

**TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.  
VE BAĞLI ORTAKLIKLARI**

**1 JANUARY 2023 – 31 DECEMBER 2023**

**BOARD OF DIRECTORS  
ANNUAL ACTIVITY REPORT**

**22.02.2024**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
INDEPENDENT AUDITOR’S REPORT  
ON THE BOARD OF DIRECTORS’ ANNUAL REPORT  
ORIGINALLY ISSUED IN TURKISH**

To the General Assembly of Türk Prysmian Kablo ve Sistemleri A.Ş.

**1. Opinion**

We have audited the annual report of Türk Prysmian Kablo ve Sistemleri A.Ş. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the 1 January - 31 December 2023 period.

In our opinion, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Group’s position in the Board of Directors’ Annual Report are consistent and presented fairly, in all material respects, with the audited full set consolidated financial statements and with the information obtained in the course of independent audit.

**2. Basis for Opinion**

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Standards on Auditing (the “TSA”) adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority (“POA”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities in the Audit of the Board of Directors’ Annual Report section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the “Ethical Rules”) and the ethical requirements regarding independent audit in regulations issued by POA and the regulations of the Capital Markets Board and other relevant legislation that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

**3. Our Audit Opinion on the Full Set Consolidated Financial Statements**

We expressed an unqualified opinion in the auditor’s report dated 22 February 2024 on the full set consolidated financial statements for the 1 January - 31 December 2023 period.

**4. Board of Director’s Responsibility for the Annual Report**

The Group management’s responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code (“TCC”) No. 6102 and Capital Markets Board’s (“CMB”) Communiqué Serial II, No:14.1, “Principles of Financial Reporting in Capital Markets” (the “Communiqué”) are as follows:

- a) to prepare the annual report within the first three months following the balance sheet date and present it to the General Assembly;

- b) to prepare the annual report to reflect the Group's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Group may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.
- c) to include the matters below in the annual report:
- events of particular importance that occurred in the Group after the operating year,
  - the Group's research and development activities,
  - financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Ministry of Trade and other relevant institutions.

## **5. Independent Auditor's Responsibility in the Audit of the Annual Report**

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC and Communiqué provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited consolidated financial statements of the Group and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the TSAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited consolidated financial statements and with the information obtained in the course of audit.

PwC Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Özgür Beşikçioğlu, SMMM  
Independent Auditor

Istanbul, 22 February 2024

## **Message from the CEO**

### **Dear Shareholders,**

As Türk Prysmian Kablo, the Turkey operation of Prysmian Group, the leader of the energy and telecommunication cable systems sector in the world, we have successfully left 2023 behind by making significant contributions to the Turkish economy and exports with our sustainability perspective that we focus on in all our processes, in line with our mission of "Connecting Turkey to a Sustainable Future". Many factors such as the earthquake disaster experienced in our country in the first quarter of the year, geopolitical tensions in our immediate surroundings and difficult macroeconomic conditions in the world and in our country continue to negatively affect the markets.

Despite all the developments and uncertainties, our company had a year in which it created added value without slowing down and achieved significant success in export markets.

We completed the year 2023 with a successful performance, surpassing the previous year, in line with our goals and the results of the plans we realized.

### **We mobilized to heal the wounds**

After the February 6, 2023 earthquakes that affected 11 provinces, we mobilized from search and rescue efforts to healing earthquake wounds. We took an active role in search and rescue activities and determining needs in the region with the volunteer team formed immediately after the earthquake. We carried out a wide range of activities to meet urgent needs, starting from search and rescue activities, spending time with children and distributing food to those in need. In addition to our work, we have implemented the "Prysmian Group Village" consisting of 150 containers in Tut district of Adıyaman, under the leadership of Prysmian Group and with the support of its employees. We will continue to maintain our determination to combat such challenges and our sensitivity towards society in the coming periods.

### **We put sustainability at the center of all our work**

Our vision to lead the industry is with our investments in innovative technologies and digitalization; We work to develop cable connection and transmission technologies, which are of great importance for sustainable development. With our mission of 'Connecting Turkey to a Sustainable Tomorrow', we continue to increase our sustainability efforts, which we include in all our activities, day by day.

We steadily continued our sustainability journey that we started in 2019. We have moved forward in this direction with our 'Sign it.' sustainability plan that we created in 2020 and our work towards our 2030 goals. We shared our responsibilities and commitments towards society with all our stakeholders with our Sustainability Report, which we published in 2022, a first in the Turkish cable industry. We

will continue to share our responsibilities and commitments by further developing our Report, the second of which we published in 2023, in the coming years.

We carry out our sustainability efforts by focusing on four areas: eliminating the carbon footprint, using circular resources, improving the business model, and contributing to employee and social development. We are taking more concrete steps towards our sustainability goals every day with the projects we implement in these areas.

As Prysmian Group, we have included our commitment to be net zero in Scope 1 and Scope 2 in 2035 and net zero in Scope 3 by 2050 in our business practices and supported the projects determined to contribute to these goals.

We play an important role in the decarbonized energy transition with our wide range of products. We reduce the cost of existing power plants with the solar and wind projects we carry out, and support the energy transition with our innovative and sustainable products.

The Sustainability Academy, established by our group to serve all our employees, continues its work in the field of sustainability successfully. We work to provide innovative energy and telecommunications solutions through responsible production practices by integrating our economic, environmental and social responsibility towards all our stakeholders and our planet into our business.

**Digitalization has become one of the primary issues on our agenda.**

Digitalization continued to be among our top priorities in 2023. We continue our investments in sustainability and digitalization with the responsibility to lead the cable industry.

9 years ago, we carried out the first and only Online Cable Training in the Turkish cable industry. Thanks to these trainings, which can be benefited by industry professionals such as engineers, technicians and project designers working in the field of electricity, in addition to students and academics, we have made it easier and save time in choosing the right cable.

We aim to create value in the cable industry with the innovative products and service solutions we have developed under the roof of our group, Cable App application which makes it easier and less time-consuming to choose the right cable.

**The source of our success is our R&D investments**

We know that our R&D investments are the biggest force behind our growth and right investments that enable us to be a pioneer in the Turkish cable industry. For this reason, R&D is always our first priority in our work.

Our Mudanya factory, which is one of the 16 facilities that can simultaneously produce energy and communication cables under the Prysmian and Draka brands, also stands out as one of the 26 R&D centers of the Prysmian Group. This situation is a confirmation of the importance our group, which is the leader of the world cable industry, attaches to Turkey and the investments it makes.

By maintaining our leadership in R&D, we continue to bring our customers together with the latest technology and move the industry forward.

**We grow together with our most valuable asset, our employees.**

In addition to our innovative products that shape the industry and our sustainability and digitalization efforts that enable us to be a pioneer, we also stand out with our human resources and employer brand. With the awareness that our employees are our most important values, we carry out employee satisfaction, occupational health and safety and growth projects together.

We have implemented the Behavior-Oriented Safety Management program within the framework of the zero and beyond approach to reduce occupational accidents. Within the scope of the program, which is planned to be completed in three years, all our employees will serve as both observers and observed and will receive many different trainings.

Our group also makes a difference with innovative approaches that encourage and increase the motivation of its employees, whom it always sees as its most valuable investment. With share-based compensation and profit-sharing plan, Türk Prysmian Kablo employees share in the profits of Prysmian Group. In this way, we aim to increase employee loyalty and satisfaction. In addition, with our visionary approach that closely follows the requirements of the age, we enable our employees to better maintain their private life and work balance by implementing flexible working arrangements in Turkey.

We will continue to improve all our work with the principle of "always getting better" and to constantly add value to our country's economy and society. We will continue to break new ground that shapes the industry in our future work.

On behalf of myself and Türk Prysmian Kablo, I would like to thank you for your belief and support in us.

**Kind regards,**

**Ülkü Özcan**

**CEO**

## **GENERAL INFORMATION**

Türk Prysmian Kablo ve Sistemleri A.Ş. is the Turkish operation of Prysmian Group, worldwide leading company in energy and telecommunication cables' industry with its approximately 50.000 employees and 108 factories in 50 countries following the merge realized globally with General Cable.

The company stands out in Prysmian Group as one of the 16 plants that can simultaneously produce energy and telecom cables with Prysmian and Draka brands. Wide product range of Turk Prysmian includes all energy cables up to 220 kV, copper conductor communication cables up to 3.600 pairs, optical fiber cables, railway signalization cables, studio broadcast cables and special cables. Today Mudanya factory can produce over 22.000 different cables. Furthermore, Turk Prysmian delivers “turn key” projects for cables and systems providing each one customer tailored and premium services.

The installed capacity of Turk Prysmian is also at a level to compete in the international markets. Capacity utilization rate of Turk Prysmian reached 71% in 2022, and it continues to be a privileged export center within the Prysmian Group, exporting approximately 21% of its TRY7, 12.472.610.556 turnover in 2023. Turk Prysmian continues to be the leader of the market in the field of innovation, technology, quality and customer satisfaction both in Turkey and abroad. With a wide geographical coverage, the company exports to more than 50 countries today, particularly Turkic Republics and Middle East countries.

Prysmian Group has 26 R&D centers worldwide and one in Turk Prysmian's Mudanya factory. Material Technologies Laboratory in the Mudanya R&D center is registered by Turkish Accreditation Agency (TÜRKAK) with accreditation certificate TS EN ISO/IEC 17025 “General Requirements For The Competence of Testing and Calibration Laboratories”. The certificate granted by TÜRKAK is a certification that the results of ‘fire tests’ conducted in Turk Prysmian's laboratory are reliable and internationally valid.

Turk Prysmian Kablo ve Sistemleri A.Ş., listed on the Borsa Istanbul strives for improving the efficiency of its products and services not only in Turkey, but also in global markets, and ISO/DQS 9001, and ISO 14000 certifications granted for the first time in this sector is a further proof of how much the company cares for people and environment.

**Fiscal Period of the Report:**

This report has been issued for the period 01.01.2023-31.12.2023

**Company Trade Registry Number and Contact Info**

**Headquarter address:** Ömerbey Mah. Bursa Asfaltı Cad. No:51 Mudanya / BURSA

**Tel:** +90 224 270 3000 **Fax:** +90 224 270 3024

**Branch Address:** Fulya Mah. Büyükdere Cad. Torun Center D Blok No: 74d İç Kapı No: 21 Şişli / İstanbul

**Tel:** +90 212 393 7700 **Fax:** +90 212 393 7762

**Trade Registry No:** M0153/Bursa Merkez

**Mersis No:** 086005137400023

**Web site:** www.prysmiangroup.com.tr

The Company's subsidiaries are detailed below:

<b>Subsidiaries</b>	<b>Activity</b>	<b>Core activity</b>
Türk Prysmian - Prysmian Powerlink DB. KAB.19 İşi Adi Ortaklığı	Sales	Sale of Power Cables

**1- BUSINESS SECTOR, VISION AND MISSION**

Prysmian Group is the world leader in the field of energy cables and systems as well as communication cables and systems. We are a multinational company that has been growing for more than a century in the sectors specialized in throughout the world and deeply rooted in all local markets.

Our vision is, while keeping inside alive the workforce which will help us to exhibit a creative and superior performance with our outstanding and innovative role, having an organizational structure that gives importance to openness and social responsibility, carrying on long term partnerships by providing customer satisfaction continuously, creating constant value for our shareholders and dedicating ourselves to improve the community's conditions, to be the industry leader in Turkey and in international platforms as a member of Prysmian Group. Our mission is to add value to our shareholders and to the sector by providing innovative, technologically advanced, high quality and safe products and services to our clients, business partners and the society in general, meeting all applicable standards.

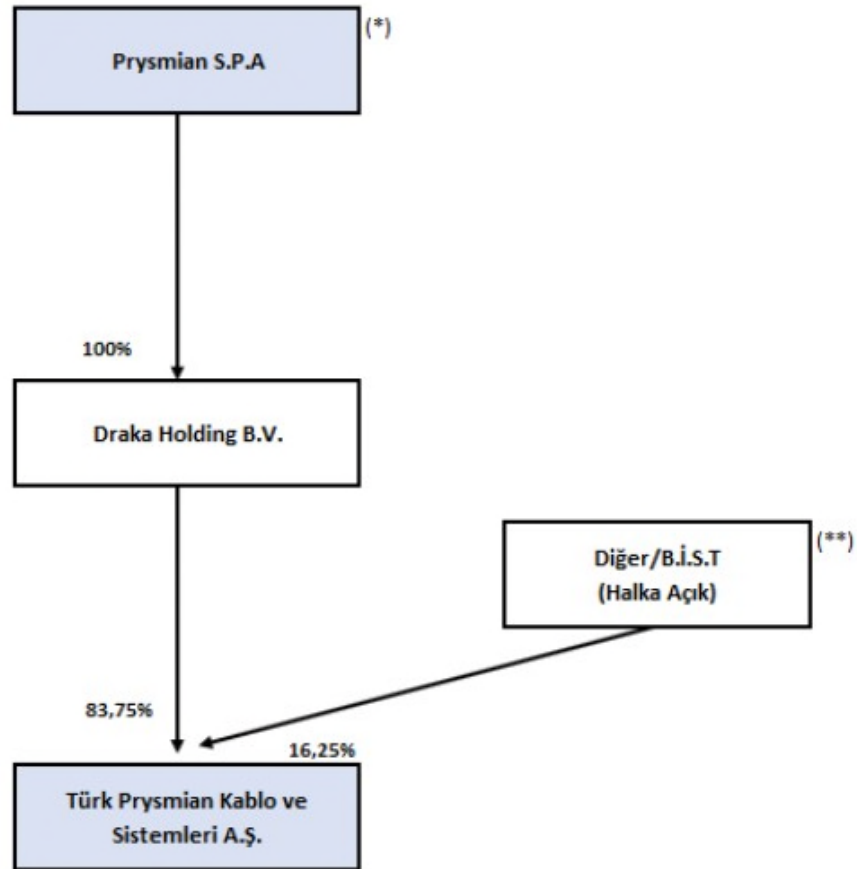


## 2- CAPITAL AND SHAREHOLDER STRUCTURE

Capital Structure of the Company as of 31.12.2023 is as follows:

Shareholders	%	TRY
Draka Holding B.V.	83.75	181,506,654
Other*:	16.25	35,226,998
<b>Authorized capital</b>	<b>100.00</b>	<b>216,733,652</b>

We do not issue privileged shares. Shares carry one vote per share.



