



**2023 SUSTAINABILITY REPORT**



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# INTRODUCTION



## ABOUT THE REPORT



### Borusan Pipe is pleased to present its 4<sup>th</sup> report to its stakeholders.

Since 2020, Borusan Pipe has been publishing sustainability reports aimed at contributing to transparent communication with its stakeholders.

The 2023 sustainability report is Borusan Pipe's second report that includes information on its global activities.

Borusan Pipe, which has witnessed the development of Turkish industry and evolved from a local company into a global manufacturer, took a significant step in 2023 by introducing its new brand identity. In line with this, the company began operating under the Borusan Pipe brand in Türkiye and the Borusan Pipe brand internationally.

Under the guidance of its agile teams and with the contributions of all its employees, Borusan Pipe has been working for over three years to determine the positive impact it creates in the field of sustainability, consistently generating value focused on sustainable development across its areas of operation.

The company's goal is to contribute to the sustainability awareness of all our stakeholders through the annually published reports.

### Report Period and Scope

This report covers the period from January 1, 2023, to December 31, 2023, and includes Borusan Pipe's operations in Türkiye, as well as its activities in Vobarno, Italy, and Baytown, USA. It also encompasses the operations of Berg EUROPIPE Holding Corp, which joined Borusan Pipe in 2023, in Panama Mobile and Panama City.

### Reporting Standards

The report has been prepared in accordance with the principles of the United Nations Global Compact (UNGC), which Borusan Pipe joined as a signatory in 2022, and in compliance with GRI Standards.

The GRI Content Index is presented in the Annexes of the report.

Borusan Pipe's activities, conducted within the context of its materiality topics, have been aligned with the relevant targets of the United Nations Sustainable Development Goals (SDGs) to identify the company's contributions and global impacts.

During preparing the report, the Türkiye Sustainability Reporting Standards, published on December 29, 2023, and the EU Corporate Sustainability Reporting Directive (CSRD), which will be gradually implemented due to the presence of international subsidiaries, were also taken into consideration. Content lists demonstrating compliance with TSRS and CSRD are included in the Appendices section of the report.

### References

In the report, the terms "company," "organization," and "institution" refer to Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş., registered as Borusan Pipe ("BBB"), while the term "Holding" refers to Borusan Holding.

### Audit Approach

The water data presented in the report has been audited by QSI, while the climate data has been audited by Bureau Veritas. Audit statements are provided on pages 145-147 of the report. No external audit has been conducted for other indicators.

### Contact

Borusan Pipe values and appreciates the feedback from its stakeholders.

- For feedback and any inquiries regarding Borusan Pipe's activities, please contact: [bbsurdurulebilirlik@borusan.com](mailto:bbsurdurulebilirlik@borusan.com), [bb.investor@borusan.com](mailto:bb.investor@borusan.com)
- For feedback and inquiries related to Borusan Holding, please contact: [kileti@borusan.com](mailto:kileti@borusan.com)



### Report Details

The report was created in collaboration with Sachi Consulting.

The Turkish editing and design work were carried out by Tayburn.

## LETTER FROM THE CHIEF EXECUTIVE OFFICER

**With the strength we draw from our achievements, we continue our efforts tirelessly to leave a livable world for future generations.**



**In 2023, with a continued focus on financial discipline, Borusan Pipe achieved the strongest financial results in its history while continuing to invest in sustainable, profitable revenue growth.**

Sustainability lies at the core of our business processes, with this perspective adopted at every stage of our operations. As a pioneering institution in sustainability within our sector, we conduct studies across a broad spectrum—from initiatives to reduce our carbon footprint to advancements in occupational health and safety (OHS).

Alongside the products and services we provide, we stand out with our commitment to leaving a more livable world for future generations. We continue our efforts with the responsibility of preserving and advancing existing values.

Starting with our step of being the first company in our sector to publish a sustainability report, we have achieved valuable accomplishments across various areas, from initiatives to reduce our carbon footprint to advancements in occupational health and safety.

With the strength we draw from these achievements, we continue our efforts tirelessly to leave a livable world for future generations.

Borusan Pipe aligns its efforts with Borusan Holding's sustainability values, which focus on climate, people, and innovation.

Our sustainability journey, which we began in 2020, reached a guiding level of maturity in our industry by the end of 2023, thanks to the contributions of 95 team members across seven thematic groups. Another significant step in this journey was the inclusion of our factories in Italy and the USA in our thematic sustainability groups in 2023, thereby expanding the impact of our sustainability movement across all our locations.

I am pleased and proud to share the results we have achieved transparently with our stakeholders.

In 2023, alongside financial leadership, we continued to focus on utilizing our resources in the most efficient way, maintaining our position as a leading steel pipe manufacturer in the Turkish market, seizing opportunities in export markets, and evaluating investment and acquisition possibilities in areas with growth potential in international markets.

Undoubtedly, we could not have achieved these significant successes without our dedicated workforce-capable, proactive individuals who internalize Borusan Pipe's goals as their own personal objectives.

In 2023, global economic uncertainty continued to grow, pushing us to regularly assess risks and opportunities and identify new strategies across all our companies. At Borusan Pipe, we view every adverse development as a potential new opportunity to add value on a global scale. We integrate all external factors into our strategy, continually enhancing our way of doing business to support sustainable development goals. At Borusan Pipe, we view every adverse development as a potential new opportunity to add value on a global scale. We integrate

### A MORE LIVABLE WORLD

**We are committed to leaving a more livable world for future generations.**

## LETTER FROM THE CHIEF EXECUTIVE OFFICER



all external factors into our strategy, continually enhancing our way of doing business to support sustainable development goals.

One of our greatest achievements in sustainability in 2023 was achieving a 13% reduction in our greenhouse gas emissions, verified according to ISO 14064:2018 standards, compared to our base year of 2021, as we did in 2022.

Additionally, through our water conservation projects, we achieved a 32% reduction in water consumption.

In 2023, sales from new product and service groups accounted for 16% of consolidated gross profit and 10% of sales tonnage, representing first-quality products.

In November 2015, with the belief that gender equality must be embraced and internalized at both corporate and individual levels, the Borusan Equals Social Equality Platform was established. In 2023, we continued our people-centered efforts with the agile Sustainable Talent Management team, following the approach of our Borusan Equals team.

As one of the leading companies in the Turkish steel pipe market, we were honored once again in 2023 with the “International Safety Award” from the British Safety Council, recognizing our processes and commitment to advancing standards in occupational safety.

In the 66<sup>th</sup> program organized by the British Safety Council, one of the world’s most respected institutions in occupational health and safety, we received the award in the “Merit” category.

According to the employee satisfaction survey results, our employee satisfaction rate reached 79% in 2023

Since the early 2000s, with facilities established in Italy, the USA, and most recently Romania, we have continued to expand our presence and increase our impact in the

industry. Our acquisition of Berg Pipe in 2023 has further strengthened our position. As one of the largest Turkish industrial investors in the USA, we are broadening our operations through significant steps from local to global within our sustainable growth strategy. As with all our processes, we continue our sustainability journey with an inclusive approach, bringing our sustainability efforts to a global stage.

As one of the largest Turkish industrial investors in the USA, we are broadening our operations through significant steps from local to global within our sustainable growth strategy. As with all our processes, we continue our sustainability journey with an inclusive approach, bringing our sustainability efforts to a global stage.

**As we mark the 100<sup>th</sup> anniversary of our Republic, we look toward the coming centuries with hope.**

This year, the Borusan Group celebrates its 80<sup>th</sup> anniversary. While 80 years may seem like a long time, we say, “We’re just getting started,” and we strive to grow through our climate, people, and innovation strategy. On this occasion, I would like to thank all our stakeholders who have supported us throughout this journey.

In the scope of Turkiye Sustainability Reporting Standards and covering our activities across all regions, I am pleased to present the details of our 2023 sustainability performance to our valued stakeholders and the public.

Zafer Atabey

CEO

**With the addition of Italy and the USA in 2023, our sustainability movement has gained momentum across all our locations.**

### SUSTAINABILITY MOVEMENT



## BORUSAN GROUP

Founded in 1944, the Borusan Group continues its steady growth across various sectors, including manufacturing, machinery and power systems, automotive, logistics, energy, and corporate venture capital.

**3 CONTINENTS**  
**11 COUNTRIES**  
**14,000 EMPLOYEES**

The Borusan Group provides services at world-class standards and creates employment opportunities



**The Borusan Group continues to produce and create value with 14,000 employees across 3 continents and 11 countries.**

Founded in 1944, the Borusan Group continues its steady growth in sectors such as manufacturing, machinery and power systems, automotive, logistics, energy, and corporate venture capital.

Istanbul-based Borusan Group is steadily growing in the global market, creating value for its companies and for Türkiye.

Providing world-class services, creating employment opportunities, and making new investments, we are confidently moving forward on the path to becoming a 200-year-old holding company.

Throughout this journey, we prioritize people, the environment, and nature with the aim of creating social benefit and value. We lead large-scale projects to address social and environmental issues.

The core strategy of the Borusan Group is built on a vision focused on developing innovative products and services that prioritize social benefit and integrate sustainability into business processes, all while continuing to create added value for the Turkish economy and remaining open to global markets.

## BORUSAN GROUP




## LEADERSHIP MISSION

The Borusan Group believes it has a mission to lead in sustainability and environmental awareness in every sector in which it operates.

Behind Borusan Group's success lies its goal to excel in its fields of operation, its mission to benefit society, and its people-centered structure. Believing that people drive success, Borusan prioritizes the well-being of its employees while developing projects in various areas to benefit society. In its sectors, it harnesses the power of innovation to anticipate and implement future business models, leading the way with pioneering initiatives.

### Working for a Sustainable Future

The Borusan Group believes it has a mission to lead in sustainability and environmental awareness across every sector in which it operates.

In its focus areas of sustainability—climate, people, and innovation—Borusan Holding and its Group companies set complementary goals, aiming to inspire stakeholders and society through their initiatives.

As one of the first signatories of the United Nations Women's Empowerment Principles (WEPs), the Borusan Group implements impactful gender equality initiatives through the Borusan Equals Platform, established in 2015.



## BORUSAN GROUP

### Borusan Pipe



Founded in 1958 by Asım Kocabiyik as Borusan Group's first industrial venture, Borusan Pipe operates across 11 facilities on 3 continents, covering an area of 1.1 million square meters, with a production capacity of 2 million tons and over 2,500 employees. Offering 4,000 different products in four distinct business lines-Infrastructure & Projects, Automotive, Construction & Industry, and Energy-it is one of the world's leading welded steel pipe manufacturers. The company's shares are traded on Borsa Istanbul's Yıldız Market under the ticker BRSAN, with a public float rate of 19.85%. Borusan Group wholly owns BMB Holding, which holds 73.48% of the company's capital.

### Borçelik



Founded in 1990 as Türkiye's first private and second-largest flat steel producer, Borçelik operates with three cold rolling lines, three hot-dip galvanizing lines, and a galvanizing capacity of 900,000 tons, making it Türkiye's largest and highest-quality galvanized steel producer. It manufactures products across hot-dip galvanized steel, cold-rolled steel, and hot-rolled (pickled and oiled) steel categories, all of which are essential raw materials for industry.

### Borusan Machinery and Power Systems



Borusan Cat, headquartered in Türkiye and operating in Central Asia and the Caucasus, serves its clients with the mission of "Creating Solutions for a Better World." With over 3,000 employees, it operates in the construction, mining, energy, and transportation industries. Additionally, Borusan Cat is the distributor for FG Wilson, one of the world's leading generator brands, in Türkiye and Northern Iraq.

