissions, energy management).

Members: Energy Manager, Environment and Sustainability Manager, Technology Director, Production Manager, Investment and Construction Director, Planning Manager

Reporting – Stakeholder Relations Working Group

(Material Topic: Customer Experience and Satisfaction)

Responsible for developing Qua Granite’s practices for external stakeholders and society (information, training, etc.), developing joint projects with stakeholders (suppliers, NGO, university collaborations, etc.), monitoring and managing sustainability reporting and other reporting processes.

Members: Digital Marketing Manager, Assistant Marketing Specialist, Purchasing Director, Human Resources Manager, Training Manager, Quality Assurance and Scale Officer, Corporate Finance and Investor Relations Manager, Environment and Sustainability Manager, Technology Director

Corporate Social Responsibility Working Group

(Material Topic: Corporate Social Responsibility)

Responsible for the monitoring, implementation and management of corporate social responsibility projects to be carried out in line with Qua Granite’s sustainability approach.

Members: Human Resources Manager, Administrative Affairs and Security Manager, Training Manager, Digital Marketing Manager, Assistant Marketing Specialist, Environment and Sustainability Manager, Technology Director

GRI 2-9, 2-11, 2-12, 2-13, 2-14, 2-17

R&D – Digitalization – Innovation Working Group

(Material Topics: R&D and Innovation – Product Quality and Reliability)

Responsible for the implementation and management of Qua Granite’s R&D and innovation projects, grants/incentives, sustainable products and digitalization solutions.

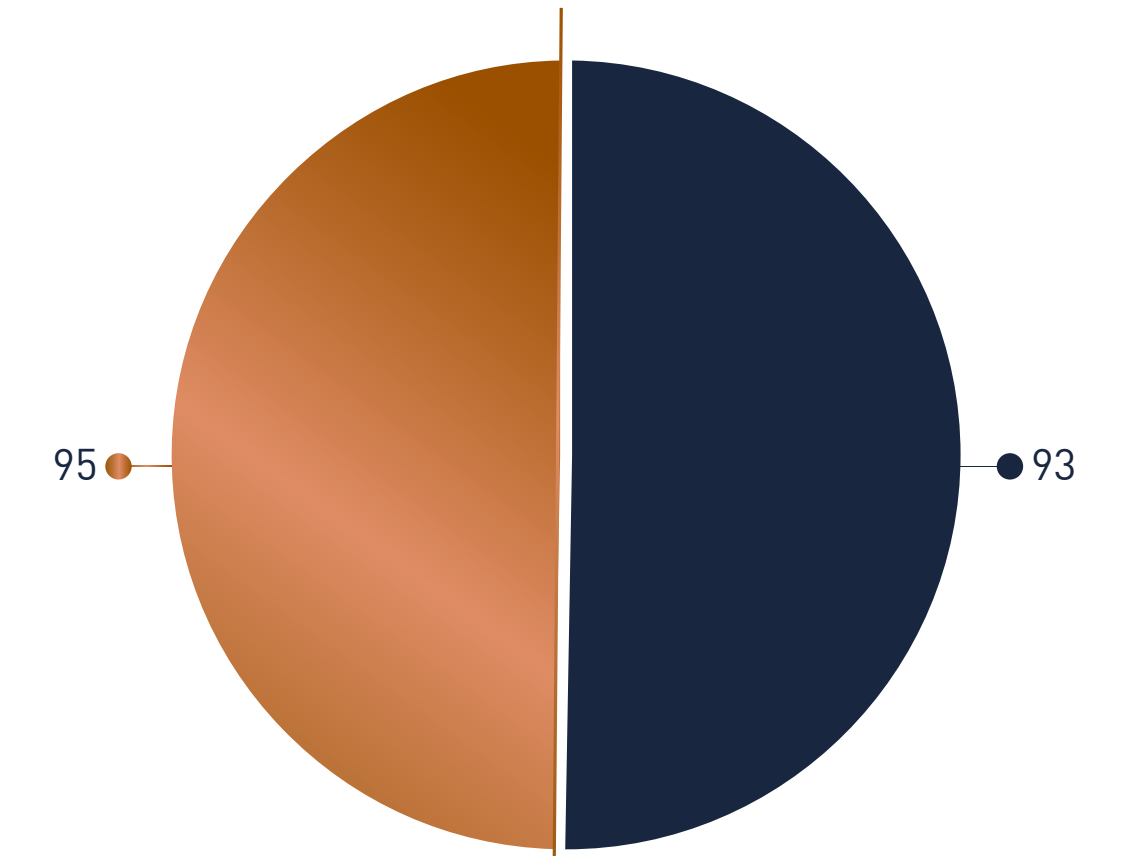
Members: Technology Director, R&D Supervisor, Design Supervisor, Process and Quality Control Supervisor, Product Development Officer, IT Officer, IT Specialist, Environment and Sustainability Manager, Technology Director



MATERIAL TOPICS AND ALIGNMENT WITH SDGs

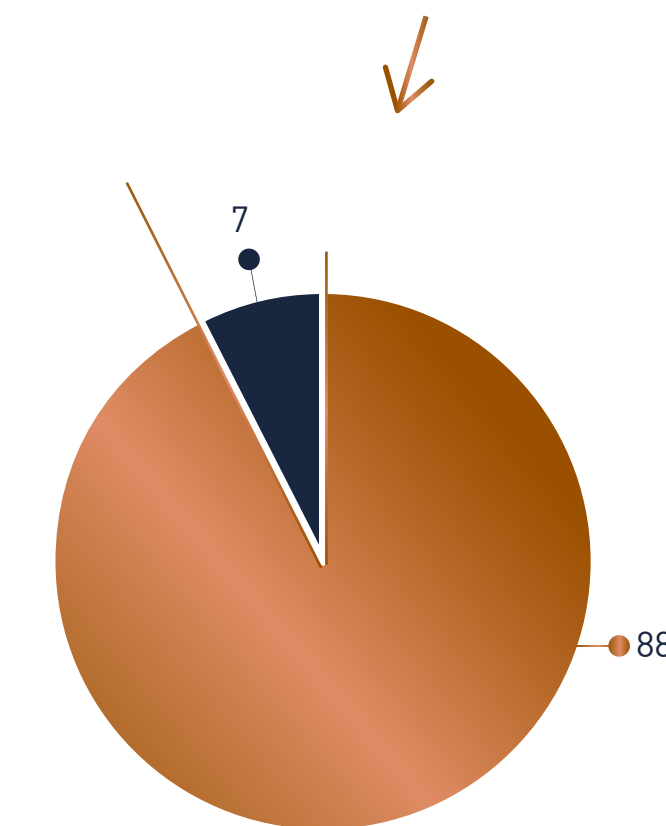
In 2022, Qua Granite conducted a materiality study on sustainability for the first time and through a survey, collected opinions from its internal and external stakeholders on the material sustainability topics of interest to the company. A total of 188 people participated in the survey, with external stakeholders comprising suppliers, dealers, customers, shareholders and investors, and internal stakeholders comprising senior management and employees. The topics evaluated within the scope of the study were determined following sectoral analyses and interviews with Qua Granite units. In the survey, where 16 topics were identified, 5 topics were evaluated as the highest materiality by internal and external stakeholders:

	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
Environmentally Friendly Products				●	●	●	●		
Product Quality and Reliability				●	●	●	●		
R&D and Innovation									●
Customer Experience and Satisfaction	●			●					●
Circular Economy and Waste Management	●		●		●	●	●		



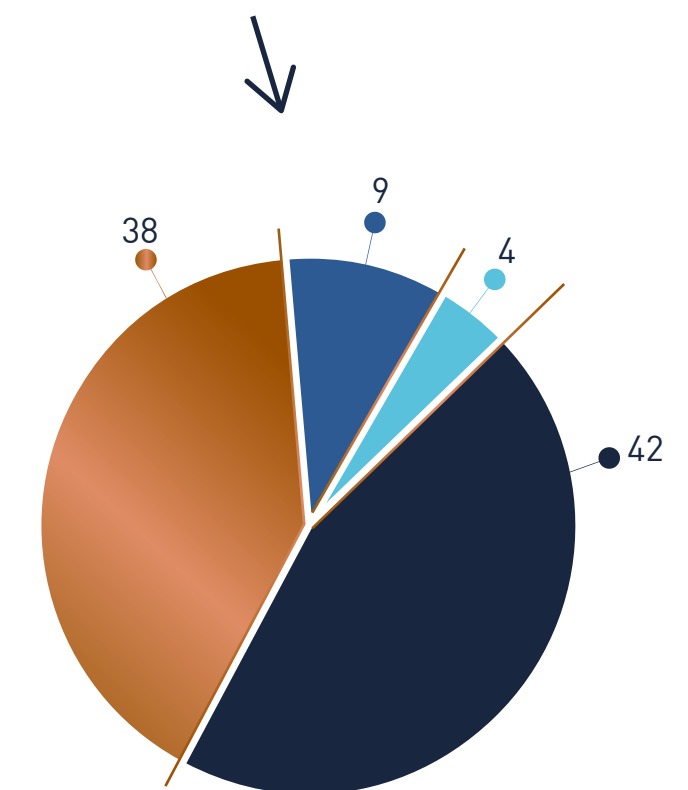
Breakdown of Internal and External Stakeholders (N=188)

Internal Stakeholders External Stakeholders



Breakdown of Internal Stakeholders (N=95)

Employees Senior Management



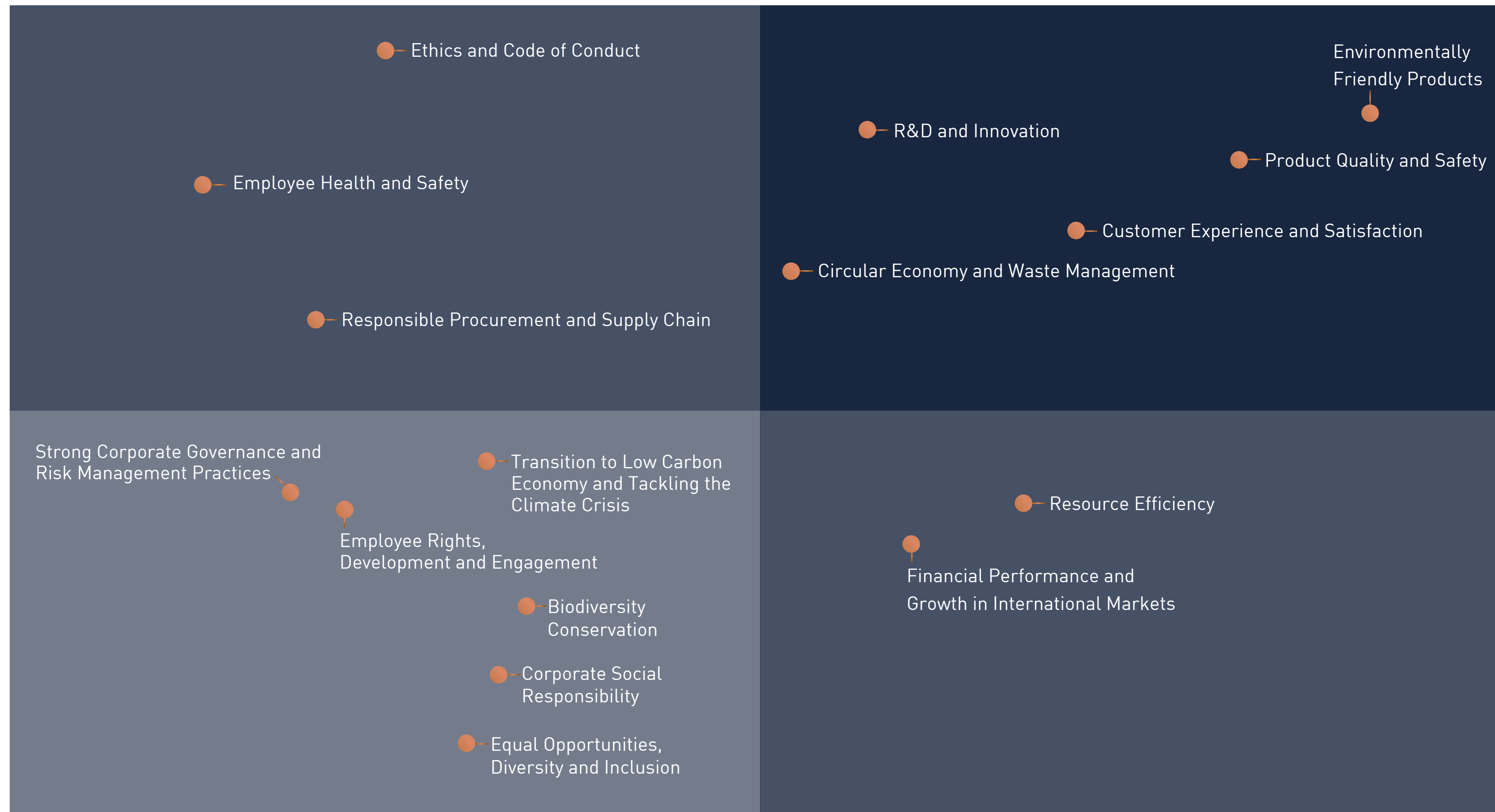
Breakdown of External Stakeholders (N=93)

Customers Dealers Suppliers Shareholders and Investors

*N: Sampling/number of evaluated responses

MATERIALITY MATRIX

Importance for External Stakeholders



Importance for Qua Granite

Highly Material Topics:

- Environmentally Friendly Products
- Product Quality and Safety
- Customer Experience and Satisfaction
- R&D and Innovation
- Circular Economy and Waste Management

Material Topics:

- Transition to Low Carbon Economy and Tackling the Climate Crisis
- Biodiversity Conservation
- Resource Efficiency
- Employee Health and Safety
- Ethics and Code of Conduct
- Strong Corporate Governance and Risk Management Practices
- Financial Performance and Growth in International Markets
- Equal Opportunities, Diversity and Inclusion
- Employee Rights, Development and Engagement
- Responsible Procurement and Supply Chain
- Corporate Social Responsibility

RESPECT FOR THE ENVIRONMENT



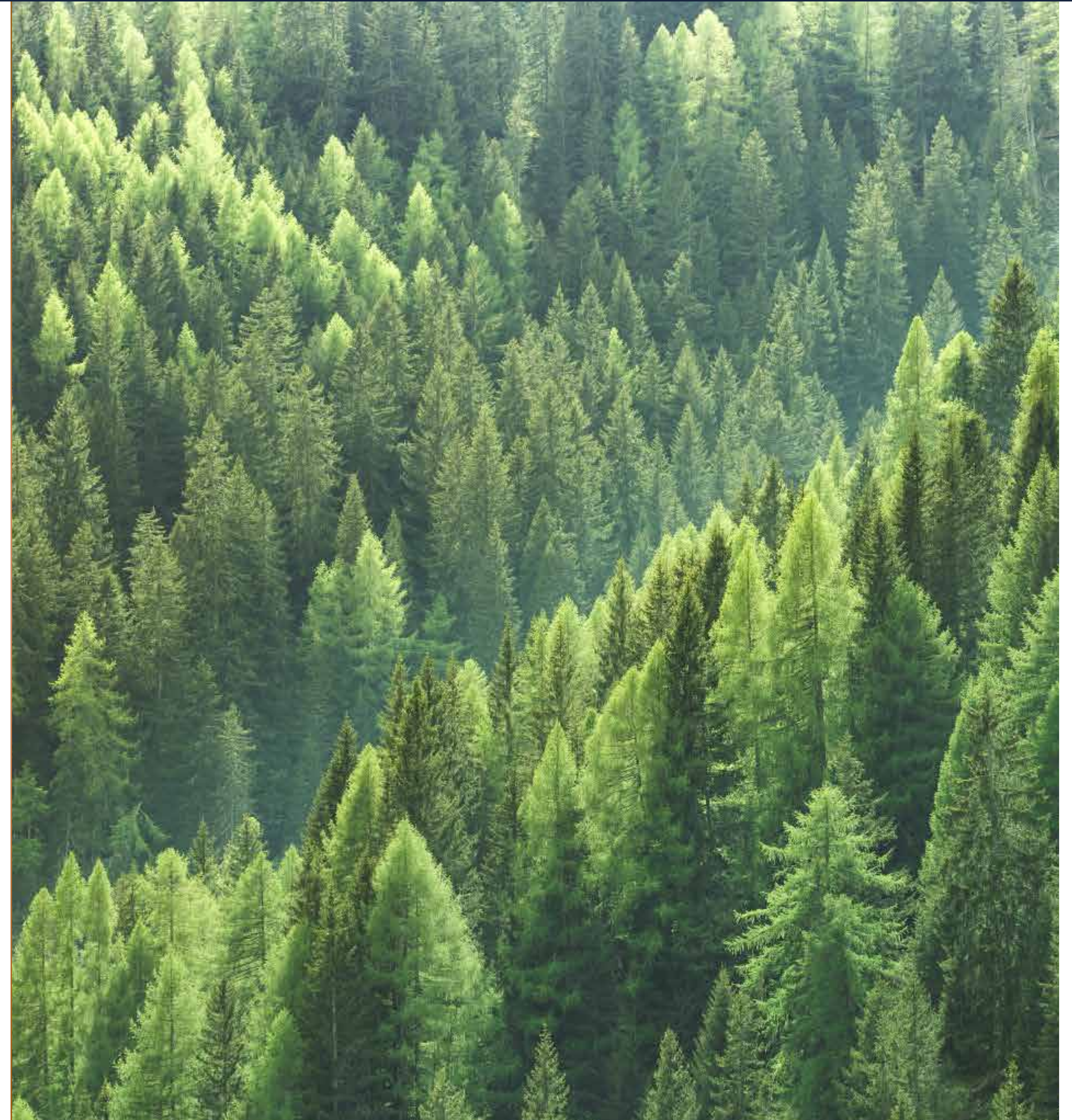
RESPECT FOR THE ENVIRONMENT



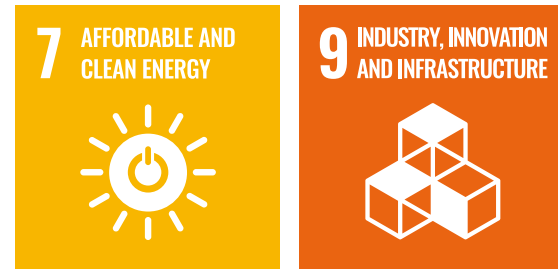
Qua Granite focuses on reducing the consumption of natural resources and minimizing the environmental impact of its products through a lifelong sustainability approach for its production processes and products. In line with its corporate culture and sector experience, the company continues to work to implement environmental sustainability practices that set an example for the sector it serves and for Türkiye. Qua Granite places environmentally friendly work at the core of its activities in all production processes. Efforts are made to raise awareness through trainings given to employees about the environment and climate change. In this context, 547 person.hours of training was provided in 2022. Qua Granite shapes its activities with an Environment and Sustainability Manager responsible for tracking, monitoring and developing environmental issues. Developing methods to conserve natural resources such as energy and water, recycling the wastes generated as a result of the activities of the business, reducing the amount of greenhouse gas emissions per product and adopting circular economy practices are the issues addressed under the heading of climate and environment.

Qua Granite carries out end-to-end environmental assessment studies in its production processes. At every stage of production, assessments are carried out on control mechanisms, actions to be taken in emergencies, the impact of any risk that may materialize and the probability of risk occurrence with a risk management approach regarding possible environmental impacts. In the environmental impact assessment tables, activities and sub-activities are prioritized in line with the results of the assessment and targets are set accordingly.

The budget spent for environmental management in 2022 was 13,791,734 TL, with 176,004 TL being spent on waste management activities, 13,524,317 TL on environmental investments and 91,413 TL on environmental liabilities.



