2022-2023 Sustainability Report

Energy Measurement
for a Better Future

ALCE

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We are working towards being known as a **sustainable** company... The pandemic, crises, wars and natural disasters we have experienced globally in recent years have shown us all how vulnerable and unorganized the world is. But as it is always said, successful and good days come on the wake of lessons learned on bad days. It is gratifying that sustainability is now on the agenda of many companies, large and small, and being prioritized.

For ALCE sustainability is no longer a familiar concept to be considered in the not-so-distant future, but a part of our life cycle. We expect all our stakeholders working with us to place the same level of emphasis on sustainability.

Better content for sustainability

Today, corporate sustainability is no longer a novel field, but has become an area that we must consider for our future.

As ALCE, we are aware of this responsibility and have taken numerous steps to fulfill our duties in the name of sustainability. However, we are aware that what we have done so far is not enough and that we need to improve ourselves continuously in the name of sustainability.

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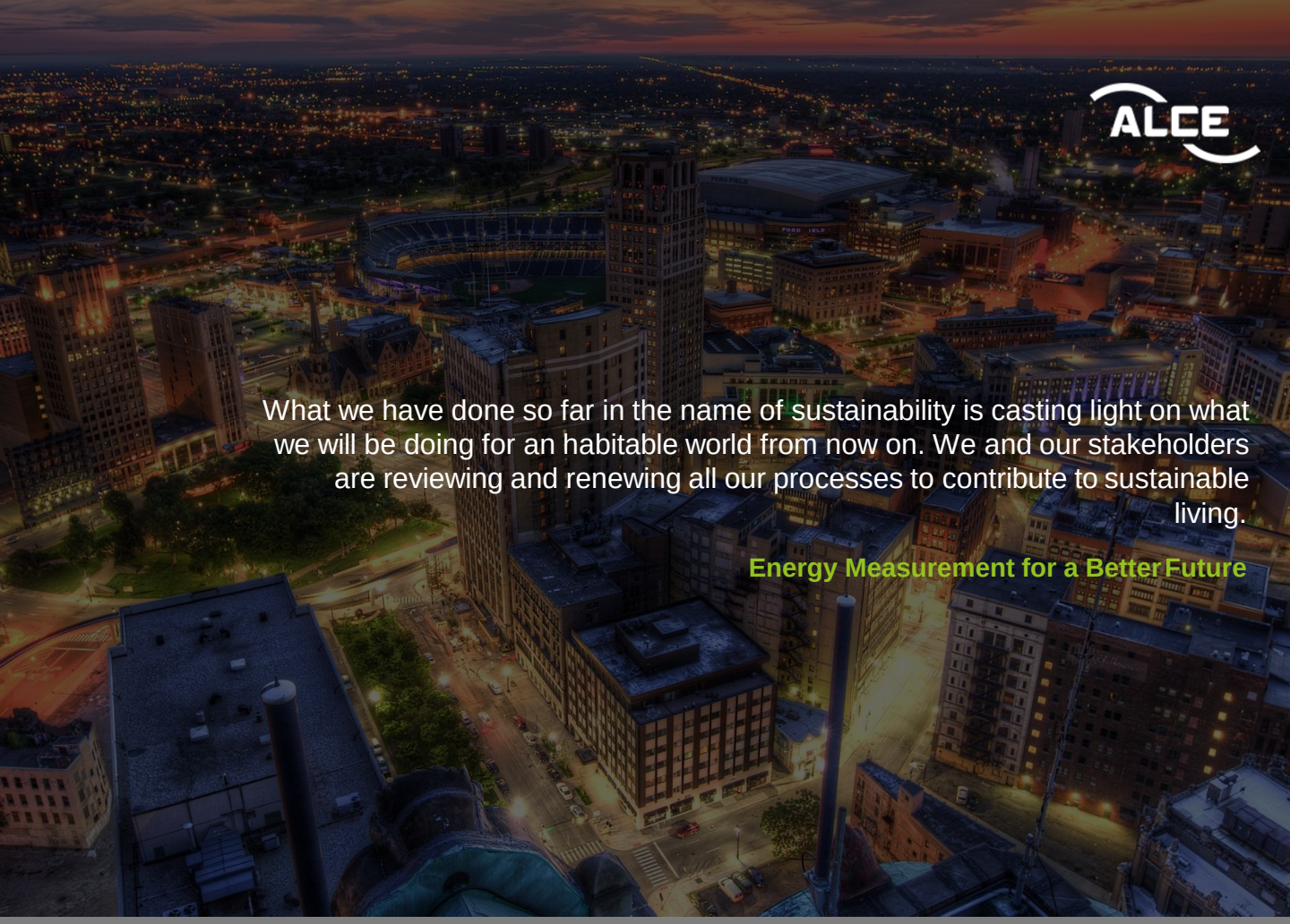

What we have done so far in the name of sustainability is casting light on what we will be doing for an habitable world from now on. We and our stakeholders are reviewing and renewing all our processes to contribute to sustainable living.

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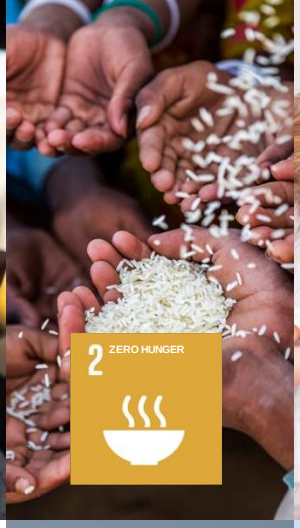
We are continuing ceaselessly our efforts for **sustainability**... We take sustainability into account at every moment of our business life and make this felt by all our employees. We set goals to reinforce this feeling.

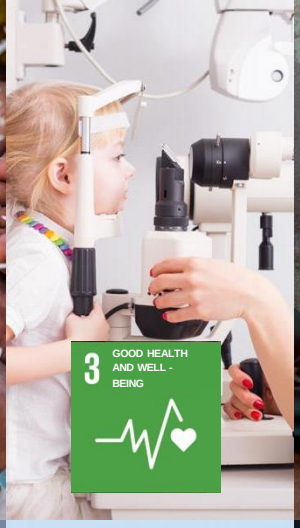
We improve ourselves by generating sustainability programs every 3 years. We are currently working on our Sustainability Development Program for 2023 - 2025. While generating and implementing these programs, we also consider national and international practices such as the United Nations Sustainable Development Goals.