**Final Partnership Structure as of 31.12.2023**

### 3- BOARD OF DIRECTORS AND COMMITTEES, COMMITTEE MEMBERS AND ORGANIZATIONAL STRUCTURE

Members of the Board of Directors as of 31.12.2023 are as follows:

<b><u>Board of Directors</u></b>	Chairman	Halil İbrahim KONGUR
	Vice Chairman	Ülkü ÖZCAN
	Board Member	RINKE KIEBOOM
	Board Member	GIACOMO SOFIA
	Board Member	Maria Cristina BIFULCO
	Independent Board Member	Mine AYHAN
	Independent Board Member	Banu UZGUR
	Independent Board Member	İsmet SU

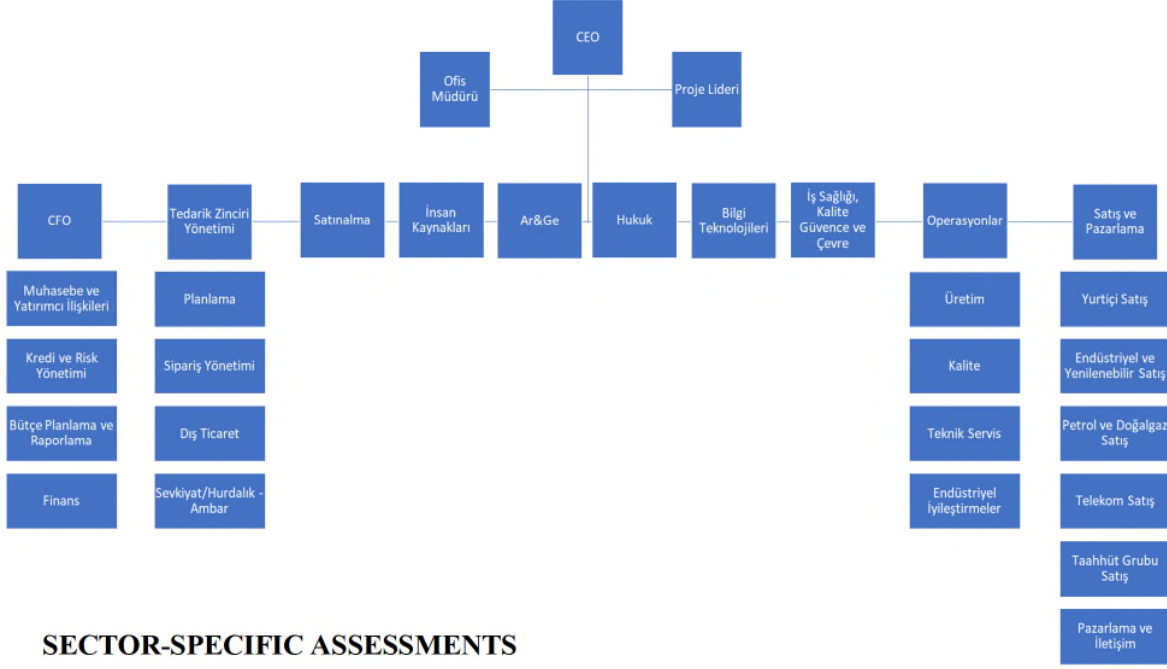
Committees formed as per the provisions of Communiqué on Corporate Governance (Serial: II, No: 17.1) published by Capital Market Board are stated below.

<b><u>Audit Committee</u></b>	Chairman	İsmet SU
	Committee Member	Banu UZGUR
	Committee Member	Mine AYHAN

<b><u>Early Detection of Risk and Risk Management Committee</u></b>	Chairman	Mine AYHAN
	Committee Member	Banu UZGUR
	Committee Member	İsmet SU

<b><u>Corporate Governance Committee</u></b>	Chairman	Banu UZGUR
	Committee Member	Mine AYHAN
	Committee Member	Ayşe Çiğdem ÇELİKBİLEK

## Organizational Structure



## SECTOR-SPECIFIC ASSESSMENTS

Global trade in goods and services, which shrank tremendously during the epidemic period and accelerated again after the epidemic, has been losing strength all over the world in recent years due to rising energy costs, increasing geopolitical developments, tightening financial conditions and therefore weakening global demand.

While global trade is losing strength; Despite all the regional risks, high inflation and energy crisis, the Turkish economy still grew by 5.5% in 2022. However, while we are struggling with a slowing economy, a seriously contracting construction sector, high real interest rates, an annual inflation rate of 64.3% in 2022, rising to 64.8% in 2023, and an unpredictable macroeconomic and social environment; On the other hand, the earthquake disaster we experienced on February 6; It has caused us to have a very difficult year for both the Turkish economy and the cable industry.

While Turkey is trying to heal the wounds of the great disaster, a new road map in the economy has been adopted, with the general elections held in the second quarter, the changing cabinet and the medium-term program announced, primarily aiming to support the earthquake region economically and socially and reduce inflation. The Turkish economy, which recorded a 3.9% growth in the second quarter following the earthquake disaster that killed more than 50 thousand people and damaged more than half a million buildings, still fell behind the 7.6% growth in the second quarter of the previous year. After a serious contraction in 2021 and 2022, the construction sector grew continuously in the first three quarters of 2023 and recovered compared to previous years.

While the reconstruction process that started in the earthquake zone and the increase in demand for urban transformation in cities with high earthquake risk, especially in Istanbul, are expected to give positive signals in terms of construction sector activities, the annual decline in housing sales accelerated after April and housing sales will reach the previous level in 2023. It decreased by 17.5% compared to 1 million 225 thousand 926.

2023 has also been a difficult year for the cable industry. Although the sector had a successful first half of the year; Problems such as insufficient demand in the domestic market in the second half of the year, falling prices, and delayed payments despite extended maturities led the cable industry to export. This trend in the domestic market is expected to worsen in 2024, and therefore the pressure on prices will continue. Cable sector exports have remained stable for the last two years at the level of 3 billion dollars, which is an important value for the Turkish economy. However, factors such as developments in export markets and embargo practices resulting from high regional geopolitical tension affect the export performance of companies. On the other hand, the fact that banks have tightened loans in financial markets and their appetite for lending has decreased significantly, and the loans that are available in limited amounts are at very high rates and these rates cannot meet the operating profitability of sector companies that already operate with very low profit margins, reveals a different unhealthy structure.

In addition to the uncertainty regarding the upcoming period, fluctuations in raw material, energy and logistics costs create serious pressure on the cable industry, which imports its raw materials. Due to the fact that metals such as copper, aluminum, and polymer materials such as PVC and polyethylene, which are among the main raw materials used in cable production, are traded in foreign currency, the fluctuation in exchange rates causes manufacturers to re-price pricing with each change. Therefore, it causes the contractor, distributor, project company and end users to work on the budget again each time. In a situation where most of the costs are in foreign currency and sales are in Turkish lira and deferred, such fluctuations negatively affect the sector.

Despite the recession in the world and in Turkey, the use of renewable energy resources in Turkey continues to increase day by day and therefore Turkey has become one of the important actors in the region in terms of energy, which also positively supports the development of the cable industry. While green economy, energy transformation and carbon reduction targets take their place in our lives as the most important issues on the agenda in business life; Companies in the sector that invest in new environmentally friendly products and systems, have a sense of responsibility towards the universe, focus on renewable energy projects that will benefit both the world and the industry, have a sustainability perspective, can develop commercial policies for climate change and focus on sustainability in all their work, are aware of global developments. will be the companies that are least affected and serve the sector in the longer term.

Features such as not endangering human life and property safety, improved performance against fire, and designed to transmit more data faster and in less space are sought in cables. Our country's leading cable manufacturers, producer associations and relevant official institutions and organizations have started a serious fight against non-standard cables. In order to live in a safer and more efficient world; Information activities are continuing to choose high-performance solutions that will bring advantage in total cost, to raise awareness in the sector about the use of correct cables, to carry out market surveillance and audit activities to ensure that the cables used in the market comply with the standards, and to raise awareness about the inconsistencies in the quality of some cables sold in Turkey.

### **R&D Activities**

Türk Prysmian Kablo aims to increase its competitive power in the energy and telecommunication cables industry, offering users of cutting edge technologies the opportunity to take the advantage of its leadership in innovation and development, and is working on efficient, effective, superior and eco-friendly products and system solutions. The Research & Development (R&D) Centre in Mudanya, both it is an R&D center approved by the Turkish Ministry of Industry and Technology and one of the 26 centers of Prysmian Group R&D family that plays a leading role internationally in cable production and material technologies. Owing to its comprehensive infrastructure and operations, Mudanya R&D Centre is also the pioneer of the Turkish Cable Industry.

Established on an area of 5 thousand square meters and comprised of 6 separate departments, the R&D Centre encompasses a Material Technologies Laboratory, a Burn Test Laboratory, an Energy Cable Testing Laboratory, a Telecom and Fiber Cables Testing Laboratory as well as a Design and Innovation Office and a Process Design and Prototype Development Office. The R&D Centre holds the TS EN ISO /IEC 17025 Standard "General Requirements for the Competence of Testing and Calibration Laboratories", and the Private Sector Burn Test Laboratory has been the first lab accredited by the Turkish Accreditation Agency (TURKAK) in Turkey to possess the infrastructure prescribed by "CRP - Construction Products Regulation".

As a result of its research and product development activities, Türk Prysmian Kablo, which is the first company in the Turkish Cable Industry to receive the CPR\* certificate and pioneers the sector with its expertise in this field, continues its CPR studies uninterruptedly. Cables with high-level CPR performance have been developed to meet the increasing CPR demands in the railway industry. The cables used in new generation power stations and modern substations, which come to the fore with renewable energy production, are required to have B and C CPR classes and high-level combustion performance. Similarly, the use of cables with high-level CPR performance is becoming widespread in petrochemical facilities. In order to respond to this demand, new CPR families were developed in

control, instrumentation and energy cable groups, certification studies were carried out and new export markets were reached.

Big data management issues are increasing in importance day by day. In this field, large data centers are being established in many countries. Studies on both energization and data transfer have been initiated to meet the needs of data centers. The demands in the European market are targeted in this sector.

In order to meet customer demands in different markets, alternative PVC material development solutions to the existing low smoke density and halogen-free LSOH material solutions have been completed. Tests in various safety classes for the newly developed low smoke density PVC have been completed with TSE. A patent application has been made for this product. In the railway sector, research and development activities were carried out and new product groups were developed in order to export cables to large markets such as America, Europe, Asia and Australia. Innovative product development efforts were continued by carrying out joint projects with the central R&D in fiber optic cable solutions.

Our R&D center continues its work intensively in the field of sustainability. A multi-layered study has been initiated for a more sustainable product. The carbon footprint of the products is calculated and new materials and technologies are researched to reduce it. All toxic products that harm the environment are monitored within the scope of REACH and RoHS and in candidate lists, and this information is used in material technologies, but the products on these lists are not used. Work on renewable energy cables and high-efficiency cables, which are important within the scope of sustainability, continues.

Increasing its investment in technology and innovation with its Mudanya R&D Center, Türk Prysmian Kablo aims to improve the competitiveness of our country by providing users with superior performance products along with technological innovations. In line with this vision, the first Turkish Republic in the cable industry. It has been operating in the R&D Center approved by the Ministry of Science, Industry and Technology since 2016. In addition to innovation and product development activities, Türk Prysmian Kablo, which has 7 Tübitak Projects completed at the end of 2021, also participated as a speaker in 1 international seminar. Close cooperation with universities continues to increase. In this context, our R&D personnel continue their master's and doctoral education. We have 9 ongoing projects as of 2022. Two seminar presentations were made at the university by our staff who are continuing their graduate education.

Türk Prysmian Kablo continues to produce innovative solutions that prioritize high performance, efficiency and security in its R&D Center. State-of-the-art, user-friendly, high-performance solutions are developed in energy, fiber and communication cables, with features suitable for a wide range of challenging geographies, environmental and usage conditions, according to the user and industry market. Among these developed solutions, special distribution signal cables, low voltage and fiber optic

cables for the petrochemical industry, minitube fiber optic cables, defense industry and wagon cables, explosion-resistant fiber optic and special cables for the petrochemical industry can be highlighted. Additionally, as a result of the importance Türk Prysmian Kablo attaches to product and test reliability, the number of national and international tests included in the scope of accreditation by the Turkish Accreditation Agency (TÜRKAK) has increased to 29 and scope development efforts are continuing.

### **2023 - Economic Evaluation**

2023 has been a year in which the world, including developed countries in the global economy, struggled with high inflation levels. Developed economies began to implement tight fiscal policies in order to control high inflation figures.

The Turkish economy is expected to complete 2023 with a growth rate of over 4%, thanks to the effects of expansionary monetary and fiscal policies in the first half of the year. It was noted that this rate will be the highest growth rate across OECD countries. Gross Domestic Product (GDP) increased by 5.9% in the third quarter of 2023.

In our country, Turkish Statistical Institute (TUIK) announced that monthly inflation was 2.93% in December. Annual inflation in 2023 was 64.77%. This was recorded as the highest annual inflation rate in Turkey in the last 22 years. On the other hand, the Domestic Producer Price Index (D-PPI) was 1.14% in December compared to the previous month; It increased by 44.22% in the last year and by 49.93% compared to the twelve-month averages. Annual changes in the four sectors of the industry; There was a 65.59% increase in mining and quarrying, a 53.68% increase in manufacturing, a 29.69% decrease in electricity and gas production and distribution, and a 66.97% increase in water supply.

2023 was a year in which two different economic policy sets were implemented. The first 5 months of 2023 were marked by expansionary monetary and fiscal policies and increasing market regulations. In the second half of the year, a gradual tightening of monetary policy was observed. In the first half of 2023, the CBRT's interest rate cuts continued and the policy rate decreased to 8.5%. After the general elections, in line with the policies implemented with the new economic management, the interest rate was increased by 34% in the last 6 months and the policy rate was increased to 42.5% at the end of 2023. After the increase in the policy interest rate, deposit and loan interest rates also increased sharply.