ENERGY EFFICIENCY



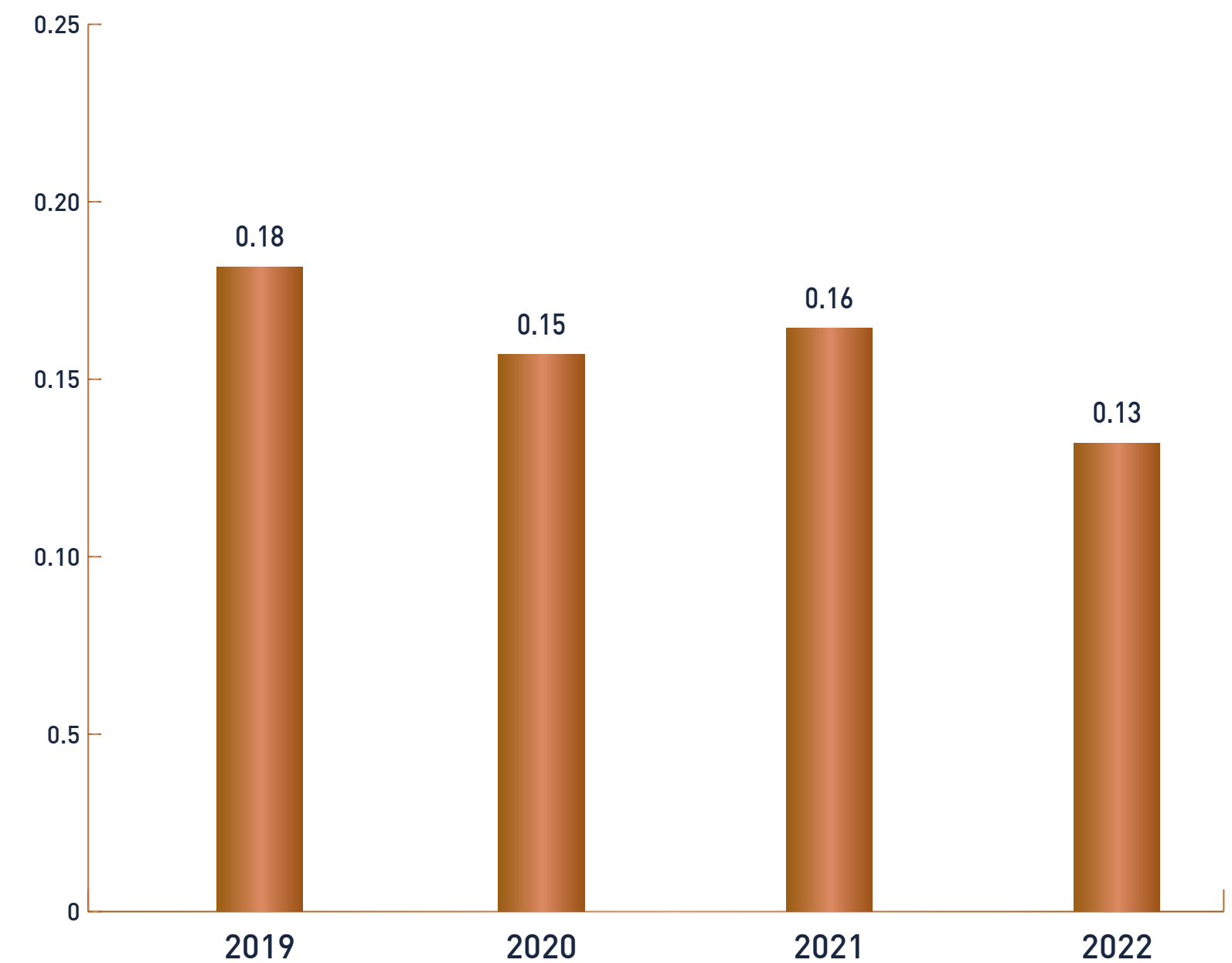
Qua Granite continues to carry out its activities in the light of the principles based on energy policy in energy management. Aware of the value of every unit of raw material consumed, Qua Granite recognizes the importance of energy efficiency efforts in combating climate change and reducing environmental impacts. The company undertakes basic energy efficiency studies with its ISO 50001 Energy Management System. Qua Granite’s efficiency and savings achievements are as follows:

- Electronic fluorescent lamps have been converted to LED band fixtures. Thus, 1,380 kWh of energy was saved.
- Sodium-vapor floodlights were converted to LED floodlights, saving 600 kWh per month.
- In order to increase energy efficiency in spray dryers, maintenance is carried out with planned stops by scheduling production working time to reduce minor stops.

Target: Reduce energy consumption per m² of product by 3% in 2023 compared to 2021.

- To reduce natural gas consumption, the gas heaters used to dry the surface water after polishing and sizing were shut down.
- Heat is recovered in kilns. The waste heat from the chimneys was used in the kiln pre-drying stage, resulting in an annual saving of 24,453,813.34 Sm³ in natural gas consumption.
- Qua Granite was designed as a continuous and fast production facility, which is unique in Türkiye and Europe. In this context, energy efficiency in mass production is ensured with the high-capacity spray dryer. A daily average of 30,000 m² of 60x120 cm sized tiles are glazed with the application system on a single line and production is completed in 35 minutes in a single kiln of 300 m length.

Energy Consumption per Unit Product (GJ/m²)



CARBON FOOTPRINT AND EMISSIONS



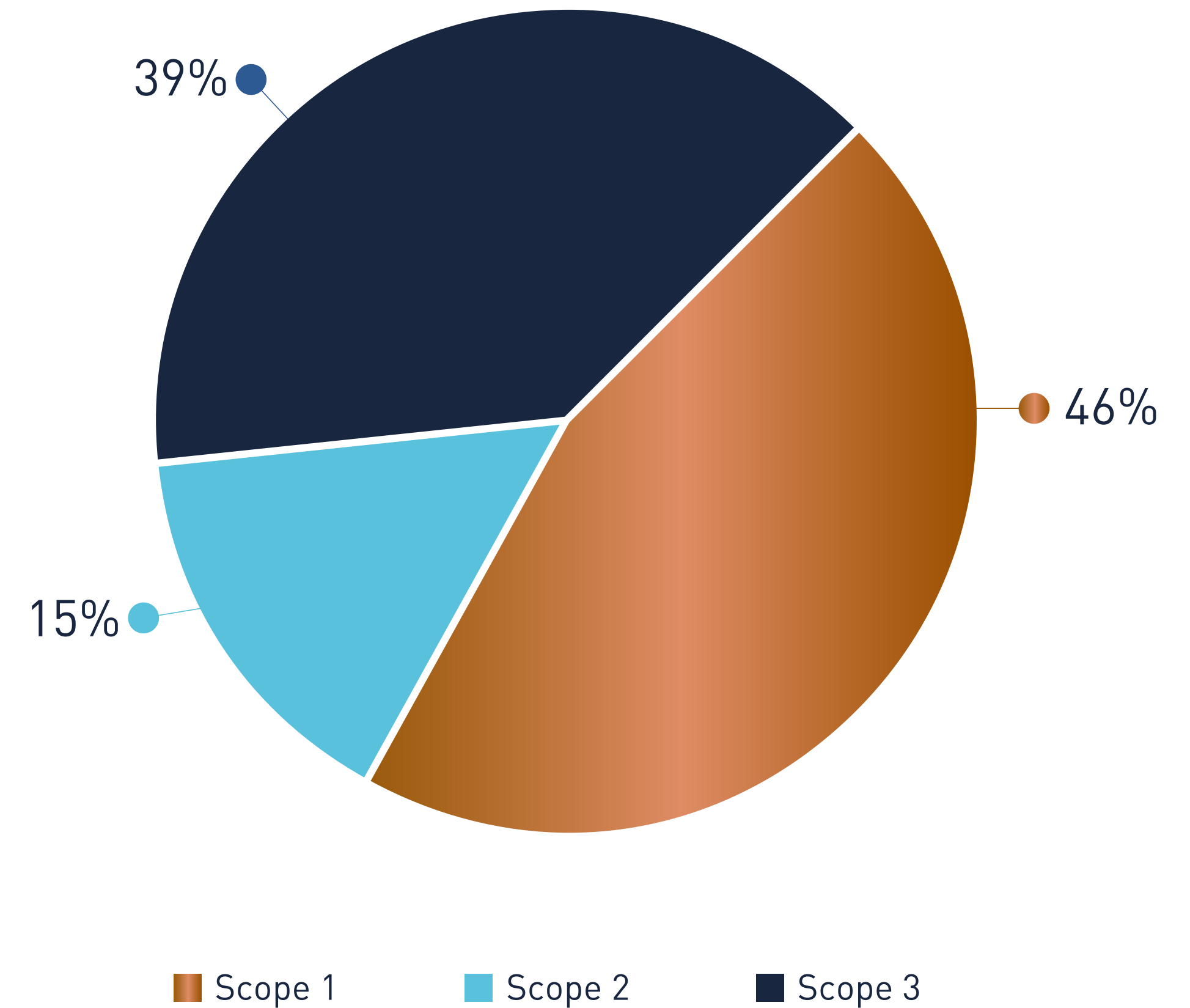
Aware that one of the most important efforts to combat climate change is to reduce greenhouse gas emissions per product, Qua Granite has established the necessary infrastructural system to reduce its emissions in the future with the monitored data. Emission monitoring is carried out immediately in production processes with reports prepared in accordance with systems that absorb dust emissions, greenhouse gas emissions calculated within the scope of ISO 14064 Carbon Footprint Calculation Standard and ISO 14065 Greenhouse Gas Verification and Approval. Within the scope of the Regulation on Monitoring Greenhouse Gas Emissions, a monitoring plan, emission report and improvement report are prepared. The emission report is approved by accredited organizations every year and shared with the Ministry of Environment, Urbanization and Climate Change in accordance with the legislation.

The carbon footprint values for 2022 are provided in the table below.

Carbon Footprint Values*	Unit (tCO _{2eq})
Scope 1	140,675.19
Scope 2	47,054.88
Scope 3	119,793.18

* Scope 1: Natural gas, LPG, generator, construction equipment, company-owned passenger cars, refrigerant gases and process emissions are included.
 Scope 2: Emissions from electricity consumption are included.
 Scope 3: Emissions from raw material transportation, product transportation, employee commuting, business travel, accommodation, purchased materials, assets, waste, water consumption and production amount are included.

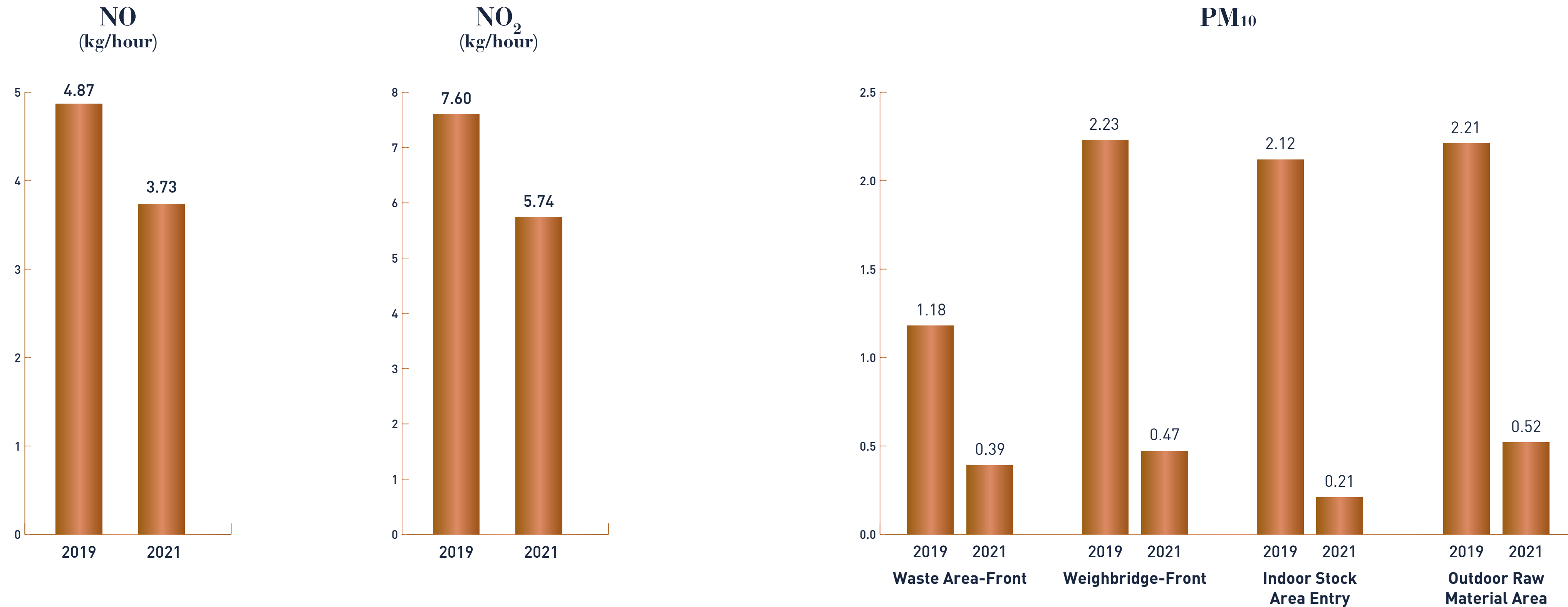
Verified by 3rd party verifier.



EMISSIONS TO AIR

Qua Granite also monitors nitrogen oxide, sulfur oxide (NO_x, SO_x), volatile organic compound (VOC) and particulate matter (PM10 - less than 10 microns) emissions and performs emission verification measurements every 2 years in accordance with the Industrial Air Pollution Control Regulation. It has been certified by tests that there are no volatile organic compounds in the production processes and that no ozone depleting/damaging emissions are produced as a result of production. The 2022 values of NO_x and NO_x emissions that are below the limit values are presented in the table below:

Raw material is stored in indoor and outdoor areas. Raw materials in the form of fine powder are stored in 16 closed boxes in an area of 4,430 m² and other raw materials are stored in an outdoor area of 25,322 m² with concrete floor, 8 meter- shear walls and automatic sprinkler systems with a diameter of 30 meters. The roads inside the facility are also covered with concrete and measures have been taken against dusting. With the improvements made, PM10 values decreased compared to 2019.

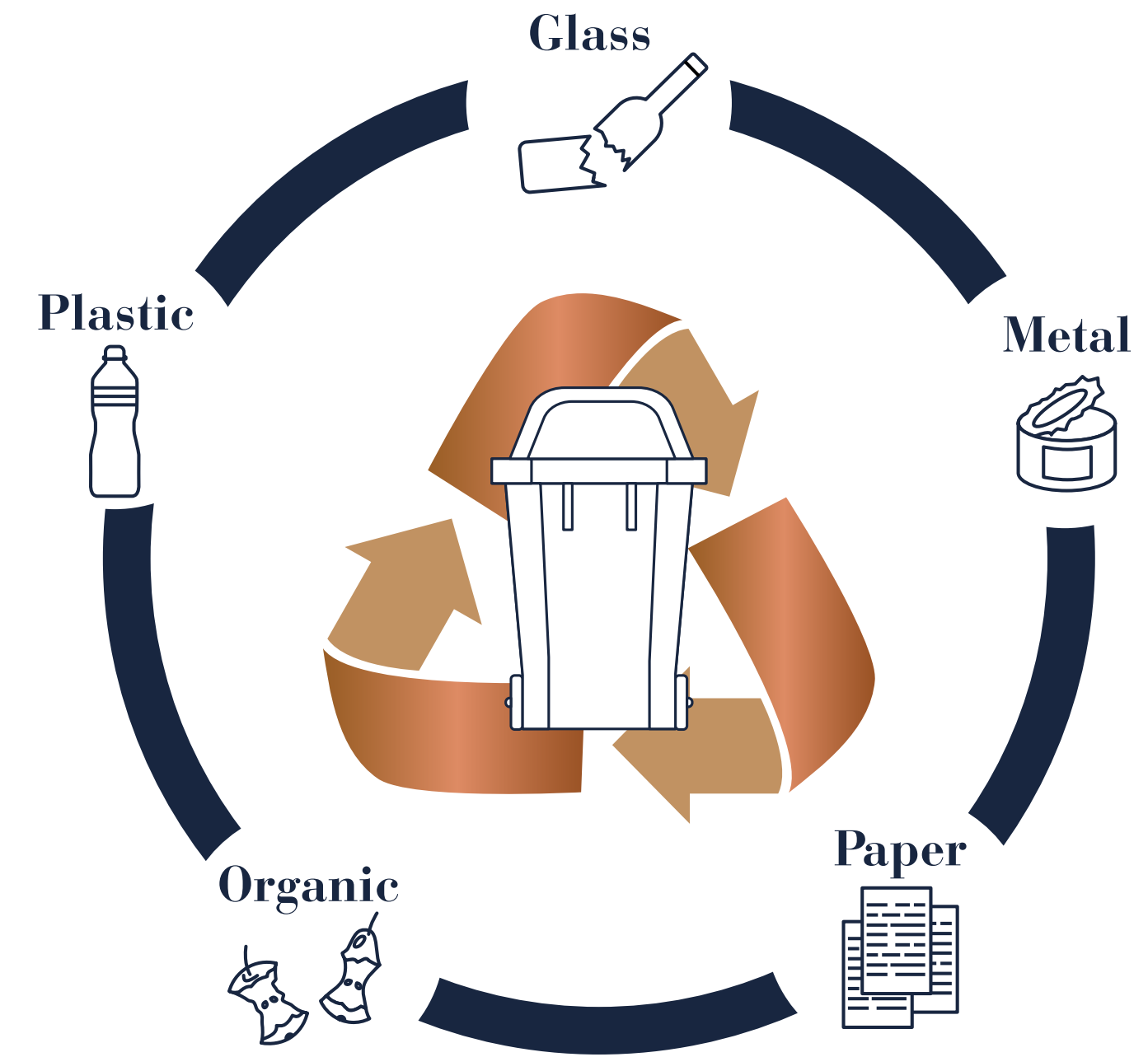


WASTE MANAGEMENT

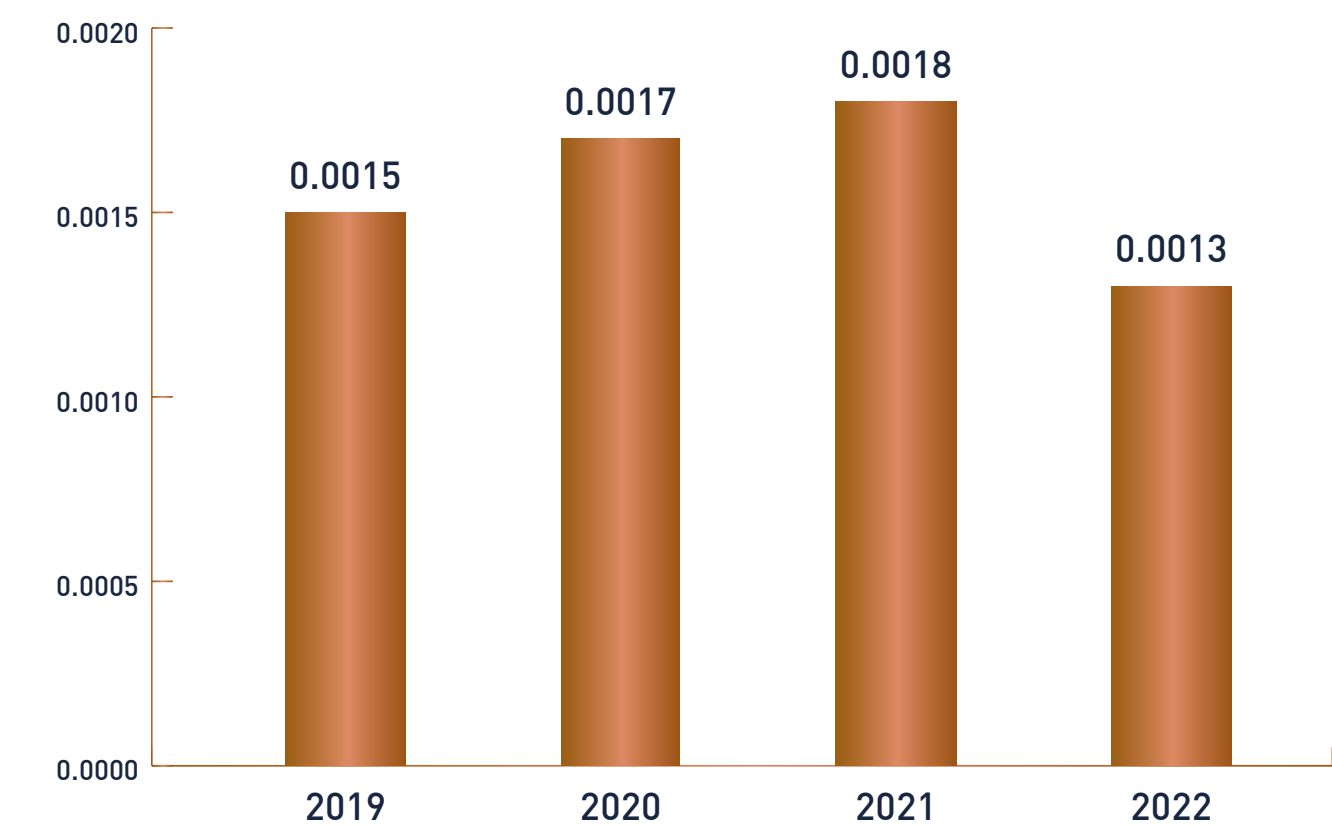


The amount of waste generated by human activities in the world is reaching a critical level. Recycling waste back into the economy increases circularity and ensures energy and raw material efficiency. Poor waste management can lead to water, air and soil pollution. Qua Granite handles the waste generated by its operations within the framework of its Waste Management Policy. The good practices implemented by Qua Granite, which has a high level of awareness on waste management and circularity, are indicated below:

- Ceramic shards are sent to cement factories as alternative raw materials.
- The dust generated in production is retained and 100% recycled back into the production process.
- Waste from production is sent to licensed recycling companies for recycling and recovery.
- Zero Waste Certificate was obtained from the Provincial Directorate of Environment, Urbanization and Climate Change.
- The packaging waste are classified, transferred to licensed institutions and recycled.
- Thanks to the spiral boxes and instant packaging system in the packaging department, less and uniform packaging materials are used. Also, in addition to the 1,200x1,200 cm sheet cardboards, 1,200x1,320 cm sheet cardboards started to be used, thus eliminating the use of glue in cardboards with flaps.
- The treatment sludge generated in the wastewater treatment plant is recycled.