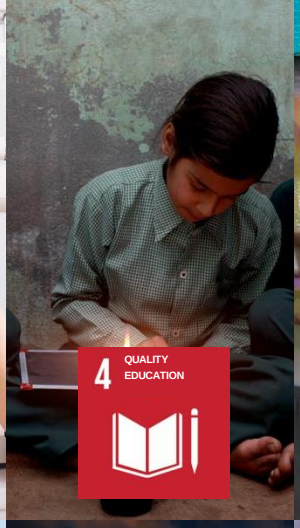
In order to broaden our sustainability perspective, we work with our stakeholders for self-improvement.

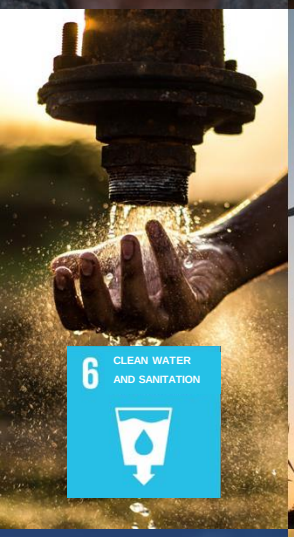
Although efforts to raise awareness on sustainability are accelerating, the issues of climate change and the decline in sustainable resources are still urgent.

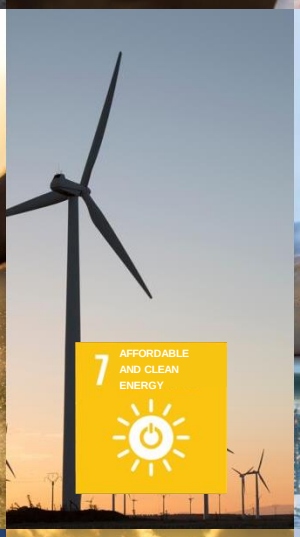
One of the most important drivers in preventing climate change is the use of environmentally friendly energy sources and technologies that reduce carbon emissions. As ALCE, the above-listed issues are at the heart of our strategy. We are constantly renovating the technologies used in our production lines to ensure that they are both efficient and environmentally friendly.

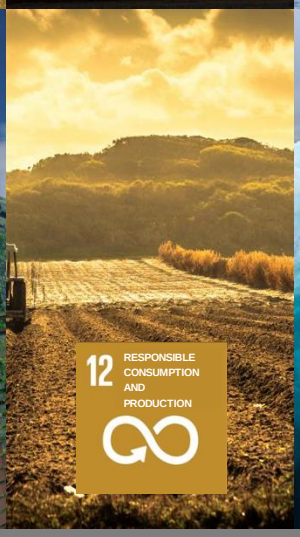






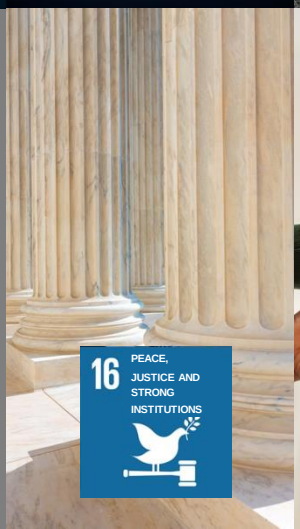






SUSTAINABLE DEVELOPMENT GOALS

ALCE



Contributing to global goals for sustainability

"Our world demands from all government leaders a will which is effective, practical, constant, with concrete steps and immediate measures for preserving and improving the natural environment and thus putting an end as quickly as possible to the phenomenon of social and economic exclusion."

BAN KI-MOON, U.N. Secretary-General

Our perspective of sustainability is to provide a happier and safer living environment for future generations, without the potential challenges we are experiencing in today's world and that we are foreseeing for the future.

We agree to take the United Nations Sustainable Development Goals consisting of 17 headings and topics as a basis for creating our own goals and to take actions to create a better future.

The aim of the United Nations Sustainable Development Goals is to protect our world and to ensure equality and justice within and among communities."

We improve ourselves in terms of sustainability by re-setting our goals every three years. We inform our external stakeholders about our sustainability performance annually and review the said performance internally on monthly and quarterly basis.

In terms of corporate social responsibility, we do not only scrutinize ourselves but also ask external organizations to contribute to our development by checking our system and approach.

ALCE & UNITED NATIONS STRATEGY

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Key Strategies

CLIMATE CHANGE

- Use of renewable energy sources
- Reduction of CO_2 emissions in thermal processes
- Reduction of $C0_2$ emissions in casting processes
- Reduction of $C0_2$ emissions in transportation processes

NATURAL RESOURCES

- Increasing the amount of recyclable waste
- Increasing the use of recyclable materials
- Reducing the amount of landfill
- Reducing the amount of hazardous waste
- Reducing the amount of petroleum derived waste per product

SAFE LIVING

- Employee engagement index rate
- Ratio of personal development plan for white-collar employees
- Annual 5-hour digital training for white-collar employees
- Annual rate of accidents requiring first aid per million hours worked
- Annual workday accident rate per million hours worked

SOCIAL RESPONSIBILITY

- Accomplishment score in ISO 26000 Audits
- Number of suppliers who have undergone an ISO 26000 audit
- Number of sales and procurement employees trained on anti-corruption
- Number of incidents involving discrimination
- Number of incidents violating fair labor guidelines

FUTURE GENERATIONS

- Number of schools accessed for educational purposes
- Number of children trained on energy management
- Number of physical infrastructure shared with external stakeholders for educational purposes

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CLIMATE CHANGE

We strive to prevent climate change.
Because we are working for our future.

We generate new solutions and take actions to reduce carbon emissions as one of the goals that we have set in line with our sustainability mission.

Our climate change mission

In terms of sustainability, our world's greatest and most challenging emergency is climate change.

