



2022
ANNUAL REPORT

GÜBRE FABRİKALARI TÜRK A. Ş.
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I. AT A GLANCE

A. REPORTING PERIOD

01.01.2022 - 31.12.2022

B. COMMERCIAL TITLE

Gübre Fabrikaları Türk Anonim Şirketi (Gübretaş)

C. TRADE REGISTER NUMBER

Gübre Fabrikaları T.A.Ş. is registered at Istanbul Trade Registry Office with registry number 47535.

D. CONTACT INFORMATION

HEADQUARTERS

The address of our headquarters, which is registered at the trade registry, is “İstanbul Kadıköy Bora Sk. Nida Kule Göztepe İşm. No.1 K.12-30 - 31”.

The telephone, fax, e-mail and web address of Gübretaş are as below:

Tel: +90 (216) 468 50 50

Fax: +90 (216) 407 10 11

E-mail address: gubretas@gubretas.com.tr

Web address: www.gubretas.com.tr

The following are the contact information for facilities and regional offices:

YARIMCA FACILITIES

Address: Atalar Mahallesi Hayat Sokak No: 30 41740 Körfez / KOCAELİ

Phone : +90 (262) 528 46 40

Fax : +90 (262) 528 21 31

İZMİR FACILITIES

Address: Fatih Mah. Atatürk Cad.No: 28 Aliğa / İZMİR

Phone : +90 (232) 627 91 59

Fax : +90 (232) 627 91 59

İSKENDERUN FACILITIES

Address: Sariseki Mah. 12 Eylül Caddesi E-5 Karayolu Altı No: 1 İskenderun / HATAY

Phone : +90 (326) 656 22 88

Fax : +90 (326) 656 22 88

WEST MEDITERRANEAN REGIONAL OFFICE

Address: Kızıltoprak Mah. Aspendos Bulvarı, Çam Plaza, No:19 Daire:3 Muratpaşa/ANTALYA

Phone : +90 (242) 311 43 73 - 83

Fax : +90 (242) 311 43 93

EAST MEDITERRANEAN REGIONAL OFFICE

Address: Sarıseki Mah. Atatürk Cad. No: 6 Sarıseki İskenderun/HATAY

Phone : +90 (326) 626 14 42 - 44 – 49

Fax : +90 (326) 626 14 50

AEGEAN REGIONAL OFFICE

Address: Kırlar Mevkii Fatih Mah. Atatürk Cad. Helvacı - Aliğa / İZMİR

Phone : +90 (232) 627 91 59

Fax : +90 (232) 627 91 60

GAP REGIONAL OFFICE

Address: Ulubağ Mh. Recep Tayyip Erdoğan Blv. No.305/5 Haliliye /ŞANLIURFA

Phone : +90 (414) 341 08 08

Fax : +90 (414) 381 08 10

SOUTHEAST ANATOLIA REGIONAL OFFICE

Address: Kayapınar Mah. Urfa Yolu 3. Km DİYARBAKIR

Phone : +90 (412) 251 12 46 / +90 (412) 251 15 46

Fax : +90 (412) 251 18 55

CENTRAL ANATOLIA REGIONAL OFFICE

Address: Emek Mah. Kazakistan Cad. (4. Cadde) No: 139 Çankaya / ANKARA

Phone : +90 (312) 212 75 75

Fax : +90 (312) 231 92 99

BLACK SEA REGIONAL OFFICE

Address: Kamalı Mah. 4043 Sok. No.1/A Atakum / SAMSUN

Phone : +90 (362) 266 40 10

Fax : +90 (362) 266 68 25

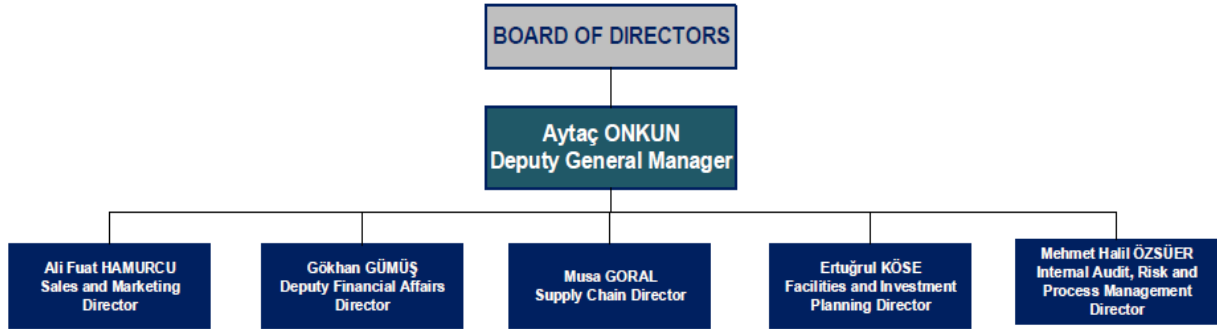
MARMARA REGIONAL OFFICE

Address: Hürriyet Mah. Dekanlar Sk. No: 2 Yaşam Plaza Kat:1 D:2 Süleymanpaşa/TEKİRDAĞ

Phone : +90 (282) 262 76 50 / +90 (282) 262 47 94

Fax : +90 (282) 262 98 51

E. ORGANIZATION CHART



F. CAPITAL STRUCTURE

As of 31.12.2022 authorized capital of the company is 1.000,000,000 ₺ and issued capital is 334,000,000 ₺. There has not been any change in terms of capital and shareholder structure of Gübretas within the fiscal period.

The Company does not have any privileged shares or has not acquired any of its shares.

“Capital loss” or “Indebtedness” situations, which are defined in 376th article of Turkish Commercial Code, has not been observed.

Table 1 : CAPITAL STRUCTURE

Shareholders	Share Amount -₺	Share
Central Union of Turkish Agricultural Credit Cooperatives	253.684.607	75,95%
Other	80.315.393	24,05%
Total	334.000.000	100,00%

G. VOTING RIGHTS AND MINORITY RIGHTS

In our company, practices that obstruct exercise of voting rights are avoided, and equal, easy and applicable voting opportunities are made possible to all shareholders. There are no privileged rights on voting because there is no preferred stock issued.

As per articles of association, minority rights can be exercised by shareholders having at least 5% of issued company capital as foreseen for listed companies within 411th article of Turkish Commercial Code. Minority shareholders are not represented in management.

H. MEMBERS OF THE BOARD OF DIRECTORS

Title	Name	Date of Election
Chairman	Hüseyin AYDIN	22.04.2022
Vice Chairman	Yasin AYZ	03.08.2022
Executive Member	Aytaç ONKUN	10.06.2022
Independent Member	Mustafa HAMARAT	25.05.2022
Independent Member	Hasan DURSUN	19.08.2022

Members of the board of directors resigned during and after the reporting period:

Title	Name	Date of Election	Date of Resignation
Chairman	Fahrettin POYRAZ	19.12.2017	03.02.2022
Independent Member	Vahit KİRİŞÇİ	25.06.2020	04.03.2022
Executive Member	İbrahim YUMAKLI	28.10.2016	11.04.2022
Chairman	Temel Tayyar YEŞİL	08.04.2022	22.04.2022
Independent Member	Murat YAŞA	11.05.2017	25.05.2022
Independent Member	Mehmet BULUT	30.03.2018	25.05.2022
Member	Mehmet Okan ATEŞ	02.05.2019	25.05.2022
Member	Selahattin KÜLCÜ	22.03.2019	25.05.2022
Member	Zeynep Müjde SAKAR	08.04.2021	25.05.2022
Executive Member	Mehmet YENER	11.04.2022	10.06.2022
Independent Member	Adnan GÜN	25.05.2022	03.08.2022
Vice Chairman	Ahmet BAĞCI	03.05.2018	03.08.2022

The members of Board of Directors have the rights which are described in the Articles of Association and Turkish Commercial Code. In the 30th footnote of consolidated financial statements, information about the benefits provided to the members of the Board of Directors and executive management are provided.

İ. EXECUTIVE MANAGEMENT

Title	Name	Date of Appointment
Deputy General Manager	Aytaç ONKUN	10.06.2022
Internal Audit, Risk and Process Man. Dir.	Mehmet Halil ÖZSÜER	18.07.2022
Facilities and Investment Planning Director	Dr. Ertuğrul KÖSE	12.08.2022
Supply Chain Director	Musa GORAL	10.01.2023
Sales and Marketing Director	Ali Fuat HAMURCU	10.01.2023
Deputy Financial Affairs Director	Gökhan GÜMÜŞ	06.02.2023

Members of the executive management resigned during and after the reporting period:

Title	Name	Date of Election	Date of Resignation
General Manager	İbrahim YUMAKLI	28.10.2016	11.04.2022
Deputy General Manager	Mehmet YENER	11.04.2022	10.06.2022
Assistant GM-Finance	Hüseyin BAĞRIYANIK	04.08.2021	12.08.2022
Assistant GM- Fac. and Inv.	Mahmut KARAMAN	04.02.2015	12.08.2022
Assistant GM-Fin., Sales and Marketing	M. Raşid ÜNAL	15.06.2020	09.01.2023
Assistant GM-Supply and Fac.	Mesud ŞENKARDEŞLER	30.09.2016	10.01.2023
Financial Affairs Director	Hüseyin KARAKUŞ	01.08.2021	06.02.2023

Executive Management

Aytaç ONKUN – Deputy General Manager

Born in 1974 in Gaziantep, Aytaç Onkun completed his undergraduate education at Anadolu University, Faculty of Business Administration, Department of Management Organization in 1998 and his master's degree at Toros University, Faculty of Business Administration, Institute of Social Sciences in 2016.

In 1996, he started working as a civil servant at Büyükşehirbey Agricultural Credit Cooperative of Gaziantep Regional Union of Agricultural Credit Cooperatives.

In 1997, Onkun was transferred to Mersin Regional Union and worked in Erzin, Aydınçık and Anamur Agricultural Credit Cooperatives respectively.

In 2008, he was appointed as Director, and in 2012, he was appointed as Assistant Regional Director to Mersin Regional Union.

While he has been working as Regional Manager at Şanlıurfa Regional Union since 2019, he was appointed as a Member of the Board of Directors and Acting General Manager on June 10, 2022.

Mehmet Halil ÖZSÜER - Internal Audit, Risk and Process Management Director

Born in 1979 in Mardin, Özsüer completed his undergraduate education at Uludağ University, Department of Food Engineering in 2001. He completed his master's degree at Marmara University Institute of Social Sciences, Department of Business Administration in 2004.

Özsüer continues his academic career at Gebze Technical University, Institute of Social Sciences, Department of Business Administration at PhD level.

Özsüer started his professional career as a Quality Control Engineer at Naturem Group of Companies in 2002 and worked at Tezman Holding, Sel Sanayi Ürünleri Tic. Paz. A.Ş. as Marketing and Sales Responsible and Seljel Food gelatin factory as Factory Manager.

Between 2013 and 2020, he worked at Turkcell as Internal Audit Senior Specialist, Internal Audit Manager, Process Assurance and Quality Director and then as Internal Audit Director responsible for Turkcell and group companies.

Between 2020 and 2022, he worked as a consultant to the Gerede Gelatin plant established in cooperation with a private consortium, and in July 2022, he started working at GÜBRETAŞ as Internal Audit, Risk and Process Management Director.

Dr. Ertuğrul KÖSE - Facilities and Investment Planning Director

Born in 1973 in Bilecik, Mr. Köse received his undergraduate degree from Middle East Technical University in 1995. He completed his second bachelor's degree at Anadolu University, Faculty of Business Administration, Department of Business Administration in 2011.

He completed his Master's Degree at Middle East Technical University, Institute of Social Sciences, Department of International Relations in 1999. He completed his doctorate education in 2017 at Istanbul Commerce University, Institute of Social Sciences, Department of Business Administration and received the title of "Doctor of Business Administration".

Mr. Köse holds a Certified Public Accountant (CPA) license and holds CMB Level 3, Corporate Governance, Credit Rating, Independent Audit and Derivative Instruments Licenses.

Mr. Köse started his professional career as an Assistant Inspector at Interbank in 1998 and served as Inspector at Interbank, Etibank and Tarişbank between 1998 and 2003. Between 2003 and 2009, Mr. Köse served as Corporate Banking Manager at Denizbank and Tekstilbank. Between March 2009 and April 2011, Mr. Köse worked as Rating Manager at TCR Corporate Governance and Credit Rating Services Inc.

In 2011, Mr. Köse started to work as Risk Management Manager at GÜBRETAS and was appointed as Director of Operations and Investment Planning on 12.08.2022 while continuing to work as Risk, Process and Quality Management Manager.

Dr. Ertuğrul Köse, who has over twenty scientific studies published in international journals and books in the fields of strategy, leadership and organizational behavior, speaks fluent English and intermediate Russian.

Musa GORAL - Supply Chain Director

Born in 1970 in Ünye, Ordu, Goral completed his undergraduate education in 1990 at Ege University, Faculty of Agriculture, Department of Agricultural Economics.