In 2023, the population of Turkey increased by 92 thousand 824 people and reached 85 million 372 thousand 377. The annual population growth rate was announced as 1.1 per thousand.

## **2024-Economic Expectations**

Inflation and low growth expectations are expected to continue in global economies in 2024. As a result of the implemented monetary policies, a lower global GDP growth is maintained due to tighter financial conditions, weak trade growth and lower job and competitive security. It is considered that interest rate cuts in the USA and Europe will come to the fore as of mid-2024. However, on the other hand, it is observed that geopolitical risks have increased in recent years, in addition to the current tight monetary policies. The recent ruptures in the Middle East, increased transportation conditions and conditions due to security risks in the Suez Canal, and the ongoing Russia-Ukraine tension are listed as broadly risky for the world economies in 2024. All these risks are taken into consideration and both inflation developments and interest rate cuts are shaped according to these developments.

According to the OECD report, global GDP is expected to be 2.7% in 2024. It is estimated that the world economy will grow by 3% in 2025 as inflation declines further and real incomes strengthen. Global growth remains largely dependent on fast-growing Asian economies.

At the CBRT's recent Inflation Report Information Meeting, it was announced that although the 2024 year-end inflation rate was kept at 36%, its forecasts had various upward variations compared to the previous Inflation Report. Wage increases come first in this process. In addition, food prices and the gap arising from import prices in TL are among the factors expected to have an upward effect on inflation, according to the previous report. The reason why the CBRT did not change its inflation forecast is attributed to the fact that the main injection records declined faster than their predictions. Moreover; CBRT management expects capital accumulation in 2025 to be 14%; He also announced the 2026 cycle as 9%.

The main message that stood out at the meeting was that even though the interest rate increase debate has come to an end; Additional tightening policy was also emphasized in case of deviations regarding inflation prices, pricing increase, public expenditure-tax policy, wages and private consumption. In this context, it is expected that the policy rate will be maintained at 45% in the coming period and that macroprudential practices will be implemented in line with other systems for disinflation, and confidence in TL assets will increase as a result of the determined determination to fight inflation.

GDP growth volume in 2024 is at 3.4% according to the latest survey results. GDP growth distribution for 2025 is determined as 3.9%. OECD increased Turkey's growth forecast from 2,7% to 2,9% for 2024. OECD's growth forecast for Turkey for 2025 was updated to 3.1%. T.R. In the Medium Term Program Targets reports of the Ministry of Commerce, GDP Real Growth is predicted to be 4.4% for 2023, 4.0% for 2024 and 4.5% for 2025, respectively.

The process of monetary tightening continues with a delay to the economy, the macroprudential policy set, which continues the simplification process, will have an impact on all macroeconomic variables



that markets operate based on the new balance, especially in interest rates. Annual inflation is expected to decline after the middle of the year due to base results.

In 2024, the elections in many countries, especially in the USA, are dominant in the ruling party, where the direction of the global markets will have important and critical consequences. Finally, one of the biggest threats to the world will continue to be global warming. The general need to be alive to combat the climate crisis is; Expansion of fossil fuels such as oil, coal and natural gas will be followed by expansion and replacement with cleaner energy sources such as solar and wind.

### **Summarized Activity Results**

## CONDENSED BALANCE SHEET

	<b>Independent Audit Completed 31 December 2023</b>	<b>Independent Audit Completed 31 December 2023</b>
Current assets	4,905,618,606	5,589,684,668
Non-current assets	915,398,408	1,047,833,241
<b>Total assets</b>	<b>5,821,017,014</b>	<b>6,637,517,909</b>
	4,605,744,205	5,281,441,131
Short-term liabilities		
Long-term liabilities	151,582,764	80,090,942
	1,063,690,045	1,275,985,836
Equities		
<b>Total Liabilities</b>	<b>5,821,017,014</b>	<b>6,637,517,909</b>

## CONDENSED INCOME STATEMENT

	<b>1 Ocak- 31 Aralık 2023</b>	<b>1 Ocak- 31 Aralık 2022</b>
Revenue	12,472,610,556	13,829,947,641
Costs of sales (-)	(11,281,971,218)	(12,815,442,181)
<b>Gross profit</b>	<b>1,190,639,338</b>	<b>1,014,505,460</b>
Operating Costs	(1,163,584,840)	(1,231,464,624)
<b>Operating profit</b>	<b>27,054,498</b>	<b>(216,959,164)</b>
Income from investment activities	5,709,820	11,892,011
Operating profit before financing income/(expense)	32,764,318	(205,067,153)
<b>Financing income/(expense)</b>	<b>(103,089,893)</b>	<b>87,891,746</b>
Profit before tax	(70,325,575)	(117,175,407)
Tax income/(expense)	(16,535,460)	(61,377,950)
Period Profit / (Loss)	(86,861,035)	(178,553,357)

Our net loss for the operating period of 1 January - 31 December 2023 was (86,861,035) TL.

## 5-FINANCIAL SOURCES OF THE COMPANY

Funds from business operations are used as financial sources for the company, As of 31 December 2023, a total of 173,049,052 TL short-term loans are available in the balance sheet, Export credit commitments payable of the company is USD 20,767,853 as of December 31, 2023.

## Basic Ratios

	<b>31 Aralık 2023</b>	<b>31 Aralık 2022</b>
Current Ratio (Current Assets/Short-term liabilities)	1.07	1.06
Total Liabilities/Total Assets	0.82	0.81
Total Liabilities/Equity	4.47	4.20

	<b>1 Ocak- 31 Aralık 2023</b>	<b>1 Ocak- 31 Aralık 2022</b>
Gross Profit/Net Sales	9.55%	7.34%
Operating Profit/Net Sales	0.22%	(1.57)%

## 6- EXPECTATIONS FOR THE NEXT QUARTER

As Türk Prysmian Kablo, our expectation for 1Q 2023 affects copper purchases due to macroeconomic dynamics in Turkey and the Russia-Ukraine conflict, While the construction sector deteriorated, inflation hit a 24-year peak, High exchange rate volatility and interest rates cause financial costs to increase, The domestic market is more competitive and price pressure continues, The solar energy industry continues to rise, We expect revenue to increase by 40-50% in 1Q 2023, We expect the EBITDA margin to be around 3.9 – 4.2%,

## 7- CORPORATE GOVERNANCE COMPLIANCE REPORT

### 1- Corporate Governance Compliance Report

Having more than 50 years of history in Turkey, As Türk Prysmian Kablo ve Sistemleri A,Ş, is one of the leading and most experienced companies in its sector,

As from its establishment, together with its Board of Directors and Executive Management, it has adopted the corporate structure and governance principles in its relations with the Company's shareholders, and relevant stakeholders, The company is committed to shape its structure and management style in accordance with

guidelines specified in Corporate Governance Principles of Capital Market Board, Moreover, since Türk Prysmian Kablo ve Sistemleri A.Ş., is operating under the roof of the Prysmian Group, which has a worldwide network system and business operations, Türk Prysmian is also subject to the corporate governance principles of the Prysmian Group.

The Company, at all times, carries out business in consciousness of its social responsibilities as regards to relations with the public, customers and suppliers and by adhering to ethical values of the business world, and aims to enhance its studies and activities in this respect.

Türk Prysmian Kablo, the leading company of the cable sector, which has been making contributions to Turkish capital markets and the Turkish economy, has been the 23rd company in 2009 to be included in the prestigious Corporate Governance Index of Borsa İstanbul A.Ş., ("Borsa İstanbul"), which reflects the company's corporate value, as the result of rating research that was executed by SAHA Corporate Governance and Credit Rating Services Inc, (www.saharating.com) as per the Corporate Governance Principles of Capital Markets Board (CMB), by receiving a Governance Management rating of 7.76 out of 10 (77.58%).

<b>Borsa İstanbul Corporate Governance Rating</b>		
<b>Main Sections</b>	<b>Weighted</b>	<b>Rating (%)</b>
Shareholders	25%	95.95%
Public Disclosure And Transparency	25%	98.41%
Stakeholders	15%	98.14%
Board of Directors	35%	92.03%
<b>Total</b>	<b>100%</b>	<b>95.52%</b>

In 2023, Türk Prysmian Kablo, in line with the notification of the Capital Markets Board regarding the amendment of the Communiqué on the Determination and Implementation of Corporate Governance Principles, Serial: IV No: 63, published in the Official Gazette dated 22.02.2013 and numbered 28567, " SAHA Corporate Governance and Credit Rating Services Inc., which carries out corporate governance rating activities in Turkey with the Capital Markets Board (CMB) license under the main headings of "Shareholders, Public Disclosure and Transparency, Stakeholders and Board of Directors". According to the evaluation results made by the Company, it has continued to maintain its compliance with the relevant values and its adequacy compared to the previous year and has once again documented its compliance with the relevant values, with a Corporate Governance score of 9.55 out of 10 (95.52%). While making this evaluation, we acted within the scope of the methodology determined by the CMB and changed with new regulations. While the fulfillment of the elements

required to be complied with in the corporate governance principles was previously scored as a ceiling score of 100, in the new methodology this ceiling is limited to 85. With this change, only companies that made improvements in addition to the mandatory elements could be rated above 85. Türk Prysmian Kablo Sistemleri A.Ş. While it is proud of being one of these companies, it has continued its upward trend since 2009 with a score of 95.52.

You can view the full Corporate Governance Report in our web site ([www.prysmiangroup.com.tr](http://www.prysmiangroup.com.tr)) under the category of "Investor Relations" and "Corporate Governance" tab.

In the operating cycle ending as of December 31, 2023, the Company complied with the Corporate Governance Principles published by the Capital Market Board and conducted its activities by adopting these principles with the exception of the following;

- Representation of Minority Shares in the Board of Directors
- Management of Cumulative Voting Rights

The particulars and grounds of non-compliance are clarified in the relevant sections of the report,

**Governance Structure:** Based on the main parts of the Corporate Governance Principles set out by the CMB, the works carried out by the company during the relevant period, along with other efforts and practices, are detailed herein below:

## **PART I - SHAREHOLDERS**

### **2- Shareholder Relations Unit**

To facilitate the follow-up of shareholder rights, the company operates a "General Accounting & Investor Relations Service" affiliated to "Financial Affairs Department", Contact info of executives in Shareholder Relations Unit are given below:

<b>Name</b>	<b>Title</b>	<b>Phone:</b>	<b>E-mail</b>
Mirko Beretta	Financial Affairs Director	(224) 270 3082	tpks@prysmiangroup.com
Ayşe Çiğdem Çelikkilek	Investor Relations Manager	(224) 270 3000	tpks@prysmiangroup.com

The primary duty of this unit is to ensure that shareholders exercise their rights in compliance with the legislation, Articles of Association and other in-house regulations and to take all measures that will enable the

shareholders to exercise such rights, Major duties of the unit are as follows:

- a) Keeping records of shareholders in a proper, secure and up-to-date manner,
- b) Responding to shareholders' oral or written queries for information regarding the company, excluding undisclosed information that is considered confidential and trade secret,
- c) Ensuring that the General Assembly meeting is conducted in accordance with applicable legislation, Articles of Association and other in-house regulations,
- d) Preparing documents to be used by shareholders during General Assembly meeting,
- e) Keeping records of voting results and ensuring that all reports related to resolutions of the General Assembly Meetings are delivered to shareholders,
- f) Observing and monitoring all issues regarding public disclosures, including applicable legislation and the company's disclosure policy,
- g) Carrying out activities for compliance with capital market principles,
- h) Carrying out activities concerning relations with investors,

Oral or written information requests addressed to this unit, are responded in the shortest time possible and without discrimination among shareholders, and to the extent permitted by the disclosure policy of the company, and excluding information that is considered confidential or trade secret, as per the Capital Markets Legislation, Regulations and Resolution of Capital Market Board,

In 2023, no oral/written complaint regarding exercise of shareholders rights has been directed to our unit or there is no administrative/legal proceeding instituted against our Company regarding the matter concerned to the best of our knowledge.

### **3- Exercise of Rights by the Shareholders to Obtain Information**

During the relevant period, we received requests from the shareholders as regards to attendance in the General Assembly, distribution of dividends, and information requests on other matters, As such requests were generally made on the phone, statistically; it was not possible to quantify the requests and the responses given to such requests, We made our best to timely respond to the information requests from shareholders within 2023 in line with Capital Market Legislation, and Regulations and Resolution of CMB.

In its relations with the shareholders and in general, with the finance community, the Company, being conscious of reciprocal roles, makes utmost effort, at all times, to establish active and transparent dialogue with its shareholders and corporate investors.

Investor may view information on our company in our web site [www.prysmiangroup.com.tr](http://www.prysmiangroup.com.tr) , and direct any

further enquiries to the following email, phone and fax numbers,

E-mail: [tpks@prysmiangroup.com](mailto:tpks@prysmiangroup.com) Phone: (0224) 270 30 00 Fax: (0224) 270 30 24

In the Company's Articles of Association, there is no reference permission given for appointment of an individual auditor; no demand was made during the operating cycle for appointment of a special auditor.

#### **4- Information about the General Assembly**

The General Assembly convenes ordinary and extraordinary. The Ordinary General Assembly can be convened at the company headquarters (Mudanya) or in Istanbul within 3 months following the company accounting period. Meetings can be monitored by stakeholders and the media.

An ordinary general assembly meeting (March 29, 2023) was held at the company headquarters in 2023. Shareholders representing over 83.75% of the shares attended this meeting.

Shareholders are invited to General Assemblies by announcement, provided that the meeting place, time and agenda are notified. The invitation is made at least 3 weeks in advance, taking into account the regulations of the Capital Markets Board. The day of the invitation and the day of the meeting are not taken into account. In addition, the agenda regarding the invitation, a copy of the power of attorney, and amendments to the articles of association, if any, are announced in the Trade Registry Gazette.

Shareholders can attend the General Assembly Meeting in person, physically or electronically, or through their representatives. Participation in the General Assembly electronically is possible with secure electronic signatures of shareholders or their representatives. For this reason, shareholders who will make transactions in EGKS must first register with Central Registry Agency A.Ş. In addition to registering to the (MKK) e-MKK Information Portal and recording their contact information, they are also required to have a secure electronic signature.