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The effects of climate change are affecting our lives more and more and the international community is taking action to stop and mitigate these effects. With the international community taking action, companies and similar organizations are also taking action by setting their own missions.

ALCE started in the late 2020s to take carbon-minimizing measures for itself and its stakeholders. Throughout the life cycle of our products, we strive to reduce and minimize the damage they cause on the climate.

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Faster and Optimal Decarbonization

What we have done so far in the name of sustainability is casting light on what we will be doing for an habitable world from now on. We and our stakeholders are reviewing and renewing all our processes to contribute to sustainable living.

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We are continuing ceaselessly our efforts for

sustainability...

We take sustainability into account at every moment of our business life and make this felt by all our employees. We set goals to reinforce this feeling.

Sustainability is a must for everyone who cares about tomorrow in order to ensure that future generations live in a better environment, and a value that adds efficiency to our processes.

"The climate crisis is both the easiest and the toughest issue we have ever faced. It is the easiest, because we know what we need to do. We have to stop greenhouse gas emissions. It is also the toughest because our current economy is still entirely dependent on burning fossil fuels and thus destroying ecosystems to create endless economic growth."

Preventing climate change
Our Goals

What we have done so far in the name of sustainability has empowered us not only to demonstrate our current situation but also to take our first steps towards sustainability What we will do next will enable us to develop and create added value in the name of sustainability.

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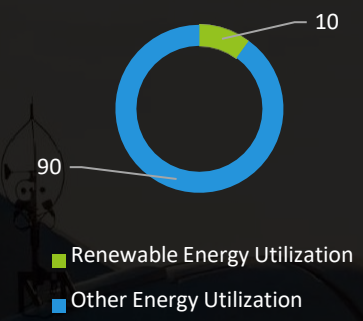
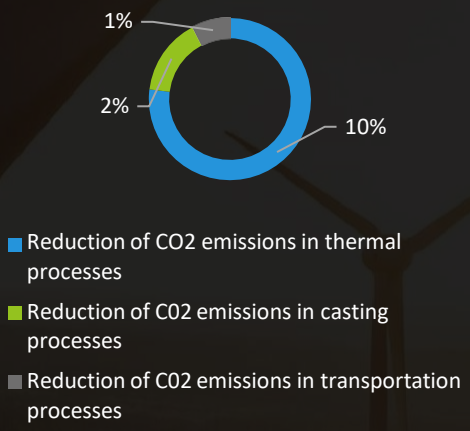
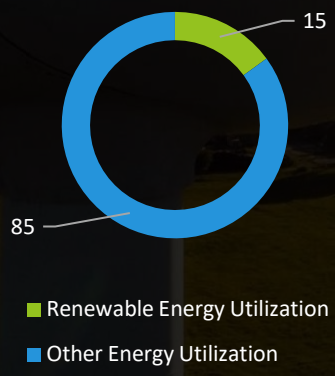
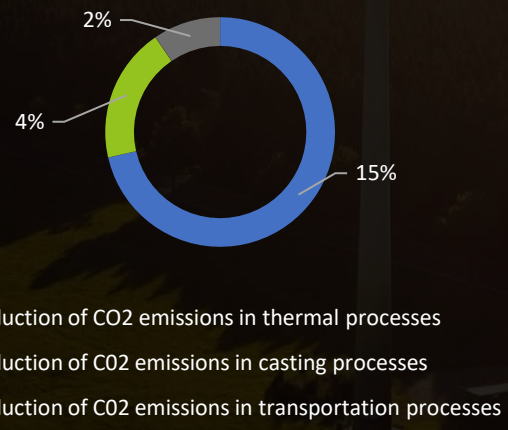
B: 2022 Q4 Result





B: 2023 Q4 Goal





*Renewable energy usage is taken from government data.

NATURAL RESOURCES

Our aim is to reduce the efficient use of
Natural resources together with our stakeholders.

We evaluate our use of natural resources in order to prefer those that are the most suitable in terms of sustainability in our products and try to minimize their use.

We Value Natural Life at Every Moment.

Protecting natural resources will ensure the sustainability of both the ecosystem we live in and our planet in the years to come. From this perspective, measuring the natural resources we use and ensuring their effective use is one of the most important considerations. As ALCE, we specifically monitor the use of natural resources and formulate our strategies for the optimum use of these resources.

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We develop our services and plan our future in such a way so as not to affect the **natural world**'s own cycle and to preserve its balance. Because we aim for a sustainable development model.

We monitor and evaluate our use of natural resources in terms of each of our services and we provide our services by setting targets to optimize our use of these resources.

Inefficient use of natural resources and reserve areas throughout the world is endangering future generations. As a company that strives for the protection and development of natural resources, we aim to change and break the usual behavioral patterns and to step into a healthy future.

Industrial practices using less natural resources and focusing on recyclable products will help protect our world.

The aim of ALCE's recycling strategy is "to create a culture that respects nature and society, and that is capable of reusing and recycling natural resources efficiently".

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The use of natural resources in an unrecyclable manner means that we will face major problems in the near future. Inefficient use of natural resources hinders the development of the industry and, more importantly, causes damage to our world.

Preventing natural resources from turning into waste is one of the essential steps to be taken in terms of efficiency.A prevention and recycling policy not only covers environmental and social impacts but also contributes to the society from an economical viewpoint.

Instead of measuring the amount of waste in total, we adopt a life cycle approach and follow it up as a performance indicator per each product/service that we offer. For us, each and every natural resource turning into waste means harm to future generations.

Our Developments

In terms of sustainability, our world's greatest and most challenging emergency is climate change.

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Nowadays, raw materials are becoming scarcer and natural resources are rapidly draining away. This negative impact is compromising our world in terms of sustainability and leading to economic issues. Particularly the recycling investments made by several industries.

Recycling activities matter the most in terms of protecting natural resources, saving energy and reducing the amount of waste.

ALCE 3Y Sustainability Program

As ALCE Elektrik, we published our **3-year sustainable action plan**.

ALCE Elektrik joined the **CDP - Carbon Disclosure Program**.

We also took actions to improve our **ISO 26000 social responsibility** level.