He completed his master's degree in Agricultural Economics at Namık Kemal University, Faculty of Agriculture. Musa Goral, who is an Agricultural Engineer, is married and has two children.

Mr. Goral started his professional career in 1993 and worked at the District Directorate of Agriculture in 1995 and at various units of the Turkish Agricultural Credit Cooperatives between 1996 and 2004.

Musa Goral continued his career at GÜBRETAS as Sales Manager in 2004. Between 2008 and 2019, he worked as GÜBRETAS Marmara Regional Manager and between 2019 and 2020, he worked as GÜBRETAS Aegean Regional Manager.

Ali Fuat HAMURCU - Sales and Marketing Director

Born in 1972 in Konya, Ali Fuat Hamurcu completed his undergraduate education at Selçuk University, Faculty of Agriculture, Department of Field Crops in 1993 and his master's degree at Selçuk University, Institute of Social Sciences, Department of Management and Organization in 2012.

In 1993, he started to work as an agricultural engineer at Tuzyaka Agricultural Credit Cooperative of Konya Regional Union of Agricultural Credit Cooperatives.

Between 1995 and 2008, he worked as an Agricultural Engineer and Assistant Cooperative Manager at Kulu Agricultural Credit Cooperative.

In 2008, Mr. Hamurcu was assigned to Konya Regional Union of Agricultural Credit Cooperatives and was appointed as Director in 2010 and Assistant Regional Director in 2015.

While working as Assistant Regional Manager of Konya Regional Union of Agricultural Credit Cooperatives, he has been working as Sales and Marketing Director at GÜBRETAS since January 11, 2023.

In 2020, Goral was appointed as GÜBRETAS Sales and Marketing Director and as of January 2023, he has been serving as GÜBRETAS Supply Chain Director.

Gökhan GÜMÜŞ - Mali İşler Direktörü (V)

Born in 1984 in Istanbul, Gümüş received his Bachelor's degree from Istanbul University, Faculty of Business Administration, Department of Business Administration in 2005 and his Master's degree from Istanbul University, Institute of Social Sciences, Finance Program in 2008. Gümüş continues his education at Maltepe University in the Business Administration Doctorate Program.

Mr. Gümüş started his professional career in 2009 and joined GÜBRETAS in 2013. Between 2013-2019, he worked at the Investor and Subsidiary Relations Department. Between 2016-2019, he served as unit manager. Between 2019 and 2023, he worked as a unit manager in the Finance Department. While serving as Finance Manager, he was appointed as acting Finance Director on 06.02.2023.

Mr. Gümüş holds a CPA (Certified Public Accountant) and SPL (Capital Markets Licensing Inc.) licenses and is fluent in English.

J. EMPLOYEE INFORMATION

Changes in employee as of 31.12.2022 are shown below in Table 2:

Table 2 : EMPLOYEE STATUS

EMPLOYEE	31/12/2021	31/12/2022	Change
Headquarters	104	106	(1,9%)
Yarımca Facilities	342	342	0,0%
Other Facilities and Reg. Off.	128	134	(4,5%)
TOTAL	574	582	(1,4%)

Collective Bargaining Agreement

The term of the collective bargaining agreement between Gübretaş and Petrol-İş Union dated 18.03.2021 expired on 31.12.2022. The new collective bargaining agreement started between the parties on 19.01.2023. Negotiations are ongoing for the years 2023 and 2024.

Training Activities

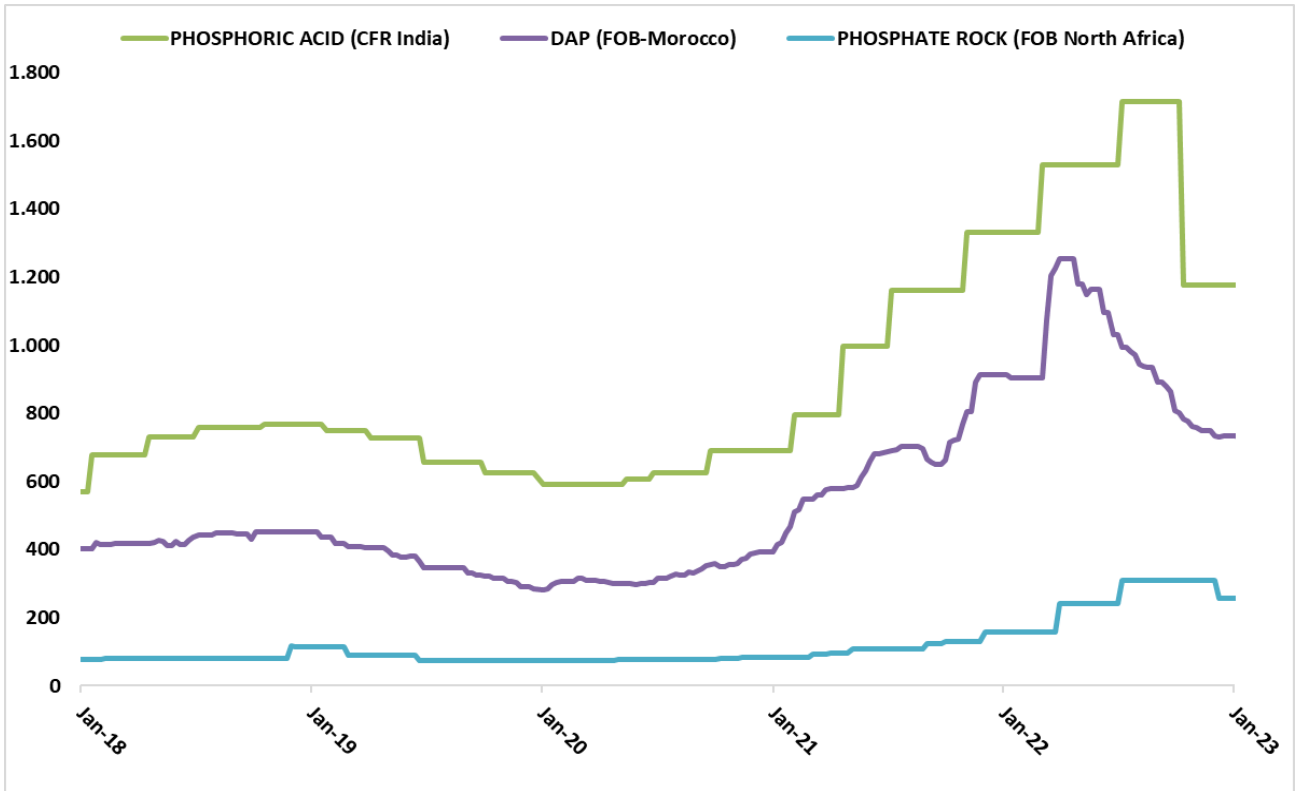
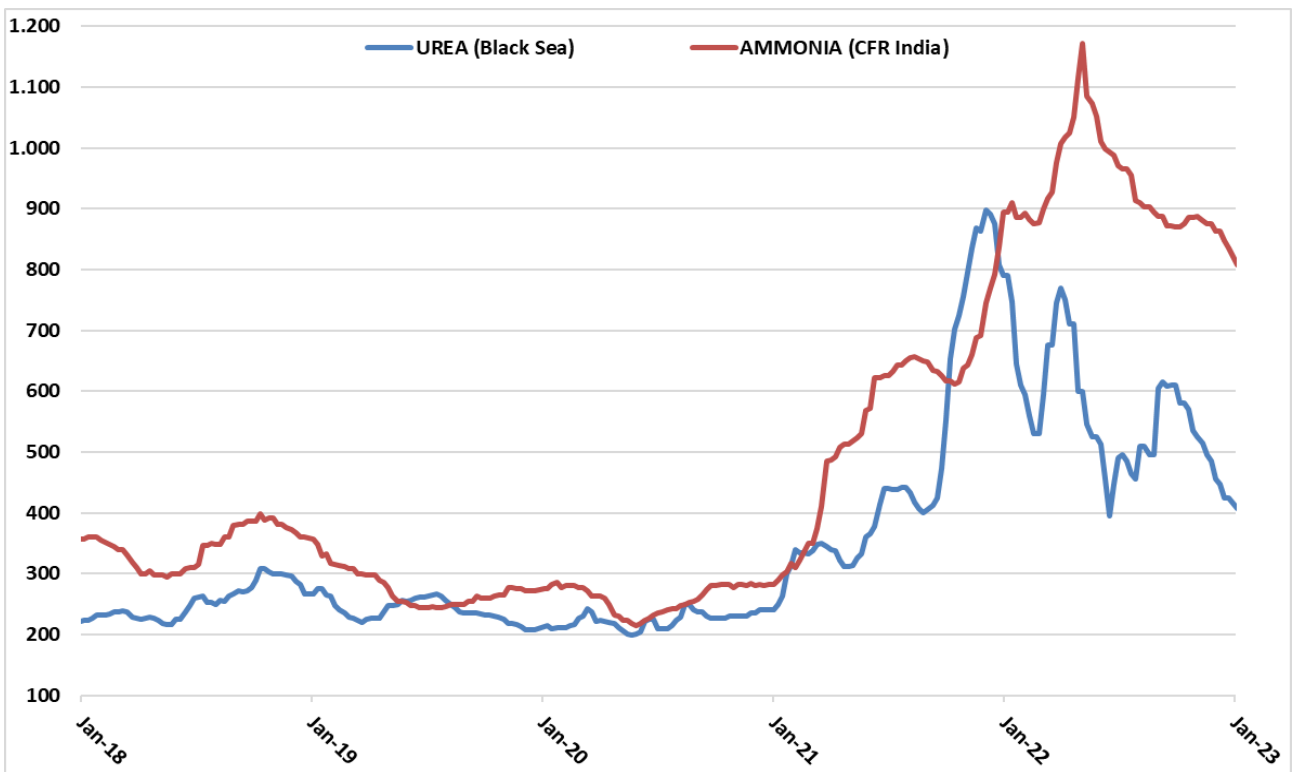
Training activities were held with the aim to develop managerial, personal and professional capabilities of the staff. Training activities of 5.760 hours with participation of 785 employees were carried out in 2022.

II. TURKEY AND GLOBAL FERTILIZER MARKET IN 2022

Raw material and commodity prices, which rose to historic levels in international markets due to the uncertainties in global trade during the Covid 19 pandemic, entered a downtrend as of the beginning of 2022. Although the war between Russia and Ukraine, which started in February 2022, caused prices to rise again in the market, this situation was not permanent, and the downtrend accelerated especially in the second half of the year.

The decline in natural gas and oil prices in the last quarter of the year triggered a downward trend in energy and freight prices. These developments led to the normalization of supply and production costs in the import-dependent sector compared to the Covid 19 pandemic period.

Fertilizer consumption in the first half of the year remained below the average of the last 5 years, while demand increased in the second half of the year compared to the first half of the year due to high domestic grain prices. The agricultural drought experienced across the country during the grain planting period was a factor that had a negative impact on consumption. Approximately 5.8 million tons of chemical fertilizers were consumed in 2022. The market contracted by 9% compared to 2021. Gübretaş sold approximately 1.75 million tons of solid fertilizer in 2022 and had a market share of over 30%.

Graph 1 : FERTILIZER PRICES IN INTERNATIONAL MARKETS - US\$/TON

Graph 2 : FERTILIZER PRICES IN INTERNATIONAL MARKETS - FOB US\$/TON


A. GÜBRE FABRİKALARI T.A.Ş. OPERATIONS

Gübretaş is the first and pioneer company of Turkey in chemical fertilizer industry. An important portion of the sales of the company is realized through the Central Union of Agricultural Credit Cooperatives (“TACC”). There are 8 regional offices throughout Turkey. In approximately 2.700 sales locations (sum of cooperatives and other dealers) Gübretaş sells to every corner of Turkey where there is agricultural production.

B. INFORMATION ABOUT OUR FACILITIES

Gübretaş has real estate assets consisting of facilities, warehouses and administrative buildings totaling 445.470 m², of which 171.647 m² is closed area.

Yarımca Facilities have 985.000 tons/year solid fertilizer production capacity, İzmir Facilities have 100.000 tons/year liquid and powder fertilizer production capacity, therefore Gübretaş has 1.085.000 tons/year fertilizer production capacity in total.

The total capacity of our warehouses is 450.000 tons.