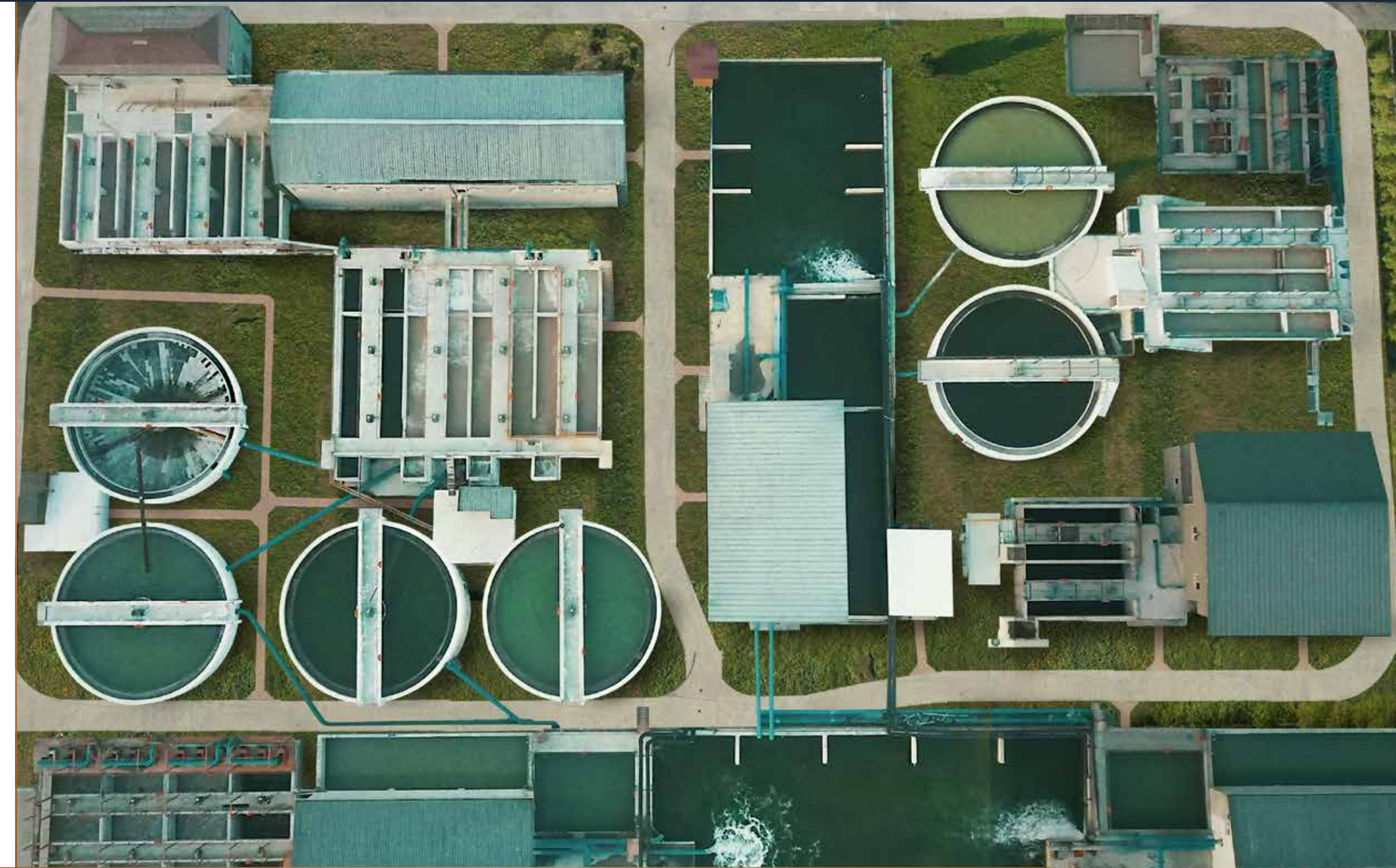
Amount of Waste per Product
(tons of waste/tons of production)



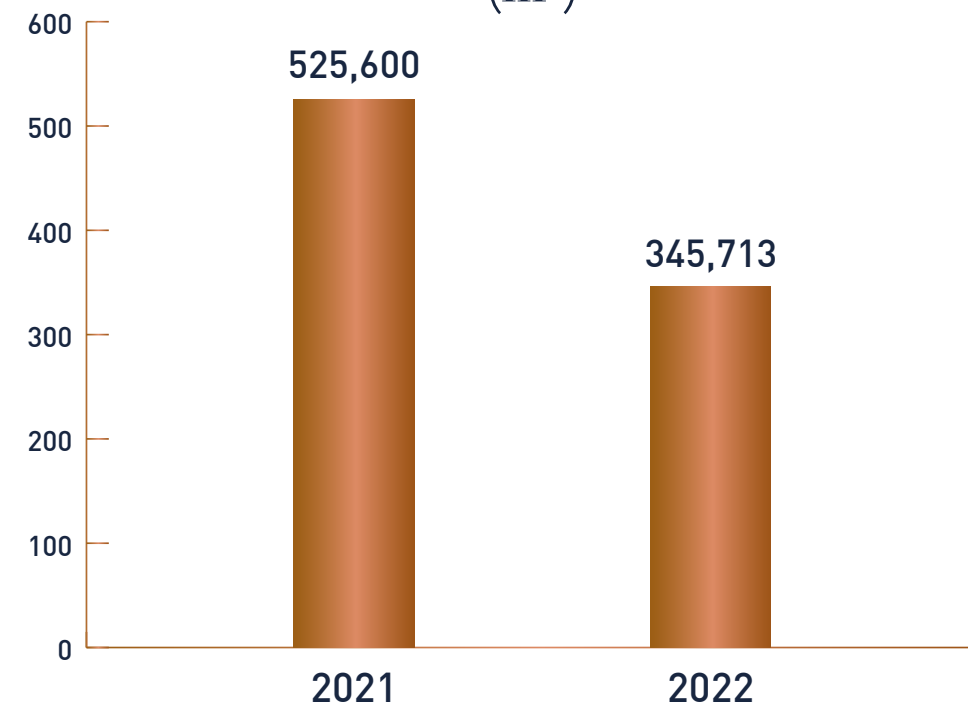
WATER MANAGEMENT



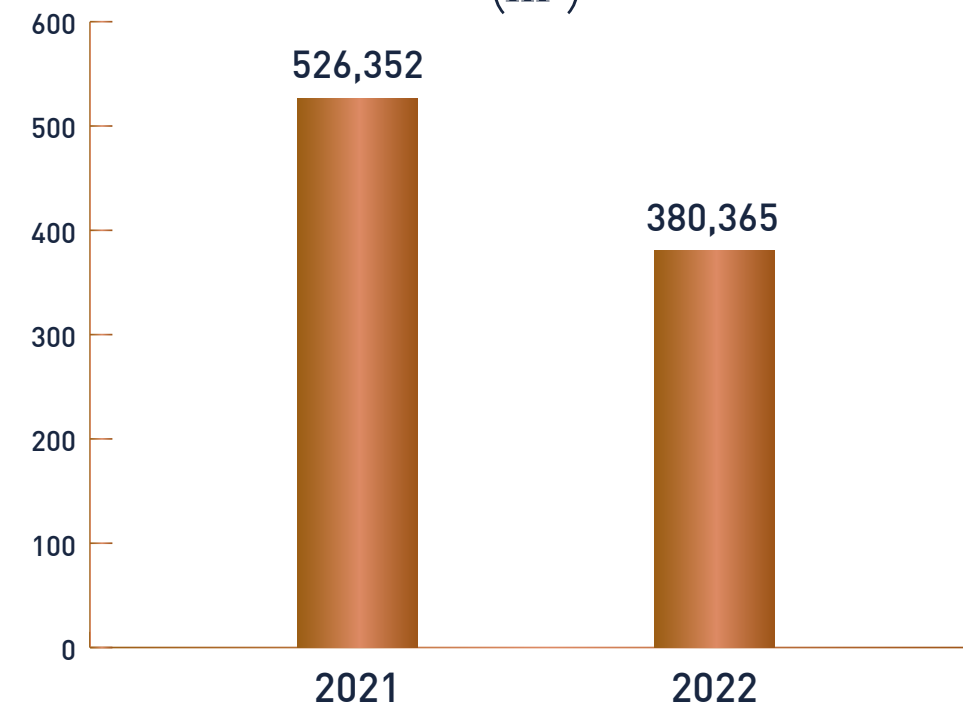
Proper management of the water used is of vital importance for every institution, living being and process. The use and conservation of water resources in a way that will be sufficient for future generations is also of great importance for the continuity of life on Earth. In this regard, Qua Granite is doing its part to manage water properly. In addition to the industrial wastewater treatment plant with a capacity of 34,000 m³/day, a wastewater treatment plant with a capacity of 60,000 m³/day was put into operation. Thanks to this facility, wastewater from the process is 100% recyclable after treatment. In this way, the need for well water is kept to a minimum and no water is discharged to nature. Qua Granite has documented its water efficiency efforts with the ISO 14046 Water Footprint Standard.



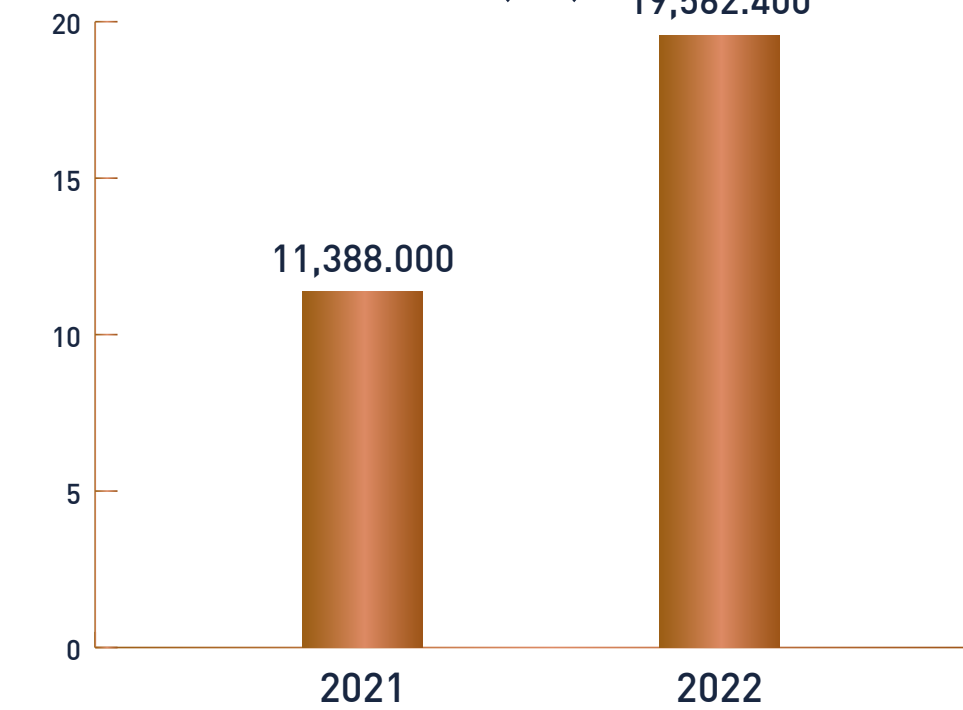
Groundwater Consumption (m³)



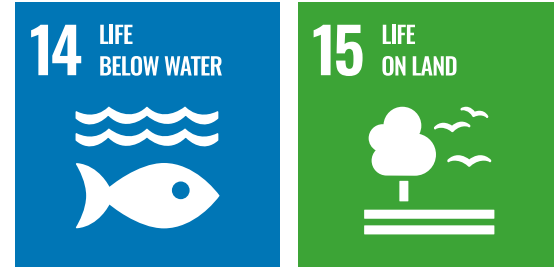
Total Water Consumption (m³)



Amount of Water Recovered/Reused (m³)



BIODIVERSITY



Qua Granite regularly monitors the impact of its operations on biodiversity, takes preventive actions and reports. Groundwater and surface water, fauna, flora, protected areas, agricultural areas and soil components have been analyzed and monitored in the reports prepared within the scope of capacity building activities. It has also been stated that in case of any non-compliance, actions will be taken in line with the legislation.

Qua Granite makes investment decisions after conducting the necessary analyzes in order not to affect the biodiversity in any region where it will invest. Analyses conducted during the most recent capacity increase study also show that there will be no negative impact on biodiversity due to investments.

There are no national parks, nature parks, wetlands, nature monuments, nature conservation areas, wildlife conservation areas, cultural assets, natural assets, sites and conservation areas, areas under protection according to the Bosphorus Protection Law, biogenetic reserve areas, biosphere reserves, special environmental protection zones, special protection areas, protection areas related to drinking and potable water resources, tourism areas and centers and other protected areas inside the factory and within its impact area.

The nearest national park to the factory site is Dilek Peninsula, Büyük Menderes Delta National Park, approximately 19 km away, and the nearest natural park is Bafa Lake Natural Park, approximately 22 km away. The closest protected area to the factory site is the 1st Degree Natural Protected Area in the Kuşadası region, declared with the decision no. 6814 of June 6, 1997, and the 1st Degree Natural Protected Area in the Doğanbey region, declared with the decision no. 2064 of March 20, 2009.

Since the disposal of municipal solid waste from the facility located in the Söke Organized Industrial Zone is regularly provided by Söke OIZ, industrial wastewater from the process is treated in the wastewater treatment plant with the recirculation system and reused in the process, and the disposal of other waste is carried out in a controlled manner in accordance with the regulation standards, the activities do not have any negative impact on sensitive areas when distances are taken into consideration.



RESPECT FOR PEOPLE



EMPLOYEE RELATIONS



An organization’s long-term success depends not only on its performance in environmental and economic areas, but also on its ability to attract and retain top talent and recruit employees who care about where the organization stands on social and environmental issues. Sustainability is as important for employees as it is for the organization itself and is a critical indicator of employee engagement, performance and well-being. Employees are more attracted to companies that focus on sustainability as part of their business strategy because it renders their work meaningful.

Human resources, which are the main focus of a sustainable organization, are among the top priorities for Qua Granite. In this context, our mission is to create a workforce that is committed, engaged, well-performing, always open to learning and development, satisfied with their work and diverse. Created in line with this mentality, Qua Granite Human Resources Policy, aims to create a company culture that is fair, transparent and gives a voice to people, where employees have the opportunity to reveal their potential and where each employee contributes to the future of Qua Granite by creating value and being valued. The policy is aimed to be high performance, and development-oriented, and to exhibit strong and effective leadership in every field and reflect the spirit of Qua Granite. Qua Granite conducts all its activities towards with this goal and adopts and develops fair, transparent and integrated practices in line with global human resources trends to attract, develop and retain the most valuable talents. In this way, it aims to take rapid steps towards becoming the preferred employer and the best workplace. At Qua Granite, human resources adopt a management approach that works with all units with a strategic business partner approach, constantly analyzes company and employee needs, creates value and adapts quickly to changing conditions.