### Borusan Automotive Group



With its seven companies-Otomotiv İthalat, Borusan Otomotiv Pazarlama, Borusan Oto, Borusan Oto Cyprus, Borusan Otomotiv Premium, BOM Motor Sports, and Borusan Oto Değerlendirme-Borusan operates in the premium car and motorcycle segment. For 40 years, Borusan Otomotiv İthalat has been the distributor for BMW, MINI, and BMW Motorrad brands in Türkiye. Borusan Otomotiv Pazarlama, on the other hand, serves as the distributor for Jaguar and Land Rover brands.

# BORUSAN GROUP

## Borusan Energy



As one of the leading producers in the wind energy sector, Borusan EnBW Energy generates value for the sustainability of both Türkiye and the world with a portfolio of 12 plants totaling 725 MW of installed capacity, all based on renewable energy sources. These facilities primarily use wind energy, alongside solar and hydroelectric energy sources.

## Supsan



As the largest engine valve manufacturer in Türkiye and the surrounding region, the company exports to automotive brands worldwide, primarily in Europe and the Americas.

## Borusan Logistics



With a focus on providing the best customer experience in the industry, Borusan Logistics operates as an integrated service provider in domestic and international transportation, warehousing, and customs services. Positioning itself as a technology company within the traditional logistics sector, Borusan Logistics aims to propel its stakeholders into the future with optimal solutions and platforms for the supply chain.

## Borusan Port



Borusan Port operates across three main business units: Port Services, Ship Chartering, and Heavy Transport. The Port Services division includes General Cargo, Container, and Vehicle handling. Strategically located in the Gemlik region, the port serves a rapidly growing hinterland with a diverse range of products. Borusan Port continues to provide services across these three segments-general cargo, container, and vehicle-simultaneously and with significant market shares.



## BORUSAN PIPE

With 11 facilities across 3 continents, a total capacity of 2 million tons, 4,000 different products, and over 2,500 employees, Borusan Pipe is among the world's leading manufacturers in its sector.



### STRONG PERFORMANCE

In 2023, Borusan Pipe's consolidated product sales volume increased by 24.6%, reaching 1,063 thousand tons.

Over 65 years of sustainable growth, Borusan Pipe has become one of the leading manufacturers in the steel pipe industry, both in Europe and globally. The company operates 11 facilities across 3 continents, spanning a total area of 1.1 million square meters, with a production capacity of 2 million tons, a broad portfolio of 4,000 different products, and over 2,500 employees.

Borusan Pipe exports high-tech steel pipes to over 80 countries, providing products to high value-added sectors. The company has also served as a pipe supplier for significant international energy pipelines, including TANAP and TurkStream.

In line with its positioning strategy as the "local player in global markets," Borusan Pipe acquired 100% of the shares of U.S.-based Berg EUROPIPE Holding Corp in 2023 for \$162 million. In the same year, to expand its operations in the automotive business, the company invested €15 million to establish an advanced processing service center in Ploiești, Romania,

and continued with a \$50 million investment in an SRM line in Houston, Texas, as part of its localization strategy in the U.S. market. These investments were completed in the first quarter of 2024.

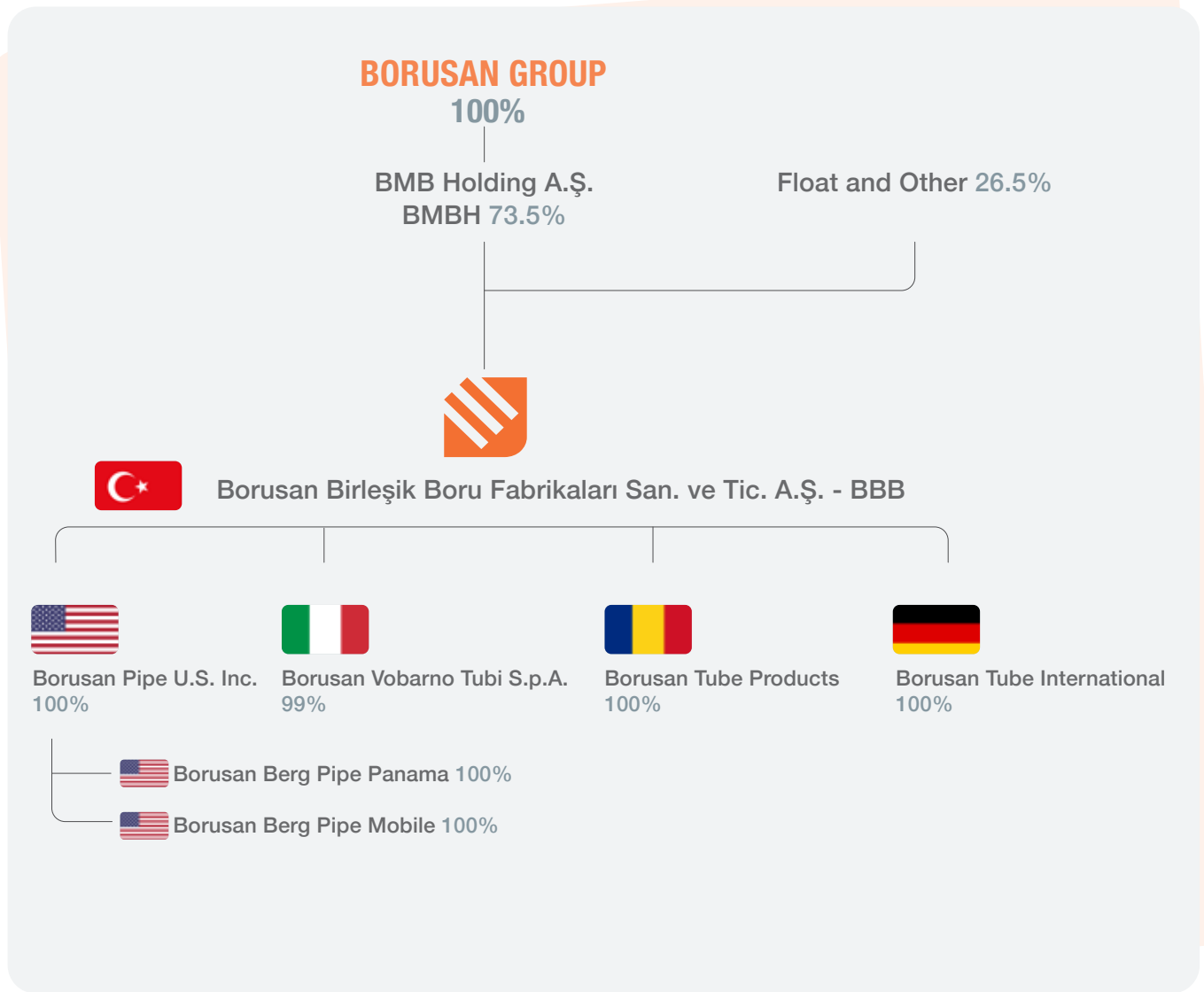
Continuing its strong performance on a global scale through its activities in international markets, Borusan Pipe's consolidated product sales volume in 2023 increased by 24.6% compared to the previous year, reaching 1,063 thousand tons.

With the acquisition of Berg Pipe, the sales volume of large-diameter pipes produced for the Infrastructure and Projects business line has shown a strong increase compared to the previous year. In 2023, Borusan Pipe increased its consolidated sales revenue by 30% to \$1.7 billion, while its net profit rose by 138% to \$194 million.

As of November 23, 2023, the company name has been registered as Borusan Birleşik Pipe Fabrikaları Sanayi ve Ticaret A.Ş. (Borusan Pipe).

# BORUSAN PIPE

## SHAREHOLDING STRUCTURE





## BORUSAN PIPE

## INCREASING STAKEHOLDER VALUE THROUGH GROWTH-FOCUSED INVESTMENTS

1958

Asım Kocabiyık plants the seeds from which Borusan Pipe will grow.

1976

Borusan Pipe's Gemlik facilities were established on an area of 800,000 m<sup>2</sup>.

2001

Taking an important step to strengthen its international presence, Borusan Pipe acquired the Italy-based Structo Vobarno Factory and established its first foreign company, Borusan Vobarno Tubi S.p.A.

2016

With the new facility established on an area of 10,000 m<sup>2</sup> in the Bursa Organized Industrial Zone, special pipes produced at the Halkalı Factory began to be processed.

2022

BBB's revenues reached 1.3 billion USD.

1968

Due to increased business volume, production was relocated to new facilities covering 58,000 m<sup>2</sup> in Halkalı.

1994

Borusan Pipe Sanayi A.Ş. began trading on Borsa Istanbul (BIST).

2011

The spiral welded pipe production facility in Gemlik, with an annual capacity of 250,000 tons, commenced operations.

2019

The Gemlik Automotive Pipe Factory, which has Europe's only fully automatic production and surface preparation lines, began production.

2023

As part of its strategy to be a local player in global markets, Borusan Pipe acquired 100% of Berg Pipe, one of the highest quality and capacity production companies in the USA, for 162 million USD.

The investment in the Romania Service Center, valued at **15 million euros**, continued.

Additionally, the investment in the SRM Line, valued at **50 million USD**, in Baytown, Texas, was also underway.

Borusan Group acquired a 23% stake in BMB Holding A.Ş. from Salzgitter Mannesmann GmbH.

As of November 23, 2023, the company's name has been registered as Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. The brand name is Borusan Pipe in Türkiye and Borusan Pipe in global markets.

1969

The first export was made.

1998

With the partnership established with Mannesmannröhren Werke AG, Borusan Mannesmann Boru Investment A.Ş. was formed, marking the beginning of a collaboration that will last for 25 years.

2014

With an investment of 150 million USD, a steel pipe factory was established in Houston, Texas.