Table 3 : REAL ESTATES

Office	Closed Area (m ²)	Warehouses	Closed Area (m ²)
Head Office	2.700	Kocaeli Yarımca	22.381
Yarımca Facilities - Office	2.410	Samsun Tekkeköy	6.211
İzmir Facilities - Office	570	Samsun Kamalı	14.775
Ankara Region - Office	120	İzmir Helvacı	21.000
İskenderun Region - Office	447	İskenderun Akçay	10.923
Samsun - Tekkeköy Office	210	İskenderun Sarıseki	35.398
Samsun - Kamalı Office	426	Tekirdağ	7.189
Total	6.883	İzmir Foça	2.200
Production Facilities	Closed Area (m ²)	Total	120.077
Kocaeli Yarımca Facilities	23.616	Previous Head Office	1.590
İskenderun Facilities	15.581	Grand Total	171.647
İzmir Facilities	2.500		
Foça Facilities	400		
Samsun Kamalı Facilities	1.000		
Total	43.097		

Table 4 : GÜBRETAŞ FERTILIZER PRODUCTION AND WAREHOUSE CAPACITY - TONS

Yarımca Facilities	Capacity-Tons	Region	Capacity-Tons
TSP	185.000	İskenderun	150.000
NPK 1A (Compound Fertilizer)	250.000	İzmir	55.000
NPK 1B (Compound Fertilizer)	250.000	Samsun	100.000
NPK 2 (Compound Fertilizer)	300.000	Yarımca	100.000
Total	985.000	Tekirdağ	30.000
İzmir Facilities	Capacity-Tons	İzmir Liquid	15.000
Liquid and Powder Fertilizer	100.000	Total	450.000
Grand Total	1.085.000		

C. PRODUCTION

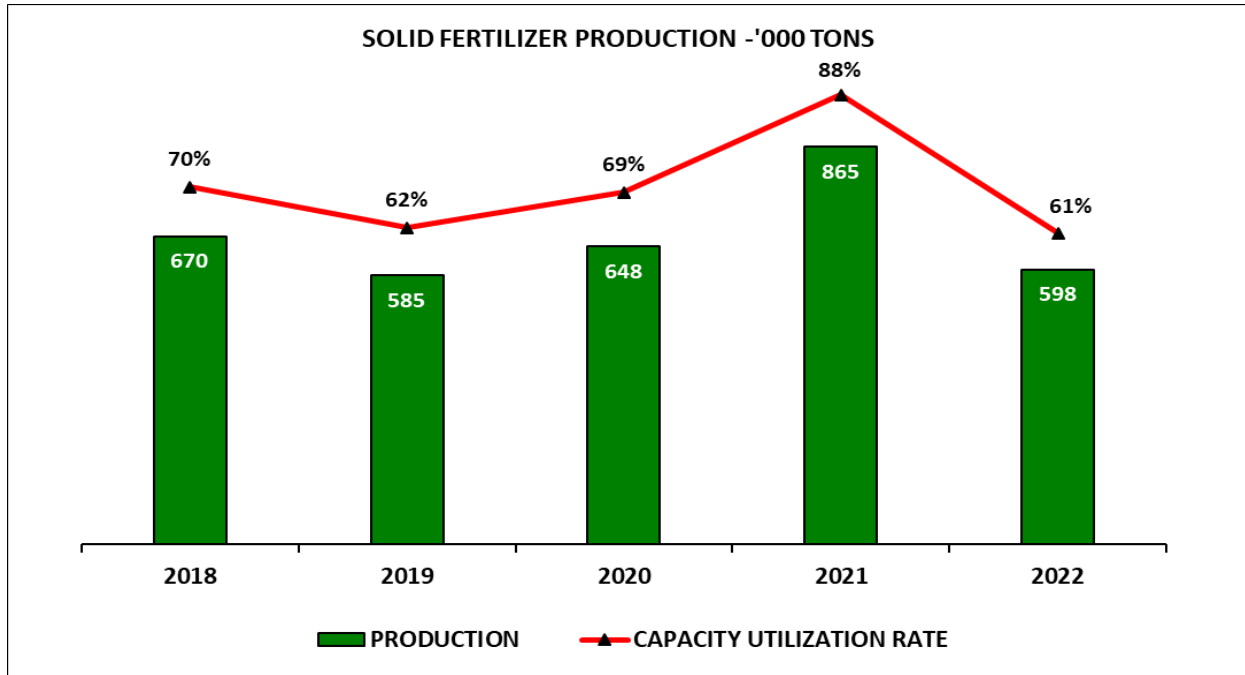
Gübretaş produced a total of 657.933 tons of chemical fertilizers, of which 598.135 tons of solid fertilizer and 59.798 tons of liquid and powder fertilizers in 2022.

Solid fertilizer production decreased by 30,9%; liquid and powder production increased by 8,1% compared to the past year. Total fertilizer production decreased by 28,5%.

Capacity utilization rate was 61% in 2022.

Table 5 : PRODUCTION BY PRODUCT-TONS

Product	2022	2021	Change
Solid Fertilizer	598.135	865.010	(30,9%)
Liquid and Powder Fertilizer	59.798	55.308	8,1%
Grand Total	657.933	920.318	(28,5%)

Graph 3 : PRODUCTION AND CAPACITY UTILIZATION RATES BY YEARS


D. SALES AND PROCUREMENT

Our Company sold 1.754.191 tons of solid, 95.852 tons of liquid and powder fertilizer in 2022. In 2022, the Company's solid fertilizer sales decreased by 17,2%, liquid fertilizer sales increased by 32,7% compared to 2021. The total decrease in the yearly sale numbers are 15,5 %. The export amount of our company in 2022 decreased by 85,6% to 14.264 tons.

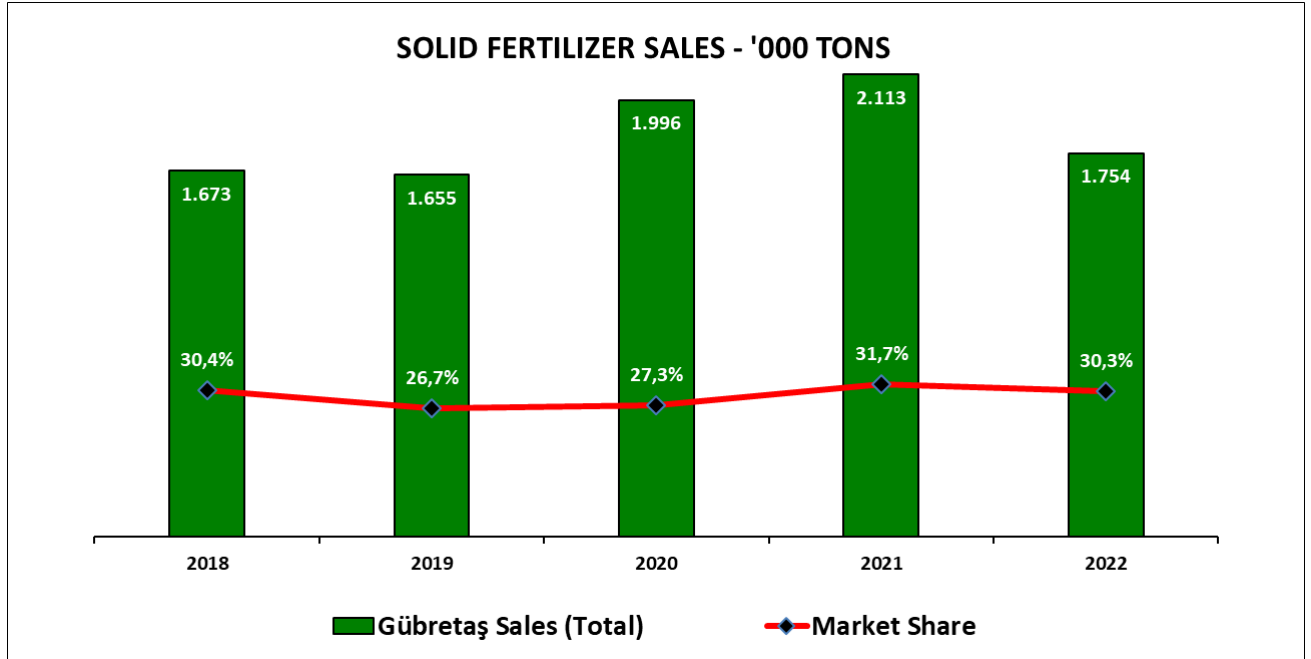
Table 6 : SALES BY PRODUCT GROUPS-TONS

Solid Chemical Fertilizers	2022	2021	Değişim
Compound	717.529	859.290	(16,5%)
Nitrogen-based	866.216	1.065.055	(18,3%)
Phosphate-based and others	170.446	193.586	(12,0%)
Solid Fertilizer Total	1.754.191	2.117.931	(17,2%)
Liquid and Powder Fertilizer	95.852	72.213	32,7%
Grand Total	1.850.043	2.190.144	(15,5%)

Raw material and commercial goods purchases in 2021 increased by 30% compared to the same period of the previous year and amounted to 2,339,931 tons.

Table 7 : SALES, IMPORTS AND DOMESTIC PROCUREMENT - TONS

	2022	2021	Değişim
Raw Materials	503.560	814.657	(38,2%)
Finished Products	1.102.150	1.557.447	(29,2%)
Total Procurement	1.605.710	2.372.104	(32,3%)

Graph 4 : SALES AMOUNTS AND MARKET SHARE BY YEARS


E. INVESTMENTS

Gübretaş realized a capital expenditure of 224.640.912 ₺ in 2022 in its domestic fertilizer activities.

Current status of the Company's investment activities are given below:

- Super Pearl fertilizer production line installation and new sack warehouse investment were completed in Samsun Kamalı facilities.
- The installation of an amino acid fertilizer production line in Izmir liquid-powder fertilizer production facilities was completed.
- İskenderun warehouse and Samsun warehouse rooftop photovoltaic electricity generation facility projects were completed.
- The installation of Super Pearl fertilizer production line in Tekirdağ facilities is ongoing. In March 2023, the installation process is planned to be completed.

- The tender for the new warehouse investment at Yarımca facilities has been tendered and the process is ongoing.
- The project for the investment in acid tanks at Yarımca facilities has been completed. Permit processes related to the investment are ongoing.
- Project design and design work has started for the İskenderun Akçay Storage Facility investment.

The Case of Benefiting From Incentives For Investments

The completion visa of the Investment Incentive Certificate numbered 110061 by the Republic of Turkey Ministry of Industry and Technology was made on September 20, 2018. The fixed investment amount is 290.369.160 TL. The support elements to be utilized from the investments are tax deduction rate of 100% and investment contribution rate of 25% for the year 2022. In the current period, tax deduction amounting to TL 19.339.724,59 has been utilized.

Based on the application dated March 26, 2018 and numbered 38928 made by the Company to the Republic of Turkey Ministry of Industry and Technology, an Investment Incentive Certificate dated May 16, 2018 and numbered 136984 was obtained. The Investment Incentive Certificate is valid until September 26, 2023 and contains fixed asset investment plans amounting to TL 377,947,636. The support elements that the investments will benefit from consist of tax reduction rate (70%), investment contribution rate (30%), VAT exemption, interest support, customs duty exemption.

Based on the application dated March 26, 2018 and numbered 38927 made by the Company to the Republic of Turkey Ministry of Industry and Technology, an Investment Incentive Certificate dated June 11, 2018 and numbered 137850 was obtained. The Investment Incentive Certificate is valid until March 26, 2024 and contains fixed asset investment plans amounting to TL 235.000.000. The support elements to be utilized by the investments consist of tax reduction rate (50%), investment contribution rate (25%), insurance premium employer's share support, VAT exemption and customs duty exemption. In the current period, tax deduction amounting to TL 30.967.540- has been utilized.

Based on the application dated October 26, 2022 and numbered 55417 made by the Company to the Republic of Turkey Ministry of Industry and Technology, an Investment

Incentive Certificate dated November 10, 2022 and numbered 543746 was obtained. The said Investment Incentive Certificate is valid until October 26, 2025 and contains fixed asset investment plans amounting to TL 4,450,000. The support elements that the investments will benefit from are tax reduction rate (70%), investment contribution rate (30%), insurance premium employer share support, VAT exemption.

Based on the application made by the Company to the Republic of Turkey Ministry of Industry and Technology dated October 26, 2022 and numbered 55416, an Investment Incentive Certificate dated November 10, 2022 and numbered 543747 was obtained. The said Investment Incentive Certificate is valid until October 26, 2025 and contains fixed asset investment plans amounting to TL 6,950,000. The support elements that the investments will benefit from are tax reduction rate (70%), investment contribution rate (30%), insurance premium employer share support, VAT exemption.

On May 8, 2018, an R&D Center was established at Gübretaş Yarımca Plant with the approval of the Ministry of Industry and Technology. In this context, it benefits from R&D discount, income tax withholding incentive, insurance premium support, stamp tax exemption and cash contribution support.

III. ACTIVITIES OF RAZI

A. PRODUCTION

Razi Petrochemical Co. is one of the largest fertilizer and fertilizer raw materials production facilities in Iran with 877.000 m² total area. Total capacity of Razi is 3.641.000 tons/year including its own 3.515.000 tons/year and its subsidiary Arya Phosphoric Jonoub Co. which has 126.000 tons/year.

In Razi, total production was 1.205.009 tons and the capacity utilization rate was 34,3% in 2022.