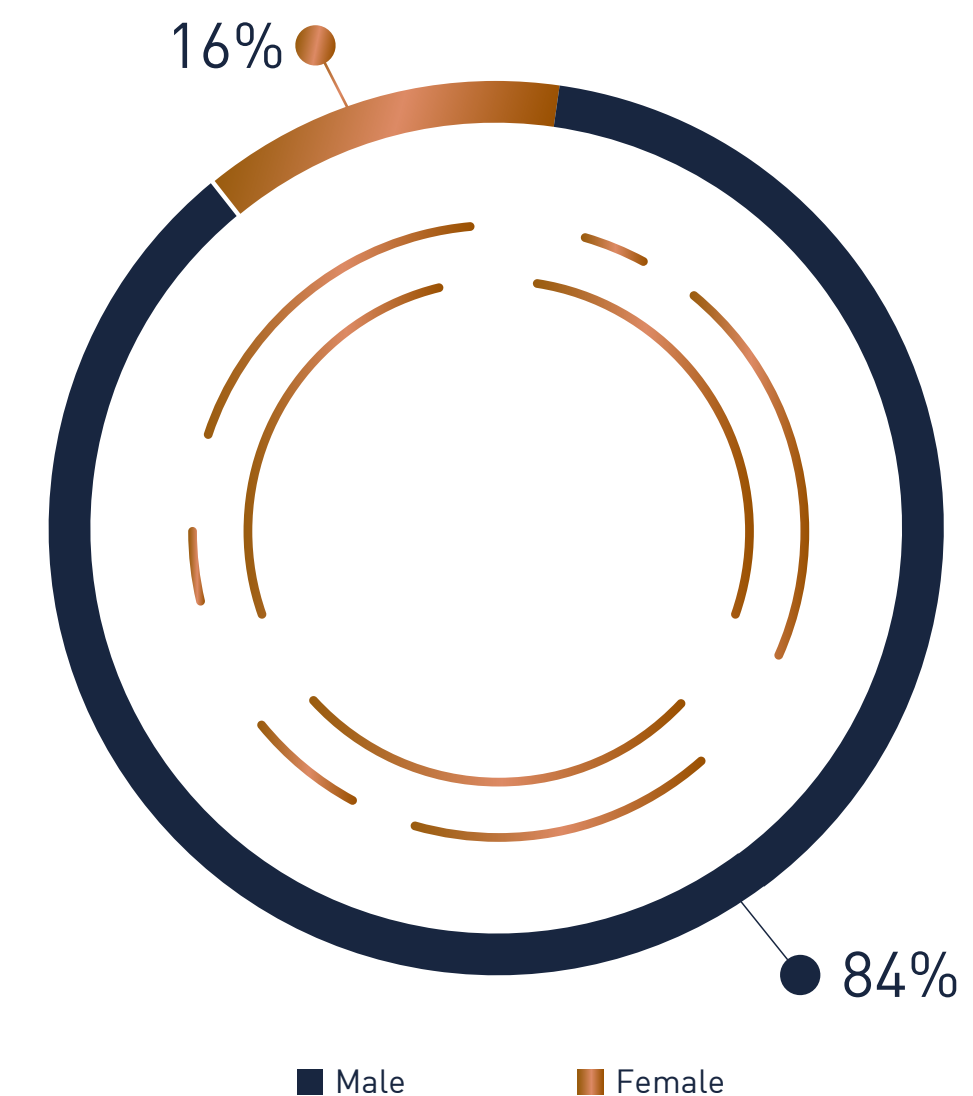
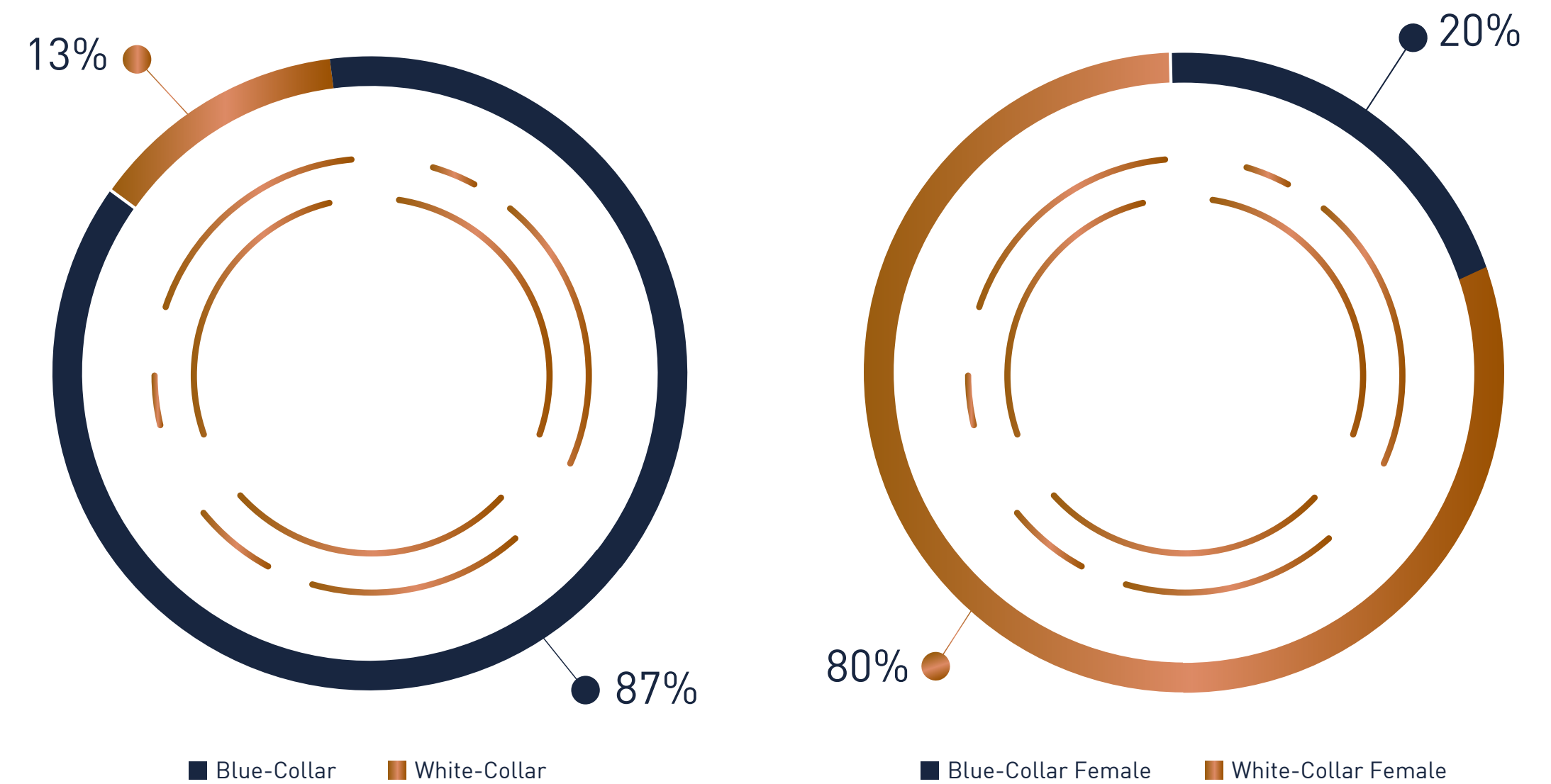


EMPLOYEE PROFILE

Diversity and inclusion, a key component of sustainability, means more to Qua Granite than policies, programs or number of employees. A diverse and inclusive workplace makes all employees, regardless of who they are or their job description, feel equally included and supported in all processes from beginning to end. Organizations that act with a fair perspective on these issues outperform their competitors by respecting the needs, perspectives and potential of all employees

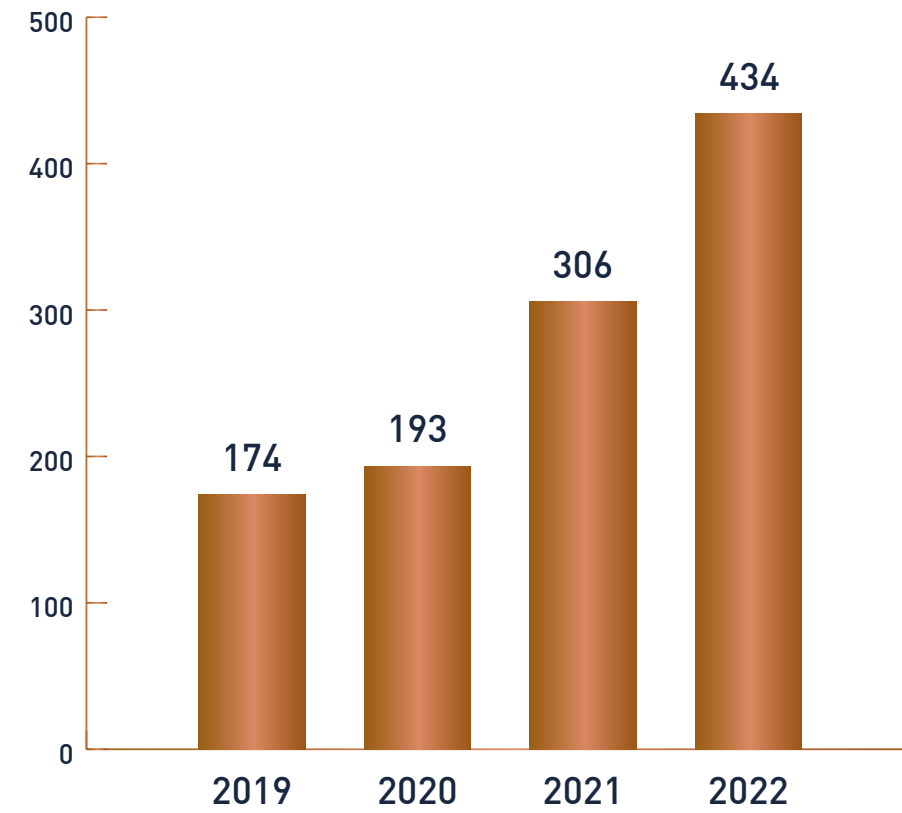
Committed to creating a sustainable, diverse and inclusive work environment, Qua Granite has intensified its efforts in this area. Although the reality of the sector in which it operates points to the opposite, it advocates that women should be actively involved in production processes and works to battle the negative perception. The continuous increase in the number of female blue-collar employees is the most concrete example of Qua Granite's efforts in this area. Qua Granite, which is proud to be the company that employs the most women at the production stage in its sector, increased the number of blue-collar female employees from 65 in 2019 to 68 in 2020, 87 in 2021 and 135 in 2022.

Having a young and dynamic workforce is critical for more effective business processes. Young employees can bring a new perspective and a different way of thinking to processes and organizations. Moreover, most young workers are eager to learn, enrich their experience and apply their skills in their work. This enthusiasm is valuable for team building, productivity and workplace morale. In this context, Qua Granite attaches great importance to offering young talents the opportunity to work and to supporting their development in every field. In line with this goal, the ratio of employees under the age of 30 increased from 31% in 2019 to 35% in 2021 and to 40% in 2022.

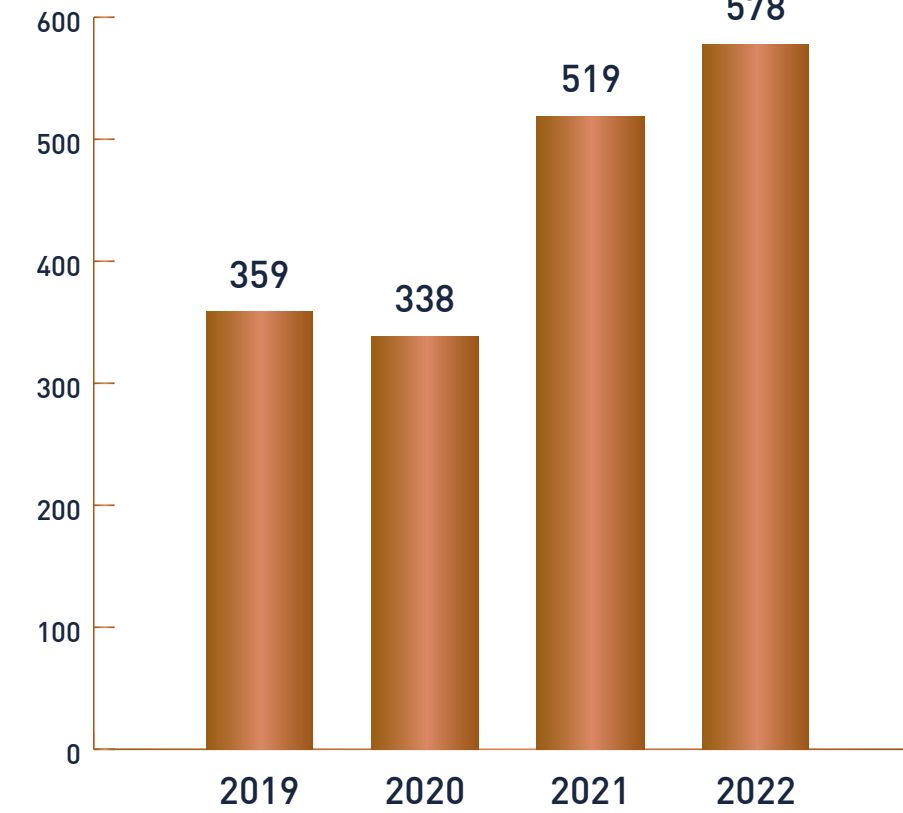


EMPLOYEE SATISFACTION

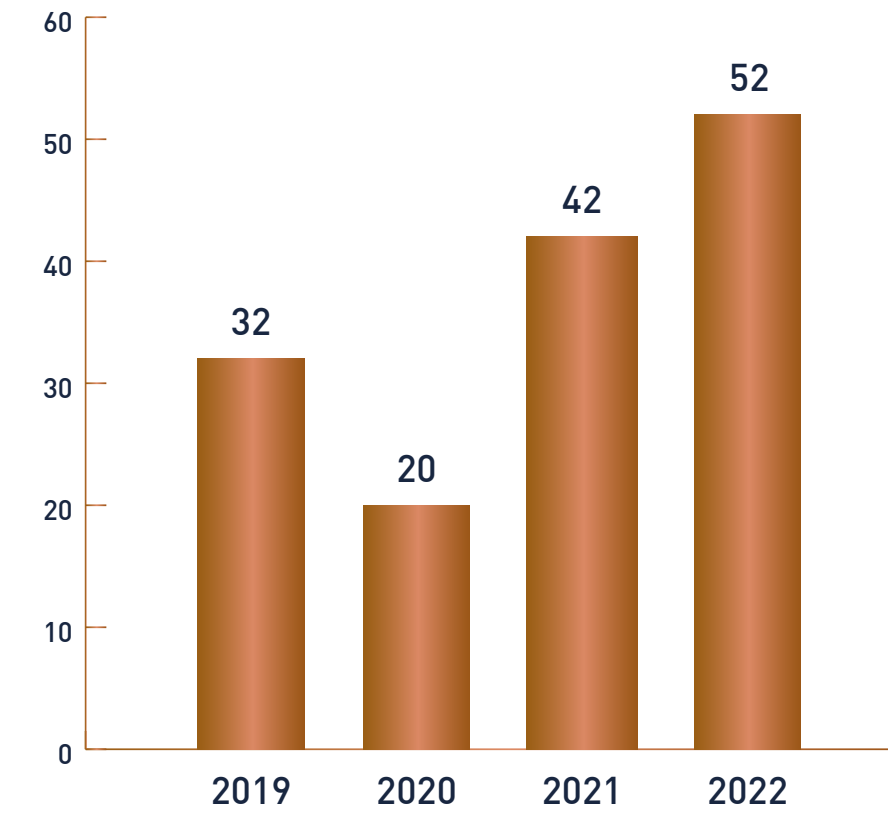
Number of Employees Under The Age of 30



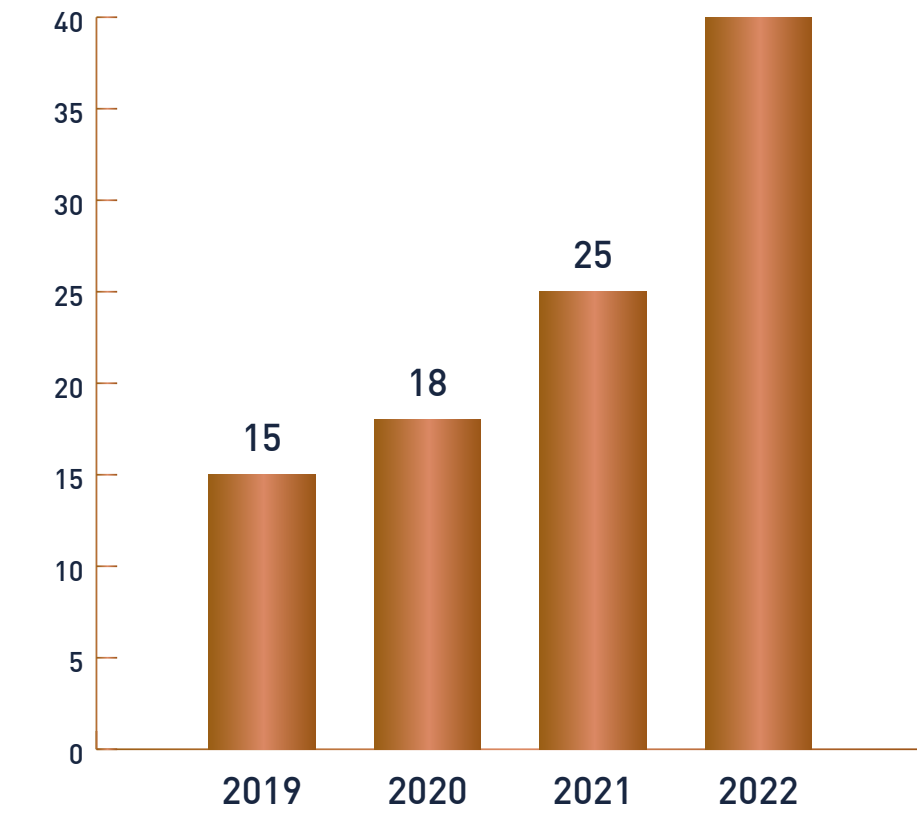
Number of Employees Between The Ages of 30-50