Natural Resource Utilization Our Goals

We consider our goals of reducing the use of natural resources and ensuring recyclability not only as an advantage in terms of our efficiency, but also as a means of bequeathing a sustainable life for future generations. We aim to minimize the impact of our natural resource utilization on the nature with our future actions.

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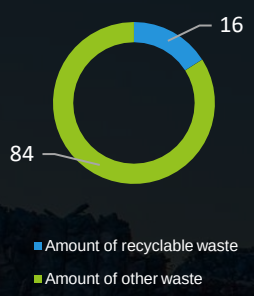
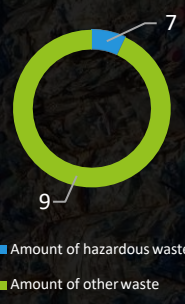
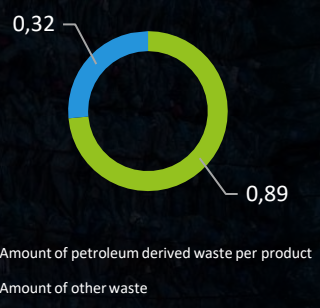
B: 2022 Q4 Result







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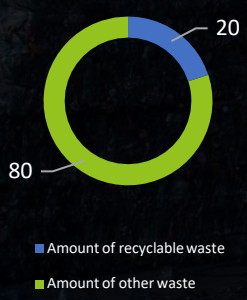

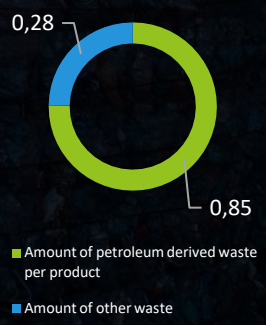

SAFE LIVING

We value human life and business life.
Because we are building our future on safe living.

It is one of our key principles to ensure that our employees and stakeholders work in a safe, honest and sustainable environment. As ALCE, we are aware that we can build our future together with our employees and stakeholders.

Safe Living for Our Employees and Stakeholders

We attach importance to our employees for a sustainable business cycle. While ensuring this sustainability with our employees, we cooperate with our stakeholders. We generate our ethical guidelines with our employees and communicate these guidelines to our stakeholders. As ALCE, we are building the principle of safe living together with our employees.

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We are aware that the key to being a **sectoral company** is a strong communication with the employees. For us, safe living means a safe, ethical and non-discriminatory working environment. Within this framework, we are adopting certain working principles.

We are shaping our working life with our code of ethics and expect our employees to adhere to this code.

Stakeholder Responsibility

It incorporates fair labor, human rights, business ethics, code of conduct, and protecting the environment.

Code of Ethics

Our code of ethics sets out the guidelines involving ethics and respect for humans in our internal and external management style.

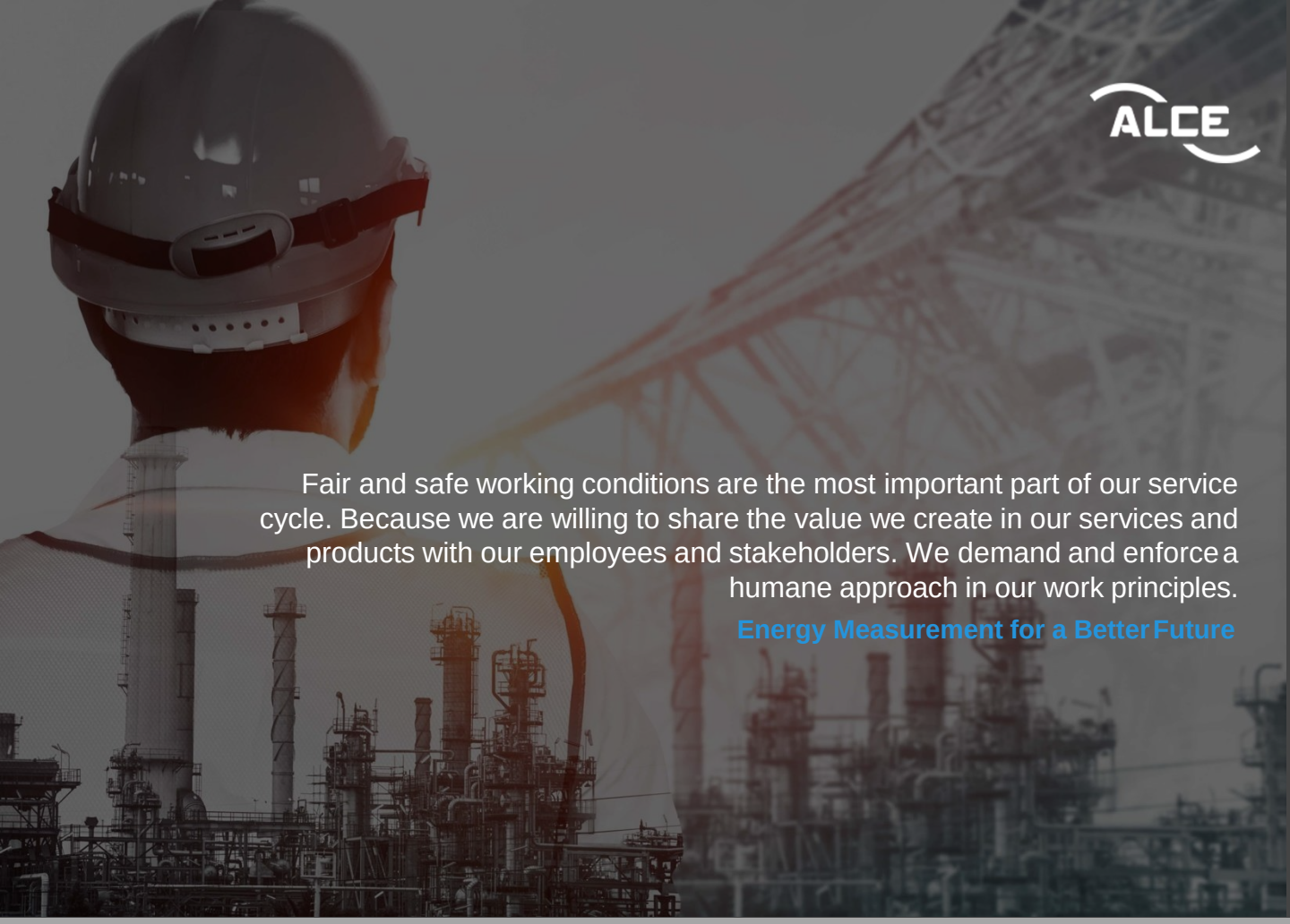
Confidentiality

Confidentiality is one of our top responsibilities to gain the trust of our stakeholders and to protect their information.