Shareholders are given the opportunity to express their opinions and ask questions under equal conditions. Shareholders or other interested parties who wish to speak on the agenda item being discussed must notify the meeting chairmanship. The Presidency announces the people who will speak to the general assembly and gives the right to speak to these people in the order of application. If the person whose turn it is to speak is not present at the meeting place, he loses his right to speak. Speeches are made addressing the general assembly from the place reserved for this purpose. People can change their speaking order among themselves. If the speaking time is limited, a person whose turn it is to make his speech may continue his speech when the speaking time expires, but only if the first person to speak after him gives the right to speak, provided that he completes his speech within that person's speaking time. Talking time cannot be extended in any other way.

The chairman of the meeting may give the floor to the members of the board of directors and the auditor who



want to make a statement about the topics discussed, regardless of their order.

The duration of the speeches is decided by the general assembly, upon the proposal of the chairman or the shareholders, according to the intensity of the agenda, the number and importance of the issues to be discussed and the number of people who want to speak. In such cases, the general assembly decides, by separate votes, first whether the speaking time should be limited and then what the duration should be.

The chairman of the meeting ensures that all questions asked by the shareholders at the general assembly meeting and that are not within the scope of trade secrets are answered directly at the general assembly meeting. If the question asked is not related to the agenda or is too comprehensive to be answered immediately, the question asked will be answered in writing by the Investor Relations Unit within 30 business days at the latest. In case of such a situation, the Chairman of the Meeting explains this opportunity to the shareholder who asked the question and informs the shareholder that the answer will be given later.

**As stated in the articles of association, the General Assembly has the authority to take the following decisions;**

- Acceptance of the reports of the Board of Directors and the Board of Auditors,
- Examining and approving the balance sheet, profit and loss accounts, using the resulting net profit and determining the company's profit policy and profit distribution in accordance with this policy,
- Determination of the number of members of the Board of Directors, their election, expulsion, dismissal and reappointment and determination of their salaries,
- Determination of the number of auditors, their selection and determination of their fees.

**Carrying out the following activities is subject to the prior or, if necessary, subsequent approval and acceptance of the General Assembly:**

- Annual investment and financing plan prepared by the Board of Directors,
- Buying and selling of real estate and establishing a mortgage on company real estate,
- Establishing branches and partnerships (subsidiary branches) and acquiring or selling affiliates,
- Moving to new manufacturing areas,
- Other works and transactions determined by the Turkish Commercial Code.
- Shareholders, over the years, can access the General Assembly minutes and Attendance Lists from the Company's headquarters, from the relevant section under the "Investor Relations" heading on the Company's website ([www.prysmiangroup.com.tr](http://www.prysmiangroup.com.tr)) and from the website within the scope of KAP (Public Disclosure Platform) ([www.kap.gov.tr](http://www.kap.gov.tr)) or from the Trade Registry Gazette archive at Bursa

Trade Registry Office.

## **5- Voting and Minority Rights**

None of the shareholders of Türk Prysmian Kablo ve Sistemleri A.Ş. has a preferential or privileged voting right, and all votes are of equal value. Minority Rights: Regulated according to the relevant articles of the Turkish Commercial Code.

Shareholders may have themselves represented at the General Assembly through other shareholders or third parties, but the CMB's regulations regarding voting by proxy are reserved.

In order to ensure that minority shareholders send representatives to the Board of Directors, the cumulative voting method is not included in the articles of association. Since there is no general tendency to use cumulative voting in corporate practice yet, it has not been possible to observe the drawbacks or benefits of the method.

## **6- Dividend Policy and Profit Distribution Time**

There is no privilege regarding participation in the company's profits, and the Profit Distribution Policy is as follows;

*Company passes its resolution to distribute dividend in the direction of Company's long-term financial state including its investment and financial needs and market projections, pursuant to the provisions of the Turkish Commercial Code, Capital Market Law, Tax Law and related legislation, and provisions of Articles of Association relating to profit distribution, The dividend policy of the Company is based on consistently balancing the interests of the shareholders and the Company,*

*The General Assembly shall determine the dividend to be distributed, form and time of distribution upon relevant proposal drawn up by the Board of Directors in accordance with the Capital Market Law,*

*Dividend shall be distributed equally to all of the shares existing as of the date of distribution, regardless of their dates of issuance and acquisition,*

*No real person is entitled to receive privileged share from the Company's distributable profit."*

## **7- Transfer of Shares**

If there is no provision restricting the transfer of shares in the articles of association and one of the shareholders wishes to transfer their registered shares partially or completely, the transfer and registration of shares is carried out in accordance with the provisions of articles -490-491 of the Turkish Commercial Code.

## **PART II - PUBLIC DISCLOSURE AND TRANSPARENCY**

### **8- Company's Disclosure Policy**

Communication with external sources regarding documents and information about the company - always in agreement with the General Manager - is carried out by the Public Relations function in terms of communication with the press, and by the Investor Relations Management in terms of corporate investors, competent authorities and shareholders.

The company is committed to providing equal treatment to all categories of shareholders, avoiding any preferential treatment. The company answers all questions, excluding those classified as trade secrets, in accordance with the principles of fairness and impartiality, and establishes constant communication between the management and shareholders in accordance with the legislation.

**Disclosure policy** is disclosed for the first time to public in the Company's activity report accompanied by Corporate Governance Report for the year 2004, In 2010, the definition of "Trade Secret" is added to the policy and approved by the General Assembly, and the **Disclosure Policy** revised and updated in 2014 is disclosed to the public in the "Investor Relations" section of the Internet Site.

### **9- Declaration of Special Status**

Number of Declarations Issued on Special Status in 2023: 33

Number of Additional Declaration Requests made by the CMB and Borsa Istanbul: None

There is no sanction (written warning) applied by the Capital Market Board or Borsa Istanbul against failure to provide declaration on special status in time.

Since the company shares are not quoted abroad, no special status declaration has been made at a stock exchange, other than Borsa Istanbul.

### **10- Company's Internet Site and Content**

Investors can find relevant published documents, such as the Company's Annual Report and Code of Ethics, in both Turkish and English on our website ([www.prysmiangroup.com.tr](http://www.prysmiangroup.com.tr)). The Company actively uses the Company's Corporate Website, as prescribed by the CMB Corporate Governance Principles, in order to maintain its relations with shareholders more effectively and quickly and to be in constant communication with shareholders. The information on this site is constantly updated under the responsibility of the Investor Relations Unit. The information on the Company's Corporate Website has the same content as the statements

made within the framework of the relevant legislation provisions and does not contain contradictory or incomplete information.

On the Company's Corporate Website; In addition to the information required to be disclosed in accordance with the legislation; At least the last five years of information covering the following topics are presented to investors on the Company's Corporate Website:

- Trade register information, up-to-date final shareholder structure,
- Latest status of Board members and top level executives,
- Latest status of the Company's Articles of Association (AOA) and date / number of the Trade Registry Gazette where the amended form of the AOA is published,
- Board of Directors resolutions,
- Board of Director committees,
- Activity reports,
- Declaration of Special Status,
- Corporate Governance Observance Report,
- Code of Ethics
- List of Attendance, agenda and minutes of General Assembly meetings, proxy format,
- Periodical financial tables and independent audit reports,
- Company Policies,
- Public offering explanations and circulars,
- News and frequently asked questions,

#### **11- Disclosure of the Persons Having Potential for Insider Trading**

No Türk Prysmian Kablo ve Sistemleri A.Ş. An employee cannot engage in activities that will generate profit by buying and selling shares of Türk Prysmian Kablo ve Sistemleri A.Ş. based on inside information received due to his/her duty.

The names of the Company's Board Members, auditors and other employees working in senior management are stated in the Activity Reports and in the Investor Relations section of the Website.

People who have insider information as of 31.12.2023 are shown below;

<b>EXECUTIVE MANAGEMENT:</b>	
<b>Halil İbrahim Kongur</b>	Board Chairman
<b>Ülkü Özcan</b>	Board Vice Chairman & General Director
<b>Rinke Kieboom</b>	MEAT Region CFO & Board Member
<b>Maria Cristina Bifulco</b>	Board Member
<b>Giacomo Sofia</b>	Board Member
<b>Mine Ayhan</b>	Independent Board Member
<b>Banu Uzgur</b>	Independent Board Member
<b>İsmet Su</b>	Independent Board Member
<b>Mirko Beretta</b>	Financial Affairs Director
<b>İbrahim Etem Bakaç</b>	Domestic Sales Director
<b>İ.Bertan Bilgin</b>	Factory Direktor
<b>Ufuk Çolak</b>	Oil & Gas Sales Director
<b>Francesco Caputo</b>	Human Resources Director
<b>Berk Yengin</b>	Utilities and Contracting Sales Director
<b>Gamze Keçeci</b>	Purchasing Director
<b>Mert Erden</b>	Industrial and Renewables Director
<b>Tamer Yavuztürk</b>	Marketing and Business Intelligence Direktor
<b>Murat Tezcan</b>	Export Sales Director
<b>Cansu Yitmen</b>	Legal Affairs Director
<b>İdris Çolakgil</b>	Information Technologies Director
<b>Halil Erbi</b>	Accounting Manager
<b>Erdinç Yüksel</b>	R&D Director
<b>Nedim Yıldız</b>	Quality Manager
<b>Pınar Taşçı</b>	Telecom Sales Director

<b>TAX AUDIT COMPANY: (Mazars-Denge Yeminli Mali Müşavirlik A,Ş,)</b>	
<b>Şevki Boran</b>	Certified Public Accountant
<b>Osman Bacanlı</b>	Certified Public Accountant

<b>INDEPENDENT AUDIT COMPANY: (PWC Bağımsız Denetim ve SMMM A,Ş,)</b>	
<b>Özgür Beşikçioğlu</b>	Cap Auditor
<b>Burcu Usta</b>	Auditor

<b>OTHERS:</b>	
<b>İsmail Çınar Ergin</b>	Designer (Aristo İletişim Danışmanlığı ve Reklam Tic, Ltd, Şti,)

### **PART III - STAKEHOLDERS**

#### **12- Notification of Stakeholders**

The basic management principles that regulate the relations between the Company's Executive Management, shareholders, officers and third parties (customers, suppliers and any person or organization with which the Company has a relationship) are stated below.

**Integrity:** With all our efforts, we strictly adhere to the principles of integrity in all our commercial activities, our relationships with our customers, employees, shareholders and other companies, organizations and organizations.

**Reliability:** We provide clear, rational and accurate information to our customers, shareholders and officers and provide all our services as required by our commitments.

**Impartiality:** We do not act with prejudice against our customers, suppliers, employees and shareholders based on gender, religion, language, race or ethnic origin, and we do not discriminate in any case.

**Compliance:** We respect all laws, regulations and standards.

**Privacy:** We do not share information regarding the details of transactions regarding our shareholders, customers, suppliers, employees and business partners with any person or organization, except for legally permitted authorities.

**Transparency:** Except for information that is considered a trade secret and has not yet been disclosed to the public, we disclose information about the Company, whether of a financial nature or not, to the public as required, in an accurate, complete, rational, interpretable and accessible manner and in accordance with the relevant legislation. .

**Social Responsibility:** We take into consideration issues such as social benefits, improvement of the sector and maintaining reliability in the sector in which the Company operates, as well as the image of the Company and the benefits it will receive, and we respect the regulations regarding the environment, consumer and public health in all our efforts, practices and investments. Stakeholders are informed through the company website and special event disclosure notification through Borsa Istanbul. In addition, the agenda of the shareholders meeting is notified to the participants through the Trade Registry Gazette and the decisions taken are explained clearly and distinctly in the Trade Registry Gazette. In addition, the CMB, the Ministry of Industry and the Undersecretariat of Treasury are also informed and the relevant permits are obtained by the Company from the above-mentioned authorities. Again, public announcements regarding the General

Assembly meetings are announced through one of the local newspapers and one of the national newspapers. In addition, Company employees are informed through the intranet system, general announcements via e-mail and annual information meetings.

**Please See:** Article 8 - Company's Disclosure Policy

**Please See:** Information on Prysmian Group Values and Ethical Code are available on <https://tr.prysmiangroup.com/tr/etik-degerler> / Article 9 – Disclosure Policy

### **13- Participation of Stakeholders in the Management**

Participation of stakeholders in management; Provided that they remain within the scope of CMB legislation, meetings are held with shareholders at the general assembly, with suppliers at supplier meetings, with customers at customer visits and dealer meetings, and with employees at least twice a year, where company activities are evaluated and company goals and strategies are shared, and feedback is received. . In addition, teamwork is encouraged and project groups are formed for the Company's employees in order to improve the current way of doing business and business processes.

### **14- Human Resources Policy**

The Human Resources policy has been disclosed to the public in the "Investor Relations" section of the Company's website. The company provides meals and travel assistance to all staff. In addition, health insurance is provided to white-collar personnel.

**Please See:** Prysmian Group Values and Code of Ethics / Article 6 - Human Resources

### **15- Information regarding Relations with the Customers and Suppliers**

**Please See:** Prysmian Group Values and Code of Ethics / Article 4 – Customers

### **16- Social Responsibility**

Türk Prysmian Kablo ve Sistemleri A.Ş. has had the ISO 14001 Environmental Management System certificate since 1997. Within the framework of the ISO 14001 Environmental Management System, the environmental impacts of all services received and activities carried out by our Company are determined, and

studies are constantly carried out to eliminate or minimize these impacts. All these works are carried out by Türk Prysmian Kablo ve Sistemleri A.Ş. as determined by the senior management. It is carried out with the philosophy of continuous improvement, in line with the Environmental and Occupational Safety Policy. It also produces projects that will save energy within the scope of ISO 50001 Energy Management System.