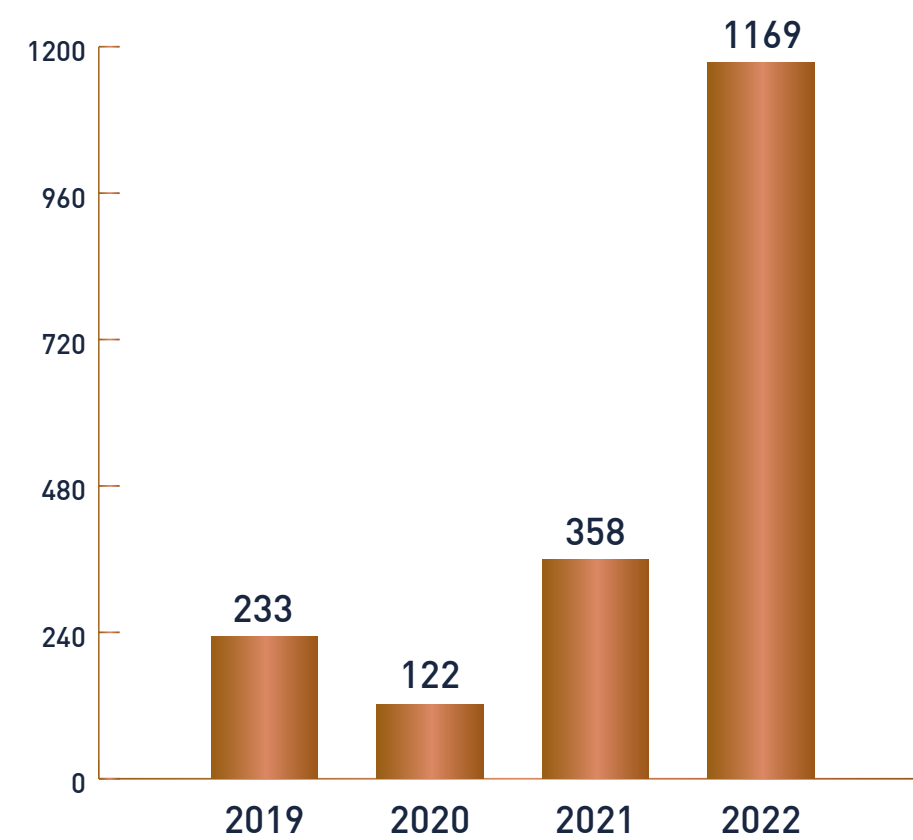
Number of Employees Over The Age of 50



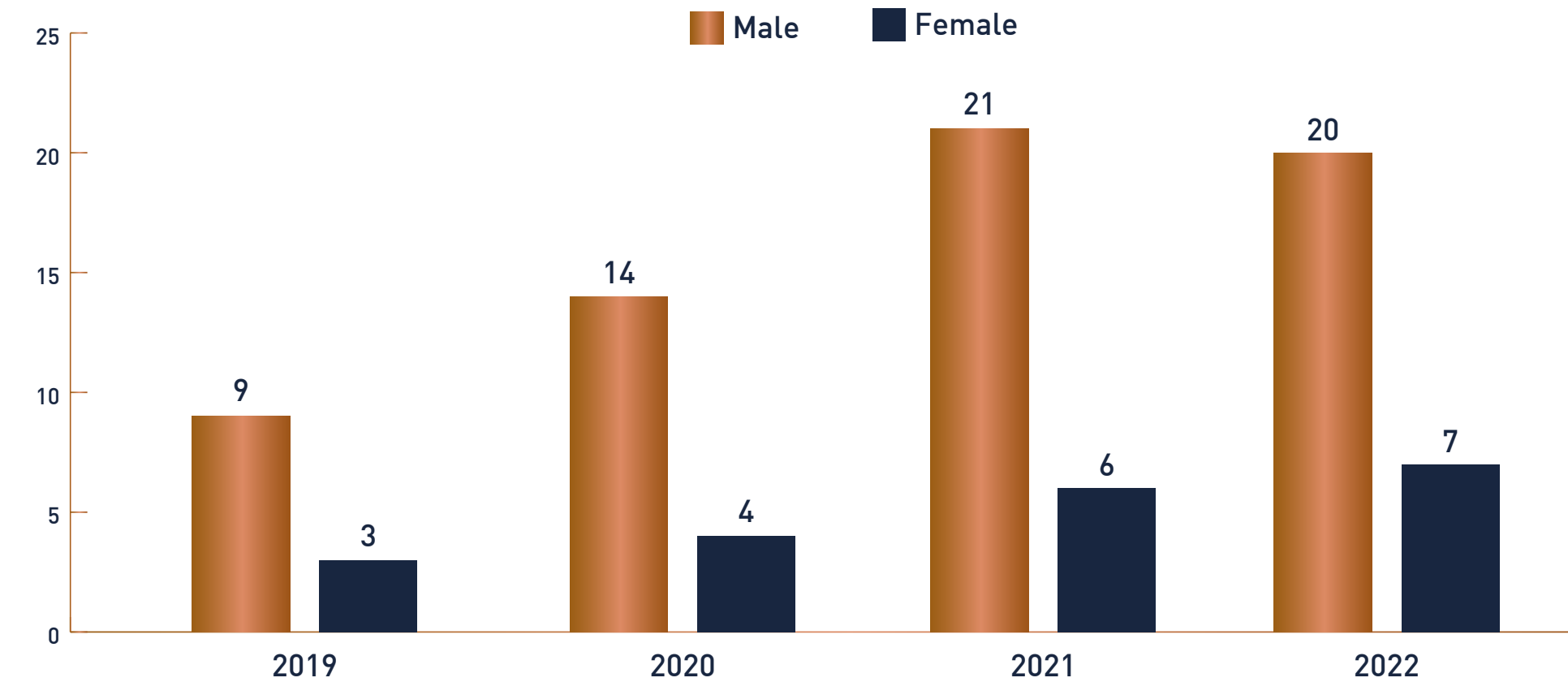
Number of Employees with Disabilities



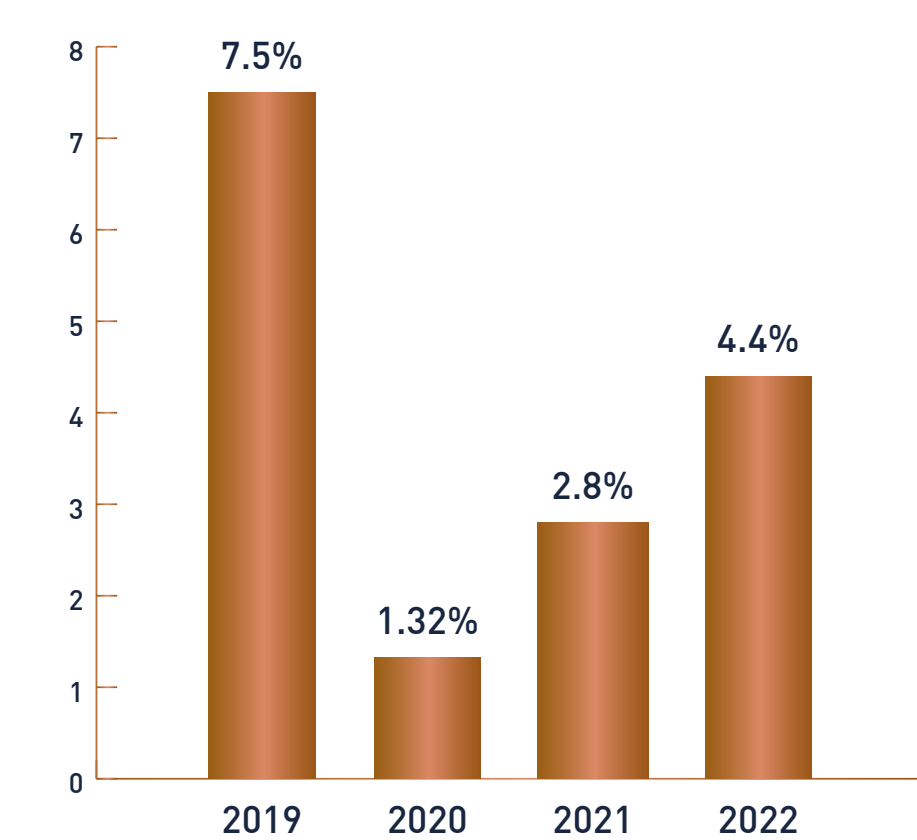
Number of New Hires



Number of Engineers



Turnover



Recruitment was carried out due to capacity increase.

EMPLOYEE SATISFACTION

Employee satisfaction is of great importance for employees to be happy at work and at the same time to demonstrate their competencies in the best way possible. Highly satisfied employees are strongly committed to their organizations and maintain this commitment even in the worst-case scenario. The fact that the organization has a workforce that works with the dream of taking their organization to a new level, not with any coercion, also allows for increased productivity and a positive atmosphere in the workplace.

Qua Granite is committed to protecting its talented workforce and keeping employee satisfaction at the highest level. In this context, various activities are carried out, particularly the performance management system. The preparations for the necessary infrastructure have been made for the said performance management system in which high performance is sustainable, successful performance is rewarded, performance open to improvement is developed through development programs and performance results are integrated with other human resources systems. In the system to be implemented, it is aimed to determine corporate and functional success indicators at the beginning of each year and to set targets within the framework of a specific model so that the entire company can progress towards the same shared direction. A competency framework consisting of core, functional and managerial competencies was designed and is planned to be included in the performance management system in order to focus not only on “what” but also on “how” when setting targets and to monitor behaviors that nurture the corporate culture. In addition, efforts are also underway to initiate potential assessment, succession, rotation and career mapping studies, in which the potential of employees in their current roles is evaluated, their added value is increased, and they are supported with development opportunities. In addition, regional and sectoral trends in wage and benefit packages are monitored and a remuneration policy is implemented accordingly.

Preparations have been completed for the implementation of an employee satisfaction survey in order to monitor employee suggestions and complaints and the survey is targeted to be conducted in 2023. The results will be evaluated, and development work will be carried out on areas open to improvement.



EMPLOYEE DEVELOPMENT

Employee training and talent development are critical for businesses to achieve sustainable success. These activities not only provide opportunities for employees to develop their skills, but also for employers to improve employee productivity and company culture. Conducting its activities in light of this reality, Qua Granite offers its employees various face-to-face or online training and development opportunities and utilizes third-party services when necessary to provide these opportunities.

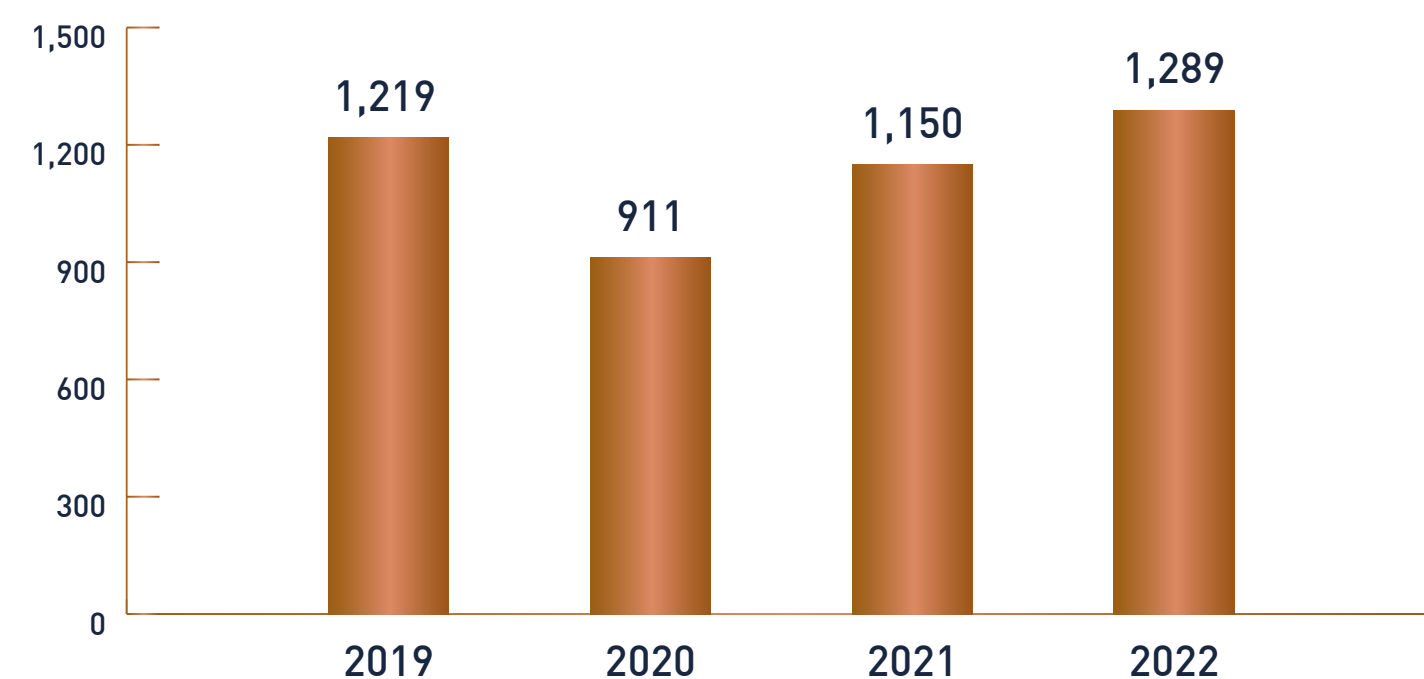
In order to identify training needs, needs analysis surveys are conducted for employees and their management groups within the scope of the Training Management System, and the data from these surveys are used in the training needs identification process. In addition, legal and mandatory trainings (OHS, first aid, PDPL, training on the use of company vehicles, etc.) are also provided. These trainings are placed in the training needs table by the Human Resources Department.

As an organization that exclusively produces technical granite, professional development and competence are the top priorities of Qua Granite. At Qua Granite, which supports its employees with technical training in order to provide quality service, blue-collar employees are offered the “Qua Granite Production Personnel Training” course program organized in cooperation with İŞKUR (Turkish Employment Agency) and universities before starting work,

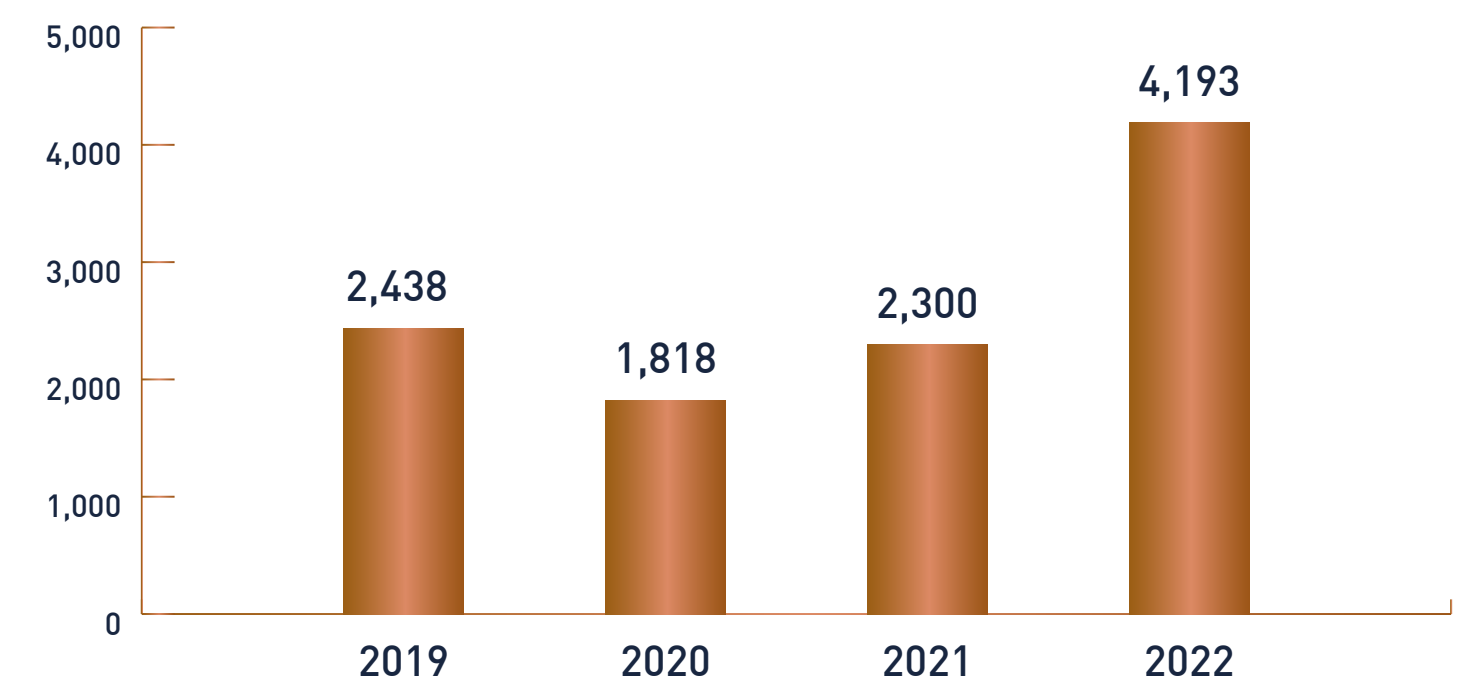
thus preparing them for their new duties. The company also participates in recruitment/placement internship programs conducted jointly with İŞKUR. In addition, contributing to the professional development of vocational high school and university interns is also prioritized and various internship opportunities are offered in this direction. With the Protocol on School-Industry Cooperation for Vocational Training signed between Söke Vocational and Technical Anatolian High School and Qua Granite, studies are being carried out to meet the educational, social and economic needs of the school and the company, and to provide scholarships and internships to train responsible and qualified personnel who can use advanced technologies based on new techniques and methods, and to offer them jobs at the end of the internship. The Human Resources team participates in various events such as career days and employment fairs and presents the internship/job opportunities offered to potential employees in detail.

A total of 334 employees of Qua Granite, including 169 physical workers, 61 machine maintainers, 258 machine installers, 20 steel welders and 56 industrial transporters (forklift), were successful in the exams conducted by the Vocational Qualifications Authority and received Vocational Qualification Certificates. In addition, 2 people were trained under the Sustainability Expertise Certificate Program, 334 people were trained under the Vocational Qualification Training Certificate Program and 1 person was trained under the Energy Manager Certificate Program and received certificates after successfully passing the exams administered at the end of the programs.

Total number of persons trained



Total training (person.hour)



OCCUPATIONAL HEALTH AND SAFETY (OHS) MANAGEMENT

The rapid pace of recent technological changes, coupled with unsafe and environmentally threatening working conditions, has led to a focus of attention on the need to create a safe and healthy working environment and the establishment of a consistent safety culture in workplaces. Creating a safe working environment has become a common goal shared by employees, managers and business owners. The health and safety of employees is one of the top issues that cannot be compromised for Qua Granite and all processes are carried out in accordance with the ISO 45001 OHS Management System certification. In this context, the company;

- Complies with legal regulations on OHS in all activities,
- Provides training and awareness-raising activities to ensure the health and safety of all employees,
- Ensures the compliance of all employees, suppliers and visitors with the established OHS rules,
- Identifies and eliminates the factors that may cause occupational accidents and occupational diseases in the facilities in advance,
- Measures the performance of the OHS management system and conducts studies to improve performance,
- Keeps up with technological developments in OHS and directs investments accordingly, and closely monitors key performance indicators in this regard.

All employees are provided with 16 hours of “Basic Occupational Health and Safety” training and specific trainings such as “Working at Height” upon recruitment, and the content and output of these trainings are recorded. Trainings are given by the Occupational Safety Specialist of the workplace and enriched with educational video footage.



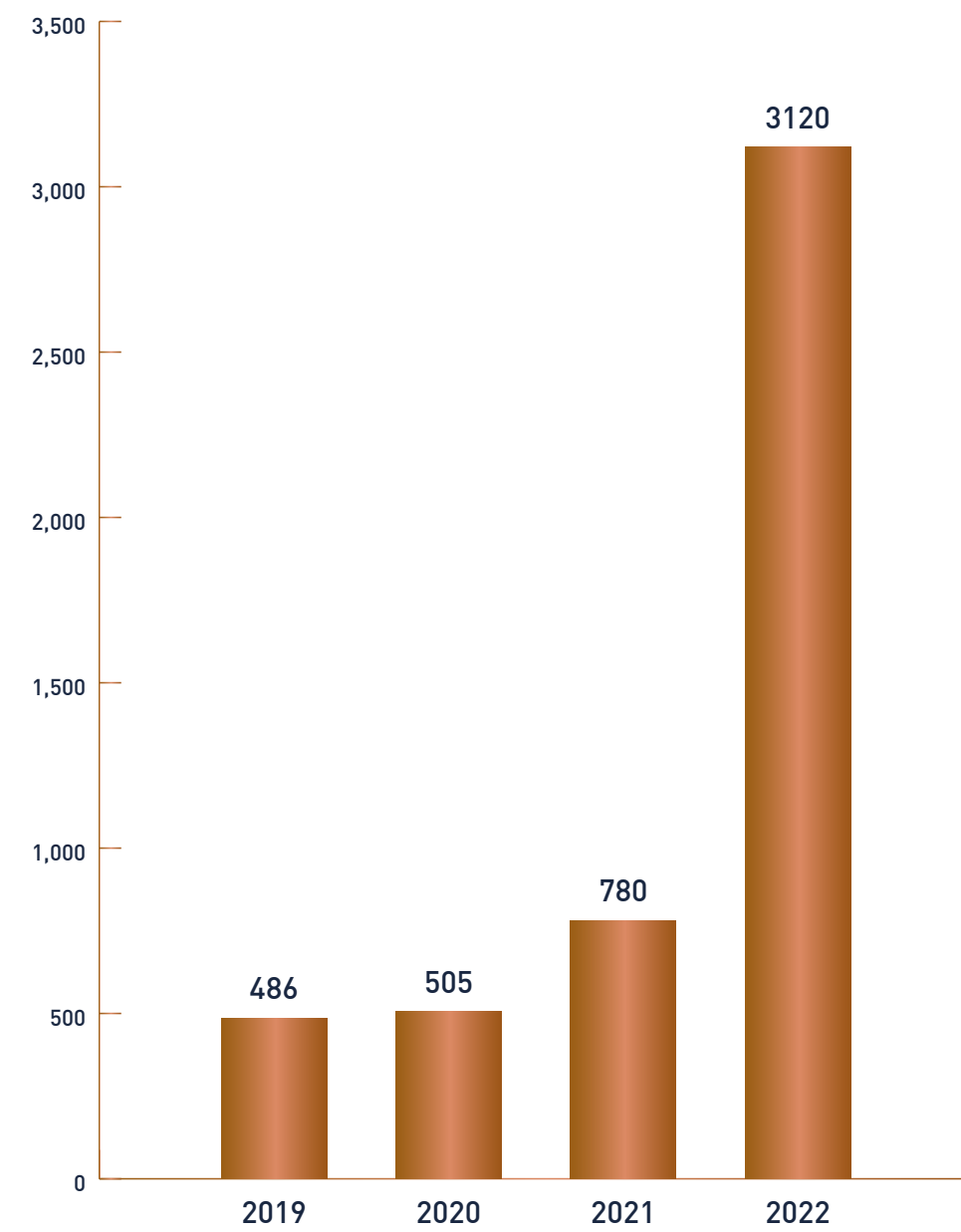
OCCUPATIONAL HEALTH AND SAFETY (OHS) MANAGEMENT