Table 8: RAZI PETROCHEMICAL CO. PRODUCTION-TONS

Product	2022	2021	Change
Ammonia	459.941	595.496	(22,8%)
Urea	339.317	405.688	(16,4%)
Sulphuric Acid	196.754	208.771	(5,8%)
Sulphur	159.140	208.390	(23,6%)
DAP	49.857	65.128	(23,4%)
Total	1.205.009	1.483.473	(18,8%)

B. SALES

In 2022, Razi sold 874.105 tons of fertilizer and achieved a revenue of 5.718.188.206 ₺.

Being a fully integrated facility, the reason of difference between production and sales is the internal consumption as some of the products are used as intermediary products.

Table 9 : RAZI PETROCHEMICAL CO. SALES-TONS

Product	2022	2021	Change
Urea	361.487	390.682	(7,5%)
Ammonia	275.976	273.332	1,0%
Sulphur	110.172	134.824	(18,3%)
Phosphoric Acid	55.414	51.705	7,2%
DAP	49.011	66.562	(26,4%)
Sulphuric Acid	22.045	42.626	(48,3%)
Total	874.105	959.731	(8,9%)

C. INVESTMENTS

In Razi facilities, renovation investments and investments aimed to increase the productivity in current facilities were realized. In Iran operations our company spent 119.052.333 ₺ capital expenditures in 2022.

IV. OTHER DEVELOPMENTS REGARDING COMPANY ACTIVITIES

A. ORDINARY AND EXTRAORDINARY GENERAL ASSEMBLIES AND DISTRIBUTION OF DIVIDENDS

70th general assembly meeting for 2021 fiscal period was held on 25th of May, 2022 on Wednesday and the details are presented in corporate governance principles compliance report. Within the period, there has not been any extraordinary general assembly meetings held.

Gübre Fabrikaları T.A.Ş distributes dividends within the frame of our dividend policy which was prepared in accordance with Communiqué on Dividends (II-19.1) of Capital Markets Board.

Our company adopted the principle to distribute the maximum percentage of profits to its shareholders while considering benefits of the company also. There are no privileges in dividend payment. Dividends are distributed equally to all shares regardless of their issue and acquisition dates.

In line with the 31st article of our articles of association, the dates and methods of paying dividends are decided by the general assembly in accordance with the proposal of the board of directors.

There was no dividend distribution in 2022 and in last five years.

B. DONATIONS AND AIDS

In 2022, the payment of scholarship was 628.980-₺. In addition to scholarship, Gübretas provided 1.261.686-₺ aids to various educational institutions. Therefore, the total amount of donations and aids became 1.890.666-₺.

C. INTERNAL AUDIT ACTIVITIES

The Internal Audit Department, which operates under the Internal Audit, Risk and Process Management Directorate reporting to the General Manager of the Company, performs operational audit activities in accordance with the annual audit plan prepared on the basis of the risk-based audit approach. Through internal audits, the Internal Audit function evaluates

the effectiveness of the Company's risk management, control and governance processes and provides assurance to senior management on these processes.

Internal Audit also performs an advisory function on current issues and matters requested by management.

The audit activities of the Internal Audit function mainly determine the compliance of the transactions carried out in all GÜBRETAŞ workplaces with the Company's vision, mission, and strategies, legal regulations, ethical rules and Company documents within the framework of annual risk-based audit plans.

During these activities, the reliability and accuracy of information, compliance with Company policies, plans, procedures, regulations and laws, protection of assets, frugal and efficient use of resources, achievement of the objectives set for activities and programs, causes of errors and corrective measures, efficiency and effectiveness of activities and as a result, the Company's activities are audited as a whole within the framework of International Standards for Professional Practice in Internal Auditing and the audit results and audit reports are reported to the senior management.

D. PRIVATE AND PUBLIC AUDITS

In addition to the independent audit of Gübretaş's consolidated financial statements, Gübretaş also receives full certification services for its corporate tax return. At the 70th Ordinary General Assembly Meeting for the 2021 accounting period, our company did not receive any special audit request.

E. INFORMATION ABOUT RELATED PARTIES TRANSACTIONS AND BALANCES OF RELATED PARTIES ACCOUNTS

Detailed tables are given in the 30th footnote of consolidated financial statements belonging to the fiscal period of 1 January – 31 December 2022.

F. LAWSUITS BROUGHT AGAINST OUR COMPANY AND OTHER MATTERS

On the 8th and 16th footnotes of consolidated financial statements, subjects of lawsuits brought by our company and the other parties, latest situations and their impact on our consolidated financial statements are stated.

There has not been any administrative or legal sanction being implemented to the company or members of the managerial body due to violation of provisions of related regulations.

G. AFFILIATION REPORT

The conclusion of the “Affiliation Report” prepared in accordance with 199th article of the Turkish Commercial Code No. 6102 for the period of 01.01.2022-31.12.2022 is presented below:

“The controlling shareholder of our company is the Central Union of Turkish Agricultural Credit Cooperatives (“Central Union”), which is registered in Ankara Trade Registry Office with the registry number 35791 and located at ‘Yukarı Bahçelievler Mahallesi Wilhem Thomsen Caddesi No:7 Çankaya Ankara’, In this context, it has been concluded that;

- *In the previous fiscal year, there has not been any judicial action taken in favor of the controlling shareholder, a company affiliated with the controlling shareholder or by the directions of the controlling shareholder beneficial to it or one of its affiliates.*
- *In the previous fiscal year, there has not been any precautions taken or avoided in favor of the controlling shareholder or a company affiliated with it.”*

H. AFFILIATES AND SUBSIDIARIES

Detailed information about affiliates and subsidiaries are given in the 1st footnote of consolidated financial statements belonging to the fiscal period of 1 January – 31 December 2022.

V. 2023 EXPECTATIONS FOR THE FERTILIZER SECTOR IN TURKEY

Prices of ammonia, phosphoric and sulfuric acid, the main inputs of chemical fertilizer production, and the products derived from them are expected to continue to fall in 2023. Raw material and commodity prices are expected to decline to long-term average prices in USD terms.

Normalization in product prices and production and freight costs will increase fertilizer consumption. High prices of agricultural products, particularly wheat, barley and corn, will also keep demand buoyant.

For 2023, the biggest threat to fertilizer consumption is climate-related. The autumn 2022 grain sowing period and the continuation of the agricultural drought experienced in January and February 2023 in March and April will pose a significant risk to both fertilizer consumption and agricultural production.

VI. FINANCIAL STRUCTURE AND EQUITY PERFORMANCE

A. FINANCIAL RATIOS

Table 10 : YEAR-END FINANCIAL RATIOS FOR THE LAST 5 YEARS

	2022	2021	2020	2019	2018
LIQUIDITY RATIOS					
Current Ratio	0,99	1,08	0,98	0,80	0,95
Acid Test Ratio	0,35	0,46	0,55	0,37	0,52
LEVERAGE RATIOS					
Financial Leverage Ratio	0,62	0,69	0,66	0,72	0,71
Equity / Asset	0,38	0,31	0,34	0,20	0,29
ACTIVITY RATIOS					
Inventory Turnover	3,35	1,54	2,97	2,99	3,15
Accounts Receivable Turnover	14,60	5,64	6,05	7,50	8,59
Asset Turnover	1,21	0,82	1,05	1,01	1,05
PROFITABILITY RATIOS					
Gross Profit Ratio	0,15	0,24	0,24	0,20	0,28
Operating Profit Ratio	0,10	0,04	0,09	0,07	0,17
EBITDA Ratio	0,12	0,20	0,14	0,09	0,19

B. DIVIDEND RIGHTS

The dividend policy of our company was prepared in accordance with Turkish Commercial Code, Capital Markets Law and the articles of association and was submitted for 62nd General Assembly's approval. "Dividend Policy" is submitted for investors' and public information in our corporate website, both in Turkish and English. Our company does not have any privileges regarding dividend distribution.

The decision the Board of Directors for the use of the 2021 profit is as follows:

"In the fiscal year 2021, the Company generated a consolidated net profit for the period (Parent Company Shares) of TL 523,125,635.00. According to the legal records, the net profit for the period is TL 755,928,336.79.

In accordance with Article 30 of our Articles of Association and in accordance with the Turkish Commercial Code, from the net profit for the period amounting to TL 755,928,336.79 obtained according to the legal records, firstly TL 362,132,883.58 of previous years' losses were deducted, then TL 14,343,914.61 of general legal reserves (1st Legal Reserve) was set aside, and the remaining TL 379,451,538.60 was set aside as extraordinary reserves;

According to the financial statements prepared in accordance with the CMB, out of the net profit for the period (Parent Company Shares) amounting to TL 523,125,635.00, TL 14,343,914.61 of general legal reserves (1st Legal Reserve) should be set aside and the remaining TL 508,781,720.39 should be set aside as extraordinary reserves,

It has been decided to submit the dividend distribution table created within this framework to the approval of the shareholders at the Ordinary General Assembly Meeting."

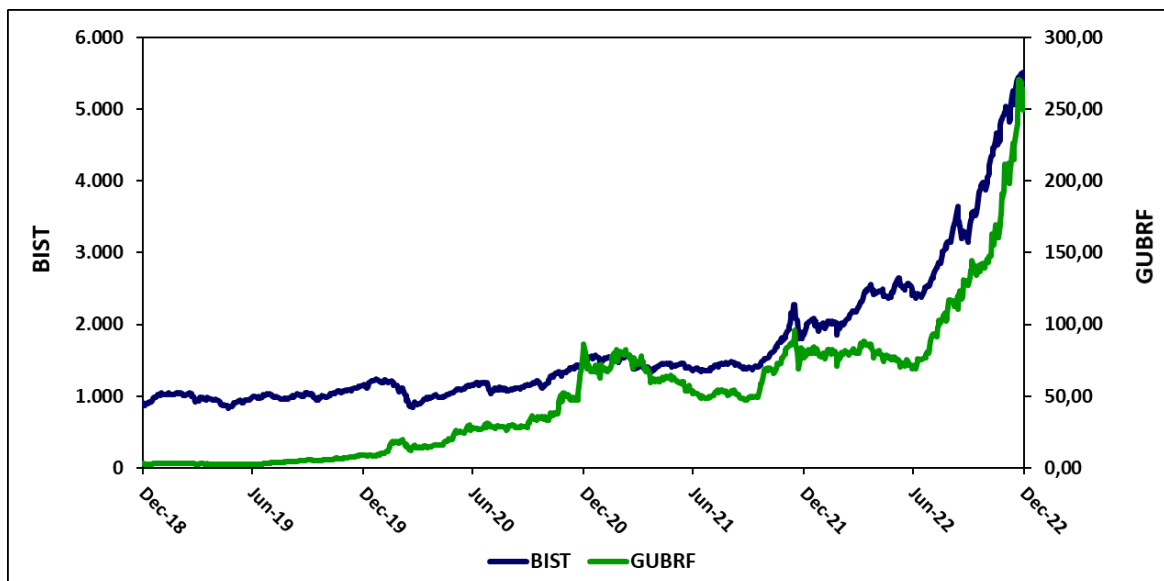
C. PERFORMANCE OF THE STOCK

Comparative graph of the performance of our shares, which is listed in BIST (İstanbul Stock Exchange) with BIST index in recent years and its closing prices for each quarter in 2022 are as follows:

Table 6 : STOCK CLOSING PRICES BY THE END OF QUARTERS

04.01.2021	31.03.2021	30.06.2021	30.09.2021	31.12.2021
77,45	73,10	49,94	48,66	76,85

Graph 5 : PERFORMANCE OF THE STOCK



VII. EVENTS AFTER REPORTING PERIOD

1. Negotiations for the collective labor agreement between our Company and Petrol-İş Union for the years 2023 and 2024 started on 19.01.2023.
2. The inauguration of the facility and the first gold pouring of the Söğüt Gold Mine Site, which is under the control of Gübretaş Maden Yatırımları A.Ş., was realized on 27.01.2023.
3. The Board of Directors of our subsidiary Tarkim Bitki Koruma A.Ş., 40% of the capital of which belongs to our Company and 60% of which belongs to our controlling shareholder Türkiye Tarım Kredi Kooperatifleri Merkez Birliği;
 - to start public offering activities in order to benefit from the opportunities offered by the capital markets,
 - "Company Valuation and Consultancy Agreement" with Vakıf Yatırım Menkul Değerler A.Ş. and Halk Yatırım Menkul Değerler A.Ş. as the leading intermediary institutions.
4. The lawsuit filed on behalf of the Treasury of Finance for the cancellation of the title deed and abandonment of the related immovable in the name of the public with the claim that the Coastal Edge Line passes through the location of the immovable belonging to our company in accordance with the provisions of the Coastal Law and the Regulation on the Implementation of the Coastal Law was partially accepted.

It was announced in the material event disclosure dated 17/01/2023 that it was decided to cancel the title deed of 78.674,76 m² of the immovable belonging to our company and to leave it unregistered by abandoning it as the coastal edge line, to reject the request regarding the excess and to reject the counterclaim filed by our company.
5. In our disclosure dated 06.02.2023, it was announced to the public that the legal process continues and that the legal remedy of appeal was applied within the legal period after the notification of the reasoned decision to our company.