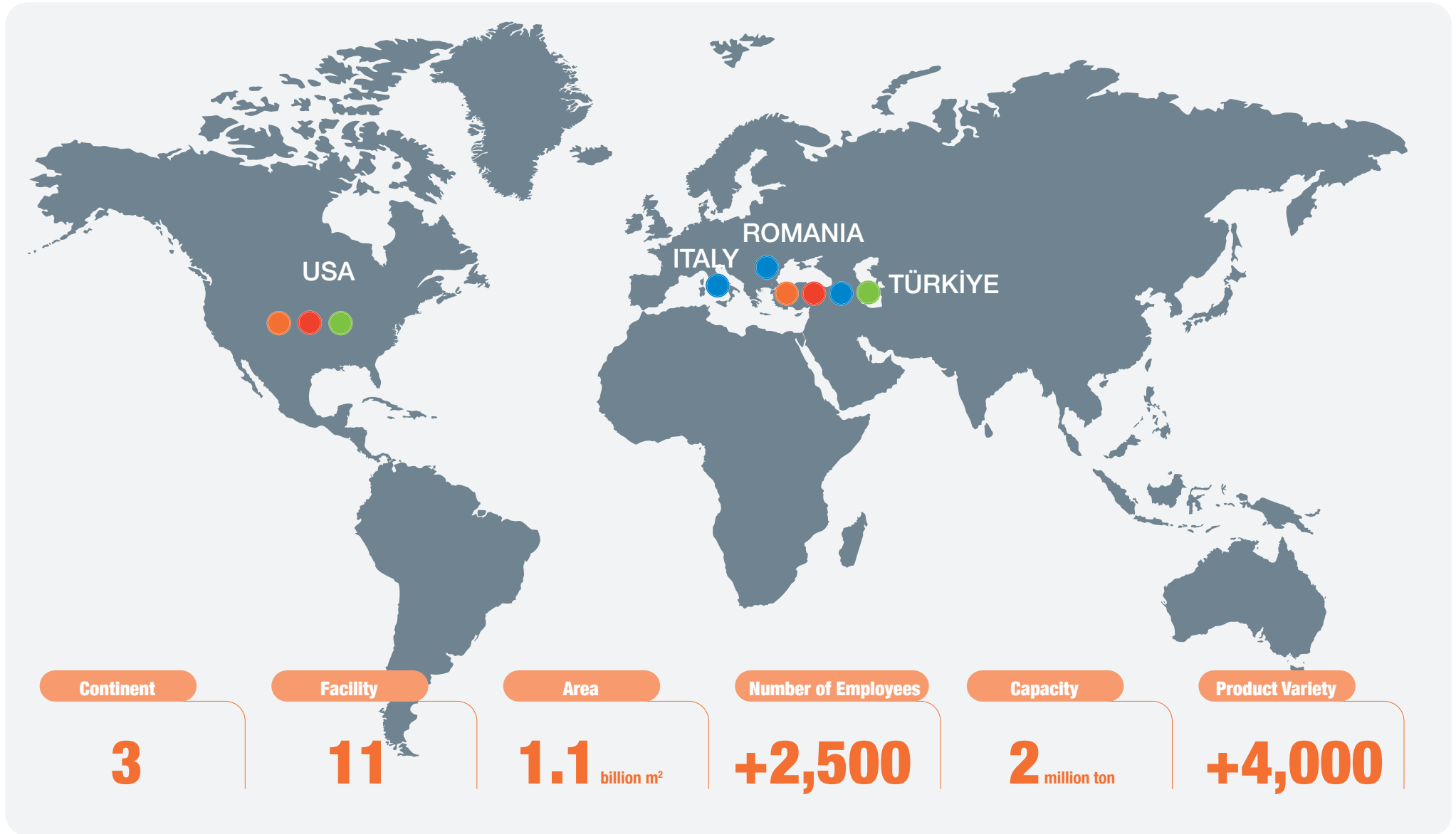
2021

A commercial office was opened in Germany under the name Borusan Tube International.

\*These investments were completed in the first quarter of 2024.

# BORUSAN PIPE

## BORUSAN PIPE AT A GLANCE

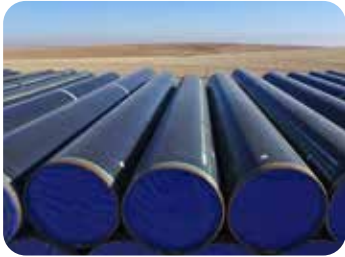




# BORUSAN PIPE

## OUR PRODUCTION CAPACITY

### Infrastructure and Projects



**Production Centers:**

Gemlik\* (TR),  
Panama City (USA),  
Mobile (USA)

**Products:**

Spiral (Helical) Welded Pipes  
LSAW Line Pipes  
ERW Line Pipes



### Industry & Construction



**Production Centers:**

Gemlik (TR), Halkalı (TR),  
Houston (USA)

**Products:**

ERW Natural Gas Pipes  
Industrial Pipes & Profiles  
Water Pipes  
Construction Pipes &  
Profiles  
SRM Installation Pipes



### Automotive



**Production Centers:**

Gemlik (TR), Halkalı (TR),  
Vobarno (IT)

**Products:**

Hydraulic Cylinder Pipe  
Cold Drawn Pipes  
Advanced Processed Pipes  
Precision Pipe & Profiles



### Energy

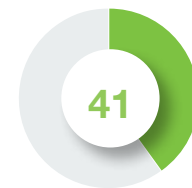


**Production Centers:**

Gemlik (TR), Houston (USA)

**Products:**

ERW Line Pipes  
OCTG Pipes



\*To optimize the production of large-diameter pipes within the Infrastructure and Projects business line and to strategically position production facilities in line with the company's strategic goals, the sale of land and buildings used for the production of large-diameter pipes in Gemlik was completed on February 22, 2024. Alternatives for the sale or relocation of the machinery and equipment used for producing large-diameter pipes on the sold land at the Gemlik facilities are being evaluated. In Türkiye, production of pipes in various sizes continues at the Halkali Facilities and Bursa Service Center for the Automotive sector, while at the Gemlik Facilities, production is ongoing for the Industry, Construction, Energy, and Automotive sectors.

## BORUSAN PIPE



## QUALITY AND INNOVATIVE PRODUCTS

**Borusan Pipe, with the goal of excellence in production, is committed to delivering quality and innovative products across its 11 facilities located on 3 continents.**

Borusan Pipe, with the goal of excellence in production, is committed to delivering quality and innovative products across its 11 facilities located on 3 continents.

High-tech products that serve the development of industries in various sectors such as oil, automotive, and construction are exported to many countries with the expertise and assurance of Borusan Pipe.

With over 4,000 product varieties, Borusan Pipe also takes the lead in the steel pipe sector with its capability to develop products and solutions in line with the needs and expectations of its customers.

Borusan Pipe provides products and services to the infrastructure and projects, industry and construction, automotive, and energy sectors, capable of balancing the effects of global fluctuations with its diverse dynamics and serving as a locomotive for growth.

Borusan Pipe is positioned as one of the leading steel pipe manufacturers in global markets, with 11 facilities in Türkiye, Europe, and the USA, and a vision of being a

complementary solution provider focused on high-value-added products.

The main products offered by Borusan Pipe in its 4 business lines, categorized by production method, can be summarized as follows:

- Longitudinal Submerged Arc Welded Pipe
- Spiral (Helical) Welded Pipes
- Electric Resistance Welded Pipe (ERW)
- RollForming
- Cold Drawn Pipes
- SRM

**In 2023, Borusan Pipe made strategic decisions to restructure its production facilities in Türkiye in line with changing global and sectoral dynamics while making investments aimed at growth abroad, focusing on sustainable and profitable revenue growth.**



## HIGHLIGHTS AT BORUSAN PIPE\*

- **11** Production Facilities Across **3** Continents
- Over **2,500** Employees
- Net Profit: **194.1 million USD**
- Local Player in Global Markets
- Total Sales Volume: **1.1 million tons**
- Market Value: **2.8 billion USD**
- Exports to Over **80** Countries
- Consolidated Sales Revenue: **1.7 billion USD**

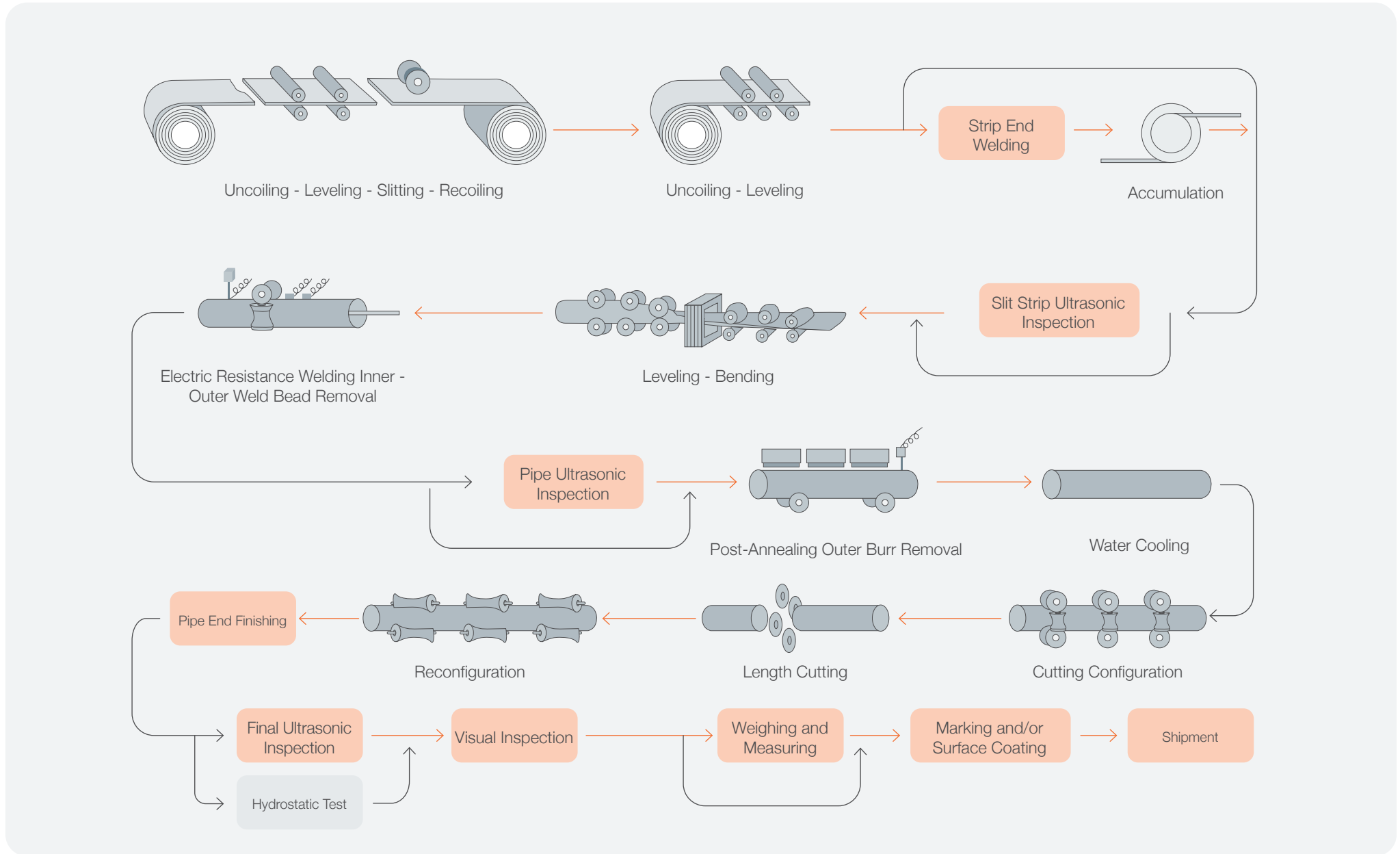
- As of November 23, 2023, the company's name has been registered as **Borusan Birleşik Boru Fabrikaları San. ve Tic. A.Ş.** (Borusan Pipe).
- Borusan Group has acquired a **23%** share in the capital of BMB Holding A.Ş. from Salzgitter Mannesmann GmbH.
- The establishment of the **Factory Innovation Network** brand by Borusan Pipe to lead innovation efforts.

- Borusan Pipe's acquisition of 100% of Berg Pipe, one of the highest quality and capacity producers of large-diameter line pipes in the U.S., through a transaction valued at **162 million USD**, including LSAW facilities in Florida (established in 1979) and HSAW facilities in Alabama (established in 2007).
- Borusan Pipe's investment of **15 million euros** to establish a service center in Romania\*
- "Borusan Pipe becoming the first company in the steel pipe industry to receive the Certification of "Women in the Workplace Equality"

- Borusan Boru Yatırım Holding A.Ş. increased its shareholding to **100%**, establishing the brand's new identity as Borusan Pipe.
- The **50 million USD** investment in the SRM Line in Baytown, USA, has continued.\*
- **Subsidiaries**
  - Borusan Pipe US
  - Borusan Tube Products
  - Borusan Tube International
  - Borusan Vobarno Tubi

\* Data are as of the end of 2023.

# OUR BUSINESS MODEL AND VALUE CHAIN



## OUR BUSINESS MODEL AND VALUE CHAIN



### Türkiye ranks 4<sup>th</sup> in the world in steel pipe production.

According to 2023 data, Türkiye's steel pipe industry ranks fourth in the world and first in Europe, with an annual average production of 4.8 million tons.

The acquisition of U.S.-based Berg Pipe in the infrastructure and project business, along with strong market demand and an increase in sales prices above long-term averages in the energy sector during the first half of the year, contributed to Borusan Pipe achieving record results in 2023.

Details on Borusan Pipe's 2023 performance can be found in the [2023 Annual Report](#).