In 2022, Qua Granite provided

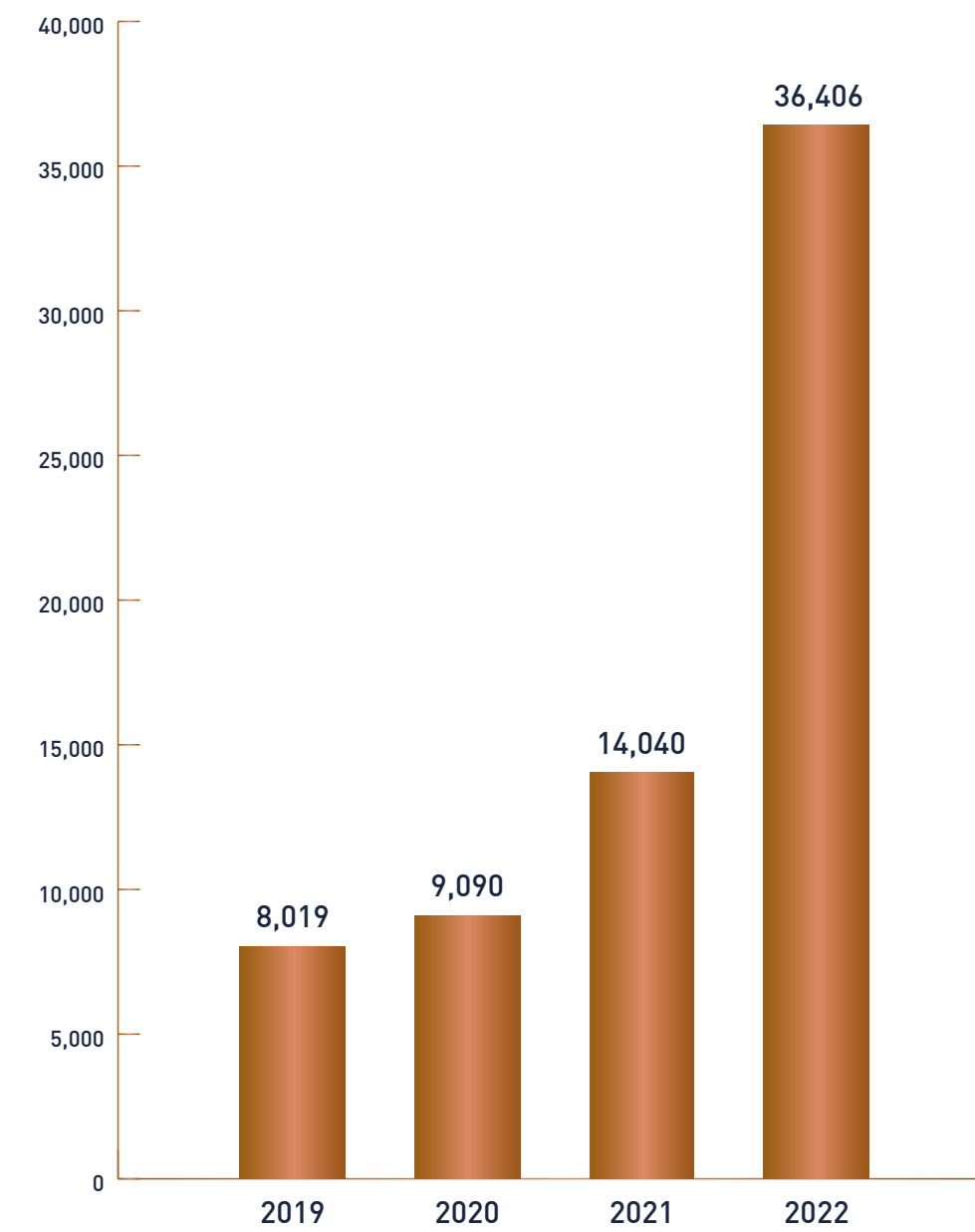
- 16 hours of "Basic OHS Training" for all employees at their first employment and on an annual basis
- "Safe Work at Height Training" for 1,154 employees
- "Safe Working with Forklift Training" for 25 employees
- Training for Safe Working with Chemicals" for 117 employees

- "ADR General Awareness Training" for -97 employees
- "Fire Training" for 83 employees
- "First Aid Training" for 114 employees

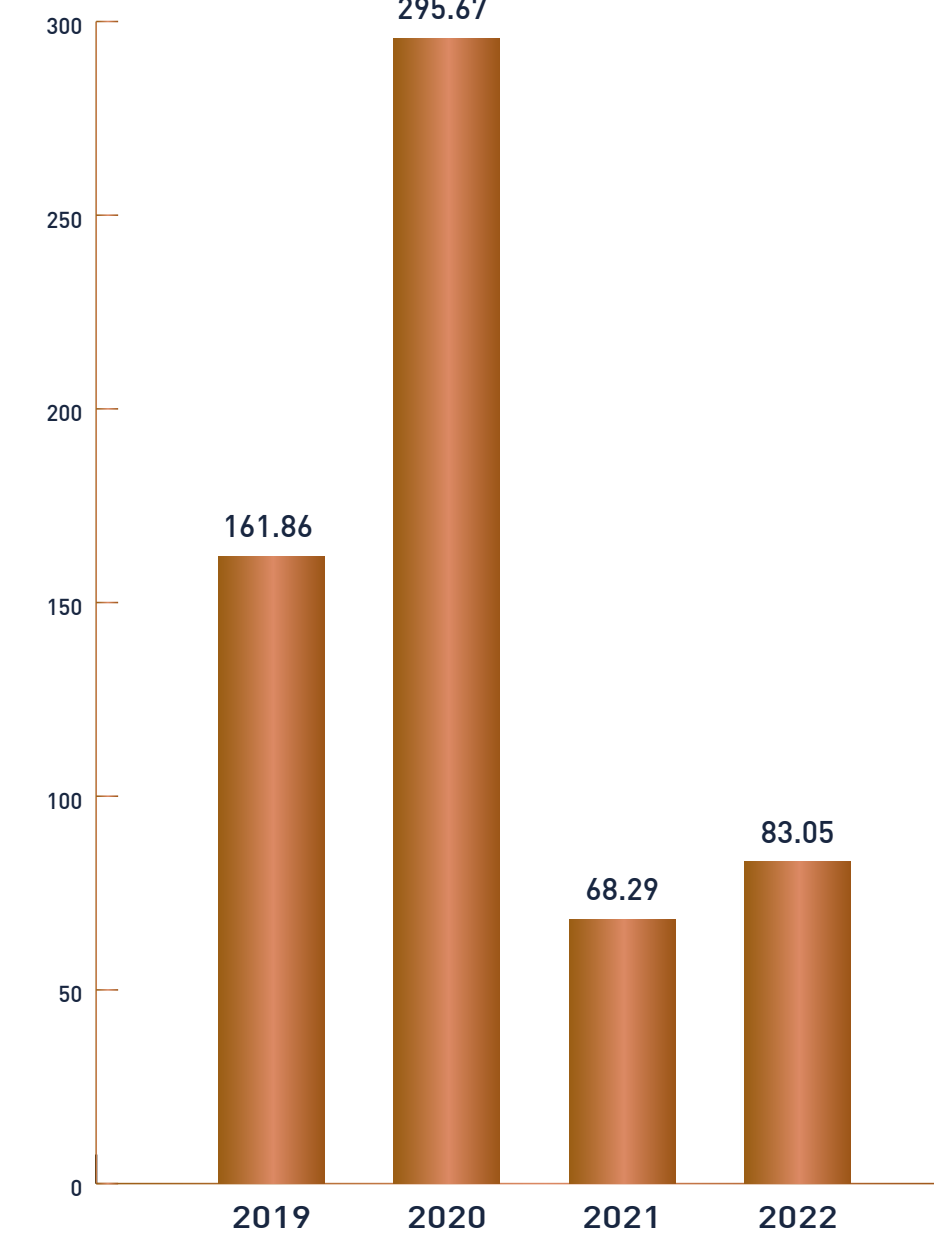
Total number of people trained on OHS



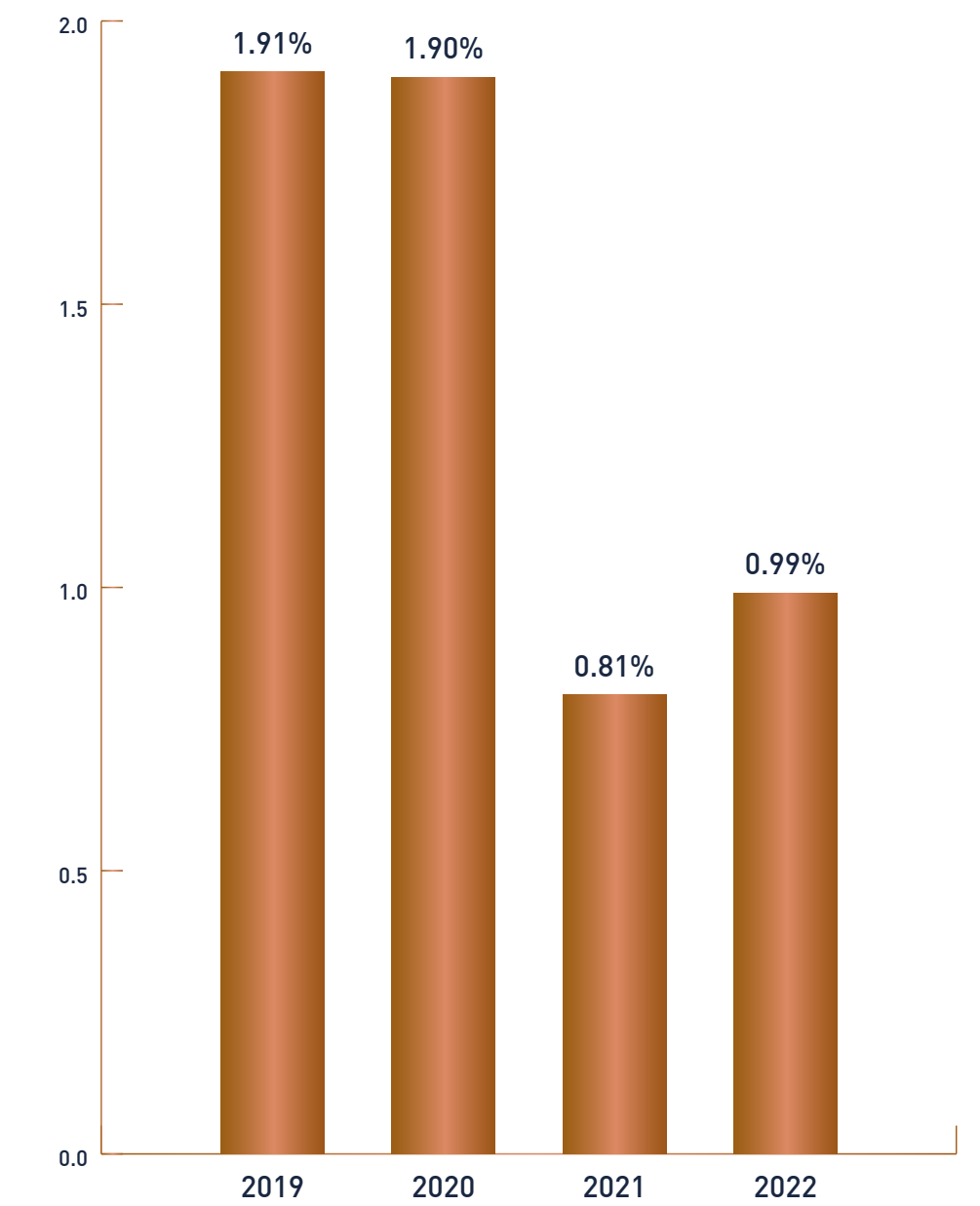
Total OHS training (hours)



Rate of days lost due to accidents



Absenteeism due to accidents



RESPONSIBLE SUPPLY CHAIN



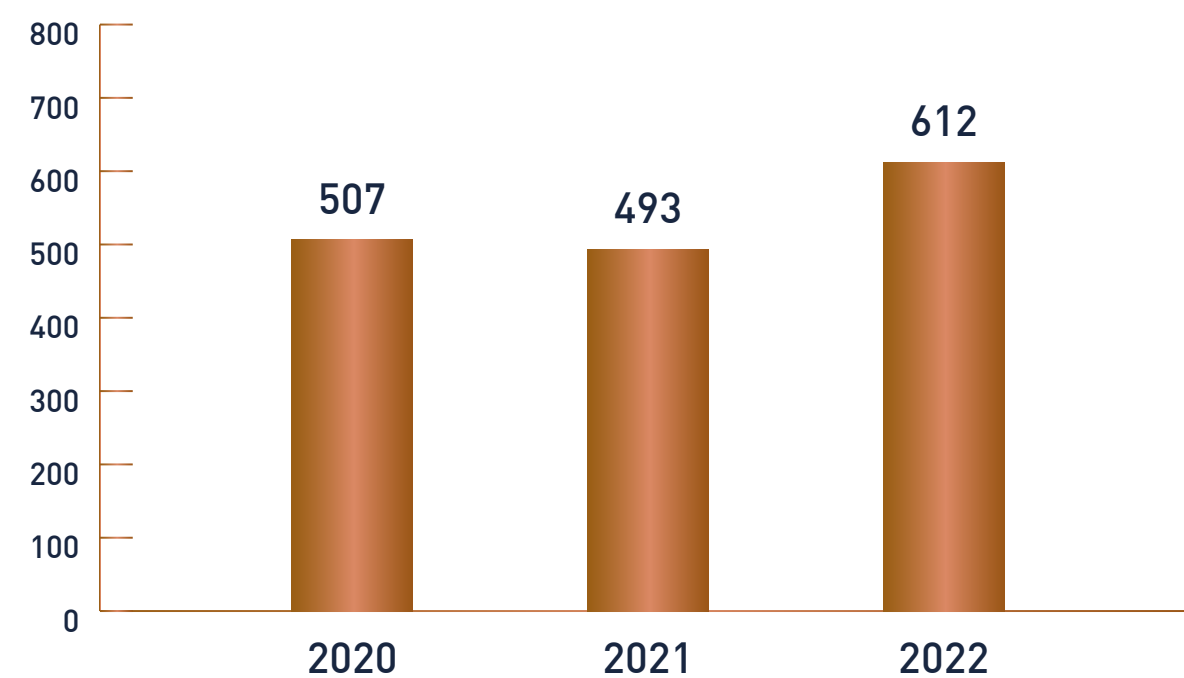
A sustainable and responsible supply chain refers to an organizational structure that supports long-term development while protecting the natural environment. In other words, it is also referred to as the “integration of environmental and social issues with the traditional economy” through the development and distribution of products. Responsible supply chain management focuses on manufacturing products efficiently without neglecting social and environmental issues. This ensures efficient use of resources used in production and minimizes damage to the environment through pollution or depletion.

Rooted in nature, Qua Granite carries out all its operations in line with the “Supplier Identification and Evaluation Instructions” it has developed. In this context, it has adopted the basic principle of contributing positively to society, healthy life and the environment with a sense of responsibility in the supply chain. Relatedly, it attributes the necessary value and care to its commercial relations with all its business partners, especially its suppliers.

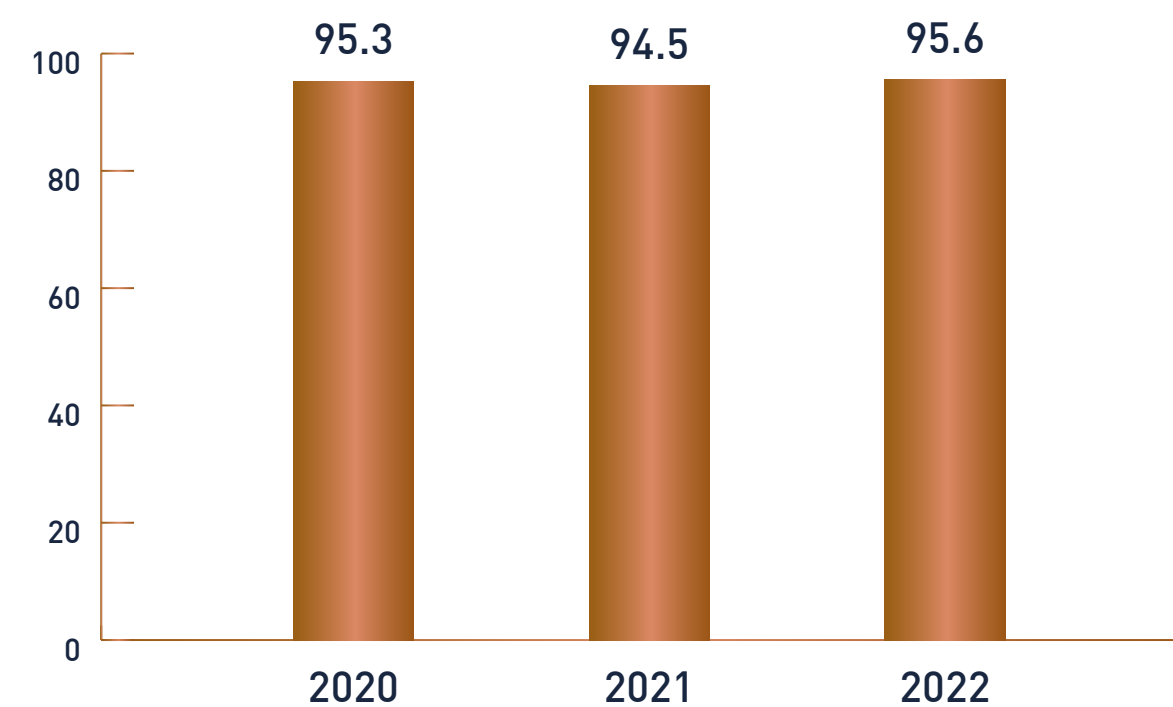
Qua Granite expects both local and national suppliers to conduct their operations in compliance with national laws and regulations on human rights, discrimination and mobbing, child labor, working hours and conditions, remuneration policies, financial structure, occupational health and safety, environment and waste management and logistics management. Suppliers are also closely monitored to ensure that they comply with ethical rules, avoid bribery, corruption, unethical behavior, and under no circumstances engage in any improper and illegal activities, including money laundering.

Qua Granite warns the relevant supplier and business partner in writing if its suppliers and business partners do not fulfill the working conditions that they must comply with and suspends the business relationship if the working condition is not fulfilled despite the written warning.