VIII. BOARD OF DIRECTORS

A. THE STRUCTURE AND COMPOSITION OF THE BOARD OF DIRECTORS

In our company; board of directors are elected at the general assemblies under the framework of the Articles of Association, Turkish Commercial Code and Capital Market Law.

B. PRINCIPLES OF THE OPERATIONS OF THE BOARD OF DIRECTORS

The board of directors conducts its operations in a transparent, fair and responsible way. The board reviews the efficiency of risk management and internal control systems of our company once in every two months via Committee of Early Determination of the Risk. Information is given in Annual Report about the mechanism and efficiency of internal control system. While the authorities of the chairman of the board and chief executive officer/general manager were not separated clearly in articles of association, nobody is furnished with individual unlimited decision-making. The board plays a pioneer role while providing effective communication between company and shareholders, overcoming and solving possible conflicts and therefore works in close cooperation with Committee of Corporate Governance and Investor Relations Department.

The losses, which may occur from the faults of board members while performing their duties, are insured.

C. FORMATION OF BOARD MEETINGS

Meetings of the Board of Directors and decision quorums are held in accordance with the provisions of the Articles of Association, the Turkish Commercial Code and the Capital Markets Law. The Company has established a Management Services Office Management unit reporting to the General Manager to carry out the activities related to the Board of Directors meetings and to provide services to the members of the Board of Directors. The departments within the Company prepare motions for the resolutions needed for their subjects and submit them to the Management Services Office Management after obtaining the approval of the General Management. The agenda related to these motions is prepared and delivered to the chairman of the Board of Directors together with the invitation letter for the Board of Directors meeting. The invitation letter and agenda of the Board of Directors are sent to the members of the Board of Directors with the approval of the Chairman of the Board of

Directors. The decisions taken after the meeting are sent to the members of the Board of Directors and the relevant units.

7 Board of Directors meetings were held in 2022. Board members do not have weighted voting rights and negative veto rights. Decisions of the Board of Directors are taken by majority vote. In principle, Board members attend every meeting.

D. NUMBERS, STRUCTURES AND INDEPENDENCIES OF THE BOARD COMMITTEES

Considering the current situation and the requirements of the company, the board of directors formed Committee of Audit, Committee of Corporate Governance, Committee of Nomination, Committee of Early Determination of the Risk, and Committee of Remuneration in order to perform its duties and fulfill its responsibilities in a healthy way, in accordance with the Turkish Commercial Code, articles of the association of the company and Communique on Corporate Governance of the Capital Market Board.

Committee of Audit

Name	Title	Duty
Hasan DURSUN	Head of Committee	Independent Board Member
Mustafa HAMARAT	Head of Committee	Independent Board Member

The committee is composed of two independent members of the Board of Directors. Independent member Hasan DURSUN is the head of the committee.

Duties and responsibilities of the committee are as follows;

- To control that the financial statements and footnotes, both of which are disclosed to public, are prepared in accordance with the current legislation and international accounting standards,
- To review the activity report and review whether the information provided there is true and consistent with the information committee has,
- To examine the complaints submitted by the shareholders and stakeholders that which are significant enough to affect the financial statements,
- To review the efficiency of the internal audit activities,
- To make sure that the important problems and solutions to overcome them, which are determined during or as a result of the audits of the internal audit department of the company, are submitted timely to the committee's information and discussed,

- To supervise whether the activities of the company are conducted in accordance with the current legislation and internal regulations of the company.

In 2022, Committee made 6 meetings and in this direction, presented 6 reports to the Board.

Committee of Corporate Governance

Name	Title	Duty
Hasan DURSUN	Head of Committee	Independent Board Member
Mustafa HAMARAT	Committee Member	Board Member
Kadir BUDAK	Committee Member	Investor and Subsidiary Relations Executive Elected to the committee on 28.02.2023.

The committee is composed of three people, two members of the board of directors and investor and subsidiary relations executive. Independent member Hasan DURSUN is the head of the committee.

Duties and responsibilities of the committee are as follows;

- To provide the constitution and adaptation of the importance and benefits of the Corporate Governance Principals within the structure of the company,
- To determine whether the corporate governance principles are being applied or not and if they are not applied, to determine the reasons and the conflicts of interests due to noncompliance with these principals and to submit recommendations to the board of directors to improve the corporate governance applications.

In 2022, committee held 2 meetings and in this direction, presented 2 reports to the Board.

Committee of Early Determination of the Risk

Name	Title	Duty
Mustafa HAMARAT	Head of Committee	Independent Board Member
Hasan DURSUN	Committee Member	Independent Board Member
Mehmet Halil ÖZSÜER	Committee Member	Internal Audit, Risk and Process Management Director

Committee of Early Determination of the Risk has been constituted for the purposes of early determination of the risks which may jeopardize existence, development and continuance of the company, application of the necessary measures regarding the determined risks and management of the risk.

The Committee consists of three members in total: two members of the Board of Directors and the Internal Audit, Risk and Process Management Director. Independent member Mr. Mustafa HAMARAT is the Chairman of the Committee.

Duties and responsibilities of the committee are as follows;

- To prepare the risk management strategies and policies to be followed up by the company and to submit them for the approval of the board of directors and to follow up the applications closely,
- To submit proposals to the board of directors in order to determine the limits about the major risks that the company carries and track the limit breaches,
- To submit proposals to the board of directors with regard to making changes in the risk management policies,
- To provide the conduct of the tracking and communication about the process of risk determination, identification, measurement, assessment and management.
- To form a basis for the provision of the accuracy and reliability of the methods and results and of the risk.

In 2022, Committee made 6 meetings and in this direction, presented 6 reports to the Board.

Our independent members of the Board of Directors are Mr. Hasan DURSUN and Mr. Mustafa HAMARAT have submitted their declarations of independence to our company stating that they have the following qualifications within the scope of Article 4.3.6 of the Capital Markets Board Corporate Governance Principles.

DECLARATION OF INDEPENDENCY

"I hereby declare that I am a candidate to take office as an independent member of the Board of Directors of GÜBRE Fabrikaları T.A.Ş. (the Company) within the scope of the legislation, the articles of association and criteria specified under the corporate governance principles which have been published by the Capital Market Board and in this context I declare that;

a) Within the last five years; I, my wife and my second degree consanguine and my relatives by marriage have not been in a relationship of employment that will take important duties or responsibilities, have not had more than 5 percent of shares, voting rights or privileged shares with or without somebody or had substantial trading with the Company, partnerships which the company has management control or significant effect, the shareholders which have

significant effect over company or the legal entities which are controlled by these shareholders.

b) Within the last five years, I have not worked or been a board member or partner in the companies which have significant goods or service purchase or sales with the company while these goods or services were traded, primarily the companies which conduct auditing (including tax audit, legal audit and internal audit), rating and consultancy of the Company.

c) I have the professional education, knowledge and experience to conduct the duties which I will undertake due to being an independent member of the board of directors,

ç) According to the legislation I am bound, I will not work full-time in the public agencies and institutions with the exception of being an academic staff.

d) I am respected as a resident of Turkey under the Income Tax Law, dated 31/12/1960 and no. 193,

e) I have strong ethical standards, professional reputation and experience in order to provide positive contributions to the activities of the company, remain objective in cases of conflicting interests to be emerged between of the shareholders of the company, make my decision freely taking into account the interests of the stakeholders,

f) I will allocate time for the company works to be able to follow up the processes of the company's activities and fulfill the duties which I have undertaken to the fullest extent.

g) I have not been a board member of the company more than 6 years in the last 10 years,

ğ) I am not an independent board member more than the total of 3 companies that the company or shareholders who control the company have the management control or 5 companies that are listed in total,

h) I am not registered and announced for the corporation that has been elected as board member. “

E. REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration principles of board members and managers with administrative responsibilities are described in the “Remuneration Policy”, which was prepared in the frame of corporate governance principles of Capital Markets Board. The policy has been prepared based on board of directors and executive management and announced in our corporate website, both in Turkish and English.

The remunerations to be paid to the members of the board of directors and managers with administrative responsibilities are determined in accordance with global standards and legal requirements while also considering the economic data, current remuneration system policies in the market, company size and experiences, education levels and contributions to the company and the current positions. Stock options or payment plans based on the performance of the company are not used for the remuneration system of the independent members of the board of directors.

Our company has not provided any credit or loans, have not provided any credit under employee loans through 3rd parties or have not provided any collaterals like guarantees to the members of the board of directors or managers with administrative responsibilities.

Total benefits provided for members of the board of directors, general manager and assistant general managers in our company for the period of 1st of January-31st of December 2022 are stated in 30th footnote on the consolidated financial statements.

F. STRATEGIC GOALS OF THE COMPANY

Increasing production capacity is of great importance for GÜBRETAS to achieve its strategic targets, maintain its leadership in the sector and sustain its profitability. Various investments are planned to be realized in the coming period in order to increase production capacity.

In order to ensure business continuity, the Company aims to implement sustainability projects. In this context, the Company aims to establish a sustainability management system, take the first step towards compliance with the European Green Deal and realize operational excellence efforts.

The importance of R&D activities has increased due to factors such as differentiated customer expectations and climate change. In order to increase the effectiveness of R&D activities, the Company plans to develop new products in the liquid-powder product group, realize public-university-industry cooperation projects and evaluate technology transfer projects.

The Company plans to maintain its current position in the market, increase its market share through TKK and increase the share of liquid-powder sales in total sales.

Customer satisfaction has an important place in achieving sales targets and ensuring customer loyalty. In order to increase customer satisfaction, the Company plans to provide free consultancy services, develop a call center system and carry out informative training programs.

Sustainable profitability is critical for the continuity of companies. In order to realize sustainable profitability, it is planned to achieve targeted profit margins by effectively managing costs.

Companies need to increase employee loyalty in order to achieve their performance targets. In order to increase employee loyalty, it is aimed to strengthen financial and social benefits for employees and to make GÜBRETAS one of the most admired companies in Turkey.

IX. RESEARCH AND DEVELOPMENT ACTIVITIES

A. QUALITY DEVELOPMENT ACTIVITIES

Gübretaş directly contributes to the increase in productivity and quality of the crops grown by Turkish farmers with its quality understanding and commitment to quality standards in all products it produces and supplies.

With its expert, trained human resources and well-equipped laboratory infrastructure, Gübretaş continues its quality improvement efforts to ensure that all fertilizers and special products offered to Turkish farmers are of the best quality.

İzmit Yarımca Laboratory has **TS EN ISO/IEC 17025** accreditation certificate.

Work continues in Izmit, Izmir and Iskenderun Laboratories by expanding the scope of physical and chemical analysis.

B. PRODUCT DEVELOPMENT ACTIVITIES

In 2018, with the approval of the Ministry of Industry and Technology, an R&D Center was established within Yarımca Facilities. This center aims to develop new generation plant nutrition products by using domestic and national resources to the maximum extent. In this context, it is aimed to develop solutions that will enable easier access to the products needed by the country and producers by using cooperation models with public institutions and universities.

In 2018, the first year of the establishment of the R&D Center, the R&D project submitted to the Ministry of Agriculture and Forestry, General Directorate of Agricultural Research and Policies (TAGEM) was accepted and it was decided to be carried out with public support for 36 months. The project partners include Konya Selçuk University, Ankara University and agricultural research institutes in six different regions.

In 2019, a TUBITAK TEYDEB 1501 project application was made to increase public-industry-university collaborations and develop innovative products with the synergy that will emerge.

In order to further develop the university-industry cooperation with Gebze Technical University Biotechnology Institute, an application was made to TÜBİTAK 2244, an industrial doctorate program.

Necessary permits were obtained for the establishment of a joint R&D greenhouse with Gebze Technical University Biotechnology Institute and an agreement was reached with the contractor construction company.

A microbiology laboratory infrastructure was established within the R&D Center to conduct biological analyses on soil samples and develop innovative products.

EU project application preparations were completed in order to benefit from European Union (EU) research and development fund supports and to develop projects with multinational partners.

At the 8th National Plant Nutrition and Fertilizer Congress, Gübretaş R&D Center presented an oral presentation on the Central Anatolia Region section of the Soil Productivity Map. The same study was published as an academic article in the scientific journal "Mediterranean Agricultural Sciences".

2022 Developments:

- In the TAGEM Project, the final report was submitted in 2022 and the project was successfully completed upon approval by TAGEM. The liquid fertilizer, which was tested and found successful within the scope of the project, was put on the market under the trade name POLİFOS-N.
- A new product called TRIOFORCE was added to the liquid fertilizer product portfolio and introduced to the market.