Borusan Pipe aims to enhance the benefits it provides to its stakeholders through product development and innovation efforts, while also making its business processes more sustainable for the environment and society.

### RECORD RESULTS IN 2023

Borusan Pipe achieved record results in 2023.



## OUR FACILITIES AND PRODUCTS

### Our Facilities

**Country:** Türkiye

**Plant:** Halkalı

**Product:** ERW and Cold Drawn Pipe

**Capacity (tons):** 100,000 (welded), 40,000 (cold-drawn)

Commencing operations in 1958 with 27 employees and a catalog of five products, Borusan Pipe's first plant in Halkalı manufactured pipe for use in a wide range of applications from white goods to bicycles and automotives. In response to growing demand, a new 67,000 m<sup>2</sup> plant was built and has been in continuous production since 1968.

**Country:** Türkiye

**Plant:** Gemlik

**Product:** ERW Pipe

**Capacity (tons):** 550,000

Established in 1976 on 388,000 m<sup>2</sup> area, this plant serves as Borusan Pipe production hub and manufactures pipes both for the home market and for export.

**Country:** Türkiye

**Plant:** Gemlik

**Product:** HSAW Pipe

**Capacity (tons):** 300,000

Established in 2011 on 70,000 m<sup>2</sup> area, this plant manufactures large-diameter pipe for the Infrastructure & Projects business line. On 18 December 2023, it was announced that studies had commenced only for the sale of land and buildings associated with the production of large-diameter pipes used in the Infrastructure and Projects business line at Gemlik Facilities. Within this context, the land and buildings associated with the large-diameter pipe production facility located in Gemlik have been sold in exchange for USD 66 million on 22 February 2024. Evaluations continue whether to sell or relocate the machinery and equipment used for the production of large-diameter pipes installed on the sold land and buildings, which will be completely vacated by December 2024. The machinery, equipment, land, and buildings used in the production of pipes, which have been manufactured in Türkiye for many years and are currently located at the Gemlik Facilities, and offered to customers in the industrial, construction, and automotive segments, are not included in the scope of the relevant sales transaction. Borusan Pipe will continue its production activities at Gemlik, Halkalı and Bursa facilities in Türkiye.

**Country:** Türkiye

**Plant:** Bursa

**Product:** Service Center

**Capacity (units):** 21,000,000

Established in 2016 on 24,000 m<sup>2</sup> area, this center's mission is to offer fast and effective solutions for customers' needs by processing precision pipes manufactured in Halkalı so that they can be used in the production of motor vehicles' various components.

**Country:** Türkiye

**Plant:** Gemlik

**Product:** Cold Drawn Pipe

**Capacity (tons):** 60,000 (welded), 50,000 (cold-drawn)

Established in 2019 on 20,000 m<sup>2</sup> area, this is the only facility in Europe equipped with fully-automatic manufacturing and surface preparation lines. The plant produces precision steel pipes for the Original Equipment Manufacturers (OEM) and automotive supply industry in Türkiye and European markets.

## OUR FACILITIES AND PRODUCTS

<p><b>Country:</b> USA</p> <p><b>Plant:</b> Baytown</p> <p><b>Product:</b> ERW Line Pipes</p> <p><b>Capacity (tons):</b> 300,000</p>	<p>The facility, established in Texas by Borusan Pipe with an investment of 150 million USD on an area of 500,000 m<sup>2</sup>, began operations in the third quarter of 2014 to produce casing and drilling pipes used in oil and natural gas exploration, extraction wells, and transmission lines. With this investment, Borusan Pipe has positioned itself as a leading Turkish company owning one of the prominent production facilities in the U.S. oil and gas industry.</p>
<p><b>Country:</b> US</p> <p><b>Plant:</b> Baytown</p> <p><b>Product:</b> SRM Pipe</p> <p><b>Capacity (tons):</b> 100,000</p>	<p>In 2023, work began to establish a SRM line on 15,000 m<sup>2</sup> area in Baytown, Houston TX. This project, which is being undertaken at an investment cost of USD 50 million, will create jobs for 85 people. Production is slated to begin in the first quarter of 2024</p>
<p><b>Country:</b> US</p> <p><b>Plant:</b> Panama City</p> <p><b>Product:</b> LSAW Pipe</p> <p><b>Capacity (tons):</b> 330,000</p>	<p>Located in Panama City, FL in North America and originally built in 1979 on 28,600 m<sup>2</sup> area, this plant was acquired by Borusan Pipe in 2023. It produces Longitudinal Submerged Arc Welded pipe.</p>
<p><b>Country:</b> US</p> <p><b>Plant:</b> Mobile</p> <p><b>Product:</b> HSAW Pipe</p> <p><b>Capacity (tons):</b> 220,000</p>	<p>Located in Mobile, AL in North America and originally built in 2007 on 30,800 m<sup>2</sup> area, this plant was acquired by Borusan Pipe in 2023. It produces Helical Submerged Arc Welded pipe.</p>
<p><b>Country:</b> Italy</p> <p><b>Plant:</b> Vobarno</p> <p><b>Product:</b> ERW and Cold Drawn Pipe</p> <p><b>Capacity (tons):</b> 30,000 (cold-drawn)</p>	<p>The facility's expertise in the manufacturing of high value-added cold drawn precision steel pipe, its sales to customers in countries with advanced automotive industries like Italy, Germany, Spain, and France, and its superior product and service quality have made it a well-known supplier of the European automotive industry</p>
<p><b>Country:</b> Romania</p> <p><b>Plant:</b> Ploiești</p> <p><b>Product:</b> Service Center</p> <p><b>Capacity (units):</b> 21,000,000</p>	<p>In 2023, Borusan Pipe began work on a project to set up a service center on 4,800 m<sup>2</sup> area in Ploiești, Romania. Undertaken at an investment cost of EUR 15 million, production at this center is slated to begin in the first quarter of 2024</p>

# ECONOMIC PERFORMANCE

## In the year 2023:

### Sales revenue:

**1.7**  
billion USD

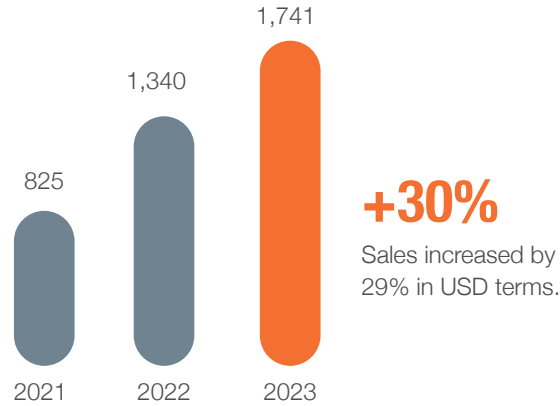
### EBITDA margin:

**18.2%**

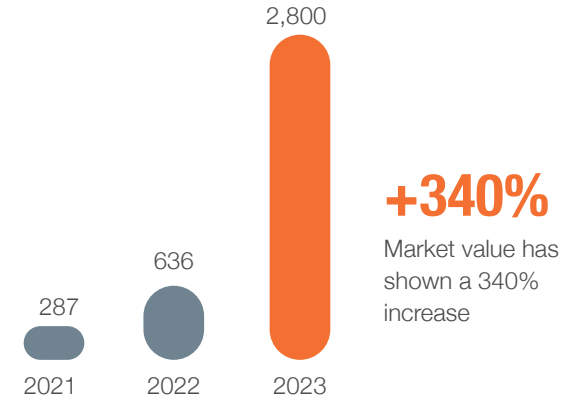
The acquisition of U.S.-based Berg Pipe in the Infrastructure and Project segment, along with strong market demand and sales prices above long-term averages in the Energy segment during the first half of the year, have supported Borusan Pipe in achieving record results in 2023.

Detailed information on Borusan Pipe's economic performance for 2023 can be found in the [2023 Annual Report](#).

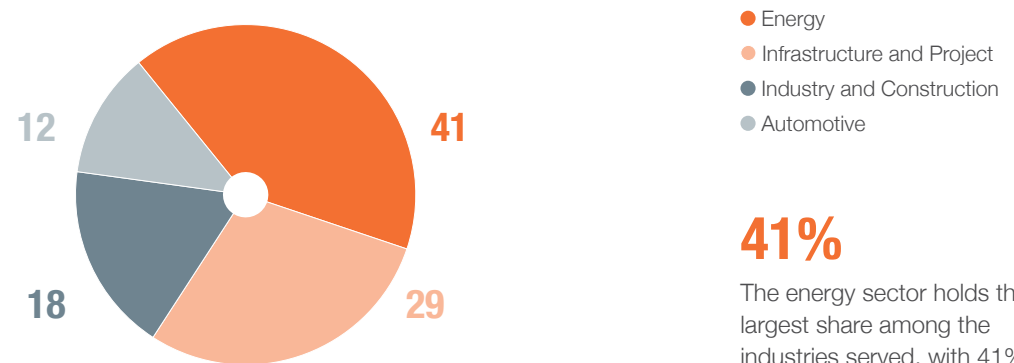
### Sales (million USD)



### Market Value (million USD)



### Distribution of Industries Served in 2023 (%)



**41%**

The energy sector holds the largest share among the industries served, with 41%.



## ECONOMIC PERFORMANCE



### SUSTAINABLE ECONOMIC PERFORMANCE AT BORUSAN PIPE

The protectionist measures of the EU and the US, China's focus on domestic consumption, and the EU's implementation of the Carbon Border Adjustment Mechanism (CBAM) in the context of combating climate change, along with countries' embargoes and supply chain issues, are primary agenda items for Turkish steel producers. On June 11, 2021, the German Bundestag approved the German Supply Chain Due Diligence Act, which impacts not only German companies but also their suppliers in foreign countries. The law, which came into force on January 1, 2023, primarily focuses on preventing human rights and environmental law

violations. The law imposes various direct obligations on German companies, while also affecting domestic and foreign companies involved in the supply chains of obligated German entities. Borusan Pipe monitors global developments in supplier management and takes proactive actions in collaboration with suppliers to address potential risks.

Sustainable economic performance entails creating environmental and social value while simultaneously maintaining economic profitability for the pipe sector. In this context, Borusan Pipe manages all its risks and identifies both its risks and opportunities in relation to international developments..

### CONTRIBUTION TO SDGs

**Borusan Pipe aims to develop all its initiatives in a way that contributes to the SDGs.**

## MISSION, VISION AND VALUES

### MISSION

To produce products and services that leave a mark on the world and benefit society.

### VISION

To be a globally recognized provider of high value-added products, focusing on local production opportunities in target markets, possessing the most competitive cost advantages in the industry, and being a recognized supplier of seamless steel pipes and holistic solutions.

### VALUES

#### We Take Initiative and Responsibility

We demonstrate effective individual leadership. We act as a team to fulfill the needs of our business. We establish productive and lean organizations.

#### We Aim for Excellence

We are experts at our jobs. We aim for high performance and strive to achieve it. We support continuous development with innovation and creativity.

#### We Satisfy Our Customers

We strive for our customers' success. We create value with the quality of our products and services. We listen to the voice of our customer.

#### We Are Reliable

We establish open and honest relationships. We keep our commitments. We compete fairly.

#### We Contribute to the Community

We support the cultural development of society. We encourage our employees to participate in social responsibility projects. We are environmentally responsible.

## BUSINESS ETHICS

**Borusan Pipe's values are a priority and take precedence over everything in all decision-making processes and activities."**



### RELIABLE AND RESPECTABLE

**Borusan Pipe views ethical behavior and compliance as fundamental principles that support its operations and reputation, going beyond legal requirements.**

#### **Borusan Pipe has adopted the 7 Core Working Principles and Code of Ethics of the Borusan Group.**

These principles and rules establish a business ethics framework based on fundamental values such as transparency, sustainability, trust, and integrity, which are central to Borusan Pipe's relationships with its stakeholders.