Safe Life Cycle

The safe life cycle encompasses human rights, the environment and occupational health and safety.

"Being in the driving seat of your life and having realistic expectations about your daily challenges is key to managing stress which may well be the most important component of living a happy, healthy and rewarding life.



Fair and safe working conditions are the most important part of our service cycle. Because we are willing to share the value we create in our services and products with our employees and stakeholders. We demand and enforce a humane approach in our work principles.

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ALCE aims to be a symbol of reliability and prestige for its shareholders, employees, suppliers, business partners, competitors, environment, society and humanity. We do not acknowledge any performance or goal that falls outside these principles of ethics, fairness and honesty. Our employees act in accordance with the law, national and international guidelines and ethical values while achieving corporate goals.

We are propagating every detail of our code of ethics to our entire business life with our sustainability program. In case when we experience any situation outside of this program, we ask both our employees and other stakeholders to duly inform us thereof.

We leverage both internal and external control mechanisms to ensure that ALCE employees and stakeholders work in a fair and ethical environment. We aim to create a working environment that is in line with international working conditions and we wish to propagate this environment to all areas we interact with.

While implementing these programs, we continue to be part of leading alliances that raise living standards, such as the Global Compacts and the Organization for Economic Cooperation and Development (OECD).

Our Developments

Our basic principle in terms of safe living is that this program encompassesour entire working environment.

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As **ALCE**, we place emphasis on safe living with both internal and external controls and we do away with any incompatibilities as soon as possible. We designate national and international decision-makers as our stakeholders, benefit from their experiences and reflect these experiences on our business life.

We continue our business life by adopting safe living not only as the safety of our business activities but also as safety and fairness for all our stakeholders.

3Y Sustainability Program

As ALCE Elektrik, we published our **3-year sustainable action plan**.

ALCE Elektrik completed national audits with **0 deficiencies**.

We also took actions to improve our **ISO 2600 social responsibility** level.

Safe Living
Our Goals

As ALCE, our fundamental principle is to comply with the law and to abide by national and international principles of fairness, integrity and honesty together with our business partners who help us to carry out our activities.

While implementing these principles, we expect our employees to comply with and implement these guidelines in addition to our basic management principles.

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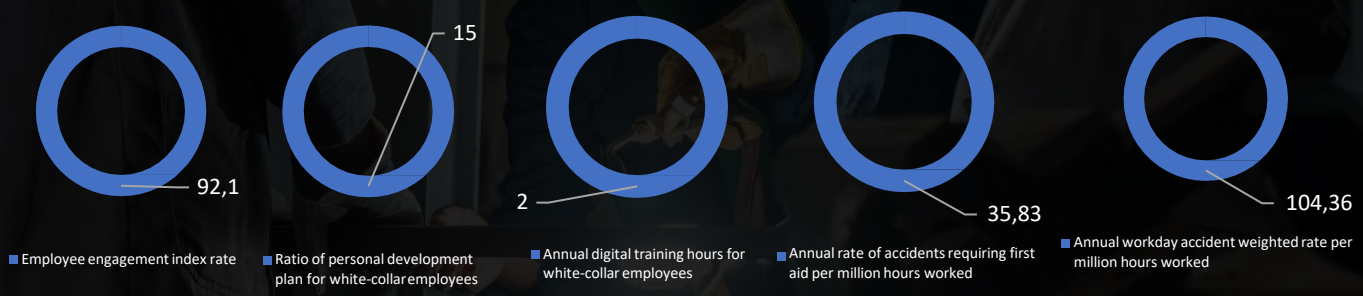
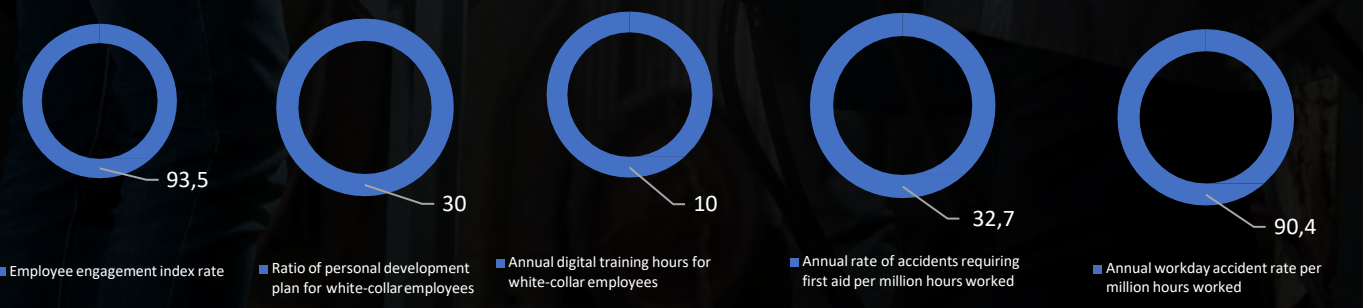
B: 2022 Q4 Result



B: 2023 Q4 Goal



SOCIAL RESPONSIBILITY

We strive to create a working environment where everyone is equal.
We know that an equal opportunities working environment will be beneficial for us.

Within the framework of corporate social responsibility, ALCE leverages recycling and renewable energies in the workplace and in the fields it serves, fulfills its environmental responsibilities, and focuses on gender equality towards its employees.

We add value to life together.

The continuity and quality of our services depend on the relationship we build with our customers and stakeholders who make use of our products and services. We believe that the efforts that we make from a corporate social responsibility perspective ensures integration with our customers and stakeholders and enhances our brand value.

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Leave Policy

As ALCE, we apply our leave policy for our employees working in all areas of activity in order to enable them spare time for their private lives.