Legal obligations regarding the environment are constantly monitored and fulfilled. Türk Prysmian Kablo ve Sistemleri A.Ş. has all legal permits regarding the environment. These permits can be listed as Emission Permit, Wastewater Quality Control License, Opening License for Class 1 Non-Sanitary Establishments and Temporary Storage Permit for hazardous wastes. The activities carried out by Türk Prysmian Kablo ve Sistemleri A.Ş. are not within the scope of the Environmental Impact Assessment (EIA) Regulation. There is an official letter from the Bursa Governorship Provincial Directorate of Environment and Forestry, which is the competent authority on this matter, stating that our company is not subject to preliminary EIA research. Our company has had ISO 27001:2013 Information Security Management System Certificate since 2015.

No lawsuit has been filed against our company due to environmental pollution. Our company ensures the recycling of all waste generated by it, in accordance with the relevant regulations within the scope of Environmental Legislation, where possible, and its disposal when recycling is not applicable. Our company has a Basic Level Zero Waste Certificate dated 2020.

Our company has published its 2021 and 2022 Sustainability Reports.

Our company fulfills its sustainability commitments and Prysmian Group principles by supporting social, cultural and some sports activities and from time to time with in-kind and cash donations and participation to public institutions and organizations.

See Article 12 - Informing Stakeholders / Social Responsibility

See Prysmian Group Values and Code of Ethics / Article 5 - Society and Article 7 - Environment

## **PART IV - BOARD OF DIRECTORS**

### **17- Structure, Formation and Independent Members of the Board of Directors**

It is stated in the Articles of Association of our Company that the duties and responsibilities of the Board of Directors are subject to the basic provisions determined in accordance with the Turkish Commercial Code and the regulations in the Articles of Association. The appointment, re-election, evaluation and separation of the Members of the Board of Directors are made in accordance with the provisions of the Company's Articles of Association and the Turkish Commercial Code.



## Structure of The Board Of Directors

POSITION	MEMBERS	EXECUTIVE	NON-EXECUTIVE	INDEPENDENT
Chairman	Halil İbrahim Kongur		X	
Vice Chairman	Ülkü Özcan	X		
Member	Rinke Kieboom		X	
Member	Maria Cristina Bifulco		X	
Member	Giacomo Sofia		X	
Member	Mine Ayhan			X
Member	İsmet Su			X
Member	Banu Uzgur			X

POSITION	MEMBERS	FIRST APPOINTMENT	LAST APPOINTMENT
Chairman	Halil İbrahim Kongur	30,03,2012	29,03,2023
Vice Chairman	Ülkü Özcan	01,06,2021	29,03,2023
Member	Rinke Kieboom	29,03,2023	29,03,2023
Member	Maria Cristina Bifulco	08,07,2020	29,03,2023
Member	Giacomo Sofia	29,03,2023	29,03,2023
Member	Mine Ayhan	30,03,2020	29,03,2023
Member	İsmet Su	30,03,2018	29,03,2023
Member	Banu Uzgur	30,03,2018	29,03,2023

### 18- Qualifications of Board Members

Age Profile of Board Members;

AGE GROUP	18-30	31-40	41-50	51-60	61-65	66-70	71 and Over:
Number of Persons	-	-	2	4	1	1	-

Board of Directors; It consists of members who have the knowledge and skills to understand and analyze financial statements, the legal knowledge necessary to carry out the daily business and long-term activities of the Company, and the knowledge and skills to express opinions in different areas of expertise regarding

company management. Members of the Board of Directors are highly educated individuals who are knowledgeable about the Company's field of activity and management, and have gained experience by working in the private sector.

The number and qualifications of the independent members who will serve on the board of directors have been determined in accordance with the regulations of the Capital Markets Board regarding corporate governance. Members of the Board of Directors were elected by the General Assembly of the company in accordance with the provisions of the Capital Markets Legislation, Turkish Commercial Code and the Company's Articles of Association. All independent members of the Board of Directors consist of persons resident in Turkey in accordance with the Income Tax Law.

In addition, the statements of independent board members regarding their independence are as follows:

### **Declaration of Independence**

Türk Prysmian Kablo ve Sistemleri A.Ş. Since I was elected to the Board of Directors as an "Independent Member", the Capital Markets Board Corporate Governance

In accordance with its principles;

- Türk Prysmian Kablo ve Sistemleri A.Ş., one of the related parties of Türk Prysmian Kablo ve Sistemleri A.Ş. or Türk Prysmian Kablo ve Sistemleri A.Ş. In the last five years, there has been no direct or indirect employment, capital or significant commercial activity between myself, my spouse and my relatives by blood and marriage up to the third degree, and the legal entities with which the shareholders holding a direct or indirect share of 5% or more in the capital are related in terms of management or capital. the relationship is not established,
- In the last five years, all or a certain part of the activities and organization of Türk Prysmian Kablo ve Sistemleri A.Ş., within the framework of agreements made, especially with the companies that audit, rate and consultancy of Türk Prysmian Kablo ve Sistemleri A.Ş. I do not work and do not serve as a board member in companies that carry out
- I have not been a partner, employee or board member of any of the companies that provide significant services and products to Türk Prysmian Kablo ve Sistemleri A.Ş. in the last five years,
- Türk Prysmian Kablo ve Sistemleri A.Ş. I do not have more than 1% share in its capital and these shares are not privileged,
- I have the professional training, knowledge and experience to properly fulfill the duties I will undertake as an independent board member,
- I do not work full time in public institutions and organizations,
- I am settled in Turkey according to the Income Tax Law,
- I have strong ethical standards, professional reputation and experience that can make positive contributions to the activities of Türk Prysmian Kablo ve Sistemleri A.Ş., maintain my impartiality in conflicts between partners, and make decisions freely by taking into account the rights of stakeholders,

## I submit it to the information of interested parties.

**BAĞIMSIZLIK BEYANI**  
Tarih: 25.01.2023

Türk Prysmian Kablo ve Sistemleri A.Ş. Yönetim Kurulu'na mevzuat, esas sözleşme ve Sermaye Piyasası Kurulu tarafından düzenlenen 17.1 sayılı Kurumsal Yönetim İlkeleri Tebliği kapsamında "Bağımsız Üye" sıfatıyla görev yapmaya hazır ve aday olduğumu ve aday gösterilmemi dolayısıyla Sermaye Piyasası Kurulu Kurumsal Yönetim İlkeleri Tebliği maddesi 4.3.7 maddesi:

a) Türk Prysmian Kablo ve Sistemleri A.Ş., Türk Prysmian Kablo ve Sistemleri A.Ş.'nin yönetim kontrolünü ya da önemli dersekte elini sahibi olduğu ortaklar ile Türk Prysmian Kablo ve Sistemleri A.Ş.'nin yönetim kontrolünü elinde bulundurmayan veya Türk Prysmian Kablo ve Sistemleri A.Ş.'de önemli dersekte elini sahibi olan ortaklar ve bu ortakların yönetim kontrolüne sahip olduğu diğer kişiler ile kendisi, eşi ve ikinci derece kadar kan ve sıhril yakınları arasında; son beş yıl içinde önemli görev ve sorumluluklar ifa edenleri yönetici pozisyonunda bulduğunu bilginim bulunmaktadır. Sermaye veya diğer haklarını veya hissedar paylarını %5 inden fazlasına birtakım veya tek başına sahip olduğumu ya da önemli nispette hissi sahibi olduğumu;

b) Son beş yıl içerisinde, başta Türk Prysmian Kablo ve Sistemleri A.Ş.'nin önemli görevi dersekte, kurulu dersekte, iş dersekte de dahil, denetlendiğimi ve denetimli olarak görev yapmamı engelleyen diğer sebeplerle Türk Prysmian Kablo ve Sistemleri A.Ş.'nin önemli görevi dersekte bulunmadığımı ve işe çıkarılmadığımı ve işe çıkarılmadığıma ilişkin bilgileri aşağıdaki şekilde belirtiyordum. Üstelik (İŞ ve İZET), önemli görev ve sorumluluklar ifa edenleri yönetici pozisyonunda bulduğumu veya yönetim kurulu üyesi olduğumu;

c) Bağımsız yönetim kurulu üyesi olman sebebiyle ödenecek olan görevi gereği gibi yerine getireceğim mesleki ölgün, liğ ve tecrübeyle sahip olduğumu.

d) Kamu kurum ve kuruluşlarında tam zamanlı çalışmadığımı, herhangi bir ünveritele öğretim üyeliğim bulunmadığımı ve işe çıkarılmadığımı ve işe çıkarılmadığıma ilişkin bilgileri aşağıdaki şekilde belirtiyordum. Üstelik (İŞ ve İZET), önemli görev ve sorumluluklar ifa edenleri yönetici pozisyonunda bulduğumu veya yönetim kurulu üyesi olduğumu;

e) 31/12/1990 tarihli ve 193 sayılı Gelir Vergisi Kanunu (G.V.K.)'na göre Türkiye'de yerleşik olduğumu.

f) Türk Prysmian Kablo ve Sistemleri A.Ş.'nin faaliyetlerine ilişkin katıldıkları buluşmalarda, şirket ile pay sahipleri arasında çıkar çatışmaları söz konusu olduğunda koruyabildiğimi, menfaat çatışmaları halinde çıkarılmadığımı ve işe çıkarılmadığıma ilişkin bilgileri aşağıdaki şekilde belirtiyordum. Üstelik (İŞ ve İZET), önemli görev ve sorumluluklar ifa edenleri yönetici pozisyonunda bulduğumu veya yönetim kurulu üyesi olduğumu;

g) Türk Prysmian Kablo ve Sistemleri A.Ş.'nin faaliyetlerini ilgilendiren takip edilecek ve ödenecek görevleri gerektiren tam zamanlı görevi gerektirecek şekilde görevi gerektiren zaman ayrılabileceğimi ve ayrışacağımı;

h) Şirketin yönetim kurulunda son on yıl içinde altı yıldan fazla yönetim kurulu üyesi yapmamı engelleyen diğer sebeplerle Türk Prysmian Kablo ve Sistemleri A.Ş.'nin yönetim kontrolünü elinde bulundurmayan ortakların yönetim kontrolüne sahip olduğu kişilerden diğer haklarını ve hissedar haklarını ifa eden görevi gerektiren bütün haklarında bağımsız yönetim kurulu üyesi olarak görev almadığımı;

ı) Yönetim kurulu üyesi olarak seçilme izni için tazminat ve diğer edilecek olan görevi gerektiren zaman ayrılabileceğimi ve ayrışacağımı.

Benzeri, İZET Üyesi

**BAĞIMSIZLIK BEYANI**  
Tarih: 25.01.2023

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a) Türk Prysmian Kablo ve Sistemleri A.Ş., Türk Prysmian Kablo ve Sistemleri A.Ş.'nin yönetim kontrolünü ya da önemli dersekte elini sahibi olduğu ortaklar ile Türk Prysmian Kablo ve Sistemleri A.Ş.'nin yönetim kontrolünü elinde bulundurmayan veya Türk Prysmian Kablo ve Sistemleri A.Ş.'de önemli dersekte elini sahibi olan ortaklar ve bu ortakların yönetim kontrolüne sahip olduğu diğer kişiler ile kendisi, eşi ve ikinci derece kadar kan ve sıhril yakınları arasında; son beş yıl içinde önemli görev ve sorumluluklar ifa edenleri yönetici pozisyonunda bulduğunu bilginim bulunmaktadır. Sermaye veya diğer haklarını veya hissedar paylarını %5 inden fazlasına birtakım veya tek başına sahip olduğumu ya da önemli nispette hissi sahibi olduğumu;

b) Son beş yıl içerisinde, başta Türk Prysmian Kablo ve Sistemleri A.Ş.'nin önemli görevi dersekte, kurulu dersekte, iş dersekte de dahil, denetlendiğimi ve denetimli olarak görev yapmamı engelleyen diğer sebeplerle Türk Prysmian Kablo ve Sistemleri A.Ş.'nin önemli görevi dersekte bulunmadığımı ve işe çıkarılmadığımı ve işe çıkarılmadığıma ilişkin bilgileri aşağıdaki şekilde belirtiyordum. Üstelik (İŞ ve İZET), önemli görev ve sorumluluklar ifa edenleri yönetici pozisyonunda bulduğumu veya yönetim kurulu üyesi olduğumu;

c) Bağımsız yönetim kurulu üyesi olman sebebiyle ödenecek olan görevi gereği gibi yerine getireceğim mesleki ölgün, liğ ve tecrübeyle sahip olduğumu.

d) Kamu kurum ve kuruluşlarında tam zamanlı çalışmadığımı, herhangi bir ünveritele öğretim üyeliğim bulunmadığımı ve işe çıkarılmadığımı ve işe çıkarılmadığıma ilişkin bilgileri aşağıdaki şekilde belirtiyordum. Üstelik (İŞ ve İZET), önemli görev ve sorumluluklar ifa edenleri yönetici pozisyonunda bulduğumu veya yönetim kurulu üyesi olduğumu;

e) 31/12/1990 tarihli ve 193 sayılı Gelir Vergisi Kanunu (G.V.K.)'na göre Türkiye'de yerleşik olduğumu.

f) Türk Prysmian Kablo ve Sistemleri A.Ş.'nin faaliyetlerine ilişkin katıldıkları buluşmalarda, şirket ile pay sahipleri arasında çıkar çatışmaları söz konusu olduğunda koruyabildiğimi, menfaat çatışmaları halinde çıkarılmadığımı ve işe çıkarılmadığıma ilişkin bilgileri aşağıdaki şekilde belirtiyordum. Üstelik (İŞ ve İZET), önemli görev ve sorumluluklar ifa edenleri yönetici pozisyonunda bulduğumu veya yönetim kurulu üyesi olduğumu;

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h) Şirketin yönetim kurulunda son on yıl içinde altı yıldan fazla yönetim kurulu üyesi yapmamı engelleyen diğer sebeplerle Türk Prysmian Kablo ve Sistemleri A.Ş.'nin yönetim kontrolünü elinde bulundurmayan ortakların yönetim kontrolüne sahip olduğu kişilerden diğer haklarını ve hissedar haklarını ifa eden görevi gerektiren bütün haklarında bağımsız yönetim kurulu üyesi olarak görev almadığımı;

ı) Yönetim kurulu üyesi olarak seçilme izni için tazminat ve diğer edilecek olan görevi gerektiren zaman ayrılabileceğimi ve ayrışacağımı.