Borusan Pipe's values are a priority and take precedence over everything in all decision-making processes and activities.

As one of Türkiye's most trusted and respected organizations, Borusan Pipe employees do not engage in any activities that could undermine the mutual trust relationship with their employees, suppliers, competitors,

business partners, and all stakeholders. In the event of a breakdown in the trust relationship that cannot be restored, the company will terminate its relationship with the relevant party.

Borusan Pipe views ethical behavior and compliance as fundamental principles that support its operations and reputation, going beyond legal requirements. In today's dynamic business environment, the company is committed to maintaining high standards of business ethics and compliance, which are essential for sustaining trust among stakeholders and ensuring long-term success.

The company emphasizes on every platform that its employees are responsible for adopting, promoting, and upholding a culture of integrity and accountability throughout the organization.



## BUSINESS ETHICS



### Human Rights

Borusan Pipe considers adherence to business ethics principles and legal regulations as a standard of conduct. The company adopts respect for human rights as a fundamental principle in its relationships with employees, suppliers, business partners, and society.

Borusan Pipe has declared this approach by becoming a signatory to the United Nations Global Compact and implements clear rules against discrimination, bribery, and corruption in its operations.

[Borusan Pipe \(Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş.\) | UN Global Compact](#)

The Orange Guide, created by Borusan Holding, outlines the business ethics rules that all member companies of the community are required to adhere to and has been embraced by Borusan Pipe as a guiding framework for all behavioral standards. In this context, the company provides regular training to its employees and ensures their participation.

As a publicly traded company, Borusan Pipe complies with policies and programs aimed at combating bribery and corruption, as well as upholding the principle of tax integrity. Preventing conflicts of interest, managing

relationships with stakeholders professionally, and avoiding unlawful behaviors are among the core values of the corporate culture at Borusan Pipe.

Borusan Pipe carefully avoids unethical behaviors such as bribery, corruption, and abuse of power, supporting international efforts to eliminate such crimes. All activities are conducted in accordance with competition law and ethical rules.

**By maintaining transparent communication with all stakeholders, Borusan Pipe avoids any behavior that may be deemed anti-competitive.**

The ethical approach based on the core principles of transparency, sustainability, trust, and integrity—fundamental elements of Borusan Holding’s Core Working Principles—has been internalized within Borusan Pipe’s culture and forms the foundation of its stakeholder relationships. Borusan Pipe, which builds trust-based relationships, refrains from engaging in any activities that could undermine trust with its employees, suppliers, competitors, business partners, and the surrounding community.

## RESPECT FOR HUMAN RIGHTS

Borusan Pipe adopts respect for human rights as a fundamental principle in its relationships with employees, suppliers, business partners, and society.

## BUSINESS ETHICS



### RESPONSIBLE AND FAIR

**Compliance with ethical rules is ensured for all company employees, and related issues are closely monitored.**

Borusan Pipe employees can submit their notifications regarding ethical matters through the Orange Ethics Line application, available 24/7. This application plays a significant role in guiding and involving company employees in ethical rules.

You can access the Borusan Working Principles and Code of Ethics in the Orange Guide through the following link.

[BORUSAN-TURUNCU-REHBER.pdf](#)

In 2023, the Orange Ethics Notification Line received 130 notifications from the Borusan Group. The review of 94 notifications was completed within the framework of ethical rules and compliance.

A total of 13 notifications were submitted to the Orange Ethics Line by Borusan Pipe employees in 2023

To ensure that stakeholder relationships progress within the framework of transparency and integrity principles, Borusan Pipe operates according to the ethical rules established by the Borusan Holding Ethics Committee, which reports to the Chairman of the Borusan Holding Board of Directors.

The company ensures that all employees comply with ethical rules to be accountable to stakeholders, avoid unlawful practices, conduct internal processes in a healthy and fair manner, and manage with a sense of responsibility. Relevant issues are closely monitored.

Borusan Pipe employees also participate in training organized by Borusan Holding on ethical behavior and risks related to bribery.

## COMBATING CORRUPTION AND ANTI-COMPETITIVE BEHAVIOR

**Borusan Pipe works to detect and prevent unethical behaviors such as bribery, corruption, and abuse of power**



### HIGHER STANDARDS

**Borusan Pipe strives to ensure that all employees and third parties acting on behalf of the company adhere to the highest standards of integrity.**

Borusan Pipe, as a signatory of the UN Global Compact, adheres to its 10<sup>th</sup> principle, which calls for the business community to combat all forms of corruption, including bribery and extortion.

Participants in the UN Global Compact are expected not only to avoid bribery, coercion, and other forms of corruption but also to develop policies and concrete programs to combat corruption.

The United Nations Convention against Corruption serves as the legal foundation for the 10<sup>th</sup> Principle. Borusan Pipe's corporate culture requires the prevention of conflicts of interest, the professional management of stakeholder relationships, and compliance with laws in all operations.

As part of Borusan Group's annual audit plan, all audits include examinations for errors, fraud, and corruption. Additionally, reports concerning claims of discrimination are submitted through the Ethics Reporting Line. Borusan Pipe ensures compliance with Borusan Group processes.

Borusan Pipe works to detect and prevent unethical behaviors such as bribery, corruption, and abuse of power. The company strives to ensure that all employees and third parties acting on behalf of the company adhere to the highest standards of integrity.



## COMBATING CORRUPTION AND ANTI-COMPETITIVE BEHAVIOR



In this process, the Orange Guide implements policies to combat corruption and bribery. The Anti-Corruption Policies include procedures aimed at addressing concerns related to corruption.

Stakeholder relationships are explicitly defined in the “Orange Guide: Borusan Working Principles and Our Code of Ethics.” Within these standards, issues such as gifts and hospitality, donations and assistance payments, public tenders, and conflicts of interest are addressed. The aim is to prevent these behaviors by monitoring corruption-related risks identified through risk management.

Behaviors that are contrary to ethical values, such as bribery, corruption, and abuse of power, are avoided. International efforts to eliminate such crimes are regularly supported, and all activities and relationships are conducted within the framework of competition law and ethical rules.

In Türkiye and in other geographical areas of operation, no political affiliations are made, and no material or moral support is provided, directly or indirectly, to any political institution or individual.

Transparent and honest communication is maintained with public authorities, and actions are taken in compliance with fair competition laws. Relationships with competitors are established based on principles of transparency and fair competition, and any behavior that is contrary to competition is avoided.

Actions that may be considered monopolistic or anti-competitive are opposed in accordance with established confidentiality rules.

During the reporting period, Borusan Pipe has not been subject to any cases of anti-competitive behavior, monopolization, or collusion.

In 2023, a total of 8 audits were conducted on our company by the Holding. These 8 internal audits examined topics such as production, quality, maintenance, and general risk assessment

Within the scope of the annual audit plan, all audits conducted included the risks of errors, fraud, irregularities, and corruption. Additionally, in 2023, all internal audit activities carried out by the Borusan Holding Internal Audit Department also assessed whether the company’s operations had any negative impact on the local community.

As a result of the audits conducted in 2023, no observations were made indicating that Borusan Pipe’s operations had a negative impact on the local community.

In 2023, we resolved 4 notifications related to combating corruption and bribery received through the ethics line. In one case of corruption at Borusan, the employment contract of the personnel involved was terminated, and legal proceedings were initiated.



### COMMITMENT TO ETHICAL VALUES

**At Borusan Pipe, behaviors that are contrary to ethical values, such as bribery, corruption, and abuse of power, are avoided.**

## PROTECTION OF INFORMATION SECURITY AND CUSTOMER CONFIDENTIALITY

**In international companies' research, cyber risks rank among the top concerns.**



### CYBER SECURITY MEASURES



















**Borusan Pipe takes the highest level of measures in the fields of cybersecurity and information security**

In the Global Risks Report published by the World Economic Forum (WEF), which assesses the risks facing the world in the medium and long term, cybersecurity was emphasized in 2023. In the 18<sup>th</sup> edition of the report, released in January 2023, the section titled “widespread cybercrime and cyber insecurity” was ranked among the top 10 risks.

Additionally, while the 2023 survey conducted by PwC highlighted issues such as inflation and macroeconomic fluctuations as the leading concerns for the medium and long term, cybersecurity risks were also identified among the top 5 threats.

With operational locations across different geographies, Borusan Pipe implements high-level measures in the fields of cybersecurity and information security.

# HIGHLIGHTS OF 2023

Our Inputs	The Value We Create	Our Outputs	SDG
 <p><b>Our Inputs</b></p>	<p>With its strong financial structure and corporate infrastructure, it is a leading company in the pipe sector. Financial value for stakeholders Contribution to the global economy</p>	<p>1.7 billion USD Net profit: 194 million USD</p>	
 <p><b>Human Capital</b></p>	<p>Safe working environment Creating an inclusive and equal workplace for everyone with the Borusan Eşittir Platform Becoming the preferred workplace</p>	<p>56,358 hours of training 47% reduction in accident frequency rate International occupational safety award</p>	 
 <p><b>Natural Capital</b></p>	<p>Contribution to Borusan Group's net zero goal Circularity in pipe production Reducing water footprint through water and waste management Protecting ecosystems and biodiversity</p>	<p>13 % reduction in Scope1 + Scope 2 values</p>	  
 <p><b>Intellectual Capital</b></p>	<p>Sustainable products Support for young entrepreneurs Strong innovation and R&amp;D activities</p>	<p>16% of gross profitability comes from product and service groups 2 sustainable products</p>	 
 <p><b>Social Capital</b></p>	<p>Developing projects with social impact Collaboration with stakeholders Volunteer efforts Sustainable benefits for the community</p>	<p>Inspiring breakfasts Orientation plans Feedback mechanisms</p>	 
 <p><b>Manufactured Capital</b></p>	<p>With the most established pipe manufacturing facility, a leading production plant in Türkiye and the world.</p>	<p>2 million tons production capacity</p>	 



# SUSTAINABILITY MANIFESTO



Borusan Pipe has established its Sustainability Manifesto as part of its strategy to achieve the zero waste and zero emissions goals set by Borusan Holding, aiming to reduce carbon emissions and waste in a manner that aligns with these targets while also contributing to the preservation of ecological balance

**BY OWNING THE CLIMATE, WE CREATE BENEFITS FOR THE PLANET.**

**DREAM, DESIGN, TURN IT INTO REALITY-OWN HUMAN**

**WE DESIGN INNOVATIVE IDEA AND OWN INNOVATION**

[Click here](#) to access the manifesto prepared to illuminate Borusan Pipe on its journey of responsibility to inspire.

The background of the slide features a dense array of fiber optic cables. The cables are arranged in a grid-like pattern, with their circular ends visible. A bright blue light trails through the center of the cables, creating a sense of depth and movement. The overall color palette is dark, with the blue light providing a strong contrast.

# GOVERNANCE

*Every social and global issue of our day is  
a business opportunity in disguise.  
Peter Drucker*

## CORPORATE GOVERNANCE

At Borusan Pipe, relationships with stakeholders are built on the principles of trust, transparency, accountability, and fairness.



### FULL COMPLIANCE

Compliance with the practices outlined in the Corporate Governance Principles has been adopted as a fundamental principle by the company management.

The Board of Directors of Borusan Pipe governs and represents the company. The powers and responsibilities of the Board members and executives are outlined in the company's articles of association, with reference to the provisions of the Turkish Commercial Code (TCC).

The Board of Directors of Borusan Pipe consists of a minimum of five and a maximum of 9 members. The term of office for Board members ranges from 1 to 3 years.