- Within the scope of the university-industry cooperation between GÜBRETAS and Yıldız Technical University (YTÜ), the TÜBİTAK TEYDEB 1505 project titled "Development of New Generation Fertilizer Based on Controlled Release System Containing Boron Compound" continued.
- A TÜBİTAK TEYDEB 1505 project application was made with Istanbul Sabahattin Zaim University (IZU). The project was accepted by TÜBİTAK. The project aims to develop organic fertilizers containing protein hydrolysates and free amino acids using plant biosources. With the products of the project, import substitution will be created and yield losses in plant production will be prevented against abiotic stress factors such as drought, salinity and frost, which are frequently encountered due to global climate change, the effects of which have been felt intensely in recent years.
- In 2020, the first small-scale prototype microbial fertilizer products were developed in the R&D Microbiology Laboratory. With these prototypes, trials were carried out on different plants in the Gebze Technical University (GTU) R&D greenhouse. The prototypes found successful in greenhouse trials were scaled up. A registration application was made for the new microbial fertilizer product developed.
- In the microbial fertilizer project, plant and soil samples were taken from different regions of Turkey to create GÜBRETAS's collection of new microorganisms isolated from Turkish soils and beneficial to soil and plants. Plant and soil beneficial bacteria were isolated from these samples. Identification and characterization studies are ongoing in these bacteria to develop new microbial fertilizer products.
- The R&D Annual Activity Report for 2021 for the R&D Center was submitted to the Ministry of Industry and Technology and approved by the ministry.
- The scientific article titled "Evaluation of the Productivity Status of Apricot Orchards in Malatya Province with Soil Analysis" was published in Bursa Uludağ University Journal of Faculty of Agriculture.
- At the 9th International Agriculture, Livestock and Rural Development Congress, an oral presentation titled "Investigation of Blueberry Cultivation Potential in Marmara Region According to Soil Analysis Results" was presented.
- At the 9th National Agriculture Congress, an oral presentation titled "Investigation of the Effects of Bacteria Isolated from Turkish Soils on Plant Growth with Microbial Fertilizer" was presented.

- Scientific poster presentation titled "Boron Status of Hazelnut Soils of Düzce Province and Their Relationships with Other Soil Properties" was made at the International Boron Symposium (BORON 2022).

Within the scope of the university-industry cooperation protocol signed between GÜBRETAS and Gebze Technical University (GTU), the 2nd R&D Workshop was held at GTU Congress and Culture Center. Soilless and vertical farming technologies and new generation plant nutrition approaches suitable for these technologies were evaluated.

X. SOCIAL RESPONSIBILITY PROJECTS

A. TURKEY SOIL PRODUCTIVITY MAP PROJECT

In parallel with the increase in the world population, the need for agricultural food is also increasing. The correct and efficient use of scarce resources is important in terms of meeting the balance of agricultural food supply and demand and ensuring sustainability.

Gübretaş initiated the Turkey Soil Productivity Map Project in 2005 in order to ensure the correct and efficient use of agricultural lands in our country. In this project, it is aimed to create a map of the productivity values of the country's soils. In this direction, existing quality and quantity information are classified with spatial data and entered as data into sub-areas under locations through the mapping program. Within the scope of the project, which has been carried out for 18 years, soil samples of more than 17 thousand lands from 81 provinces were taken, analyzed and digitized. To date, a total of 17,448 points taken by determining the location with GPS have been analyzed.

Soil samples received from farmers are analyzed and reports including fertilization recommendations are delivered to landowners. With this project, more than 50,000 farmers have been trained in applied soil analysis and conscious plant nutrition.

With 13 types of plant and region-specific fertilizers, significant contributions were made to increase yields in agriculture.

The Soil Productivity Map Project aims to achieve the following objectives:

To create a database for the future of agricultural production and to create a source for the studies to be carried out in this field by creating a soil fertility map at the macro and micronutrient level according to the geographical regions of our country by transferring GPS coordinates to the digital environment,

Raising the awareness of producers, especially the partners of Agricultural Credit Cooperatives, and providing scientific advice on fertilization programs for the lands from which soil samples are taken,

Reporting the results of all soil fertility parameters within the scope of the analysis of the soil sample taken from the producer's land to the farmers through Gübretaş agricultural engineers and making conscious plant nutrition recommendations in order to contribute to the solution of problems and increase yield,

As a result of the evaluation of the data obtained, to develop special fertilizers with balanced and rich content for plants and agricultural regions that are important in the national economy,

To contribute to the formation of a large database on the country's agriculture by combining the results of the studies conducted by Gübretaş within the scope of this project with the studies conducted by the Ministry of Agriculture and Forestry and universities in this field.

B. GÜBRETAŞ EDUCATION SCHOLARSHIP

The scope of Gübretaş Education Scholarship, which has been awarded to undergraduate students since 2007 in order to support qualified manpower in the agricultural sector, has been expanded as of 2017. Master's and doctoral students with thesis studying at agricultural faculties have also started to benefit from the scholarship since 2021. In this context, as of the 2021-2022 academic year, a total of 41 agricultural faculties across Turkey provide scholarship support to the children of farmers in need who are pursuing undergraduate and graduate studies.

Since its inception, more than 550 agricultural faculty students have benefited from this project, which currently provides scholarships to approximately 80 undergraduate and graduate agricultural faculty students.

C. CONSCIOUS AGRICULTURAL TRAINING

Gübretaş organizes training meetings for producers and agricultural engineers in the field of plant nutrition in line with its mission **"To add fertility to our soils by expanding conscious agricultural production"**. During training meetings, producers are informed about the basic principles of balanced fertilization, plant nutrition techniques and soil analysis. The aim of these training activities is to enable agricultural producers to grow high-yielding and high

quality products that can compete in world markets, and to increase profitability by optimizing input costs, especially fertilizers.

D. CONSULTANCY SERVICES IN THE FIELD

“Creating a plant nutrition prescription” has an important place among Gübretaş’s field consultancy services for the implementation of plant nutrition programs prepared according to scientific methods for producers. In this context, our specialized agricultural engineers observe the fields and make plant nutrition recommendations specific to the producer. In 2022, **10.257** producers were provided with prescription services in their fields, contributing to the dissemination of conscious plant nutrition in agricultural production.

E. MOBILE CONSULTANCY SERVICES

In addition to face-to-face consultancy services, Gübretaş also reaches producers through mobile communication channels. With **live phone connection, mobile hotline and EGP mobile application**, producers can receive support from Gübretaş expert agricultural engineers on agricultural production from wherever and whenever they want. In 2022, a total of **5.959** producers, 3.480 from mobile hotlines and 2.479 from EGP mobile application, were informed by our expert agricultural engineers.

F. MODEL PRODUCTION AREAS PROJECT

The Model Production Areas Project, one of Gübretaş’s important activities to increase conscious agricultural production, aims to produce solutions to increase yield and quality in agricultural production through plant nutrition according to scientific methods. Another goal of the project is to achieve maximum yield with optimum fertilizer consumption. Thus, it is aimed to prevent waste of resources by preventing excessive fertilizer consumption and to protect our soils, which are our most valuable treasure.

Fertilization programs in model fields are determined according to the results of soil analysis. Model fields/gardens are constantly controlled by expert engineers during the production period and the results obtained are shared with the producers in the region through field days. Plant nutrition programs used in model fields are transformed into a document called **“Effective Fertilization Programs”** by Gübretaş and made available to all farmers through various communication channels.

In 2022, 23 model production areas were established. While yield increases of up to 100 percent were achieved in some of these areas compared to the leading producer, an average yield difference of nearly 24 percent was obtained from all areas.

G. CONCIOUS PRODUCER MOVIES

In order to spread conscious plant nutrition practices in agricultural production to large masses and to promote our services, films under the concept of **“Conscious Producer”** and **“Tricks of Plant Nutrition”** were prepared and presented to producers.

Films prepared under these concepts were made available to producers through many digital communication channels (Youtube, Twitter, Instagram, Facebook, EGP, Gübretaş corporate website, etc.).

XI. RISK MANAGEMENT AND FACTORS

The Internal Audit, Risk and Process Management Directorate coordinates the early detection and assessment of risks that may adversely affect the existence and development of the Company, the implementation of necessary measures against identified risks and the management of risks in general. Risk studies collected and reported by the Internal Audit, Risk and Process Management Directorate are forwarded to the Early Risk Detection Committee. The Early Detection of Risk Committee supports the Board of Directors by conducting studies for the early detection of risks that may jeopardize the existence, development and continuity of the Company, implementing the necessary measures against the risks identified and managing the risks.

The Committee reports to the Board of Directors every 2 months. The Board of Directors regularly evaluates the risks affecting the Company through the Early Detection of Risk Committee. According to GÜBRETAŞ's Enterprise Risk Management approach, the risks identified at the "Very High" and "High" levels as a result of the risk assessment with the Impact and Probability scale, as well as some medium level risks are monitored every two months in coordination with the business owners. A comprehensive report on these risks is submitted to the Early Detection of Risk Committee and necessary actions are taken. Medium and low level risks are analyzed together with risk officers and monitored in the Enterprise Risk Universe through the monitoring and tracking system.

In this context, the "Risk Management Policy" has been determined and published throughout the Company in order to increase the effectiveness of Corporate Risk Management. Risks across the Company are monitored in four categories: financial, strategic, operational and other risks as defined in the policy document. Risks that have the potential to adversely affect the Company's operations are continuously evaluated by risk officers and Early Detection of Risk Committee reports on risk management are produced on a bimonthly basis. Within the framework of risk appetite and risk tolerance, the probability and impact of each possible risk is evaluated, cost/benefit analyses are performed, action plans are prepared when necessary and risk mitigating actions are implemented. In addition to mitigating the adverse effects of all risks in the above-mentioned categories, the Company's managers also carry out the necessary work to seize opportunities.

The Company, which supplies almost all of the end products it trades and raw materials to be used in production from abroad, is affected by changes in exchange rates and commodity prices due to this dependency. Efforts are made to minimize the risks by means of derivative transactions (hedging) against exchange rate changes. In order to minimize the price risk arising in raw material and commodity prices due to factors such as political and economic developments in global markets and climate change, markets are closely monitored and purchasing transactions are carried out under favorable conditions. Investments that are expected to contribute to the Company's growth and productivity are put into practice after feasibility studies, and developments regarding overseas investments are closely monitored.

Risks that may arise in procurement, storage, production and shipment processes are evaluated within the operational scope. Domestic investments are aimed at increasing our storage capacity and making production facilities more efficient. Again, by closely monitoring our supply and logistics processes, we endeavor to prevent any disruptions that may occur here and to take quick action when necessary. With the support of the Legal Consultancy Department within the Company, legal regulations are constantly monitored for compliance with the legislation and the regulations/changes introduced are immediately complied with. For the hazards posed by natural disasters, which are also included in the category of other risks, necessary measures are taken for OHS, environment and public health by making continuous improvements especially in facilities.

XII. HUMAN RESOURCES POLICY AND CODE OF ETHICS

A. HUMAN RESOURCES POLICY

Considering human resources as its most important asset and finding its sustainable growth in its employees' competencies and development, Gübretaş does not discriminate between ethnic origin, language, religion, gender and political thinking while selecting and placing employees in work. The company aims to find idealist and innovative people suitable for teamwork, acting on the basis of fair approach, effective communication and solution-oriented behavior. While making evaluation, objective success criteria and corporate culture are taken as a ground.

Before making decisions about the employees, importance is given to the exchange views with employees and employee representatives.

In line with occupational health and safety and environmental quality systems, continuous improvement and organizational development activities are performed. As a result of organizational development activities, job descriptions and process flows are organized according to changing and evolving Company activities.

Company employees are encouraged to strive for horizontal and vertical careers, while the necessary physical, social and psychological environment is being prepared accordingly. Employees' efforts are rewarded materially and morally.

Necessary steps are taken in order to eliminate the deficiencies in employee's knowledge, background and experience with the methods and techniques meeting the needs of today and enabling the preparation for the future. Unit targets are set in line with budget expectations and company strategies and needs analyzes are performed by the Company in order to achieve these targets. According to the needs analysis, training and personal development activities are planned and these activities are implemented.

B. CODE OF ETHICS AND LABOR POLICY

The ethical principles within Gübretaş express the whole set of behaviors that are to be complied with or which should be avoided being "honesty", and all matters that the Company has taken into consideration within the scope of the ethical principles are expressed under the "**Gübretaş Code of Ethics and Labor Policy**".

The main objective of the Company's Code of Ethics is to create a common corporate culture on business ethics/morals where the regulations, procedures, instructions, standards, laws and regulations may not be guiding all about our attitudes and behaviors and to raise awareness, sensitivity and knowledge on this issue.

In this context, Company employees and suppliers are expected to act under this policy. Under these principles, Gübretaş rejects all kinds of discrimination, physical and psychological violence.

Ethical violation notification channels have been established via the e-mail address of etik.bildirim@gubretas.com.tr and telephone number 0216 468 50 55 in order to determine the behaviors that are not in compliance with the Company Code of Ethics and Labor Policy. Company makes an immediate decision by mobilizing the relevant board and persons for the individuals conducting disorderly, these decisions are implemented and the people making the violation notifications are informed by the Company about the result.