Benzeri, İZET Üyesi

**BAĞIMSIZLIK BEYANI**  
Tarih: 25.01.2023

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f) Türk Prysmian Kablo ve Sistemleri A.Ş.'nin faaliyetlerine ilişkin katıldıkları buluşmalarda, şirket ile pay sahipleri arasında çıkar çatışmaları söz konusu olduğunda koruyabildiğimi, menfaat çatışmaları halinde çıkarılmadığımı ve işe çıkarılmadığıma ilişkin bilgileri aşağıdaki şekilde belirtiyordum. Üstelik (İŞ ve İZET), önemli görev ve sorumluluklar ifa edenleri yönetici pozisyonunda bulduğumu veya yönetim kurulu üyesi olduğumu;

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h) Şirketin yönetim kurulunda son on yıl içinde altı yıldan fazla yönetim kurulu üyesi ilgilendiren diğer sebeplerle Türk Prysmian Kablo ve Sistemleri A.Ş.'nin yönetim kontrolünü elinde bulundurmayan ortakların yönetim kontrolüne sahip olduğu kişilerden diğer haklarını ve hissedar haklarını ifa eden görevi gerektiren bütün haklarında bağımsız yönetim kurulu üyesi olarak görev almadığımı;

ı) Yönetim kurulu üyesi olarak seçilme izni için tazminat ve diğer edilecek olan görevi gerektiren zaman ayrılabileceğimi ve ayrışacağımı.

Benzeri, İZET Üyesi

**Mine Ayhan**  
Bağımsız Yönetim Kurulu Üyesi

**İsmet Su**  
Bağımsız Yönetim Kurulu Üyesi

**Banu Uzgun**  
Bağımsız Yönetim Kurulu Üyesi

## 19- Mission and Vision and Strategic Targets of the Company

**Mission:** Our mission is to add value to our shareholders and to the sector by providing innovative, technologically advanced, high quality and safe products and services to our clients, business partners and the society in general, meeting all applicable standards,

**Vision:** As being a member of Prysmian Group and as the oldest well-established and leading company in its sector, our vision is;

- To exhibit a creative and superior performance within the workforce with its distinguished and innovative role,
- To have an organizational structure which emphasizes openness and social responsibility,
- To keep customer satisfaction by providing long-term partnerships,
- To create a value for its stakeholders with permanence,
- To dedicate itself to improve the social conditions,
- To be always the leader of the sector in Turkey and international platform,

Please See: Prysmian Group Values and Code of Ethics / Article 2 - Targets and Values

## 20- Risk Management and Internal Audit Mechanism

The Risk Management Department has been operating since 2002 to ensure the effective use of risk management. In this department, processes for effective risk management on the Company and Prysmian Group basis have been developed and implemented. In this context, risks are effectively monitored with daily reports and the aim is to collect receivables on time.

The Company's internal control system is organized to ensure appropriate disclosure of all activities of the Company and an adequate control system. Responsibility for the internal control system lies with the Board of Directors, and the Board of Directors not only determines the relevant outlines, but also verifies the adequacy of the control and whether it works effectively.

The Audit Committee consists of three Board Members. All three of these people are Board Members who do not directly contribute to the activities and management of the Company. The Audit Committee meets regularly as stated in the relevant communiqué of the CMB and may invite the representative of the Company's external audit company to these meetings.

The purpose of the Audit Committee is to assist the Board of Directors in fulfilling its long-term responsibilities regarding the Company's accounting and financial reporting practices, policies and procedures, the quality of the Company's internal control systems and risk assessment.

Internal auditing and periodic auditing activities also provide the necessary controls to see whether procedures, policies and strategies are followed. Apart from the audit audits of the Internal Audit Department, Prysmian Group's Internal Audit Department also carries out internal audit audits at Türk Prysmian Kablo ve Sistemleri A.Ş., in addition to the audits regularly carried out by the external Audit Company.

There is also a Planning and Control Department, which provides monthly detailed reports to the Executive Director and Executive Management and provides useful and comprehensive information for monitoring specific activities.

Information about relations with the independent auditing firm PwC Independent Audit Ve Serbest Muhasebeci Mali Müşavirlik A.Ş.: <http://www.pwc.com/tr/tr> and information about the tax auditing firm MAZARS-DENGE: <http://www.mazarsdenge.com.tr>

## **21- Authorities and Responsibilities of the Board Members and Executives**

### **The Board of Directors performs the following tasks:**

- Review and approval of strategic, corporate, industrial and financial plans,
- Delegation of necessary powers to the Managing Director, withdrawal of authorization, and determination of limits of authority as well as form and duration of authorization,

- Regular comparison of the results with the budgets, and by taking into account the information received from the Internal Audit Committee and Managing Director, and giving special attention to conflicts of interest, observation of general performance in this field,
- Passing of resolutions relating to immovable property, in kind,
- Issuance of share certificates and debentures,
- Establishment of partnerships in the newly incorporated or existing corporations and institutions,
- Review and approval of the transactions having economic and financial affect, or special influence on equity capital by showing due consideration to the transactions of the related parties,
- As organized by the Managing Director, verification of the organizational status and the adequacy of the administrative structure of the Company,
- Furnishing of information to the shareholders about the General Assembly meetings,

The powers and responsibilities of the Board of Directors are clearly defined in Article 10 of Articles of Association; as the powers and responsibilities conferred upon the Board of Directors may be subject to change at any time bound to dynamic structure of the Company and the business life, it is deemed necessary to detail the powers and responsibilities in the corporate signature circular,

## **22- Fundamentals to Activities of The Board Of Directors**

Board of Directors meetings are held at least every three months. Except for exceptional cases, Members of the Board of Directors are provided with the necessary documents and information in advance, within a reasonable period of time, in order to express their informed opinion on the matters examined.

There is a Board of Directors secretariat established to inform and communicate with the Board Members. In case a different opinion is expressed at the meeting and/or in case of opposition to a decision taken by the Board of Directors, reasonable and detailed dissenting vote justifications regarding these issues should be recorded in the decision minutes, communicated in writing to the company auditors and announced to the public. Although our company has no reservations, such a situation has not been encountered so far, so no such practice has been carried out.

IV of the CMB Corporate Governance Principles. Care is taken to ensure actual participation in the Board of Directors meetings on the issues stated in Article 2.17.4 of the Section 2.17.4. Questions directed by Board Members during the meeting are recorded in the decision minutes. In order not to undermine the equality between members, no Board member is granted weighted voting rights and/or negative veto rights.

During the 2023 activity period, Board of Directors meetings were held physically; 68.75% of the Board Members physically attended these meetings.

Members who could not physically attend the meeting due to their agendas participated through online applications (Teams).

### **23- Restrictions of Competition and Transaction with the Company**

In the Ordinary General Assembly which takes place every year, the Board Members are liberated by our shareholders according to Articles 334 and 335 of the Turkish Commercial Code.

### **24- Code of Ethics**

A pyramid structure is adopted in our system in respect of applicable principles and procedures, and this system can be summarized as follows:

**Code of Ethics:** These rules encompass the general principles - transparency, equity and loyalty - which form the business relations of the Company in every level. Our Company, with the belief that business ethics must be pursued alongside business success, carries out its internal and external transactions in accordance with the principles set out in this Code.

**Internal Audit System:** This system is a population of “instruments” with a view to reaching reasonably the targets regarding operational efficiency and effectiveness, reliability of financial and administrative information, observance to laws and legislation, and even protection of the Company’s assets against possible fraud. The internal audit system which is based on common practices and defined within this frame, is applied to all corporate levels.

**Lines of Conduct:** The Lines of Conduct stipulate special rules concerning relations with the representatives of the Public Administration, and these rules classify good lines of conduct as “performable”, and bad lines of conduct as “non-performable”, and by this way, provide clear definition of major operational practices stipulated in the Code of Ethics.

**Internal Executive Procedures and Policies of the Company:** These items cover the main business areas as a natural extension of the internal audit system, Therefore, they determine the internal rules concerning the main activities of the Company.

Türk Prysman determines organizational principles and intra-structure relating to employees and executives by adopting procedures and policies covering Personnel rights, Recruitments, Purchasing / Sales activities, Investments, Protection of Environment, Information Systems, Inventory, and Intellectual Property Rights, All the procedures and policies are presented to the employees in the updated form on the intranet page of the Company.

Also, **Please See** Prysman Group Values and Code of Ethics

**25- Number and Structure of the Committees Formed Within Board of Directors and Liberty of Action**

<b>Committee</b>	<b>Number of Annual Meetings (minimum)</b>	<b>Number of Members</b>	<b>Number of Independent Members</b>
Audit Committee	5	3	3

**Members of Audit Committee:** İsmet Su, Mine Ayhan, Banu Uzgur

<b>Committee</b>	<b>Number of Annual Meetings (minimum)</b>	<b>Number of Members</b>	<b>Number of Independent Members</b>
Early Detection of Risk and Risk Management Committee	6	3	3

**Members of Early Detection of Risk and Risk Management Committee:** Mine Ayhan, Banu Uzgur, İsmet Su

<b>Committee</b>	<b>Number of Annual Meetings (minimum)</b>	<b>Number of Members</b>	<b>Number of Independent Members</b>
Corporate Governance Committee	4	3	2

**Corporate Governance Committee Member:** Banu Uzgur, İsmet Su, Ayşe Çiğdem Çelikkilek

**Investor Relations:** The functional manager has informed the Board of Directors of the activities carried out throughout the year and drawn up and presented to the BoD the report referred in Article 11 of the Communiqué on Corporate Governance.

It has been established to assign the Corporate Management Committee to perform the functions of **Candidate Determination and Pricing Committees** in accordance with the Communiqué Serial IV 56 for Determination and Implementation of Corporate Management Principles, Article 4,5,1 published by Capital Markets Board and this resolution also includes the Corporate Management Working Principles, the functional areas and working principles of such committees.

All committees conduct their duties properly in accordance with their working principles and in line with the legislation.

The detailed information relating to the working principles of all the committees has been presented to the public in the “Investor Relations” section on our web site.

Assessment related to Internal Audit, Internal Control and Risk Management Systems in the Year 2023 Operating Cycle Prysmian Group active in cable industry has adopted adequate internal audit, internal control and risk management systems (internal systems) in line with its activities and business branches, Aiming to monitor and manage the risks arising from the activities of the company, both the local regulations and Prysmian Group requirements have been considered while establishing the internal systems, The internal systems meet the principles of independency, impartiality, effectiveness, adequacy, and division of powers in the entire organization, All our activities and business processes target customer satisfaction, sustainable income production and rising the economic interests of the shareholders with consideration of risk sensitive capital management, Prysmian Group Board of Directors is responsible for adopting and managing the internal systems in line with the applicable regulations, and financial control and audit activities within the scope of this responsibility shall be supervised via Committee responsible for the Audits, Audit Committee performs this function by detailed examination of the reports provided by the Audit Department which has been obliged to financially review, audit and report the efficiency of our processes; and instructs the company management accordingly and present any issue, as deemed necessary, to the information and approval of Board of Directors, The Audit Committee functions under the structure and coordination of Board of Directors, Audit Directorate financially reviews efficiency of the entire business processes of the company, and tests the existence, effectiveness and practice levels of the respective audit mechanisms and determines required actions, if any, together with operations units, It reports the results of its works and activities to the Audit Committee,

## **26- Financial Rights of the Board of Directors**

The rights of the BOD Members are agreed upon in the General Assembly meeting; no award is considered in determination of financial rights of the BOD Members depending on their individual performance and reflecting the performance of the Company, Gross payment effected in favor of Independent BOD Members during the year 2023 is TRY 825,000, No other payment has accrued and made in year 2023 to any members of the Board and executive management of the company, During the period no debt has been granted to any members of the Board and Top Manager of the company, no credit has been utilized by them and none of them has used benefits through third persons as well as no guarantees in favor of them,



## **8-LAWSUITS FILED AGAINST THE COMPANY THAT MAY AFFECT COMPANY'S FINANCIAL STATUS:**

Provision for litigation risks set aside against any possible risk is TRY 2,331,254 as shown under footnotes of financial statements, yet there is no major litigation that may affect the financial status of our Company.

## **9-ADMINISTRATIVE OR CRIMINAL SANCTIONS IMPOSED AGAINST THE COMPANY AND MEMBERS OF THE COMPANY'S MANAGING BODIES DUE TO ANY CONDUCT IN VIOLATION OF THE LAW**

There is no sanction existing as of 1 January - 31 December 2023 imposed against the company and members of the company's managing bodies due to any conduct in violation of the Law.

## **10-ORDINARY/EXTRAORDINARY GENERAL ASSEMBLY MEETINGS HELD IN THE PERIOD**

An Ordinary General Assembly meeting for the year 2022 was held on March 29, 2023, The results of the meeting were published on Turkish Trade Registry Gazette dated 30,03,2023, Results of Ordinary General Assembly Meetings are presented to our shareholders on Public Disclosure Platform (KAP), our website ([www.prysmiangroup.com.tr](http://www.prysmiangroup.com.tr)) and on our company page on the information portal of Central Registry Agency (MKK),

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## **11-CAPITAL INCREASE, AMENDMENT OF ARTICLES OF ASSOCIATION AND DIVIDEND DISTRIBUTIONS MADE WITHIN THE PERIOD**

During the activity period of 01.01.2023 – 31.12.2023, an amendment was made to Article 6 of our Company's articles of association, titled Registered Capital, and the registered capital ceiling of our Company was increased to 1,300,000,000 TL.

The final version of our articles of association can be accessed at [www.prysmiangroup.com.tr](http://www.prysmiangroup.com.tr), [www.kap.gov.tr](http://www.kap.gov.tr),

The Profit Distribution Proposal of the Board of Directors for the 2023 fiscal period is given below,

## **Dividend Distribution Proposal**

In consideration of the provisions of Turkish Commercial Code, Capital Market Legislation, Capital Market Law, Capital Market Board (“CMB”), Regulations/Decisions/Directories, Corporate Tax Law, Income Tax Law, Tax Procedural Law and other relevant legal statutes, the relevant provisions of the Articles of Incorporation of our Company and the “Profit Distribution Policy”; it has been unanimously resolved by the undersigned members;

23,561,156 TL, corresponding to 7.63% of the issued capital, will be distributed in cash to our partners as dividends as of May 25, 2023, and after deducting the tax calculated as 10% on the gross 0,0763 TL for each share with a nominal value of 1 TL, net 0.0687-TL will be distributed as 0.0687-TL, and the remaining part will be left within the company as "Extraordinary Reserve";

To submit above dividend distribution proposal to the approval of the General Assembly regarding the fiscal year 2022 and notify the shareholders

## **12-RISK MANAGEMENT AND INTERNAL AUDIT MECHANISM**

The Risk Management Department has been operating since 2002 to ensure the effective use of risk management. In this department, processes for effective risk management on the Company and Prysmian Group basis have been developed and implemented. In this context, risks are effectively monitored with daily reports and the aim is to collect receivables on time.