Board members serve until new Board members are elected and are eligible for re-election. If deemed necessary, the General Assembly may replace Board members immediately.

Half of the members of the Board of Directors are elected from among the candidates nominated by (A) Group shareholders. The regulations of the Capital Markets Law and the Capital Markets Board regarding the independent members and other members to be elected to the Board of Directors remain applicable.

The members of the Board of Directors are leading professionals in their respective fields. They are appointed to guide Borusan Pipe's projects by leveraging their expertise and perspectives gained from their areas of specialization.

There are no specific rules or limitations on Board members holding other positions outside the company. However, it is essential that their duties



## CORPORATE GOVERNANCE

within Borusan Pipe are not negatively impacted in terms of time or focus. The Board of Directors may establish commissions and committees responsible for implementing or overseeing decisions and policies related to company affairs. The formation of such committees complies with the regulations outlined in capital markets legislation.

Board of Directors meetings are held in accordance with the schedule established at the beginning of the operational period. However, the Board convenes immediately when required by the company's affairs and operations. Regarding the quorum for Board decisions, the relevant articles and provisions of the Turkish Commercial Code are applied. The regulations of the Capital Markets Law and the Capital Markets Board concerning this matter remain applicable.

At Borusan Pipe, a secretariat ensures the creation and updating of the Board's calendar, facilitates members' participation in meetings, delivers the Board report prepared by the company management to all members one week prior to the meeting, and oversees the preparation and archiving of minutes. The agenda for Board meetings is determined by the Chairperson of the Board based on the opinions of Board members. A final invitation and agenda are delivered through an appropriate channel to each Board member 15 days prior to the meeting as requested. In addition to the decisions taken, differing opinions, proposals, and questions raised during the meeting are also recorded in the minutes. While discussions occur, to date, there has been no decision made without the unanimous consent of the participants. Board members are not granted weighted voting rights or negative veto rights.

The remuneration of the Board of Directors members is determined by the General Assembly. The General Assembly sets the compensation for both independent and non-independent members in compliance with capital markets regulations.

Borusan Pipe's Board of Directors consists of a total of seven members, including both executive and non-executive members. The majority of the Board members are non-executive. The roles of the Chairperson of the Board and the General Manager are held by different individuals.

The roles and résumés of the Board of Directors members within and outside Borusan Pipe are available on the company's website and in the relevant section of the [2023 Annual Report](#).

At Borusan Pipe, the Audit Committee, the Early Detection of Risk Committee, and the Corporate Governance Committee, established in accordance with the Capital Markets Law, the Capital Markets Board's Corporate Governance Principles Communiqué, and the provisions of the Turkish Commercial Code, perform their activities within the framework of defined regulations and procedures to ensure the Board of Directors fulfills its duties and responsibilities effectively. The Board may also choose not to establish a Nomination Committee and a Remuneration Committee, opting instead to incorporate these into the Corporate Governance Committee. In such cases, all duties of these committees are carried out by the Corporate Governance Committee.

Reports summarizing and explaining the topics to be discussed during the committee meetings are sent to committee members at least three business days prior

to the meeting. The scope of the committee's tasks and its decisions are summarized by the committee chair to all Board members during the Board meeting to share opinions and declarations. Decisions made during committee meetings are documented in writing and shared with all committee and Board members after the meeting. Action items from the previous meeting are reviewed during the subsequent Board meeting to track progress. Recommendations from the independent work of the committees are presented to the Board of Directors, with the final decisions made by the Board.

During the operating period from January 1 to December 31, 2023, Borusan Pipe complied with the mandatory principles of Corporate Governance published by the Capital Markets Board and worked on improvements in non-mandatory areas. The principles not yet implemented have not caused any conflicts of interest among stakeholders to date. Compliance with the Corporate Governance Principles and areas not yet aligned were detailed in the Corporate Governance Compliance Report ("URF") and the Corporate Governance Information Form ("KYBF") templates, as stipulated by the Capital Markets Board's decision No. 2/49 dated January 10, 2019.

Adherence to the principles outlined in Corporate Governance is embraced as a fundamental approach by the company management. Through a mission and vision emphasizing quality, added value, innovation, and creativity within the corporate structure, Borusan Pipe establishes relationships with stakeholders based on trust, transparency, accountability, and fairness, creating short, medium, and long-term value.

## CORPORATE GOVERNANCE

**Zafer Atabey**  
Chairperson of the Executive  
Committee

**Anıl  
Karaca**

Executive  
Committee  
Member

Finance and  
Foreign Trade

**Nihan  
Alhan**

Executive  
Committee  
Member

People and  
Sustainability

**Oğuzhan  
Kuşçuoğlu**

Executive  
Committee  
Member

Construction  
and General  
Industry  
Segment

**Uğur  
Onbaşı**

Executive  
Committee  
Member

U.S. Large  
Diameter Pipe  
Segment

**Ali  
Okyay**

Executive  
Committee  
Member

Automotive  
Segment

**Serdar  
Birlikci**

Executive  
Committee  
Member

Digital  
Technologies  
and New  
Product

**Josh  
Cronix**

Executive  
Committee  
Member

U.S. OCTG  
Segment

**Dimitris  
Dimopoulos**

Executive  
Committee  
Member

Technical and  
Quality (U.S.  
Operations)

## SUSTAINABILITY ORGANIZATION

In 2024, sustainability initiatives were also launched at the factories located in Italy and the USA.



### AN INCLUSIVE GOVERNANCE MODEL

The Sustainability Thematic Groups, comprising ninety-five members and 7 agile teams, exemplify an inclusive governance model through their initiatives.

The Sustainability Thematic Groups, consisting of ninety-five members and 7 agile teams, hold weekly meetings to identify current needs, risks, and opportunities. They regularly share their findings with the Borusan Pipe Sustainability Committee, demonstrating an inclusive governance model.

In 2024, sustainability initiatives are planned to be launched at the factories in Italy and the USA, with the aim of extending the process to all Borusan Pipe locations.

Agile teams hold weekly meetings to identify the needs and obstacles in their work and take the necessary actions. At the end of each month, the Borusan Pipe Sustainability Leader provides updates on the progress

of their sustainability journey through presentations to the Borusan Holding Sustainability Committee

The year-end overall assessment was shared with employees as part of the 2022 Sustainability Report

Year-end sustainability meetings, attended by sustainability team leaders and the Executive Committee, provide an opportunity for a comprehensive evaluation of the year's performance. During these meetings, the goals and budget for the upcoming year are reviewed and assessed.

During quarterly Board of Directors meetings, presentations on sustainability goals are delivered, providing updates on the progress of the goals as well as sharing periodic risks and opportunities.

## SUSTAINABILITY ORGANIZATION



At Borusan Pipe, the oversight of risks and opportunities related to sustainability is managed by the Sustainability Executive Board, led by the CEO.

### The responsibilities of the CEO include:

1. Representing the company as a sponsor on sustainability matters and acting as the Chair of the Sustainability Steering Committee.
2. Engaging with senior management to integrate sustainability into strategic decisions.
3. Sponsoring the guidance and implementation of sustainability initiatives across the company.

4. Communicating progress with stakeholders, including key executives.

5. As the CEO, focusing on short-term (0-1 year), medium-term (1-3 years), and long-term (3-7 years) company objectives and liaising with the Early Detection of Risk Committee.

6. Approving, rejecting, or proposing changes to the budget for sustainability-based investments.

However, investment decisions fall under the authority of the Board of Directors.

Monthly sustainability board meetings, led by the CEO, bring together representatives of the leaders of agile groups on a regular basis.

The committee works in alignment with Borusan Holding to approve the company's sustainability goals, including those related to climate change. The Board of Directors makes investment decisions on projects proposed by all agile groups.

The CEO collaborates with the Chief Sustainability Officer (CSO) in fulfilling sustainability-related responsibilities.

Drawing on extensive industrial experience and sectoral expertise, the CEO of Borusan Pipe manages the company's strategy regarding risk and opportunity processes together with the Executive Committee members. Reporting directly to the CEO, the risk manager supports the identification and updating of risk and opportunity processes within the scope of sustainability.

At Borusan Pipe, the risk management and internal control functions are under the responsibility and supervision of company management. The management prepares financial statements in accordance with International Financial Reporting Standards (IFRS) and submits them monthly to the Board of Directors, along with defined critical performance indicators and relevant explanations.

The process risks specific to Borusan Pipe are also regularly reported to the Board of Directors. Sustainability-related risk and opportunity processes, including their financial dimensions, are regularly shared with both the Executive Committee and the Board of Directors.

The risk management and internal control team is highly skilled and competent in connecting risk management with sustainability, working with a multidisciplinary approach.

**The climate action budget for 2023, approved by the Board of Directors, amounts to approximately 2.25 million USD.** In addition to this budget, there are separate sustainability budget items approved by the Executive Board under the scope of sustainability and environmental initiatives.

**For the 2023 budget, an annual emissions reduction target of approximately 8,961 tons of CO<sub>2</sub> has been set.** Details of the emissions management process can be found in the Climate section of the report.





# SUSTAINABILITY ORGANIZATION



**The Assistant General Manager for Sustainability at Borusan Pipe is a member of the Executive Board within the Holding. The responsibilities of the Assistant General Manager for Sustainability (CSO) include:**

1. Ensuring the involvement of the CEO and other Board Members in the formulation of the sustainability strategy.
2. Evaluating sustainability awareness activities, considering the participation of the Holding.
3. Managing interaction activities with internal and external stakeholders, including sustainability initiatives, and making interaction-related decisions.

4. Attending Holding Sustainability meetings and leading monthly Agile team meetings.

5. Ensuring the inclusion of key topics such as decarbonization and climate change in mitigation strategies.

6. Taking responsibility for the integration of performance metrics into the remuneration policy and monitoring the company's progress toward its targets.

You can see the connection between Sustainability Performance Indicators and the Remuneration Policy within Borusan Pipe in the table below.

2023 Company Target	GM	AGM S2-3	AGM S4	AGM Finance&FTO	AGM HR&Sus.	AGM Digital Tec&New Product	Factory Director	Directors&Managers	Technical Teams	Others	Note
Sustainability	5	5	5	5	15	5	10	5	0	0	Sustainability Leaders will receive 10%, and Sustainability Team Members will receive 5%.

Each sustainability agile team member within Borusan Pipe is subject to the bonus system based on their responsibilities.

At Borusan Pipe, all operational sustainability processes are managed by the Global Sustainability Manager. The Global Sustainability Manager periodically reports progress to both the Holding and Borusan Pipe Sustainability Executive Boards.

Under the Borusan Pipe Sustainability Academy, all agile group members receive a minimum of 40 hours of sustainability training. Efforts are undertaken to enhance

the competencies of agile group members, and initiatives have been launched to advance the academy's activities on a global scale.