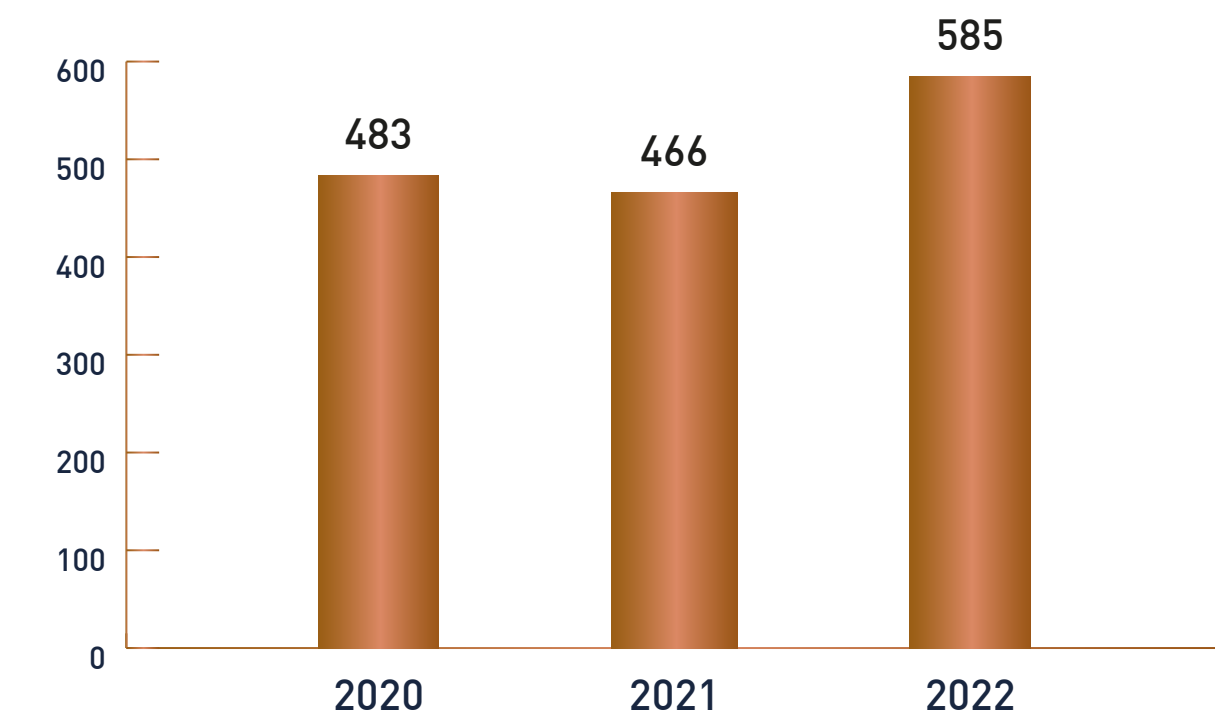
Total Number of Suppliers



Ratio of Local Suppliers (%)



Number of Local Suppliers

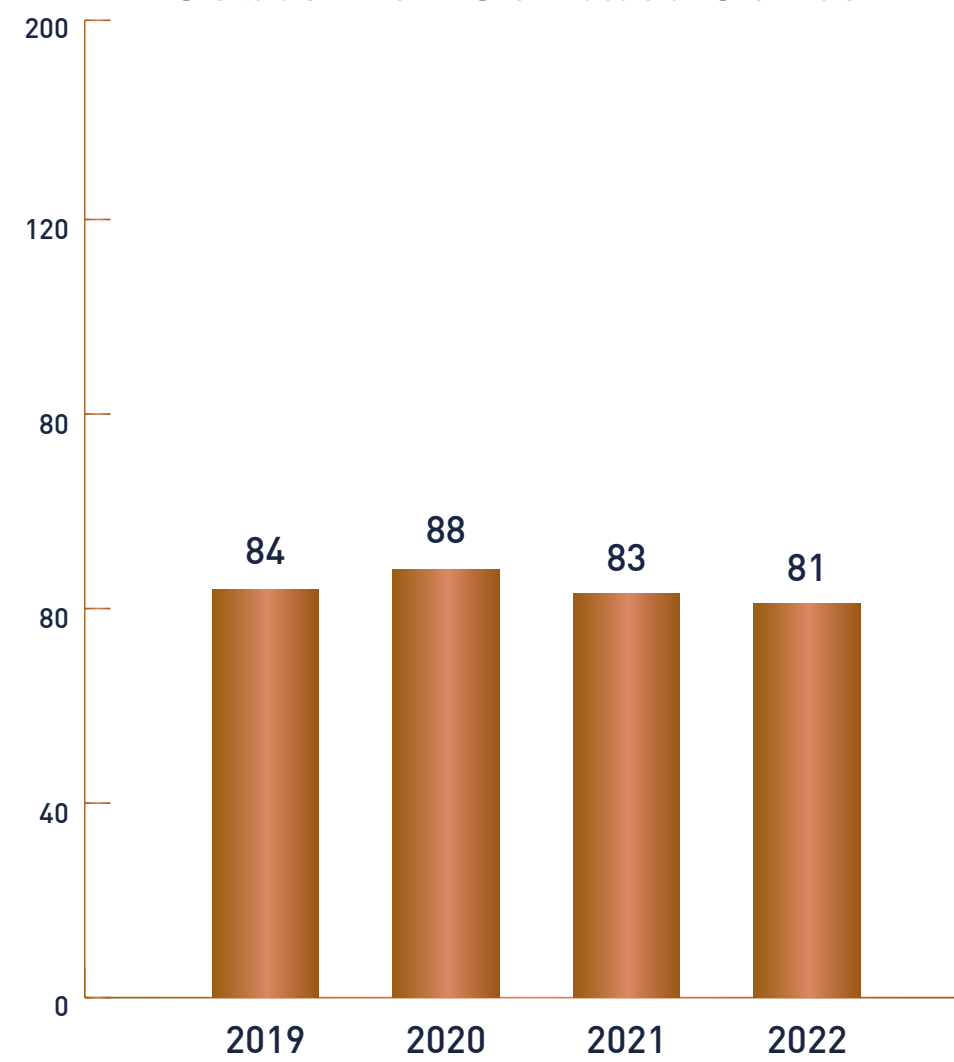


CUSTOMER SATISFACTION

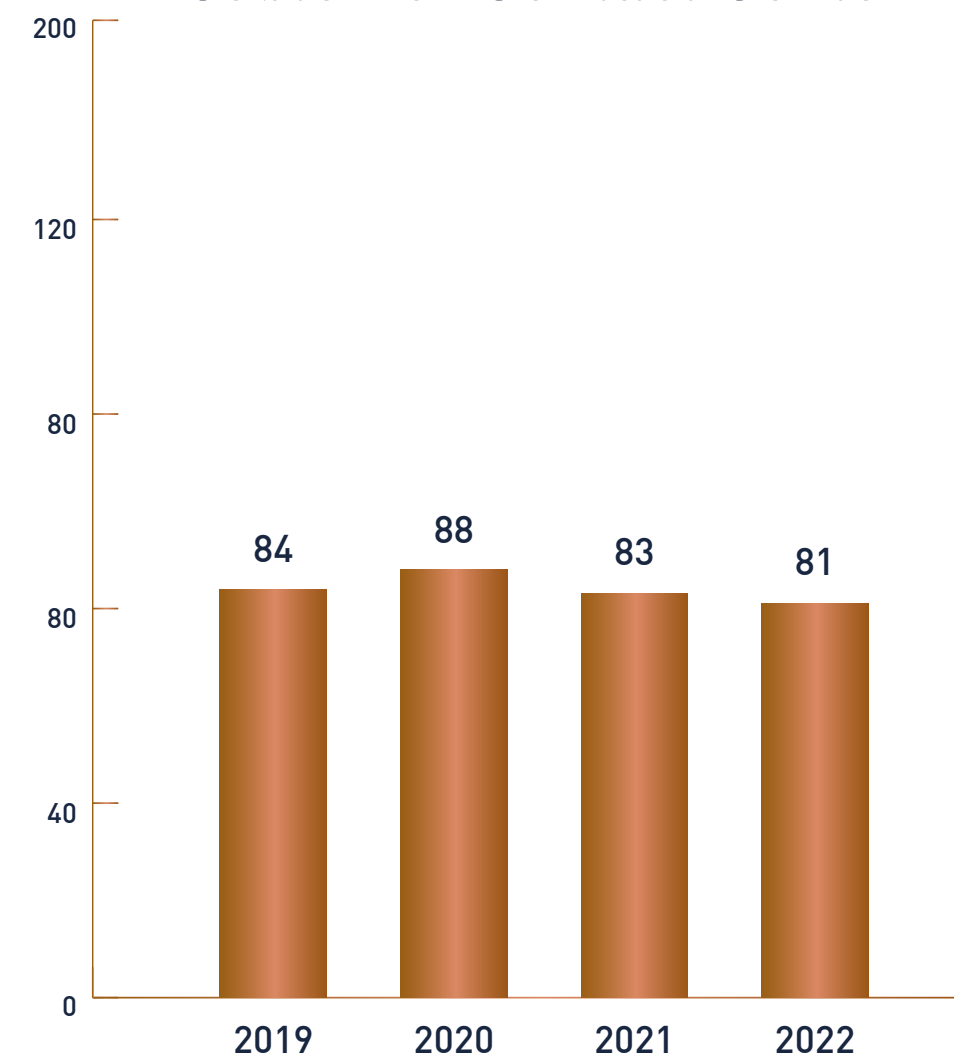
Customer satisfaction is ultimately a reflection of how a customer feels about interacting with the organization and is the foundation of Qua Granite’s operations. Qua Granite, which handles process-related issues in line with the “Customer Grievance Procedure”, clearly determines processes such as product control by evaluating customer complaints, providing feedback in a way to satisfy the customer, and describing the procedures to be taken in case of technical problems that may arise after a product is sold to the customer.

Qua Granite measures the degree of customer satisfaction through satisfaction surveys as a reflection of its mission to provide high quality products and services to its customers.

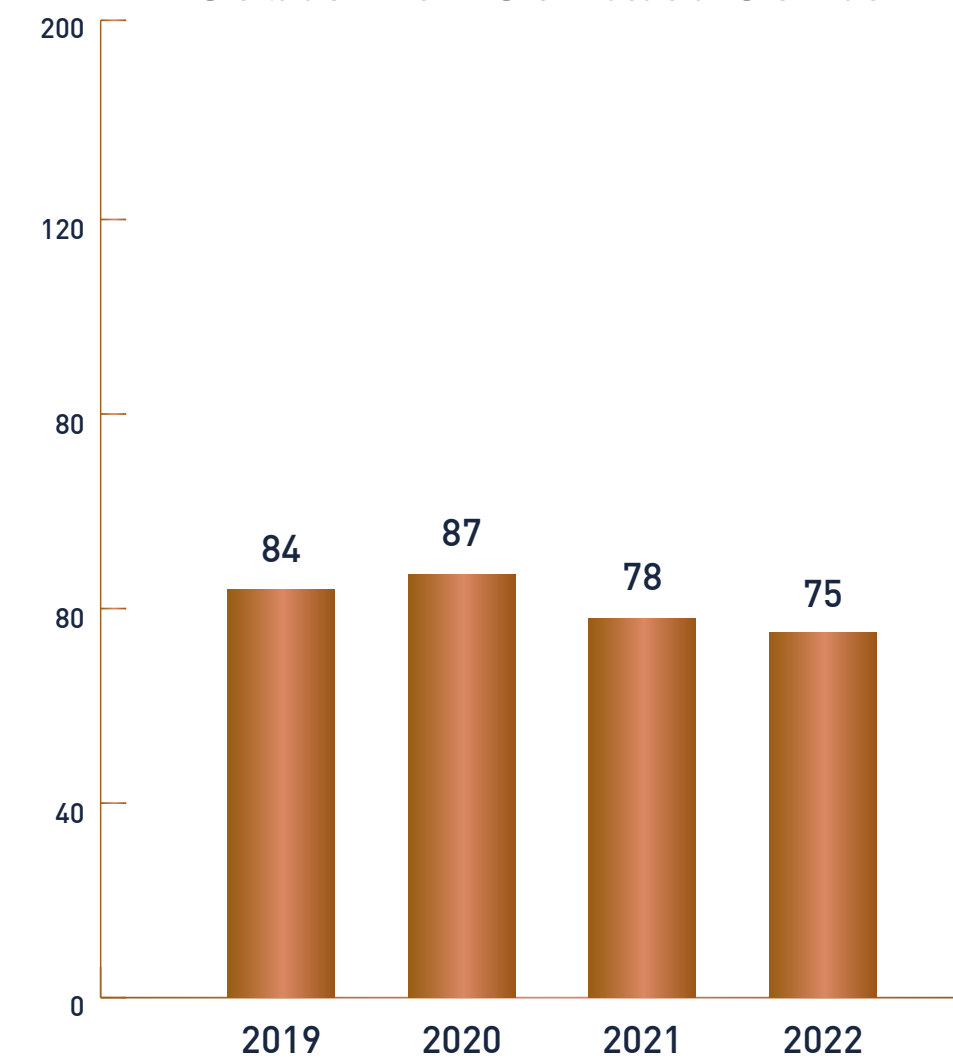
Number of Complaints Lodged to the Customer Contact Center



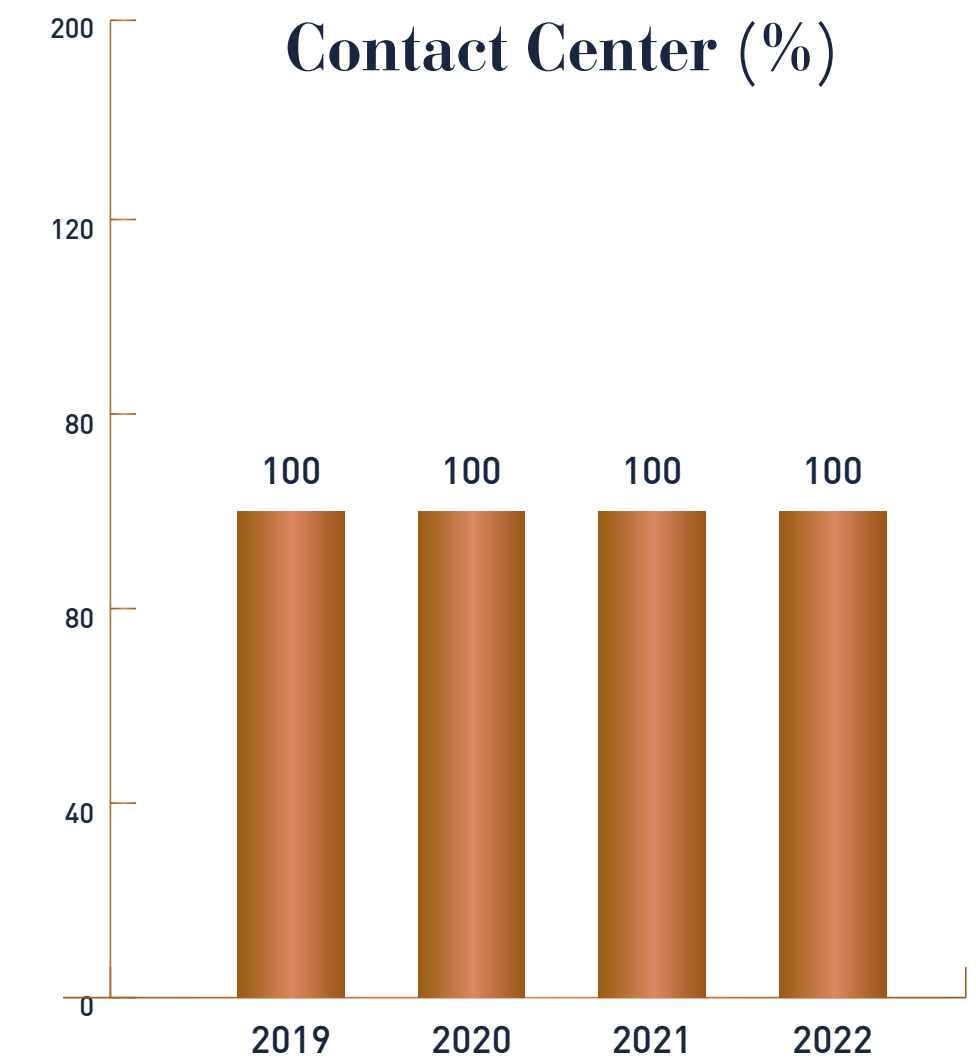
Number of Complaints Handled by the Customer Contact Center



Number of Complaints Resolved by the Customer Contact Center



Response Rate for Complaints Lodged to the Customer Contact Center (%)



COMMUNITY RELATIONS



Acting with the awareness that sustainability is not only about environmental issues, Qua Granite aims to create positive value by building strong and solid relationships with the communities in the region where it operates. In this context, it carries out various collaborations with different stakeholders from the public and private sectors and closely follows the agenda and developments by becoming a member of different organizations related to its sector.

Memberships



Stakeholders	Communication Method
 Senior Management	E-mail, phone and face-to-face meetings Announcements and notifications In-house publications
 Employees	E-mail, phone and face-to-face meetings Meetings and trainings Digital communication tools Digital training programs Employee satisfaction surveys Special events for employees Committee meetings Announcements and notifications In-house publications
 Shareholders and Investors	E-mail, phone and face-to-face meetings Website News Social media
 Dealers	Customer satisfaction surveys E-mail, phone and face-to-face meetings Customer visits and meetings Exhibitions, conferences, fairs Website News Social media Request/complaint sites
 Customers	Customer satisfaction surveys E-mail, phone and face-to-face meetings Customer visits and meetings Exhibitions, conferences, fairs Website News Social media Request/complaint sites
 Suppliers	E-mail, phone and face-to-face meetings Meetings Supplier audits

CONTRIBUTION TO LOCAL ECONOMY AND EMPLOYMENT

Supporting economic and social development in the region where it operates has been one of Qua Granite's primary objectives since the day it was founded. In this context, Qua Granite is committed to contributing Türkiye's development by creating added value through the job opportunities it offers.

Qua Granite recognizes that local employment has a key role to play in promoting the adoption of a circular economic model and sustainable practices. To this end, the company attaches importance to utilizing the qualified workforce in the region where it operates and prioritizes employees from the local community. Qua Granite, which employs 80% of its workforce from Söke, thus provides qualified employment to local people open to work and contributes to the achievement of the future goals of both the region in which it operates and of Türkiye.



SOCIAL RESPONSIBILITY APPROACH

The concept of social responsibility can be defined as an organization’s obligation to set and pursue achievable and meaningful long-term goals particularly for the regions in which operates and as a whole for the world. Organizations that implement a social responsibility initiative that aligns with their values and mission have the opportunity to improve employee retention, increase customer loyalty and have a positive impact on the region in which they operate. In the light of this reality Qua Granite, with its social responsibility activities, endeavour to contribute to both its employees and the country, primarily in the region where it was established.

Qua Granite has also managed to be at the forefront in the field of social responsibility by providing support to schools as per requests submitted through the District Governorship, as well as police forces. Moreover, company employees donate blood, which shows sensitivity in the field of health.

In addition to the newly launched book and stationery campaign, it supports equal opportunity in education by building libraries in village schools. It also provides scholarships to a total of 58 students.

In 2022, work was carried out with the District Gendarmerie Command and a training was organized on the International Day for the Elimination of Violence against Women. In addition, International Women’s Day is celebrated on March 8 and employees are presented with various gifts. As part of the October 29 Republic Day, a painting contest was held among the children of employees and all children were gifted kites. A New Year’s raffle was held involving all employees and gifts were exchanged.

Qua Granite employees made a difference for Community Volunteer youth who are a part of change in 81 provinces within the scope of the İzmir Marathon held on April 17 and ran together for goodness to show the importance the brand attaches to youth, education, nature, sports and social responsibility projects. In addition, fundraising campaigns conducted between April 4 and May 2 supported young people’s trainings and projects. Recognizing the importance of art, the company became a partner of Contemporary İstanbul, one of the world’s leading art fairs, and supported the development of contemporary art.



R&D AND INNOVATION



R&D AND INNOVATION



Qua Granite, which adopts the principle of responding to the changing demands of customers at the highest level, continues its R&D studies intensively. Starting in 2020, the Covid-19 pandemic, which affected the whole world, had a limited impact on the company’s production activities, while both new product studies and new material research and recipe creation preparations continued without interruption.

The need for imported auxiliary materials has increased due to enhanced product diversity. Some of the imported auxiliary materials required for the production of glazed technical granite (composite glaze, composite engobe, medium, paste base, etc.), have been worked on to be produced internally, tested with operational trials and started to be used in production. Some imported materials were also localized by working with domestic suppliers.

For full lappato products with a black or very dark colored marble appearance, which are increasingly demanded both domestically and abroad, new glaze recipes that will save on paint usage have been studied and positive results have been obtained. The company also worked with digital dye suppliers to reduce the amount of chemical dye used by achieving a stronger effect with less dye. In addition, thanks to the R&D studies carried out on dark products, the efficiency of the glazes used was increased and its usage was reduced.

With alternative granules and newly developed materials designed for products with 1 cm and 2 cm thickness, surfaces with a high anti-slip degree and easier to clean have been created without changing the product appearance. In addition, the production of products with a thickness of 7 mm was started in 2022. In this way, less raw material was consumed, the use of boxes and pallets was reduced, and less fuel was used with the possibility of transporting more at once.