The Company's internal control system is organized to ensure appropriate disclosure of all activities of the Company and an adequate control system. Responsibility for the internal control system lies with the Board of Directors, and the Board of Directors not only determines the relevant outlines, but also verifies the adequacy of the control and whether it works effectively.

The Audit Committee consists of two Board Members. Both of these people are Board Members who do not directly contribute to the activities and management of the Company. The Audit Committee meets regularly as stated in the relevant communiqué of the CMB and may invite the representative of the Company's external audit company to these meetings.

The purpose of the Audit Committee is to assist the Board of Directors in fulfilling its long-term responsibilities regarding the Company's accounting and financial reporting practices, policies and

procedures, the quality of the Company's internal control systems and risk assessment.

Internal auditing and periodic auditing activities also provide the necessary controls to see whether procedures, policies and strategies are followed. Apart from the audit audits of the Internal Audit Department, Prsymian Group Internal Audit Department also carries out internal audit audits at Türk Prsymian Kablo ve Sistemleri A.Ş., in addition to the audits regularly carried out by the external Audit Company.

There is also a Planning and Control Department, which provides monthly detailed reports to the Executive Director and Executive Management and provides useful and comprehensive information for monitoring specific activities.

Information regarding to relations with the independent audit company, PwC Bağımsız Denetim Ve SMM A.Ş: <http://www.pwc.com/TR/tr>

and information regarding tax audit company, MAZARS-DENGE:

<http://www.mazarsdenge.com.tr>

#### **Assessment related to Internal Audit, Internal Control and Risk Management Systems**

Operating in the cable industry, Prsymian Group has established adequate Internal Control, Internal Audit and Risk Management systems (internal systems) appropriate to its activities and business lines. In the establishment of internal systems, both local legislation and Prsymian requirements were taken as basis in order to monitor and manage the risks integrated with the activities. Internal systems comply with the principles of independence, objectivity, effectiveness, competence and separation of powers throughout the organization. All our activities and business processes aim to increase the economic value of shareholders through customer satisfaction, sustainable income generation and risk-sensitive capital management. Prsymian Group Board of Directors is responsible for the establishment and execution of internal systems in accordance with the legislation and oversees this responsibility through the Audit Committee and activities related to financial control and audit. While performing this function, the Audit Committee examines and evaluates in detail the reports coming from the Audit Department, which was established to financially review, audit and report the efficiency of our processes, gives the necessary instructions to the Company management and submits them to the information and approval of the Board of Directors when necessary.

It operates within and under the coordination of the Board of Directors Audit Committee. The Audit Department financially reviews the efficiency of all business processes of the Company, tests the appropriateness, effectiveness and implementation levels of the relevant audit mechanisms, determines, together with the operational units, the measures to be taken to eliminate the deficiencies, if any, and reports the results of the work to the Audit Committee.

### **Aids and Donations Made Within the Period**

The upper limit for donations to be made in the year 2023 is determined as TRY 1,000,000 in the Ordinary General Assembly meeting held on 29.03.2023.

### **13-EMPLOYEE BENEFITS**

As of December 31, 2023, the average number of personnel working in the company during the year is 589. (December 31, 2022:598) The company provides meals and travel assistance to all employees. In addition, office employees are provided with health insurance, personal accident insurance and life insurance in line with the company's benefit planning. In addition, flexible working practices, collective use of breastfeeding leave and its addition to maternity leave, protecting the position of female employees after maternity leave, scholarship programs for the education of employees' children, and global leadership development programs for managers and employees in the talent pool are also implemented. Benefits are provided for field workers in accordance with the collective bargaining agreement.

#### **Benefits Provided to Senior Executives**

The rights provided to the Members of the Board of Directors are decided at the General Assembly, and there is no reward that will be based on the performance of the Members of the Board of Directors and reflect the performance of the Company in determining the financial rights of the Members of the Board of Directors,

Benefits provided to senior management during the term are as follows:

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Wages and other short term benefits	8,545,545	12,848,376
Other long-term benefits	68,252	12,734
	<b>8,613,797</b>	<b>12,861,110</b>

## **Collective Labor Agreements**

In accordance with the collective labor agreement made between the United Metal Workers' Union and the MESS - Turkish Metal Industrialists' Union, of which our Company is a member; The Collective Labor Agreement, which includes our company and covers the period of September 1, 2023 - August 31, 2025, is implemented in our company.

## **14-DERIVATIVE TRANSACTIONS**

The Company uses foreign currency derivative tools in order to protect future significant transactions and cash flows against financial risks, The Company is a party to certain foreign currency forward contracts based on management of fluctuations in foreign currency exchange rates, Purchased derivative financial instruments are mainly of kinds of foreign currency available in the market where the Company operates, All forward exchange transactions are made in the form of forward contracts.

## **15-INVESTMENT INCENTIVE PRACTICES**

As per the Law no, 5746 on Supporting research and Development Activities, we receive incentives and support granted for R&D Centers.

We were granted an investment incentive for "production of insulated wires and cables" on 10,10,2022 within the scope of Reduced Corporate Tax, The incentives granted is classified under Zone 1 according to tax incentive legislation and provides tax incentive of 30%, In the Company's statement of financial position, a reduction is made in the corporate tax for the current period according to the amount of investment spending.

## **16-SUSTAINABILITY**

### **Linking Turkey to a Sustainable Future**

#### **Our Sustainability Commitment**

Having 59 years of history in Turkey and being part of the Prysmian Group with 130+ years of experience globally, Türk Prysmian Kablo is dedicated to being a sustainable company, As part of this effort, we are embedding economic, social, and environmental responsibility into all aspects of our business; leading this challenging cultural transformation with a strong plan vigorously,

The only way to achieve this transformation is through a strategic approach; by planning the future responsibly, involving and listening to all internal and external stakeholders, closely monitoring the industry and global economy, and implementing a comprehensive action plan that serves the business, the environment, and society as a whole, Our commitment is to work in this direction,

## **Our Principles:**

Businesses are under pressure to take longer-term action to address sustainability challenges. Our planet is reaching its limits as emissions, water, and chemical loading continue to do harm.

As Türk Prysmian Kablo, we come to work every day with a commitment to save our planet and tackle climate change by transitioning to zero-carbon energy systems while producing responsibly.

We thrive on the sustainability of our production processes while safeguarding the environment, We engage with local communities to protect the areas in which we operate and to ensure workplace safety,

Aware of our social responsibilities, we develop projects that support social and cultural life in our community.

## **Our Commitment to UN Sustainable Development Goals:**

The United Nations' "Decade of Action" program has defined tangible solutions to all the challenges posed by the 2030 Sustainable Development Goals.

Türk Prysmian Kablo is committed to supporting the achievement of the global agenda goals; serving primarily for SDG7 (Accessible and Clean Energy), SDG8 (Decent Work and Economic Growth), SDG9 (Industry, Innovation and Infrastructure) and SDG12 (Responsible Production and Consumption) and hence contributing to building and upgrading of infrastructures for energy transmission and distribution and telecommunication — the essential drivers for the transition to a new development model for the civil society.

## **Implementation Plan:**

In the period following the planning study we carried out in 2020, project feasibilities were reviewed and plans were created for the selected projects; budget, team, resource and project plans were created, As of January 2021, work on this project has started. This process, which was concluded with our first sustainability report in 2022, is progressing to include the value chain with the publication of our second report in 2023.

Our sustainability efforts are monitored monthly with our Sustainability committee under the leadership of the CEO:

So far, the following sustainability activities have been carried out;

- All activities target the four primary pillars outlined in our vision and are directed towards refining our goals accordingly,

- Priorities set for sustainability projects are as follows:
- Actions targeting energy efficiency and use of renewable energy resources,
- Actions for effective use of water and other resources,
- Carrying out lifecycle analysis of our products,
- Building a functioning Sustainability Management System and integrating this system with existing management systems,
- Efforts to promote positive impact on the society and community that we are a part of,
- Efforts to improve the wellness and efficiency of our employees,

All the details of these projects can be found in the Sustainability Report for 2022.

The sustainability approach forms the basis of all our work, In line with our environmental sustainability initiatives, we focus especially on renewable energy products in our industrial cables product range, To date, the volume of cables we have supplied for solar energy projects has reached approximately 40 million meters, In other words, we can say that within the framework of these projects, we have provided enough cables to circumnavigate the world once, This means that approximately 9 million households need electricity for 1 month.

We are approaching our Net Zero target in 2035 in Scope 1 and 2, step by step, with our sustainability projects that we started in 2021 and progress every year, Thanks to these projects implemented with investments in this field, we have prevented approximately 3,900 tons of CO2 emissions since 2021,

This success; This was achieved by reducing natural gas consumption by approximately 323,6 thousand Sm<sup>3</sup>, electricity consumption by approximately 5,410 thousand kWh and diesel consumption by approximately 301.4 thousand liters,

Türk Prysmian Kablo has been carrying out corporate social responsibility projects on many issues since the first day it was founded. It carries out different studies to meet social needs, especially education, for the social development of the society. Türk Prysmian Kablo delivered the coats, boots and stationery materials provided with the support of its employees within the scope of the "4th Happiness Money Box 2022" project, which is the fourth of the "Happiness Money Box" project, which was organized for the first time in 2018 and in which its employees participated voluntarily, on April 18, 2022, in Burçakalan in Van's Çaldıran district. He gave it as a gift to 152 students of the Primary School. Within the scope of the project, gifts were sent to children in Muş, Gaziantep and Urfa in previous years, respectively. In cooperation with the Hope Foundation for Children with Cancer (KAÇUV) and Perpa Trade Center, Istanbul Perpa organized a support event for children receiving cancer treatment on May 11, 2022. Within the scope of the event, which was realized in cooperation with three institutions, 150 Hopeful Boxes consisting of food, hygiene and personal care

products were provided to be sent to children receiving cancer treatment and their families. In order to protect forests and raise awareness about this, as Türk Prysmian, we met to green our forests by participating in the tree planting event in Göynüklü, organized by Bursa Regional Forestry Directorate, on March 21, World Forestry Day. In order to support sustainable and safe blood supply, as Türk Prysmian, we organized a blood donation organization with the Red Crescent team in our Mudanya factory on May 23, 2022. With the awareness of "Every blood donated, three lives saved", 47 of our colleagues voluntarily donated blood and supported those in need.

Türk Prysmian Kablo CEO Ülkü Özcan became one of the leading names in Turkey by entering the "Sustainability Leaders 2022" list prepared by Fast Company Magazine, 142 managers who pioneered the issue of sustainability and made a difference in their companies and society in this field were nominated.

In the study; As a result of the evaluation made on the basis of concrete criteria such as "projects carried out, results obtained and future plans", Türk Prysmian Kablo CEO stood out as the only cable company included in the list, At our first Sustainability Day event held in Mudanya on October 4, we approved and signed our first sustainability report, which we have been working on for a long time to reduce the climate crisis, support a carbon-free world and build a sustainable future, with the participation of our Sustainability Ambassadors, It is completely in line with our group's sustainability approach and ' This valuable sustainability report, which we have prepared in accordance with our 'sign your name for a better tomorrow' strategy, contains many valuable information such as our Environmental, Social and Governance (ESG) strategy and targets, In order to raise the awareness of our employees on sustainability, we planned Ambassadors' TALKS events throughout 2023 and ensured effective communication with all our employees, Within the scope of the event, topics such as We Reduce Our Carbon Footprint, We Use Our Resources Circularly, We Improve Our Business Model, We Work for the Future of Our Employees and Society were shared with all our employees by our sustainability ambassadors.

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With the "people first" approach, 0 errors, 0 accidents are our top priority within the scope of occupational health and safety. The main purpose of the Zero and Beyond initiative is; To increase the participation and commitment of managers in the occupational safety system, to increase the functional leadership competencies of occupational safety leaders, to develop a group approach by reducing cultural differences, and to develop a occupational safety culture in which we will protect ourselves and each other. In line with this goal, we started training activities covering all employees, from the top manager of the company to the lowest level, with the Behavior-Oriented Security Management-Communication project we started. We organized an organization so that all Türk Prysmian employees could watch the video recording the story of Brandon Schroeder, who almost lost his life when the security protocol was not followed, and we devoted a total of 908 hours to this training. In this way, we brought Brandon's impressive experience, which contributed to our Zero and Beyond approach, to all our employees.

With the amendment made to the Corporate Governance Communiqué numbered II-17.1, which came into force by being published in the Official Gazette numbered 28871, dated 3/1/2014, and entered into force by being published in the Official Gazette numbered 31262, dated 2 October 2020, in the annual activity reports; Including explanations about whether the sustainability principles published by the Capital Markets Board have been implemented or not, if not, a reasoned explanation for this, and explanations about the effects occurring in environmental and social risk management due to non-compliance with these principles, and in case of a significant change in the said statements within the period, the relevant It is mandatory to include the change in the interim activity reports. In this context, it is aimed to comply with many of the principles specified in the "Sustainability Principles Compliance Framework" with the CMB's "comply or explain" approach. Full compliance has not yet been achieved due to reasons such as difficulties experienced in the implementation of some of the principles in question, uncertainties in the general national and international arena, and the fact that the principles of compliance will be determined according to the findings to be obtained from ongoing studies. It is aimed to implement the principles that have not yet been fully complied with, in a way

that will contribute to our company's goal of creating sustainable value.