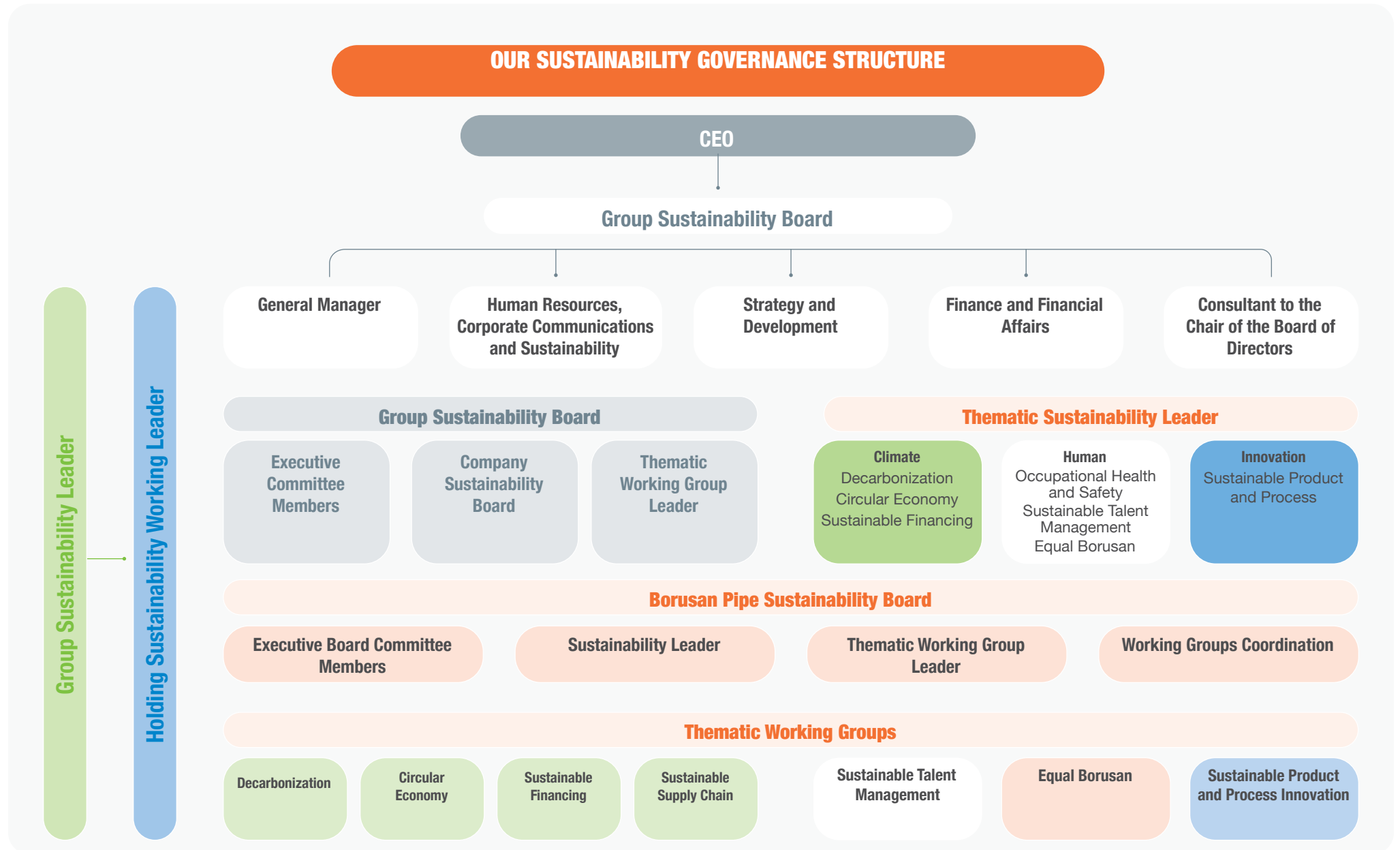
Members of the Sustainability Executive Board also monitor global developments in sustainability. They lead the identification of sustainability-related risks and opportunities, as well as ensure that these are addressed and tracked by the responsible parties during the development of compliance policies.

The Sustainability Executive Board, under the leadership of the CSO, conducts competency tracking.

Competencies are monitored within the scope of sustainability-related risks and opportunities, and areas for improvement are identified. Regular communication on sustainability is carried out under the leadership of the Sustainability Manager, with the knowledge and approval of the Executive Board. Regular sustainability communication is crucial for keeping both internal and external stakeholders informed.

When making decisions related to sustainability, the Executive Board consults with the Holding when necessary.

# SUSTAINABILITY ORGANIZATION



## SUSTAINABILITY ORGANIZATION



In addition to the Early Detection of Risk Committee, internal control systems, internal audit activities, and investor relations efforts are regularly reported to external stakeholders through the annual report.

Closely monitoring global developments, the company has made its corporate risk management policies effective and systematic. A corporate risk management process has been established to identify factors that could impact the company's operations, manage these factors in line with its risk appetite, and implement necessary measures.

The Internal Control Unit was restructured in 2021 to support the company's strategic initiatives by proactively identifying and managing risks and opportunities. Within this scope, foreseeable risk and opportunity projects are carried out throughout the year with the participation of various departments. The risks identified through these projects are prioritized, and risk owners work on mitigating the impacts of these risks.

The entire governance structure related to sustainability is documented and preserved within the framework of management systems. The Sustainability Department provides orientation training to new employees as part of their integration into the company culture.

**Zafer Atabey**



I am proud to be part of Borusan because, inspired by its founding values, it is a people-centered organization with a sustainability-driven vision, leaving a lasting and inspiring legacy for future generations.



### EFFECTIVE AND SYSTEMATIC

The Company, closely monitoring global developments, has made its corporate risk management policies effective and systematic.

## SUSTAINABILITY ORGANIZATION

### TSRS Compliance -Governance

#### The TSRS compliance table for Borusan Pipe's operations in Türkiye.

- How the responsibilities related to sustainability and climate-related risks and opportunities are reflected in the job descriptions, authorities, job functions, and other relevant policies applicable to the respective organs/individuals (S1.27(a)(i), S2.6(a)(i)).

**It is provided under the heading “Sustainability Organization”**

- How it is determined whether the organs or individuals have the appropriate skills and competencies to oversee strategies designed to address sustainability/climate-related risks and opportunities, or whether these skills and competencies need to be developed.

**It is provided under the heading “Sustainability Organization” and also in the 2023 Annual Report.**

- How and how frequently the organs or individuals are informed about sustainability and climate-related risks and opportunities.

**It is provided under the heading “Sustainability Organization”**

How the organs or individuals take sustainability and climate-related risks and opportunities into account when overseeing the company's strategy, decisions regarding major transactions, risk management processes, and relevant policies – including whether the trade-offs related to these risks and opportunities are evaluated.

**It is provided under the heading “Sustainability Organization”**

Also, how the organs or individuals oversee the setting of targets related to sustainability and climate-related risks and opportunities, including whether the relevant performance metrics are included in the remuneration policy and how they are included, as well as how progress towards these targets is monitored.

- Whether the responsibility is delegated to a specific position or committee at the management level, and how the oversight is conducted on this position or committee.
- Whether management uses controls and procedures to support the oversight of sustainability and climate-related risks and opportunities, and if so, how these controls and procedures are integrated with other internal functions.

**It is provided under the heading “Sustainability Organization”**

**It is provided under the heading “Sustainability Organization”**



**STRATEGY**



## STRATEGY

**Borusan Pipe's goal is to develop an inclusive strategy in the global market within the context of sustainability and to align all operations to the same level of impact.**



### LOCAL PLAYER IN GLOBAL MARKETS

**In 2023, Borusan Pipe has made developments that reinforce its strategy of becoming a local player in global markets.**

The European Green Deal, which aims for the EU to become a carbon-neutral continent by 2050, is a roadmap and new economic growth strategy that includes strategies and legislative proposals to achieve this goal.

The targets for carbon emission reduction will impact exports to the European Union through various channels. These include the implementation of carbon taxes, eco-labeling, and new standards for circular business models. Borusan Pipe is aware that once it completes the compliance process in this area, its competitive strength in the market will not be affected, and it will not face additional costs.

**Borusan Pipe closed 2023 with developments that reinforced its strategy of becoming a local player in global markets, recording record financial results.**

The company's goal is to develop an inclusive strategy for the global market in the context of sustainability and to align all operations to the same level of impact.

# STRATEGY



During 2023, strategies for commercial excellence, operational excellence, sustainability, and product innovation were developed, and social responsibility projects for the community were carried out for a contemporary Türkiye. The mandatory process within the scope of TSRS was strategically managed, and the processes were transparently shared with stakeholders.

### Factors that differentiate Borusan Pipe from its competitors in its areas of activity

With a qualified and dynamic workforce continuously developing through ongoing training in new manufacturing techniques, and a strong management team focused on aligning its strategies with global quality standards, Borusan Pipe has become a leader in the industry for trust and quality, in addition to its value-added products and services, with a focus on customer satisfaction.

The company has structured its R&D philosophy around conducting research and product development activities in all markets to create new products that meet the needs of its customers and the market. It collaborates with raw material suppliers with the goal of excellence in product and process design.

The strategic locations of Borusan Pipe's facilities have provided the company with a competitive advantage in the face of increasing global competition dynamics in recent years.

With a focus on sustainable and profitable revenue growth, Borusan Pipe made investments aimed at expanding internationally in 2023. The company has implemented strategic decisions to restructure its production facilities in Türkiye in line with changing global and sectoral dynamics.

In light of its strategy for innovative products and new business models, Borusan Pipe continues to make investments aimed at maintaining its strong position in existing markets, while also focusing on penetrating niche and new markets.

Borusan Pipe has developed its value creation strategies with a focus on climate, people, and innovation.

The company offers processes and products that create value for all its internal and external stakeholders.

With the responsibility that comes from its strong position in the industry, the company also plays a leading role in tracking and implementing innovative approaches. In line with the 2030 targets set across the Group, Borusan Pipe aims to achieve zero waste and carbon neutrality, while also contributing to the preservation of the ecological balance.

## A PIONEER OF TRUST AND QUALITY

In addition to its value-added products and services, Borusan Pipe has become a leader in trust and quality in the industry, with a strong focus on customer satisfaction.

# STRATEGY



Borusan Pipe's sustainability strategy is based on four main axes:

- Commercial Excellence
- Operational Excellence
- Sustainability
- Innovation in New Products

Digital technologies and human resources management have been identified as supportive areas in implementing the sustainability strategy. Borusan Pipe, aligning with the Group's approach, has adopted the mission of providing solutions that add value to the business processes of its internal and external stakeholders with a focus on i<sup>3</sup>.

Borusan Pipe voluntarily participates in the "Climate Change" and "Water Security" programs under CDP (Carbon Disclosure Project), one of the world's leading platforms for combating climate change.

Borusan Pipe regularly monitors sustainability developments to identify sustainability-related risks and opportunities that are reasonably expected to impact its future financial viability.

Company officials participate in regular updates at the Group level, working to convert risks into opportunities and ensure financial viability.

In line with its strategic focus areas, Borusan Pipe has established processes to convert all risks into opportunities. Through actions taken under its focus on competition and transformation, the company will strengthen its financial position and maintain its competitive edge.



## i<sup>3</sup> FOCUS

**Aligning with the Group's approach, Borusan Pipe has adopted the mission of providing solutions that add value to the business processes of its internal and external stakeholders with a focus on i<sup>3</sup>.**



# STRATEGY

## GREEN TRANSFORMATION STRATEGIC APPROACH

Within the scope of green transformation, the electric arc furnace is adopted as an alternative method in iron and steel production. Unlike the conventional production method, the electric arc furnace uses cold metal instead of hot metal for the filling process.

### Our Actions Within the Scope of Decarbonization Processes

- Borusan Pipe develops strategies for every stage of its operations to minimize its negative impact on the environment and follows environmentally friendly policies for a clean environment and a healthy future.
- The company works in compliance with all national and international legal regulations to recycle waste in the production stage, minimize the use of natural resources, and provide a healthy environment for future generations.
- Borusan Pipe is taking steps to adopt eco-friendly, energy-efficient, and low-carbon methods by following alternative technologies and green system investments, such as electric arc furnaces, in the steel industry.
- Some raw materials in the industry are produced in electric arc furnaces. Although Borusan Pipe does not produce raw materials, it prioritizes suppliers using this method and considers it in the supplier selection process. In this context, a certain proportion of steel raw material sourced from electric arc furnaces is used.
- Borusan Pipe has applied for the Future Inspiration Awards in the climate category, with projects in Decarbonization and Energy Management. You can access the projects via the link below.
  - [Energy Efficiency in SRM Induction Furnaces](#)
  - [Preventing Internal Scale Pipe Production with the Online Monitoring System](#)
  - [Supplying Cooling Towers with Recycled Wastewater](#)
  - [Spiral Factory Internal Market Logistics Project](#)

# STRATEGY

## Borusan Pipe Strategic Focus Areas

### COMPETITIVE ADVANTAGES

- A qualified workforce with a vision for quick action, flexibility, and turning crises into opportunities.
- A strong and leading brand perception
- High customer satisfaction through a maximum customer and solution-focused approach
- A preferred manufacturer by suppliers due to value-added products, continuous growth, and a reliable partner approach
- A wide product range continuously supported by new investments.
- A leading manufacturer in Europe for cold-drawn pipes and in the US for welded steel pipes
- A balanced portfolio approach with a presence in geographies and segments operating with different dynamics.