Integrity, Reliability

ALCE aims to be a symbol of reliability and prestige for its shareholders, employees, suppliers, business partners, competitors, environment, society and humanity.

Personal Development

ALCE aims to be a symbol of reliability and prestige for its shareholders, employees, suppliers, business partners, competitors, environment, society and humanity.

Equal Opportunities

Our employees have priority as far as any potential vacant positions that may come up are concerned. Within the scope of equal opportunities, we aim to enable ALCE employees to work in other fields and to contribute to their career plans.

Sustainable development requires human intelligence. People are the most important resource to this end.

In the context of social responsibility, we are working to embellish life and to develop nice projects for humanity. We have made investing in people into a top item in our agenda, especially with the importance we attach to employee training. We are well aware of the importance of education and we care about contributing to the development of future generations.

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We take into account not only how much value **our employees** add to us but also how much value we add to them. We strive to enhance the personal added-value of our employees by organizing training programs for their personal development.

Our training programs enable us to not only add value to our business but also to develop our employees. Recognizing that people are at the heart of sustainable development, we are on our way to supporting both national and international development goals.

As we want our employees to be more transparent with us, we establish systems to collect their opinions to enable self-development. We evaluate every suggestion and request received and provide them with feedback.

We have training programs in place for each employee from basic to advanced level that cover technical trainings and personal development trainings. We aim to create a happy and sustainable working environment by building our human resources policy on the happiness of our employees.

Our Developments

Within the scope of social responsibility, we periodically communicate our goals to our employees and expect them to contribute to these goals.

Energy Measurement for a Better Future

As ALCE, our fundamental principle is to comply with the law and to abide by national and international principles of fairness, integrity and honesty together with our employees and our business partners who help us to carry out our activities.

ALCE 3Y Sustainability Program

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Social Responsibility
Our Goals

We are aware that each and every employee has a duty within the framework of our social responsibility objective. In this context, we convey our expectations to our employees and expect them to convey these expectations to our stakeholders.

Energy Measurement for a Better Future

B: 2022 Q4 Result

B: 2023 Q4 Goal

FUTURE GENERATIONS

We are looking out for our future.
We are shaping our future together with you.

ALCE integrates the concept of sustainable development in all of its fields of activity for the environment that we are currently living in and, more importantly, for the quality of life of future generations. We know that through this integration, together we will take steps to move towards a more inhabitable world.

We believe that today's investments will be for the leaders of the future.

The use of available energy and natural resources in our world is increasing due to industrial competition. This rapid utilization is leading to environmental and natural issues. Aware of this problem, ALCE has generated sustainability development plans to bequeath a more inhabitable environment to future generations. These plans address human-oriented, environmental and social sustainability issues.

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Sustainable development is more than preventing the hazards of the world we live in, it is about providing a better environment for future generations. In order to provide this environment, we support our stakeholders in continuous learning and development.

In line with our sustainability plans, we aim not only to create a green nature, but also to take initiatives to ensure that future generations live happily in this nature.

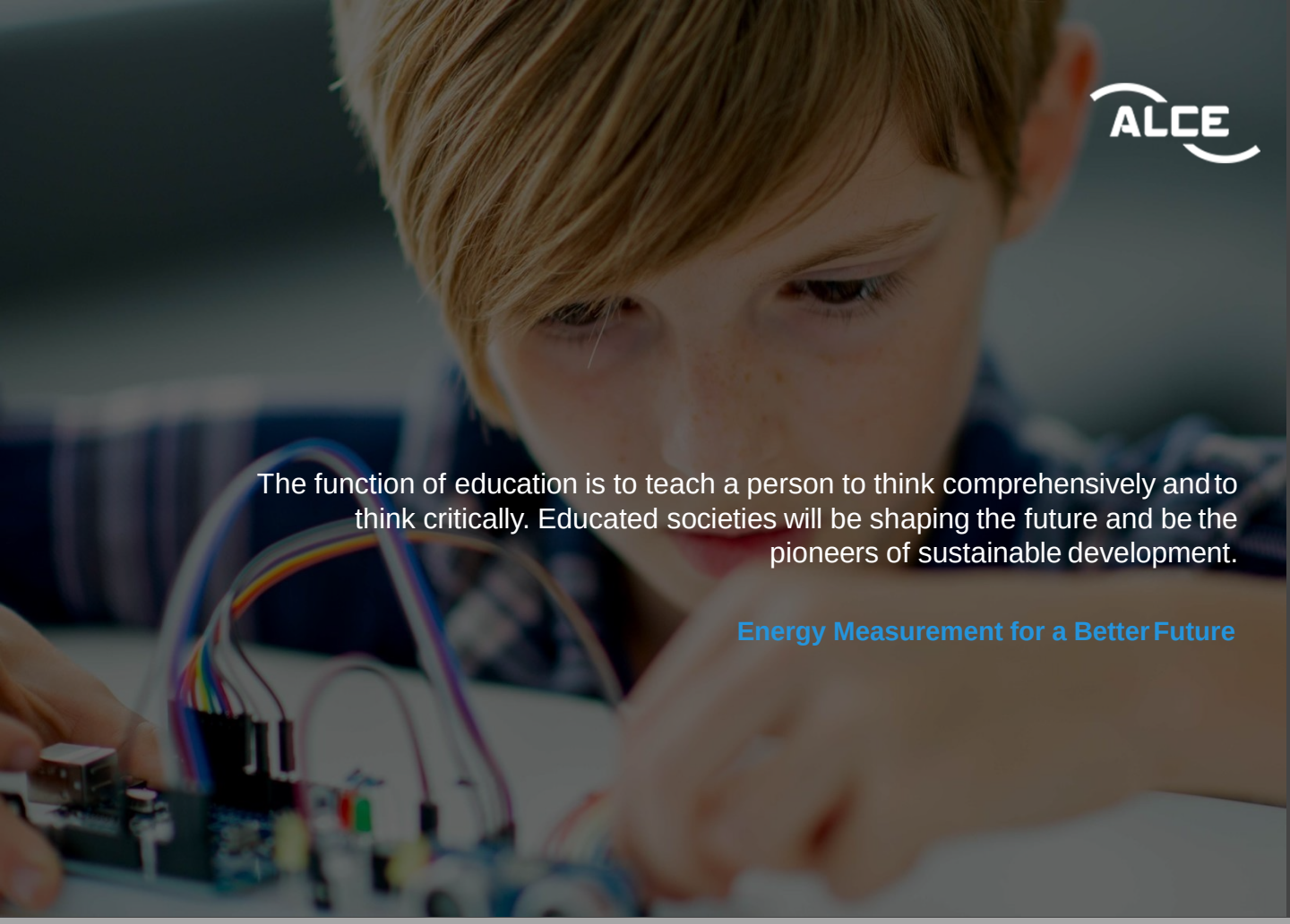
Leaders of the Future

We consider our employees as the most valuable asset of our company. In this context, we make every effort to improve the self-development of our employees and we prioritize trainings to allow them to improve themselves.