XIII. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE STATEMENT

Gübre Fabrikaları T.A.Ş. (Gübretaş) carries out its activities in accordance with the principles described in Corporate Governance Communiqué issued by the Capital Market Board. Gübretaş believes that corporate governance practices are among the main principles which enables companies to have sustainable growth. Therefore, starting with its shareholders, Gübretaş carries out its relations with employees, customers and all the other parties with an active management and supervision in accordance with accountability, equality, transparency and responsibility, which are the universal components of corporate governance. The main activities that have to be carried out by Investor Relations Department according to the 11th article of Corporate Governance Communiqué were performed very carefully.

In accordance with the Communiqué, all the principles that are required to be implemented have been complied with. Studies on non-obligatory principles that are not yet complied with are still in progress. In our company, there has not been any conflict of interest resulting from the non-obligatory principles that are not yet complied with.

On the other hand, **in accordance with the decision of the Capital Markets Board (CMB) dated 10.01.2019 and numbered 2/49;**

- the explanations related to the compliance of non-obligatory principles were stated in the **Corporate Governance Compliance Report ("CRF") (ANNEX-1)**,
- the information about the actual corporate governance practices were stated in the **Corporate Governance Information Form ("CGIF") ANNEX-2)**.

The Company publishes these templates in the Company's Board of Directors Annual Report and the related templates are also made available to the public at the Public Disclosure Platform ("PDP") (<https://www.kap.org.tr/tr/>)

In case there is a significant change during the period in CRF and CGIF, the material disclosure will be made and relevant issues will be included in the interim operating review reports.

XIV. SUSTAINABILITY PRINCIPLES COMPLIANCE STATEMENT

Our sustainability efforts, which will provide strategic support to increase our company's brand value, improve its performance by reducing operational risks and implement best practices, were initiated in 2021.

In this context, it has been decided that the activities carried out by our company with a sustainable environmental-social-corporate management (ESG) approach to increase efficiency, digitalization, energy saving and waste prevention will be gathered under the **"GÜBRETAŞ Sustainability Management System"** and carried out institutionally.

In Gübretaş sustainability roadmap, which is planned to be carried out within the framework of our company's **"2022-2026 Strategic Plan"**, the following activities are planned to be carried out with the understanding of continuous improvement:

- Conducting sustainability reporting (CDP, Integrated Reporting) to increase our brand awareness and brand value as a public company,
- Preparation of the necessary infrastructure to calculate greenhouse gas emissions including Scope-2 and Scope-3,
- Increasing our production efficiency and reducing our carbon footprint without compromising on quality through OPEX (Operational Excellence) and DijİEX (Digital Excellence) projects

In line with the CMB's decision dated 23.06.2022 and numbered 34/977, the information showing the current status of our company within the scope of the sustainability principles compliance framework is included in the **"Sustainability Principles Compliance Report" (Annex-3)** table.

XV. CONCLUSION

DEAR SHAREHOLDERS,

In 2022, 1.605.710 tons of fertilizers and raw materials were procured from domestic and foreign markets and 598.135 tons of various types of solid chemical fertilizer were produced at our facilities. On the other hand, 1.850.043 tons of solid, liquid and powder fertilizers were sold in 2022. Net revenues were realized as 20.523.185.947 ₺.

Also 1.205.009 tons of fertilizer and fertilizer raw materials were produced and 5.718.188.206 ₺ sale revenues were realized by the sale of 874.105 tons of fertilizer and fertilizer raw material in our subsidiary Razi Petrochemical Co.

Our company reached to the consolidated revenue figure of 25.286.749.983 ₺. After the deduction of cost of goods sold, operation expenses, other operating expenses-income and financial expenses and tax fee from this amount; 843.058.034 ₺ consolidated profit occurs. The consolidated profit for main shareholder is 757.352.143 ₺

We would kindly ask you to evaluate the results mentioned above regarding of 2022 activities.

Best Regards,

BOARD OF DIRECTORS

ANNEX-1 – CORPORATE GOVERNANCE COMPLIANCE REPORT

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1- Management did not enter into any transaction that would complicate the conduct of special audit.					X	
1.3. GENERAL ASSEMBLY						
1.3.2 -The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X					
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.			X			Article 23 of our Articles of Association stipulates that 'Capital Market Legislation and the relevant provisions of the TCC are the right of participation in the general assembly meeting and voting. In this regard, there is no regulation on the participation of the media or stakeholders being non-shareholders to our general assembly.

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
1.4. VOTING RIGHTS						
1.4.1-There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2-The company does not have shares that carry privileged voting rights.	X					
1.4.3-The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	
1.5. MINORITY RIGHTS						
1.5.1- The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2-The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			Article 19 of our Articles of Association stipulates the lower limit for the exercise of minority rights as five per cent - one twentieth as envisaged in the TCC. The proposal of the communiqué is that this right should be used to a lesser extent.
1.6. DIVIDEND RIGHT						
1.6.1 -The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2-The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.			X			"The Dividend Distribution Policy" prepared by the Board of Directors was approved by our shareholders at the 2013 Annual General Assembly. However, our dividend distribution policy contains uncertainties regarding the distribution of the dividend to be generated since no dividend yield, minimum profit distribution rate etc. are included.
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
2.1. CORPORATE WEBSITE						
2.1.1.-The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2-The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 -The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.		X				Although our company's website has been prepared in Turkish and English, it has been differentiated in content in line with the needs of the domestic customer portfolio.
2.2. ANNUAL REPORT						
2.2.1-The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3-Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing program is in place for reporting legal and ethical issues.	X					In order to enable stakeholders to notify our Company about unethical transactions, we set up necessary notification mechanisms. In this context, notifications received via e-mail and telephone are evaluated by the Disciplinary Board and the process is progressed and finalized. On the other hand, there is no mechanism by which these complaints can be forwarded to the audit committee or the corporate governance committee.

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
3.1.5-The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1-The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	X					
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
3.3. HUMAN RESOURCES POLICY						
3.3.1- The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2-Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organizes trainings for employees.	X					
3.3.4-Meetings have been organized to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	X					
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.		X				The customer satisfaction survey, which is routinely conducted by our company every year, could not be done in 2022. In addition, our activities continue with the understanding of unconditional customer satisfaction.
3.4.2-Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1-The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.		X				The "Strategic Plan" study of our company covering the years 2022-2026 was submitted to the information of our board of directors after the approval of our senior management.

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2-Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4-Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.			X			Although the Chairman of the Board of Directors and the Chief Executive Officer are different persons, there is no separation and definition of duties.
4.2.7 - The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X					
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9-The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.			X			In our Company, there is no policy, target ratio as mentioned in the communiqué on the representation of women in the Board of Directors.
4.3.10-At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
4.4. BOARD MEETING PROCEDURES						
4.4.1-Each board member attended the majority of the board meetings in person.	X					
4.4.2-The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.					X	
4.4.4-Each member of the board has one vote.	X					
4.4.5-The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6-Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.			X			There is no regulation in our Company that serves as a member of the Board of Directors to take other duties within and outside the group. Specifically for our independent Board members, the upper limit specified in the "ğ" sub-article of the CMB Corporate Governance Principles article 4.3.6 has been adopted.
4.5. BOARD COMMITTEES						
4.5.5-Board members serve in only one of the Board's committees.			X			Since the number of our board members has decreased to 5 and all committees are composed of independent board members, it can not be possible to implement this article.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.					X	

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
4.5.7-If external consultancy services are used, the independence of the provider is stated in the annual report.					X	
4.5.8-Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.			X			Performance evaluation of the Board of Directors has not been performed.
4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favor of them.	X					
4.6.5-The individual remuneration of board members and executives is disclosed in the annual report.		X				The rights granted to the top management are disclosed collectively in the footnotes of the Company's consolidated financial statements. No disclosure is made on individual basis.

ANNEX-2 – CORPORATE GOVERNANCE INFORMATION FORM

1. SHAREHOLDERS	
1.1. Facilitating the Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organized by the company during the year	Any investor conference has not been organized by the Company and 10 investor meetings have been held during the year.
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	0
The number of special audit requests that were accepted at the General Shareholders' Meeting	0
1.3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/tr/Bildirim/1013559
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Turkish and English versions were not presented at the same time.
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	There is no such transaction during the year.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1)	There is no transaction under Article 9 of the Corporate Governance Communiqué (II-17.1).
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)	https://www.kap.org.tr/tr/Bildirim/1118082
The name of the section on the corporate website that demonstrates the donation policy of the company	Investor Relations / Corporate Governance / Policies / Donations and Aid Policy
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/tr/Bildirim/353068
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	None.
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	In addition to shareholders, Company employees and Independent Audit Company representatives attended the Ordinary General Assembly Meeting of 2021.
1.4. Voting Rights	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	-
The percentage of ownership of the largest shareholder	75,95%

1.5. Minority Rights	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association	-
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	Investor Relations / Corporate Governance / Policies / Dividend Policy
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend	<p>The decision of the Board of Directors dated 28/03/2022 regarding the use of the profit for 2021 is as follows;</p> <p>“Our company has achieved a Consolidated Net Period Profit (Parent Shares) of 523,125,635.00 TL according to the financial statements for the 2021 accounting period. Net Profit for the Period According to Legal Records is 755,928,336,79 TL. In accordance with the Article 30 of our Articles of Association and the Turkish Commercial Code, firstly, the previous year's losses of 362,132,883.58 TL should be deducted from the 755,928,336,79 TL Net Period Profit obtained according to the Legal Records, then 14,343,914.61 TL General Legal Reserve. (1st Order) separation, all remaining 379,451,538.60 TL will be reserved as Extraordinary Reserves; According to the financial statements prepared according to the CMB, 14,343,914.61 TL General Legal Reserves (1st Order) are allocated from 523,125,635.00 TL Net Profit for the Period (Parent Shares) and the remaining 508,781,720.39 TL is allocated to be separated as an Extraordinary Reserve; In this context, it has been decided to submit the attached Profit Distribution Table to the approval of the shareholders at the Ordinary General Assembly Meeting as a recommendation of the Board of Directors. The decision of the Board of Directors on profit distribution has been submitted to the approval of the General Assembly.</p> <p>As a result of the physical and electronic voting, the decision of the Board of Directors regarding the use of the profit for 2021 was unanimously approved.</p>
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	https://www.kap.org.tr/tr/Bildirim/1032414

General Assembly Meetings									
General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
25/05/2022	0	77,4687%	0,0022%	77,4665%	Investor Relations / General Assembly Documents	Investor Relations / General Assembly Documents	-	105	https://www.kap.org.tr/tr/Bildirim/1013559

2. DISCLOSURE AND TRANSPARENCY	
2.1. Corporate Website	
Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	Investor Relations / Information Society Services, Capital Structure, Corporate Governance (Articles of Association, Code of Ethics, Policies), Material Disclosures, Financial Statements and Footnotes, Board of Directors Annual Reports, General Assembly Documents, Frequently Asked Questions
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	Investor Relations / Capital Structure
List of languages for which the website is available	Turkish and English
2.2. Annual Report	
The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	Annual Report / I. At A Glance / i. Executive Management; Annual Report / VIII. Board of Directors / D. Numbers, Structures And Independencies of The Board Committees
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	Annual Report / VIII. Board of Directors / D. Numbers, Structures And Independencies of The Board Committees
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	Annual Report / VIII. Board of Directors / C. Formation of Board Meetings
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	-
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Annual Report / IV. Other Developments Regarding Company Activities / F. Other Developments Regarding Company Activities
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	-
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	-

g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	Annual Report / X. Social Responsibility Projects and XII. Human Resources Policy And Code Of Ethics
3. STAKEHOLDERS	
3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	None.
The number of definitive convictions the company was subject to in relation to breach of employee rights	23
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Discipline Committee
The contact detail of the company alert mechanism.	etik.bildirim@gubretas.com.tr / 0216 468 50 55 / Corporate Website Ethics Application Form
3.2. Supporting the Participation of the Stakeholders in the Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies.	Corporate / Human Resources
Corporate bodies where employees are actually represented	Union
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	The Board of Directors attaches importance to all kinds of development and managerial skills of our employees within the scope of our Company's Training and Development Procedure.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	Corporate / Human Resources
Whether the company provides an employee stock ownership program.	Pay edindirme planı bulunmuyor (There isn't an employee stock ownership programme)
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	Corporate / Human Resources
The number of definitive convictions the company is subject to in relation to health and safety measures	1
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	Investor Relations / Corporate Governance / Codes of Ethics
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	Investor Relations / Corporate Governance / Corporate Social Responsibility

Any measures combating any kind of corruption including embezzlement and bribery	All kinds of anti-corruption issues, including corruption and bribery, are included in the Ethical Principles and Labor Policy of our Company. Our employees are required to show the necessary diligence. In addition, the Company has made necessary notification mechanisms for complaints that may arise in this context. notifications received via e-mail, telephone and corporate website are evaluated by the Disciplinary Board and the process is progressed and finalized.
4. BOARD OF DIRECTORS-I	
4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	-
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Hüseyin Aydın-Chairman of the Board of Directors; Yasin Ayaz-Vice Chairman of the Board of Directors
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	6
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Annual Report / IV. Other Developments Regarding Company Activities / C. Internal Audit Activities
Name of the Chairman	Hüseyin Aydın
Name of the CEO	Aytaç Onkun
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	There is no PDP announcement because they are not the same person.
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	-
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	-
The number and ratio of female directors within the Board of Directors	0