TARGETS

Qua Granite’s sustainability targets for the coming years are as follows:



1	In 2023, increase the training provided to employees on waste by 9% compared to 2021
2	Reduce water consumption per m ² of product by 5% in 2023 compared to 2022
3	Reduce energy consumption per m ² of product by 3% in 2023 compared to 2021
4	Obtain EPD and LCA certificates by 2024
5	By 2026, use renewable energy sources and obtain up to 10% of energy consumption from solar energy
6	Increase first aid trainings by 10% in 2023
7	Increase the ratio of female employees by 2% in 2023 compared to 2021
8	Reduce the Scope 2 emissions per m ² of product by 5% in 2023 compared to 2021

APPENDICES

ENVIRONMENTAL PERFORMANCE INDICATORS

SOCIAL PERFORMANCE INDICATORS

GRI CONTENT INDEX



ENVIRONMENTAL PERFORMANCE INDICATORS

ENVIRONMENTAL PERFORMANCE INDICATORS	2019	2020	2021	2022
Energy Consumption Values				
Electricity Consumption (kWh)	50,509,682.60	8,007,959.52	63,567,504.00	106,942,918.40
Natural Gas Consumption (Sm ³)	33,389,498.12	37,910,250.28	41,661,400.94	67,361,250.92
Total Energy Consumption (GJ)	1,460,786.19	1,674,814.86	1,824,641.32	2,965,199.86
Amount of Production (m ²)	8,007,959.52	10,621,162.84	11,047,175.78	22,367,164.18
Energy Consumption per Unit Product (GJ/m ²)	0.1824	0.1577	0.1652	0.1326
Waste Values				
Hazardous Waste (tons)	19.433	21.174	15.499	31.297
Non-Hazardous Waste (tons)	305.61	429.55	498.756	581.25
Total Waste (tons)	325.043	450.724	514.255	612.547
Production Quantity (tons)	211,707.59	268,836.49	288,998.87	477,774.09
Amount of Waste per Product (tons of waste/tons of production)	0.0015	0.0017	0.0018	0.0013
Recovered Waste Values				
Paper/Cardboard (tons)	213.95	270.15	283.6	368.8
Plastic (tons)	.	11.9	16.3	40.2
Wood (tons)	13.35	19.8	1.3	19.4
Metal (tons)	40	108.4	152.316	149.85
Other (ELT, waste plastic and cables) (tons)	11.55	1.3	1	3.4
Total (ton)	278.85	411.55	454.516	581.65
Amount of Waste Recovered Per Product (tons of waste/tons of production)	0.0013	0.0015	0.0016	0.0012
Environmental Training Values				
Total Number of People Trained	268	395	424	547

ENVIRONMENTAL PERFORMANCE INDICATORS

ENVIRONMENTAL PERFORMANCE INDICATORS	2019	2020	2021	2022
Carbon Footprint Values				
Scope 1 (tCO ₂ eq)	,	,	86,435.55	140,675.19
Scope 2 (tCO ₂ eq)	,	,	34,326.45	47,054.88
Scope 3 (tCO ₂ eq)	,	,	61,639.18	119,793.18
Total (tCO ₂ eq)	,	,	182,401.18	307,523.25
Total Emissions Per Product (tCO ₂ eq/m ² production)	,	,	0.0165	0.0137
Emissions to Air				
SO ₂ (kg/hour)	1.2961	1.2961*	8.1527	8.1527*
NO (kg/hour)	4.8717	4.8717*	3.7377	3.7377*
NO ₂ (kg/hour)	7.6022	7.6022*	5.7422	5.7422*
PM10 (Waste Area-Front)	1.18	1.18*	0.39	0.39*
PM10 (Weighbridge-Front)	2.23	2.23*	0.47	0.47*
PM10 (Indoor Stock Area Entry)	2.12	2.12*	0.21	0.21*
PM10 (Outdoor Raw Material Area)	2.21	2.21*	0.52	0.52*
Water Consumption Values				
Tap Water Consumption	0	0	752	34,652
Groundwater Consumption	262,800	350,400	525,600	345,713
Total Water Consumption	262,800	350,400	526,352	380,365
Amount of Water Recovered/Reused	11,388,000	11,388,000	11,388,000	19,562,400
Water Consumption per Product (m ³ total water consumption/m ² production)	0.0328	0.0329	0.0476	0.017
Waste Management Expenditures (TL)				
Amount Spent on Waste Disposal	,	,	132,120	176,004
Amount Spent on Environmental Investment	,	,	8,426,760	13,524,317
Environmental Penalties	0	0	0	0

*In accordance with the Industrial Air Pollution Control Regulation, we carry out emission-emission confirmation measurements every 2 years. The measurement made in 2019 is valid for 2020 and the measurement made in 2021 is valid for the year 2022. The measured values are below the limit values.

SOCIAL PERFORMANCE INDICATORS

SOCIAL PERFORMANCE INDICATORS	2019			2020			2021			2022		
	Blue-Collar	White-Collar	Total	Blue-Collar	White-Collar	Total	Blue-Collar	White-Collar	Total	Blue-Collar	White-Collar	Total
Total number of employees	477	88	565	471	80	551	716	151	867	937	139	1076
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of white-collar employees	68	20	88	62	18	80	109	42	151	106	33	139
Number of blue-collar employees	412	65	477	403	68	471	629	87	716	802	135	937
Number of persons in governing bodies and Board of Directors	30	4	34	27	4	31	35	4	39	30	10	40
Number of employees excluding governing bodies	450	81	531	438	82	520	703	125	828			
Number of employees under the age of 30	148	26	174	169	24	193	264	42	306	379	55	434
Number of employees between the ages of 30-50	302	57	359	278	60	338	436	83	519	473	105	578
Number of employees over the age of 50	30	2	32	18	2	20	38	4	42	48	4	52
	Full-Time	Part-Time	Total	Full-Time	Part-Time	Total	Full-Time	Part-Time	Total	Full-Time	Part-Time	Total
Number of employees by working hours	565	0	565	551	0	551	867	0	867	1.064	0	1.064
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of employees with disabilities	14	1	15	17	1	18	23	2	25	37	3	40
Ratio of employees with disabilities	3%	1%	3%	4%	1%	3%	3%	2%	3%	3%		3%
Number of new hires	208	25	233	105	117	122	319	39	358	995	174	1.169
Numbers of engineers	9	3	12	14	4	18	21	6	27	20	7	27
Number of female employees on maternity/parental leave		3			0			2			4	
Number of female employees returning to work after the end of maternity/parental leave		2			0			2			1	
Ratio of female employees returning to work after the end of maternity/parental leave		67%						100%			25%	
Turnover		7,50%			1,32%			2,80%			4,40%	
	Blue-Collar	White-Collar	Total	Blue-Collar	White-Collar	Total	Blue-Collar	White-Collar	Total	Blue-Collar	White-Collar	Total
Total number of persons trained	1.019	200	1.219	689	222	911	735	415	1.150	989	300	1.289
Total training (person.hour)	2.038	400	2.438	1.378	440	1.818	1.470	830	2.300	3.143	1.050	4.193
Total number of people trained on OHS		486			505			780			3.120	
Total OHS training (hours)		8.019			9.090			14.040			36.406	
Total OHS training (person.hour)		16,5			18			18			28,4	
	Employees	Subcontracted Employees	Total	Employees	Subcontracted Employees	Total	Employees	Subcontracted Employees	Total	Employees	Subcontracted Employees	Total
Number of accidents	130	0	130	113	0	113	144	0	144	329	0	329
Number of fatal accidents	0	0	0	0	0	0	0	0	0	0	0	0
Rate of days lost due to accidents		161,86			295,67			68,29			83,05	
Absenteeism due to accidents		1,91%			1,90%			0,81%			0,99%	
Accident frequency rate*		104,17			91,34			76,71			104,77	
Accident severity rate*		786			1.377			341,46			415,26	
Number of accidents with loss of days		130			246			86			203	
	Local	International	Total	Local	International	Total	Local	International	Total	Local	International	Total
Total number of suppliers				483	24	507	466	27	493	585	27	612
Ratio of local suppliers (%)					95,3%			94,5%			95,6%	
Number of complaints lodged to the customer contact center		84			88			83			81	
Number of complaints handled by the customer contact center		84			88			83			81	
Number of complaints resolved by the customer contact center		84			87			78			75	
Response rate for complaints lodged to the customer contact center (%)		100			100			100			100	

* Accident Frequency Rate: [(Total Number of Accidents in a Year / Total Working Time) * 1,000,000] Accident Severity Rate: [(Total Loss of Working Days in a Year / Total Working Time) * 1,000,000]

GRI CONTENT INDEX

GRI 1

Qua Granite has reported in accordance with GRI Standards for the period January 2021–December 2022.

GRI Standard	Disclosure	Page numbers, descriptions and/or URL	Exclusions
GRI 1: Foundation 2021			
GRI 2: General Disclosures 2021			
GRI 2: General Disclosures 2021	Organizational Profile		
	2-1 Organizational details	About the Report, p.2 About Qua Granite, p.5	-
	2-2 Entities included in the organization’s sustainability reporting	About the Report, p.2	-
	2-3 Reporting period, frequency and contact point	About the Report, p.2	-
	2-4 Restatements of information	This is Qua Granite’s first sustainability report.	-
	2-5 External assurance	No external assurance was received within the scope of the report.	-
	2-6 Activities, value chain and other business relationships	Products and Services, p.10 Operating Regions, p.11 Qua Granite’s Value Creation Model, p.12 Responsible Supply Chain, p.48 Community Relations, p.50	-
	2-7 Employees	Employee Relations, p.41 Employee Profile, p.42	-
	2-8 Workers who are not employees	All Qua Granite employees are its own staff.	-
	2-9 Governance structure and composition	About Qua Granite, p.5 Organizational Structure and Committees, p.21 Sustainability Governance Structure, p.28	-
	2-10 Nomination and selection of the highest governance body	Privacy Restrictions In accordance with the privacy policies, Qua Granite does not share this information publicly.	-
	2-11 Chair of the highest governance body	About Qua Granite, p.5 Organizational Structure and Committees, p.21 Sustainability Governance Structure, p.28	-
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Governance Structure, p.28	-
	2-13 Delegation of responsibility for managing impacts	Sustainability Governance Structure, p.28	-
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance Structure, p.28	-
	2-15 Conflicts of interest	Ethical Principles, Transparency and Compliance, p.25	-
	2-16 Communication of critical concerns	Corporate Governance, p.17	-
2-17 Collective knowledge of the highest governance body	Organizational Structure and Committees, p.21 Sustainability Governance Structure, p.28	-	

GRI Standard	Disclosure	Page numbers, descriptions and/or URL	Exclusions
GRI 1: Foundation 2021			
GRI 2: General Disclosures 2021			
GRI 2: General Disclosures 2021	Organizational Profile		
	2-18 Evaluation of the performance of the highest governance body	Privacy Restrictions In accordance with the privacy policies, Qua Granite does not share this information publicly.	-
	2-19 Remuneration policies	Employee Relations, p.41 Employee Satisfaction, p.44	-
	2-20 Process to determine remuneration	Employee Relations, p.41 Employee Satisfaction, p.44	-
	2-21 Annual total compensation ratio	Privacy Restrictions In accordance with the privacy policies, Qua Granite does not share this information publicly.	-
	2-22 Statement on sustainable development strategy	Message from the Senior Management, p.3 Sustainability Policy, p.27 Material Topics and Alignment with SDGs, p.30	-
	2-23 Policy commitments	Corporate Governance Policies and Quality Systems, p.18 Ethical Principles, Transparency and Compliance, p.25	-
	2-24 Embedding policy commitments	Corporate Governance Policies and Quality Systems, p.18 Ethical Principles, Transparency and Compliance, p.25	-
	2-25 Processes to remediate negative impacts	Risk Management, p.24 Respect for the Environment, p.33 Responsible Supply Chain, p.48 Customer Satisfaction, p.49 Social Responsibility Approach, p.52	-
	2-26 Mechanisms for seeking advice and raising concerns	Ethical Principles, Transparency and Compliance, p.25 Customer Satisfaction, p.49	-
	2-27 Compliance with laws and regulations	Compliance with Corporate Governance Principles, p.17 Ethical Principles, Transparency and Compliance, p.25	-
	2-28 Membership associations	Community Relations, p.50	-
	2-29 Approach to stakeholder engagement	Responsible Supply Chain, p.48 Customer Satisfaction, p.49 Community Relations, p.50	-
2-30 Collective bargaining agreements	Qua Granite does not have any workforce working under collective bargaining agreements.	-	
GRI 3: Material Topics 2021			
Material Topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Matrix, p.30 Material Topics and Alignment with SDGs, p.31	-
	3-2 List of material topics	Materiality Matrix, p.30 Material Topics and Alignment with SDGs, p.31	-
	3-3 Management of material topics	Materiality Matrix, p.30 Material Topics and Alignment with SDGs, p.31	-

GRI Standard	Disclosure	Page numbers, descriptions and/or URL	Exclusions
GRI 200: ECONOMIC STANDARD SERIES			
GRI 3: Material Topics 2021	Financial Performance and Growth in International Markets		
	3-1 Process to determine material topics	Qua Granite's Value Creation Model, p.12	-
	3-2 List of material topics	Qua Granite's Value Creation Model, p.12	-
	3-3 Management of material topics	Qua Granite's Value Creation Model, p.12	-
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Qua Granite's Value Creation Model, p.12 Risk Management, p.23	-
	201-2 Financial implications and other risks and opportunities due to climate change	Risk Management, p.23 Sustainability Policy, p.27	-
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	Qua Granite's Value Creation Model, p.12 Risk Management, p.23	-
GRI 3: Material Topics 2021	Strong Corporate Governance and Risk Management Practices		
	3-1 Process to determine material topics	Compliance with Corporate Governance Principles, p.17 Corporate Governance Policies and Quality Systems, p.18 Risk Management, p.23	-
	3-2 List of material topics	Compliance with Corporate Governance Principles, p.17 Corporate Governance Policies and Quality Systems, p.18 Risk Management, p.23	-
	3-3 Management of material topics	Compliance with Corporate Governance Principles, p.17 Corporate Governance Policies and Quality Systems, p.18 Risk Management, p.23	-
GRI 3: Material Topics 2021	Ethics and Code of Conduct		
	3-1 Process to determine material topics	Ethical Principles, Transparency and Compliance, p.25	-
	3-2 List of material topics	Ethical Principles, Transparency and Compliance, p.25	-
	3-3 Management of material topics	Ethical Principles, Transparency and Compliance, p.25	-
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	Ethical Principles, Transparency and Compliance, p.25	-
	205-2 Communication and training about anti-corruption policies and procedures	Ethical Principles, Transparency and Compliance, p.25	-
	205-3 Confirmed incidents of corruption and actions taken	Ethical Principles, Transparency and Compliance, p.25	-
GRI 206: Anti-Competitive Behavior 2016	206-1 Legal actions for anticompetitive behavior, anti-trust, and monopoly practices	No legal action has been taken against the company regarding anti-competitive behaviors and activities.	-

GRI Standard	Disclosure	Page numbers, descriptions and/or URL	Exclusions
GRI 300: ENVIRONMENTAL STANDARDS SERIES			
	Transition to Low Carbon Economy and Tackling the Climate Crisis		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Respect for the Environment, p.33	-
	3-2 List of material topics	Respect for the Environment, p.33	-
	3-3 Management of material topics	Sustainability Policy, p.27 Respect for the Environment, p.33	-
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Efficiency, p.34	-
	302-3 Energy intensity	Energy Efficiency, p.34	-
	302-4 Reduction of energy consumption	Energy Efficiency, p.34	-
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Carbon Footprint and Emissions, p.35 Environmental Performance Indicators, p.57	-
	305-2 Energy indirect (Scope 2) GHG emissions	Carbon Footprint and Emissions, p.35 Environmental Performance Indicators, p.57	-
	305-3 Other indirect (Scope 3) GHG emissions	Carbon Footprint and Emissions, p.35 Environmental Performance Indicators, p.57	-
	305-5 Reduction of GHG emissions	Carbon Footprint and Emissions, p.35	-
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Management, p.38	-
	303-2 Management of water discharge-related impacts	Water Management, p.38	-
	303-3 Water withdrawal	Water Management, p.38 Environmental Performance Indicators, p.57	-
	303-4 Water discharge	Water Management, p.38 Environmental Performance Indicators, p.57	-
	303-5 Water consumption	Water Management, p.38 Environmental Performance Indicators, p.57	-
	Circular Economy and Waste Management		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Waste Management, p.37	-
	3-2 List of material topics	Waste Management, p.37	-
	3-3 Management of material topics	Waste Management, p.37	-
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management, p.37	-
	306-2 Management of significant waste-related impacts	Waste Management, p.37	-
	306-3 Waste generated	Waste Management, p.37 Environmental Performance Indicators, p.57	-
	306-4 Waste diverted from disposal	Waste Management, p.37 Environmental Performance Indicators, p.57	-

GRI Standard	Disclosure	Page numbers, descriptions and/or URL	Exclusions
	Biodiversity Conservation		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Biodiversity, p.39	-
	3-2 List of material topics	Biodiversity, p.39	-
	3-3 Management of material topics	Biodiversity, p.39	-
GRI 304: Biodiversity 2016	304-1 Operational sites with high biodiversity value	Biodiversity, p.39	-
	Resource Efficiency		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Respect for the Environment, p.33	-
	3-2 List of material topics	Respect for the Environment, p.33	-
	3-3 Management of material topics	Respect for the Environment, p.33	-
	Environmentally Friendly Products		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Respect for the Environment, p.33	-
	3-2 List of material topics	Respect for the Environment, p.33	-
	3-3 Management of material topics	Respect for the Environment, p.33	-
GRI 400: SOCIAL STANDARDS SERIES			
	Employee Rights, Development and Engagement		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Employee Relations, p.41 Employee Satisfaction, p.44	-
	3-2 List of material topics	Employee Relations, p.41 Employee Satisfaction, p.44	-
	3-3 Management of material topics	Employee Relations, p.41 Employee Satisfaction, p.44	-
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employee Profile, p.42 Social Performance Indicators, p.59	-
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Satisfaction, p.44	-
	401-3 Rates of returning to work and staying at work after parental leave by gender	Employee Profile, p.42 Social Performance Indicators, p.59	-
	Employee Health and Safety		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Occupational Health and Safety (OHS) Management, p.46	-
	3-2 List of material topics	Occupational Health and Safety (OHS) Management, p.46	-
	3-3 Management of material topics	Occupational Health and Safety (OHS) Management, p.46	-

GRI Standard	Disclosure	Page numbers, descriptions and/or URL	Exclusions
	Employee Health and Safety		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety (OHS) Management, p.46	-
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety (OHS) Management, p.46 Social Performance Indicators, p.59	-
	403-3 Occupational health services	Occupational Health and Safety (OHS) Management, p.46	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety (OHS) Management, p.46	-
	403-5 Worker training on occupational health and safety	Occupational Health and Safety (OHS) Management, p.46 Social Performance Indicators, p.59	-
	403-6 Promotion of worker health	Occupational Health and Safety (OHS) Management, p.46	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety (OHS) Management, p.46	-
	Equal Opportunities, Diversity and Inclusion		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Employee Relations, p.41 Employee Profile p.42	-
	3-2 List of material topics	Employee Relations, p.41 Employee Profile p.42	-
	3-3 Management of material topics	Employee Relations, p.41 Employee Profile p.42	-
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Employee Relations, p.41 Employee Profile p.42 Social Performance Indicators, p.59	-
	405-2 Ratio of basic salary and remuneration of women to men	Privacy Restrictions In accordance with the privacy policies, Qua Granite does not share this information publicly.	-
GRI 406: Non-Discrimination	406-1 Incidents of discrimination and corrective actions taken	There were no cases of discrimination during the reporting period.	-
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Corporate Governance Policies and Quality Systems, p.18 Responsible Supply Chain, p.48	-
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Corporate Governance Policies and Quality Systems, p.18 Responsible Supply Chain, p.48	-
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employee Development, p.48 Social Performance Indicators, p.59	-
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Development, p.48 Social Performance Indicators, p.59	-
	Corporate Social Responsibility		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Social Responsibility Approach, p.52	-
	3-2 List of material topics	Social Responsibility Approach, p.52	-
	3-3 Management of material topics	Social Responsibility Approach, p.52	-

GRI Standard	Disclosure	Page numbers, descriptions and/or URL	Exclusions
GRI 3: Material Topics 2021	Customer Experience and Satisfaction		
	3-1 Process to determine material topics	Customer Satisfaction, p.49	-
	3-2 List of material topics	Customer Satisfaction, p.49	-
	3-3 Management of material topics	Customer Satisfaction, p.49	-
GRI 3: Material Topics 2021	Responsible Procurement and Supply Chain		
	3-1 Process to determine material topics	Responsible Supply Chain, p.48	-
	3-2 List of material topics	Responsible Supply Chain, p.48	-
	3-3 Management of material topics	Responsible Supply Chain, p.48	-
GRI 3: Material Topics 2021	Product Quality and Reliability		
	3-1 Process to determine material topics	Products and Services, p.10 Respect for the Environment, p.33 Customer Satisfaction, p.49	-
	3-2 List of material topics	Products and Services, p.10 Respect for the Environment, p.33 Customer Satisfaction, p.49	-
	3-3 Management of material topics	Products and Services, p.10 Respect for the Environment, p.33 Customer Satisfaction, p.49	-
GRI 3: Material Topics 2021	R&D and Innovation		
	3-1 Process to determine material topics	R&D and Innovation, p.53	-
	3-2 List of material topics	R&D and Innovation, p.53	-
	3-3 Management of material topics	R&D and Innovation, p.53	-

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