Equality

We treat all our employees equally and do not discriminate. We provide a safe working environment and work towards continuous improvement.

We have a responsibility to make this world a better place with the way we treat our employees and the values we hand down the next generations.



The function of education is to teach a person to think comprehensively and to think critically. Educated societies will be shaping the future and be the pioneers of sustainable development.

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Education for all.

We are constantly training our employees with the philosophy of education for all. Our trainings are focused on occupational aspects, safety and sustainability as well as personal development.

Vocational training

We work to support vocational training during secondary and higher education. We aim to provide technical consultancy and equipment support to support these trainings on site.

Our experience

As one of the world's leading manufacturers in our industry, we provide training both internally and externally to pass on our experience and knowledge to the next generations.

Life Cycle

In order to touch on sustainability, we plan to provide trainings not only within a technical framework but also on energy management, the life cycle of products, the use of natural resources and the impact on environment.

Future Generations
Our Goals

At ALCE, we are constantly researching and developing our solutions in the energy sector to improve quality of life and to contribute to a more sustainable future.

Our vision is to bring out the power of sustainable development to improve the sustainable quality of life of present and future generations.

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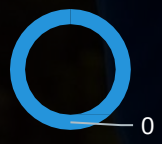
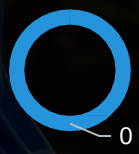
B: 2022 Q4 Result

Number of schools accessed for educational purposes



Number of children trained on energy management



Number of physical infrastructure shared with external stakeholders for educational purposes

B: 2023 Q4 Goal

Number of schools accessed for educational purposes

Number of children trained on energy management

Number of physical infrastructure shared with external stakeholders for educational purposes

ALCE'S VISION

Our goal is to become sustainable together with all our stakeholders.
Building a great and beautiful life together.

We consider making the best use of our natural resources and building a sustainable life as an essential part of our corporate vision.

Our Strengths

- As one of the leading companies in both the national and the international energy sector, ALCE aims to carry on being a leading company in the future. Thanks to our values and stakeholders we are able to achieve this success in our sector.

Energy Measurement for a Better Future

Our people

We are an international company in our industry with more than 600 employees empowering us to develop and manufacture our products and ship them to more than 100 countries. In 2022, 17% of our employees were women.

Our stakeholders

We cooperate with more than 100 business partners to expand and strengthen our product range and prepare programs to ensure their development as well. We look upon our customers not as organizations with which we have commercial relations, but as partners in which we invest to access the future.

Environment

By managing the resources we are using in our facilities by means of environmental and energy management systems, we are committed to minimizing our impact on the environment and nature. We are shaping our systems in line with our renewable energy and recyclable raw material and waste targets.

Innovation

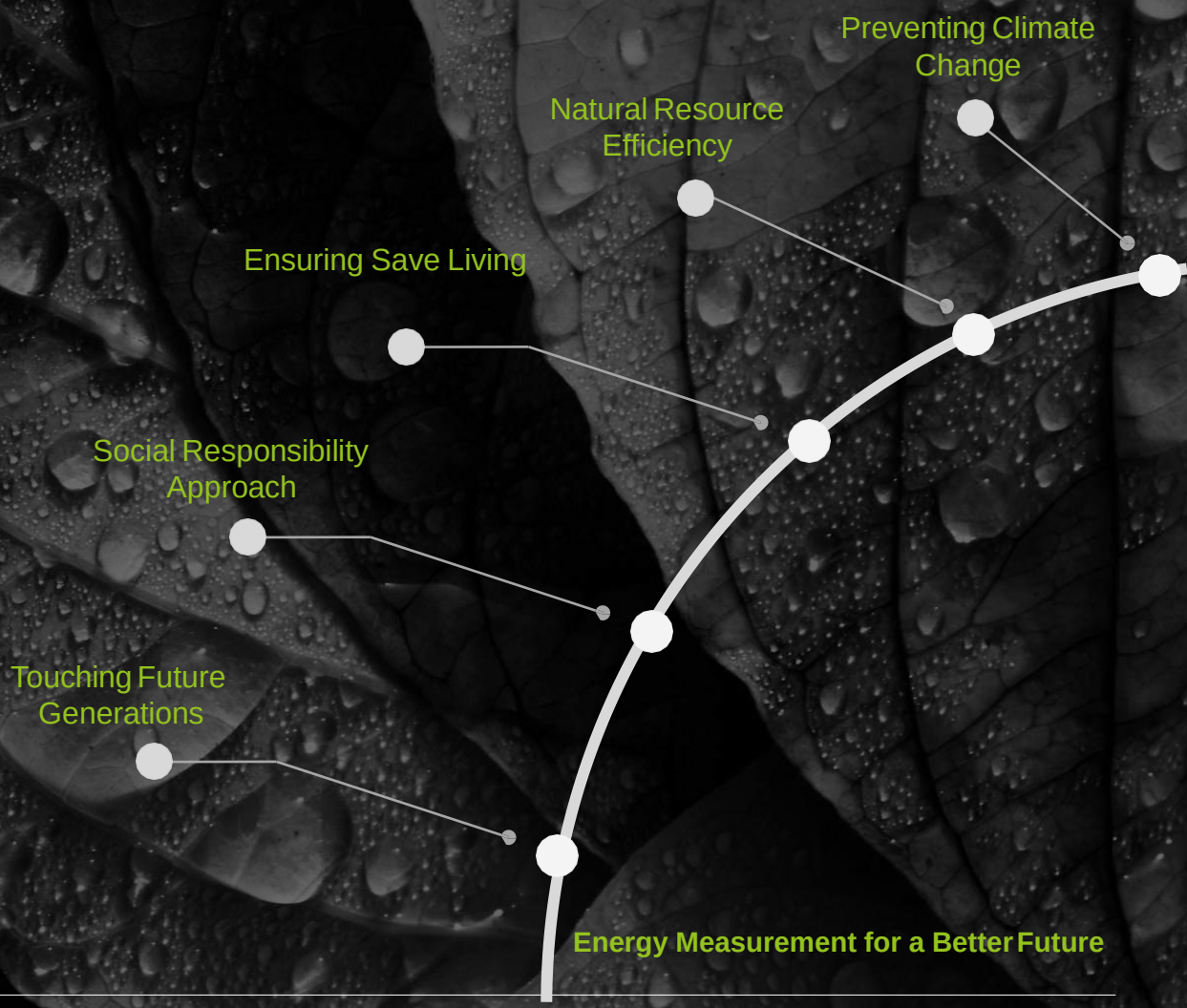
For us, innovation refers not only to developing products, but also to renewing all our management systems in a nature and human friendly manner in order to carve out a sustainable future.