## **SUSTAINABILITY**

### **PRYSMIAN GROUP SUSTAINABILITY APPROACH**

Prysmian Group works intensively to make the concept of Sustainability a part of its DNA, Prysmian Group Sustainability Strategy is based on the "Creating Impact" model, This model; It aims to identify areas for improvement by analyzing the effects of its activities, With the principle of measurability, the impact of the strategy is constantly monitored and improved, Impact creation model; It consists of 4 areas:

1. Prysmian and its Value Chain
2. Impacts on the Value Chain
3. Measuring and Monitoring Performance Indicators
4. Prysmian Innovation Processes and Goals

With the aim of leadership in the field of sustainability, Prysmian Group focused on two main goals in 2021: Climate Change and Social Development. In order to independently ensure the governance of these goals, it established the Sustainability Committee in March 2020, which undertakes the supervision of EMS (Environmental, Social and Corporate Governance) issues. This Committee strongly contributed to the determination of the group's long-term goals and ensured the determination of performance indicators for all processes.

#### **Climate Ambition;**

Climate strategy; It adopts "Science-Based" targets that are compatible with the goals of the Paris Agreement. In this context, Prysmian Group has had its climate targets approved by the Science-Based Targets Initiative. The Science Based Targets initiative defines the requirements for an effective Net-Zero strategy. Our group is a signatory of the 1.5 C° alliance for the business world.

In this direction; It commits to reduce Scope 1 and 2 emissions by 46% by 2030 compared to the 2019 base year emissions, and to be net zero in Scope 1 and Scope 2 emissions by 2035 and Scope 3 emissions by 2050.

Scope 1: Our greenhouse gas emissions arising from sources directly released or controlled by our company,

Scope 2 : Our indirect emissions related to the production of imported/purchased electricity, heat or steam,

Scope 3 : It includes emissions resulting indirectly from the company's activities, excluding those specified in Scope 2 :This covers all emissions in the upstream value chain (supply) and downstream value chain (provision of products and services) aspects, In 2022, Prysmian Group included Scope 3 monitoring among its performance indicators,

Within the scope of Prysmian Group's climate target, Türk Prysmian Kablo is also carrying out projects that will reduce its footprint. It shares carbon footprint targets and current status with all representatives at monthly sustainability meetings.

One of Türk Prysmian Kablo's main focuses in the sustainability process is climate change and carbonization studies, and in this context, it continues to work to cover its entire impact area.

### **Social Ambition;**

Prysmian Group's Social Goal is focused on 2030 commitments within the scope of the Sustainable Development Goals. In this context, diversity and inclusion, equality, strengthening of societies, employee engagement and employee development have been determined as the most important issues. By adopting a proactive approach, Prysmian Group is taking decisive steps towards becoming a company that cares about diversity, inclusion and gender equality at all levels and empowers women.

Details about the Social Goals and the Prysmian Group Sustainability approach can be accessed at Sustainability: report and responsibility / Prysmian Group.

The medium and long-term sustainability strategy determined by Prysmian Group is reflected in all regional structures. Sustainability is followed in all regional structures with the targets determined within the global framework. In this context, the MEART Sustainability Strategy, which also includes Türk Prysmian Kablo, has been determined. MEART Sustainability Strategy has made progress with the targets set in 2021, and a comprehensive road map has been drawn for 2022. Türk Prysmian Kablo also supports the MEART strategy with an integrated perspective and indicator tracking in 2022, as it did in 2021.

Türk Prysmian Kablo; Prysmian Group continues to carry out work to include all its stakeholders in line with its Social Goals and with the awareness that its greatest value is people. In order to increase

its impact on the entire network of the value chain, it carries out activities that will increase participation and belonging, such as stakeholder analyses, seminars and trainings within the scope of sustainability.

## **OUR SUSTAINABILITY VISION**

With all the work we do, taking into account Türk Prysmian Kablo's 59-year-old values and culture, we reveal our sustainability vision as follows:

By integrating economic, environmental and social sustainability into all our work for all stakeholders and the planet; In line with our mission, which we define as "Connecting Turkey to a Sustainable Future", we aim to provide innovative energy and telecommunication solutions through responsible production.

## **OUR SUSTAINABILITY ROADMAP**

We prioritize environmental, economic and social issues in every activity carried out within the scope of our Sustainability Management Plan and adopt the responsible production philosophy in every field.

We are proud to lead our industry in the process we have initiated since 2019, and we are taking firm steps towards our 2030 Net Zero target.

We integrate sustainability into our business model and work together for a sustainable future.

As Türk Prysmian Kablo, "Sign your signature" on our work in 2022. We continued under the four main headings we determined with our plan. With our work teams formed under these four basic headings, we present our sustainability justification on the way to becoming "Contemporary of the Future" as follows.

### **We Eliminate Our Carbon Footprint**

We work towards our Net Zero goal through efficient production using fewer resources and conversion to renewable energy.

### **We Use Our Resources Cyclically**

We protect and reuse our resources to prevent depletion of natural resources and damage to the natural

environment.

### **We Are Developing Our Business Model**

In order to achieve sustainable growth, we prioritize sustainability in all our operations, from production to sales, by working with our stakeholders.

### **We Work for the Development of Our Employees and Society**

In our journey with our motto "People first", inclusion and diversity are among the basic principles of our company, We work to best serve the society we live in by attracting the attention of a talented and new generation workforce and improving our skills day by day.

### **SUSTAINABILITY ORGANIZATION**

Our sustainability journey was started in 2019 under the leadership of Türk Prysmian Kablo CEO and is currently carried out at the level of our management team, "Sign it", which we created in 2020, With our Sustainability Plan, our company's critical sustainability impact areas have been analyzed and our 2030 Goals have been determined.

In the Sustainability Management Organization, the sponsor of the system is the CEO,

Türk Prysmian Kablo Sustainability Committee, formed with the CEO and leaders of critical functions of the company, regularly reviews the development every month and makes decisions for progress, Progress and decisions are recorded within the scope of Sustainability Management System processes.

In addition to the Sustainability Committee, Sustainability Ambassadors, who represent different units and functions of the institution, consist of people who have contributed most to the progress of our sustainability journey since 2021. Sustainability Committee Leaders and Sustainability Ambassadors meetings are held regularly every month and feedback is provided to the CEO at regular intervals.

The Sustainability Management System created by Türk Prysmian Kablo is also compatible with the MEART Sustainability strategy, The sustainability targets given to all management regions by Prysmian Group have also been adopted by Türk Prysmian Kablo, Türk Prysmian Kablo Sustainability Leaders and Ambassadors also take an active role in the MEART Sustainability Committee,

MEART Sustainability Organization, established under the sponsorship of MEART Regional CEO, meets regularly every month and reviews the progress in goals and projects, Türk Prysmian Kablo is represented in the MEART Sustainability Organization by the CEO and all relevant department managers.

## **RISK MANAGEMENT**

Prysmian Group ERM Risk Management system; It has been developed based on systematic tools and regular information flow that will enable the Board of Directors to make strategic decisions and provide the basis for the creation of guidelines in this context.

Prysmian Group adopts the corporately developed "Enterprise Risk Management (ERM)" model in risk management, Starting from 2021, it has carried out a careful risk analysis focusing on climate change and energy transition in line with the TCFD-Climate-Related Financial Disclosures Working Framework, In this context, decarbonization policies have been developed by developing short, medium and long-term strategies, For detailed information on the subject, you can visit [www.prysmiangroup.com](http://www.prysmiangroup.com), You can access the risk and opportunity study updated in 2022 in the "2022 Prysmian Group Sustainability Report".

The principles regarding the Internal Control and Risk Management System, approved in 2014, are part of the Group ERM Policy, which formalizes the adopted Enterprise Risk Management model, This model adopts a top-down approach driven by senior management and our medium/long-term business goals and strategies, This approach covers any risks and opportunities that are potentially material to the Group. These risks and opportunities are presented in five groups that reflect the nature of Prysmian's business model: Strategic Risks, Financial Risks, Operational Risks, Legal and Compliance Risks, Planning and Reporting Risks.

The ERM process is managed by the CRO (Chief Risk Officer), who is responsible for the timely identification, evaluation and monitoring of the key risks faced by Prysmian Group and its subsidiaries, Additionally, a Risk Management Committee consisting of senior executives oversees the ERM process through the CRO and ensures that the ERM process remains dynamic, The CRO reports to senior management on these changes periodically, at least twice a year, Each year, the Group's key business/function managers participate in identifying and assessing the most significant risk factors, Here, the main topics across all ESG (Environmental, Social and Corporate Governance) are reviewed, including climate change.

As Türk Prysmian Kablo, we effectively manage operational and process risks based on the results of all these risk management processes, We integrate all regulations arising from disruptions, risks, opportunities, local and global developments of internal processes into our operational and process risk plan, We check the risk management studies carried out in Management Review meetings and advance our processes under the leadership of senior management.

## **MANAGEMENT SYSTEMS**

Türk Prysmian Kablo promotes the integrated use of management systems,

Türk Prysmian Kablo management systems are ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, IATF 16949:2016, ISO 27001:2013, ISO 10002:2013.

## **PRIORITIZATION ANALYSIS AND STAKEHOLDER RELATIONS**

Establishing meaningful relationships with our stakeholders is very important for us in this journey where we act with the mission of "Connecting Turkey to a Sustainable Future". In this context, we developed our prioritization work, which we started in 2019, by ensuring the participation of external stakeholders in 2022.

We conducted a comprehensive study to obtain the opinions of stakeholders within the value chain to form the basis of our sustainability strategy. With this study, we addressed the economic, environmental and social issues that will create the greatest impact and value for all our stakeholders. Among the stakeholder groups whose feedback was received; employees, customers, suppliers, business associations, subcontractors, business and governance stakeholders. We organized priority issue surveys specifically for these stakeholder groups, including their expectations in the field of sustainability. Through these surveys; We managed to obtain the opinions of approximately 400 key stakeholders.

Stakeholder engagement is the foundation of companies' success. Because value can only be created at its maximum level when everyone in the organization is involved in creating a common goal. The key to success for us is to make stakeholder participation an indispensable part of our corporate strategic planning and to maintain stakeholder communication in a continuous and transparent manner, rather than seeing it only as a risk management tool. We share the steps we have taken in this field with all our stakeholders through the "Sustainability" tab we added to our website.

In our stakeholder survey study, we asked our stakeholders to evaluate the main issues listed in the table below, which are the outputs of our prioritization analysis with our Sustainability Ambassadors, in terms of priority, and their expectations from us:

- Strong Financial Performance
- Contribution to Local Employment
- Product and Service Diversity
- Brand Management
- Good Management of Financial Risks and Cash Flow
- Market Presence and Number of Customers

- Circular Economy Activities
- Conservation of Biodiversity
- Fighting Climate Change
- Development of Environmentally Friendly Products and Services
- Employee Happiness
- Work and Private Life Balance
- Employee Engagement and Talent Development
- Diversity and Inclusion
- Respect for Human Rights and Workers' Rights
- Avoiding Anti-Competitive Behavior
- Crisis and Risk Management
- Sustainable Supply Chain
- Occupational Health and Safety Practices
- Transparency in Wage Policy
- Contribution to Local Community
- Customer Satisfaction and Loyalty
- New Product and Innovation
- Digital Services
- Products Supporting Low Carbon (EPD, Ecological Label)

After this process, which helped us determine our priority issue list, we contacted each stakeholder group and created our priority issue matrix. While certain issues are more important to different stakeholder groups, their impact on us varies strategically.

According to the material issue matrix below, the most important issues that have the greatest impact on both our stakeholders and our company are defined as follows:

1. Respect for Human Rights and Workers' Rights
2. Development of Environmentally Friendly Products and Services
3. Products that Support Low Carbon (EPD, Ecological Label)
4. Sustainable Supply Chain



5. Customer Satisfaction and Loyalty

6. Circular Economy Activities

7. Work-Life Balance

## **TÜRK PRYSMİAN KABLO SUSTAINABILITY TARGETS**

### **17-MISCELLANEOUS**

Explanations regarding the transactions carried out with related parties during the reporting periods are given in detail in the annex of footnote 26 of the financial table announced on the Public Disclosure Platform on 22.02.2024. It is also available on our Company's corporate website.

In addition;

Regarding the company's relations with controlling and affiliated companies in accordance with the Turkish Commercial Code No. 6102 and the Capital Markets legislation;

- It has been determined that all transactions made by our company with related parties in 2023 have been carried out by providing an arm's length counter-acquisition, in accordance with group transfer pricing directives and Transfer Pricing rules, regardless of country or company, and are reasonable within the framework of commercial practices;

- As a result of the examination and evaluations made, according to the known circumstances and conditions regarding the Related Party Transactions; In 2023, in the transactions of our Company, Türk Prysmian Kablo ve Sistemleri A.Ş., with the controlling and affiliated companies specified in Article 199 of the Turkish Commercial Code, an appropriate counter-action was provided in each legal transaction, and there was no precaution taken or avoided, or the Company suffered losses due to whether or not any precaution was taken. did not stop by.

Since no damage occurred, there was no need to compensate for any losses.

#### **Annual Activity Report Legal Basis:**

The Group's Annual Activity Report for the Accounting Period of 01,01,2023-31,12,2023 is based on the provisions of the "Regulation on Determining the Minimum Content of the Annual Activity Report of Companies" prepared by the Ministry of Customs and Trade, based on the third paragraph of Article 516 and Article 518 of the Turkish Commercial Code, It has been prepared in accordance with the provisions of the "Communiqué on Principles of Financial Reporting in the Capital Market" of the Capital Markets Board,

#### **Principles for Preparing the Annual Activity Report:**

The annual activity report shall reflect the business stream and the financial position of the company, in all aspects, in an accurate, complete, straight-forward, realistic and honest manner for the relevant fiscal year, taking into consideration the rights and interests of the company. All misleading, exaggerated and untrue statements are avoided, Annual activity report is prepared in a detailed manner to ensure shareholders have complete and accurate access to all kinds of information about company activities.

**Annual Activity Report Approval:**

The Annual Activity Report of the Group for the fiscal period 01,01,2023-31,12,2023 was approved by the members of the Board of Directors of the Company on 27,02,2023, We are still in the process of preparing the more detailed 2023 Activity Report and will share it with our investors when completed.