Composition of Board of Directors

Name, Surname of Board Member	Whether Executive Director Or Not	Whether Independent Director Or Not	The First Election Date To Board	Link to PDP Notification That Includes The Independency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy The Independence or Not	Whether The Director Has At Least 5 Years' Experience On Audit, Accounting And/Or Finance Or Not
HÜSEYİN AYDIN	Non-executive	Not independent director	22/04/2022	-	Not applicable	Not applicable	Yes
YASİN AYAZ	Non-executive	Not independent director	03/08/2022	-	Not applicable	Not applicable	Yes
AYTAÇ ONKUN	Executive	Not independent director	10/06/2022	-	Not applicable	Not applicable	No
MUSTAFA HAMARAT	Non-executive	Independent director	25/05/2022	-	Considered	No	No
HASAN DURSUN	Non-executive	Independent director	19/08/2022	-	Considered	No	Yes

4. BOARD OF DIRECTORS-II	
4.4. Meeting Procedures of the Board of Directors	
Number of physical board meetings in the reporting period (meetings in person)	7
Director average attendance rate at board meetings	99%
Whether the board uses an electronic portal to support its work or not	No
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	It is presented to the members of the Board 7-14 days ago.
The name of the section on the corporate website that demonstrates information about the board charter	Investor Relations / Corporate Governance / Articles of Association / Gübre Fabrikaları T.A.Ş. Articles of Association / III. Board of Directors
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	Although there is no established policy and no limit, the upper limit of Article 4.3.6 (sub-article "ğ") of the CMB Corporate Governance Principles has been adopted in the scope of the independent members of the Board of Directors.
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented.	Annual Report / VIII. Board of Directors / D. Numbers, Structures And Independencies of The Board Committees
Link(s) to the PDP announcement(s) with the board committee charters	https://www.kap.org.tr/tr/Bildirim/698446

Composition of Board Committees-I

Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Audit Committee	-	HASAN DURSUN	Yes	Board member
Audit Committee	-	MUSTAFA HAMARAT	No	Board member
Corporate Governance Committee	-	HASAN DURSUN	Yes	Board member
Corporate Governance Committee	-	MUSTAFA HAMARAT	No	Board member
Corporate Governance Committee	-	KADİR BUDAK	No	Not board member
Committee of Early Detection of Risk	-	MUSTAFA HAMARAT	Yes	Board member
Committee of Early Detection of Risk	-	HASAN DURSUN	No	Board member
Committee of Early Detection of Risk	-	MEHMET HALİL ÖZSÜER	No	Not board member

4. BOARD OF DIRECTORS-III	
4.5. Board Committees-II	
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report / VIII. Board of Directors / D. Numbers, Structures And Independencies Of The Committees Constituted By The Board Of Directors / The Audit Committee
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report / VIII. Board of Directors / D. Numbers, Structures And Independencies Of The Committees Constituted By The Board Of Directors / The Corporate Governance Committee
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	The duties of The Nomination Committee is carried by the Corporate Governance Committee
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report / VIII. Board of Directors / D. Numbers, Structures And Independencies Of The Committees Constituted By The Board Of Directors / The Early Detection of Risk Committee
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	The duties of The Remuneration Committee is carried by the Corporate Governance Committee
4.6. Financial Rights	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Annual Report / II. Turkey and Global Fertilizer Market In 2022; Annual Report / VI. Financial Structure And Equity Performance
Specify the section of website where remuneration policy for executive and non-executive directors are presented	Investor Relations / Corporate Governance / Policies / Remuneration Policy
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Annual Report / VIII. Board of Directors/E. Remuneration of The Board Of Directors

Composition of Board Committees-II

Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number of Reports on its Activities Submitted to the Board
Audit Committee	-	100%	100%	6	6
Corporate Governance Committee	-	67%	67%	2	2
Committee of Early Detection of Risk	-	67%	67%	6	6

ANNEX 3 - SUSTAINABILITY PRINCIPLES COMPLIANCE STATEMENT

	Principles	Status	Explanation	Report Information on Publicly Disclosed Information
	A. General Principles			
	A1. Strategy, Policy and Goals			
A1.1	The prioritised environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the Company's Board of Directors.	YES	Within the scope of environmental, social and corporate governance issues, Sustainability Management System was established in 2021 and a "Gap Analysis" study was conducted.	2021 Annual Report/Page 2-7
	The ESG policies (Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) have been created and disclosed to the public by the Company's Board of Directors.	PARTIAL	No public disclosures have been made regarding environmental and energy policies.	2022 Annual Report/XII. Human Resources Policy And Code of Ethics
A1.2	The short and long-term targets set within the scope of ESG policies have been disclosed to the public.	NO		
	A2. Implementation/Monitoring			
A2.1	The responsible committees and/or business units for the implementation of ESG policies and the senior officials related to ESG issues in the Company and their duties have been identified and disclosed to the public.	NO		
	The activities carried out within the scope of policies by the responsible committee and/or unit have been reported to the Board of Directors at least once a year.	NO		
A2.2	In line with the ESG targets, the implementation and action plans have been formed and disclosed to the public.	PARTIAL	Necessary analyses and action plans have been prepared in line with the targets, but no public disclosures have been made.	
A2.3	The Key ESG Performance Indicators (KPI) and the level of reaching these indicators have been disclosed to the public on yearly basis.	NO		
A2.4	The activities for improving the sustainability performance of the business processes or products and services have been disclosed to the public.	YES		2021 Annual Report/Page 2-7

	Principles	Status	Explanation	Report Information on Publicly Disclosed Information
	A3. Reporting			
A3.1	The information about the sustainability performance, targets and actions have been given in annual reports of the Company an understandable, accurate and sufficient manner.	PARTIAL	Sustainability-related actions are included on a topic basis.	2021 Annual Report/Page 2-7
A3.2	The information about activities which are related to the United Nations (UN) 2030 Sustainable Development Goals have been disclosed to the public.	NO		
A3.3	The lawsuits filed and/or concluded against the Company about ESG issues which are material in terms of ESG policies and/or will significantly affect the Company's activities, have been disclosed to the public.	NO		
	A4. Verification			
A4.1	The Company's Key ESG Performance metrics have been verified by an independent third party and publicly disclosed.	NO		
	B. Environmental Principles			
B1	The policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs have been disclosed.	NO		
B2	The environmental reports prepared to provide information on environmental management have been disclosed to the public which is including the scope, reporting period, reporting date and limitations about the reporting conditions.	NO		
B3	Given in A2.1.	-		
B4	The environmental targets within the scope of performance incentive systems which included in the rewarding criteria have been disclosed to the public on the basis of stakeholders (such as members of the Board of Directors, managers and employees).	NO		
B5	How the prioritised environmental issues have been integrated into business objectives and strategies has been disclosed.	NO		
B6	Given in A2.4.			

	Principles	Status	Explanation	Report Information on Publicly Disclosed Information
B7	The way of how environmental issues has been managed and integrated into business objectives and strategies throughout the Company's value chain, including the operational process, suppliers and customers has been disclosed.	NO		
B8	Whether the Company have been involved to environmental related organizations and non-governmental organizations' policy making processes and collaborations with these organizations has been disclosed.	NO		
B9	In the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts)), information on environmental impacts is periodically disclosed to the public in a comparable manner.	NO		
B10	Details of the standard, protocol, methodology, and baseline year used to collect and calculate data has been disclosed.	NO		
B11	The increase or decrease in Company's environmental indicators as of the reporting year has been comparatively disclosed with previous years.	NO		
B12	The short and long-term targets for reducing the environmental impacts have been determined and the progress compared to previous years' targets has been disclosed.	NO		
B13	A strategy to combat the climate crisis has been created and the planned actions have been publicly disclosed.	NO		
B14	The programs/procedures to prevent or minimize the potential negative impact of products and/or services on the environment have been established and disclosed.	PARTIAL	The targets for reducing carbon footprint and greenhouse gas emissions were emphasized with numerical data.	2021 Annual Report/Page 2-7
	The actions to reduce greenhouse gas emissions of third parties (suppliers, subcontractors, dealers, etc.) have been carried out and disclosed.	NO		

	Principles	Status	Explanation	Report Information on Publicly Disclosed Information
B15	The environmental benefits/gains and cost savings of initiatives/projects that aims reducing environmental impacts have been disclosed.	NO		
B16	The data related to energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) has been disclosed as Scope-1 and Scope-2	NO		
B17	The information related to production of electricity, heat, steam and cooling as of the reporting year has been disclosed.	NO		
B18	The studies related to increase the use of renewable energy and transition to zero/low carbon electricity have been conducted and disclosed.	PARTIAL	An energy audit was conducted to reduce the carbon footprint. Greenhouse gas emission reduction is planned.	2021 Annual Report/Page 5-6 and Page 19
B19	The renewable energy production and usage data has been publicly disclosed.	YES	Within the scope of the Rooftop SPP project carried out in İskenderun, electricity generation with solar energy was realized.	2021 Annual Report/Page 19
B20	The Company conducted projects about energy efficiency and the amount of reduction on energy consumption and emission achieved through these projects have been disclosed.	PARTIAL	Within the scope of the energy audit study, planned energy savings and emission reduction data are included.	2021 Annual Report/Page 5
B21	The water consumption, the amount, procedures and sources of recycled and discharged water from underground or above ground (if any), have been disclosed.	NO		
B22	The information related to whether Company's operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).	NO		
B23	The information related to accumulated or purchased carbon credits within the reporting period has been disclosed.	NO		
B24	If carbon pricing is applied within the Company, the details have been disclosed.	NO		

	Principles	Status	Explanation	Report Information on Publicly Disclosed Information
B25	The platforms where the Company discloses its environmental information have been disclosed.	NO		
C. Social Principles				
C1. Human Rights and Employee Rights				
C1.1	The Institutional Human Rights and Employee Rights Policy has been established in the light of the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other relevant legislation. The policy and the officials that responsible for the implementation of it have been determined and disclosed.	PARTIAL	Responsible persons within the scope of the Human Resources Policy and Code of Ethics have not been disclosed to the public.	2022 Annual Report/XII. Human Resources Policy And Code of Ethics
C1.2	Considering the effects of supply and value chain, fair workforce, improvement of labor standards, women's employment and inclusion issues (gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc., such as non-discrimination) are included in its policy on employee rights.	YES		
C1.3	The measures taken for the minority rights/equality of opportunity or the ones who are sensitive about certain economic, environmental, social factors (low income groups, women, etc.) along the supply chain have been disclosed.	YES		
C1.4	The developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced and child labor have been disclosed.	YES		
C1.5	Investments in employees (education, development policies), compensation, fringe benefits, right to unionize, work/life balance solutions and talent management are included in the employee rights policy.	YES		
	The mechanism for employee complaints and resolution of disputes have been established and related solution processes have been determined.	YES		

	Principles	Status	Explanation	Report Information on Publicly Disclosed Information
C1.5	The activities carried out within the reporting period which related to ensure employee satisfaction have been disclosed.	PARTIAL	Training activities carried out in 2022 are included.	2022 Annual Report/I. At A Glance/J. Employee Information/Training Activities
C1.6	The occupational health and safety policies have been established and disclosed.	NO	Although there is an internal "Occupational Health and Safety Regulation", there is no publicly disclosed policy.	
	The measures taken for protecting health, preventing occupational accidents and related statistics have been disclosed.	NO		
C1.7	The personal data protection and data security policies have been established and disclosed.	YES		
C1.8	The ethics policy have been established and disclosed.	YES		
C1.9	-	-		
C1.10	The informative meetings and training programs related to ESG policies and practices have been organized for employees.	NO		
C2. Stakeholders, International Standards and Initiatives				
C2.1	The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed.	NO	Although there is an internal "Customer Satisfaction Management Procedure", there is no publicly disclosed policy.	
C2.2	The information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed.	YES		2022 Annual Report/X. Social Responsibility Projects
C2.3	The international reporting standards that adopted in reporting have been explained.	NO		
C2.4	The principles adopted regarding sustainability, the signatory or member international organizations, committees and principles have been disclosed.	NO		

	Principles	Status	Explanation	Report Information on Publicly Disclosed Information
C2.5	The improvements have been made and studies have been carried out in order to be included in the Borsa Istanbul sustainability indices and/or international index providers.	NO		
D. Corporate Governance Principles				
D1	The opinions of stakeholders have been sought in the determination of measures and strategies related to sustainability field.	YES	Stakeholders' opinions were taken into consideration within the scope of the Sustainability Management System and strategic plan studies.	
D2	The social responsibility projects, awareness activities and trainings have been carried out to raise awareness about sustainability and its importance.	PARTIAL	Awareness trainings were conducted within the scope of occupational health and safety.	