Sustainable development requires human intelligence. People are the most important resource to this end.

Social Responsibility
Our Strategy

Within the scope of our sustainable development strategy, we reevaluate ourselves and renew our strategic goals every year. Because we are aware that sustainability is a constantly evolving and regenerating concept.

We know that we need to act faster in what we need to do and we are aware that negative factors such as climate change are starting to have more and more negative effects on our lives.

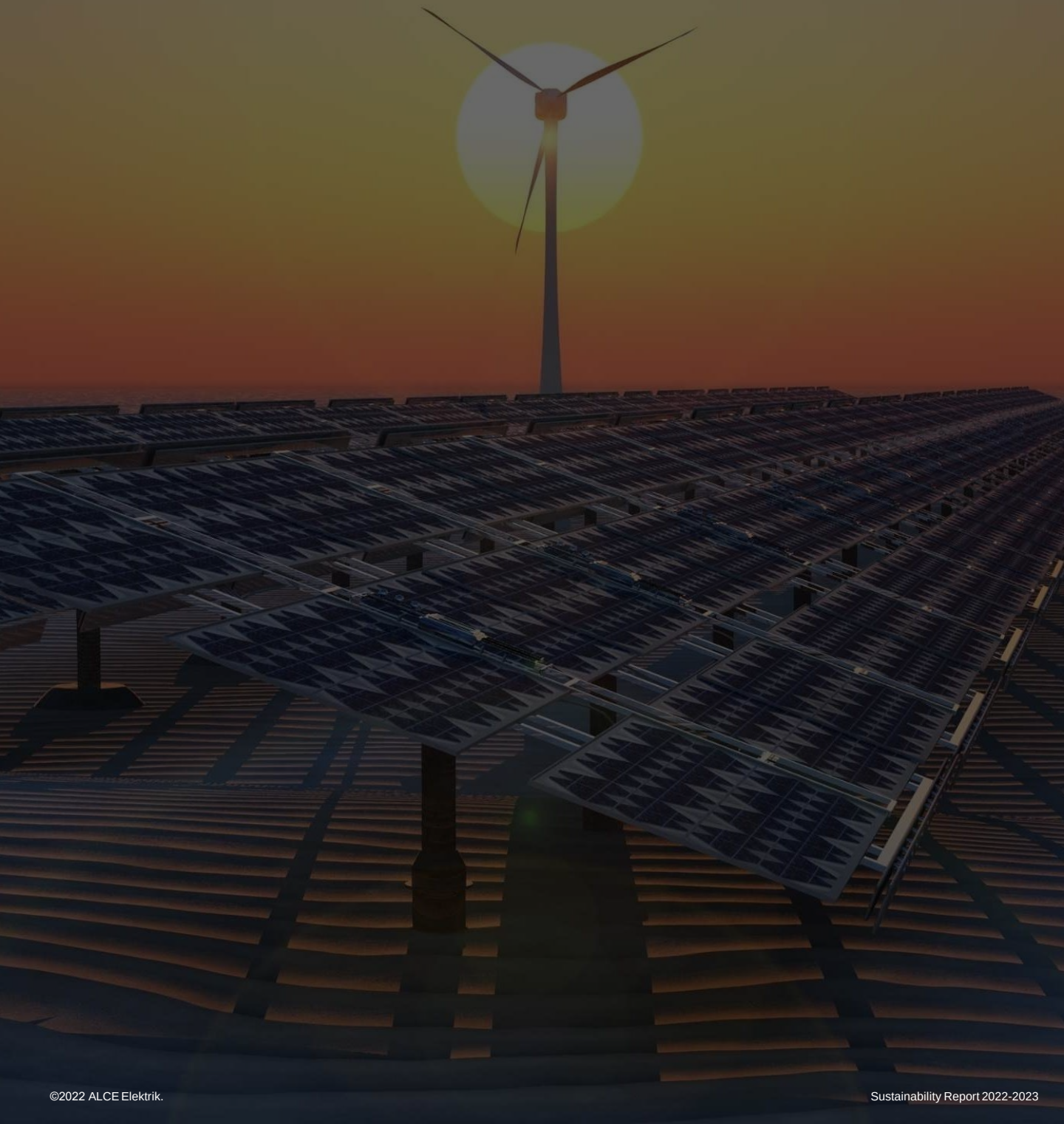


Energy Measurement for a Better Future

About This Report

This report aims to convey ALCE Elektrik's sustainability strategy to our stakeholders and third parties. In addition to communicating our strategy, it also aims to announce the actions we have taken / will be taking.

While this report is prepared in a transparent and explicatory manner, the basis of our strategy and the report is the UN Global Compact.



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2022-2023 Sustainability Report

Energy Measurement
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ALCE