### TRANSFORMATION FOCUS AREAS

- Cultural transformation focused on Environmental, Social, and Governance (ESG)
- Compliance efforts related to the Carbon Border Adjustment Mechanism (CBAM)
- Digitalization in processes
- Operational efficiency
- Profitability-focused sustainable growth in business lines and geographical areas
- The most efficient integration of acquisitions and investments in new geographies
- Creating added value with smart pipes that enable customer and product communication.
- Targeting new markets with hydrogen, carbon capture, and energy storage products

### STRATEGIC ACTIONS

- **Infrastructure and Project:** Growth in the North American market through the acquisition of Berg Pipe in the USA
- **Industry and Construction:** Increasing the portfolio weight of new products through SRM investment in the USA.
- **Automotive:** Penetration in Tier 1 - Tier 2 customer segments in Europe through investment in a processing center in Romania
- **Energy:** Continuing profitable revenue growth by focusing on automation and robotic investments in existing lines
- Continuously evaluating efficiency-focused acquisition and merger options

# RISK AND OPPORTUNITY MANAGEMENT



## RISK AND OPPORTUNITY MANAGEMENT

**Borusan Pipe tracks developments related to material issues with a risk-focused approach and incorporates them into its agenda.**



### INTERNAL CONTROL LEADERS

**Since 2022, Borusan Group has been developing an integrated approach to risk management, and Borusan Pipe's internal control leaders are also supporting this process.**

Since its establishment by Borusan Group in 2021, the Internal Control functions have been operating effectively. Borusan Pipe has integrated the internal control function into every process related to sustainability.

Since 2022, Borusan Group has been developing an integrated approach to risk management, with Borusan Pipe's internal control leaders supporting this process.

With the support of the internal control structure established within the framework of risk management by Borusan Holding, current risk and opportunity assessments are being made. Process risk analyses, workshops, one-on-one meetings, and control self-assessments are conducted for prominent risky areas, and action plans are prepared.

The internal control leader also has a guiding role in managing risks and opportunities. Since the definition of the role, internal control has developed expertise in general concepts such as corporate risk management, auditing, fraud awareness, financial literacy, strategic management, business development, growth management, business analysis, project management, innovation, and sustainability.

Borusan Holding has secured insurance policies, including those for Borusan Pipe, to ensure coverage against potential damages arising from risk management.



## RISK AND OPPORTUNITY MANAGEMENT



Under cyber risk and crime insurance policies, one of the world's most significant economic risks, potential third-party damages, material losses, data recovery expenses, revenue losses due to business interruption, and financial damages caused by cybercrimes are covered. Borusan Holding also manages technology-related risks in detail. The security of the information systems that store, process, and publish Borusan Pipe's data is ensured at the highest level.

With the awareness that all operational risks are dynamic processes, risks are regularly updated and developed.

Operating in international markets, Borusan Pipe takes into account international developments and the changing and evolving stakeholder expectations while developing its sustainability strategy.

At the end of 2023, under the Türkiye Sustainability Reporting Standards announced by the Public Oversight Authority and in accordance with the EU Corporate Sustainability Reporting Directive (CSRD), companies are expected to disclose not only information about their business models but also the sustainability risks and opportunities. They are also expected to support all their policies and strategies with risk and opportunity studies.

Starting in 2023, Borusan Pipe has initiated focused efforts covering the end-to-end value chain, supporting its strategy, risks, opportunities, and the performance indicators of all these processes.

As part of the Business Plastics Initiative, Borusan Holding is one of thirty-four companies that publicly shared its commitments to create a circular economy for plastics in Türkiye and reduce plastic usage, doing so with transparency for the first time. Borusan Pipe continues to progress in its sustainability approach while adhering to these commitments.

### Risks and Opportunities within the Scope of Sustainability

The Turkish steel pipe industry, with an average annual production of 4.8 million tons, ranks fourth in the world and first in Europe. ([www.cebid.org.tr](http://www.cebid.org.tr))

In the Turkish welded steel pipe industry, approximately 60% of annual production is used in the domestic market, while the steel pipe sector exports to more than 140 countries. In 2022, Türkiye exported 2.1 million tons worth 2.3 billion USD, accounting for 10.5% of the global welded steel pipe exports, which reached 20 billion USD annually.



### FOCUSED EFFORTS

Focused efforts covering the end-to-end value chain have been initiated within the framework of supporting strategy, risks, opportunities, and all these processes with performance indicators.

## RISK AND OPPORTUNITY MANAGEMENT



In the first nine months of 2023, Türkiye's steel pipe sector exports decreased by 13.3% compared to the previous year, totaling 1,407,000 tons. Romania, Morocco, the United Kingdom, and Iraq emerged as the main export markets. The protectionist measures of the EU and the US, China's focus on domestic consumption, the EU's implementation of the Carbon Border Adjustment Mechanism (CBAM) in the context of climate change mitigation, countries' embargo practices, and supply issues are the key agenda items for Turkish steel producers.

On June 11, 2021, the German Federal Parliament approved the German Supply Chain Due Diligence Act, which affects not only German companies but also their suppliers in foreign countries. The law, which came into effect on January 1, 2023, primarily focuses on preventing human rights and environmental law violations. The law imposes direct obligations on German companies and also impacts domestic and foreign companies involved in the supply chains of obligated German organizations.

**Borusan Pipe closely follows global developments in supplier management and takes actions to address potential risks by collaborating with its suppliers.**

Operating in international markets, Borusan Pipe considers international developments as well as the changing and evolving expectations of stakeholders while developing its sustainability strategy.

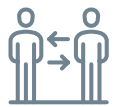
***In 2022, Borusan Pipe presented its first global Sustainability Report to its stakeholders, which included its operations in Italy and the USA.***

Risk approaches shared with sustainability bring companies together under an integrated perspective. Every non-financial indicator is reflected as a financial counterpart on companies' balance sheets in the increasingly globalized world.

Managing climate-related risks and financials is becoming increasingly important.

The risk agenda is constantly evolving, not only with biodiversity and climate but also with geopolitical tensions. Therefore, a proactive risk management process has become crucial for all companies.

With its leadership mission and impact area extending from local to global, Borusan Pipe thoroughly evaluates the risk environment for organizations of all sizes in the short, medium, and long term. While assessing the risk environment, feedback from legal and sustainability consultants, group studies, and national and international developments are regularly reviewed.



### IMPORTANCE OF STAKEHOLDER EXPECTATIONS

**When developing its sustainability strategy, Borusan Pipe takes into account international developments as well as the changing and evolving expectations of stakeholders.**

# RISK AND OPPORTUNITY MANAGEMENT



## PROACTIVE APPROACH

**Borusan Pipe's resilience is enhanced through proactive risk assessment, planning, and action steps.**

Borusan Pipe also adopts the approach of the International Sustainability Standards Board (ISSB), which is the foundation of TSRS. Additionally, the TSRS 2 Sector-Specific Implementation Guide has been established as a reference for the company. The Guide in **Volume 9-Iron and Steel Producers serves as a roadmap for the company.**

The company tracks developments related to materiality issues with a risk-focused approach and incorporates them into its agenda. Climate change is assessed in terms of both physical and transition risks in relation to Borusan Pipe's operations and investments.

Physical risks, such as extreme weather events and natural disasters, are observed as potential threats to the company's infrastructure, supply chains, and operations. In response to these threats, proactive risk assessment, planning, and action steps are taken to enhance Borusan Pipe's resilience.

Sustainability executive board meetings, held regularly, discuss the risks and opportunities implemented within the framework of sustainability and climate change.

The Sustainability Leader regularly participates in the Group Sustainability Board meetings, incorporating sustainability risks into management processes with a holistic approach.

The company monitors its sustainability performance in line with its goals, regularly reviewing risks and opportunities by following global and regulatory trends. These risks and opportunities are also used to contribute to Borusan Pipe's sustainability performance and to manage challenges along the way to achieving its goals.

# RISK AND OPPORTUNITY MANAGEMENT

## Governance of Identified Risks and Opportunities within the Scope of Sustainability

### BORUSAN PIPE RISK AND OPPORTUNITY MANAGEMENT TABLE

The Board of Directors is the highest governance body responsible for ensuring the presence of appropriate skills and competencies to monitor sustainability and climate-related risks and opportunities, as well as to oversee these risks and opportunities.

Sustainability-related risks and opportunities are on the agenda of the Sustainability Committee. In 2023, the following topics were discussed during the Committee meetings:

- Topics discussed under sustainability, risks, and opportunities:
- Risks expected globally for Borusan Pipe under the CBAM and the measures to be taken.

- Potential reporting and tax impacts from the Carbon Border Adjustment Mechanism (CBAM)
- Planned initiatives regarding suppliers.
- TSRS requirements
- Budget required for decarbonization projects.
- Digital Transformation and Procurement Processes

Every three months, the Board of Directors receives updates on international and national developments, as well as updates on risk and opportunity processes.



# RISK AND OPPORTUNITY MANAGEMENT

Borusan Pipe has defined its key sustainability-related risks and opportunities based on their position in the value chain, type (physical/transition), timing, and impact size as follows:

## Position of Risks in the Value Chain

## Timeframes Related to Risk

### Upstream

- Procurement and transportation of raw materials to production facilities and materials
- Customer usage, storage, sales activities, waste management
- Operations
- Production processes

### Downstream

Customer usage, storage, sales activities, waste management

### Timeframes Related to Risk

Short	1-3 year
Medium	3-10 year
Long	10-30 year

## RISK AND OPPORTUNITY MANAGEMENT



The Sustainability Board of Directors is responsible for all risk and opportunity processes, and each manager within the company has an integrated perspective on sustainability and is able to view all process risks through a sustainability lens.

With the contribution of legal advisors, a risk study specific to Borusan Pipe is also prepared, along with a global report under the scope of the Carbon Border Adjustment Mechanism (CBAM).

According to the report, “CBAM; with its carbon regulations on the EU’s import processes, has a significant impact on global trade. This mechanism has become an important focal point, especially for companies like Borusan Pipe engaged in international trade.”

To calculate the CBAM cost, the formula “Emissions to be charged x Carbon price per ton” is used.

Scenario calculations have been made based on a potential carbon price of 150 Euros, in line with the EU Emissions Trading System (ETS) average of 75 Euros and the likelihood of a price increase in the future.

In this context, the source of the raw materials is also crucial in terms of financial risk. Under CBAM, the identification of the usage areas of raw materials sourced from different countries, potential risks and opportunities arising from high emissions related to raw materials

and products, possible financial obligations, and the potential inadequacy of decarbonization measures taken in the countries supplying raw materials as perceived by the EU, as well as the inability to reach agreements on equivalency between international agreements, ETS, or carbon pricing mechanisms, are key issues closely monitored by Borusan Pipe.

Borusan Pipe continues to follow developments under the Carbon Border Adjustment Mechanism (CBAM).

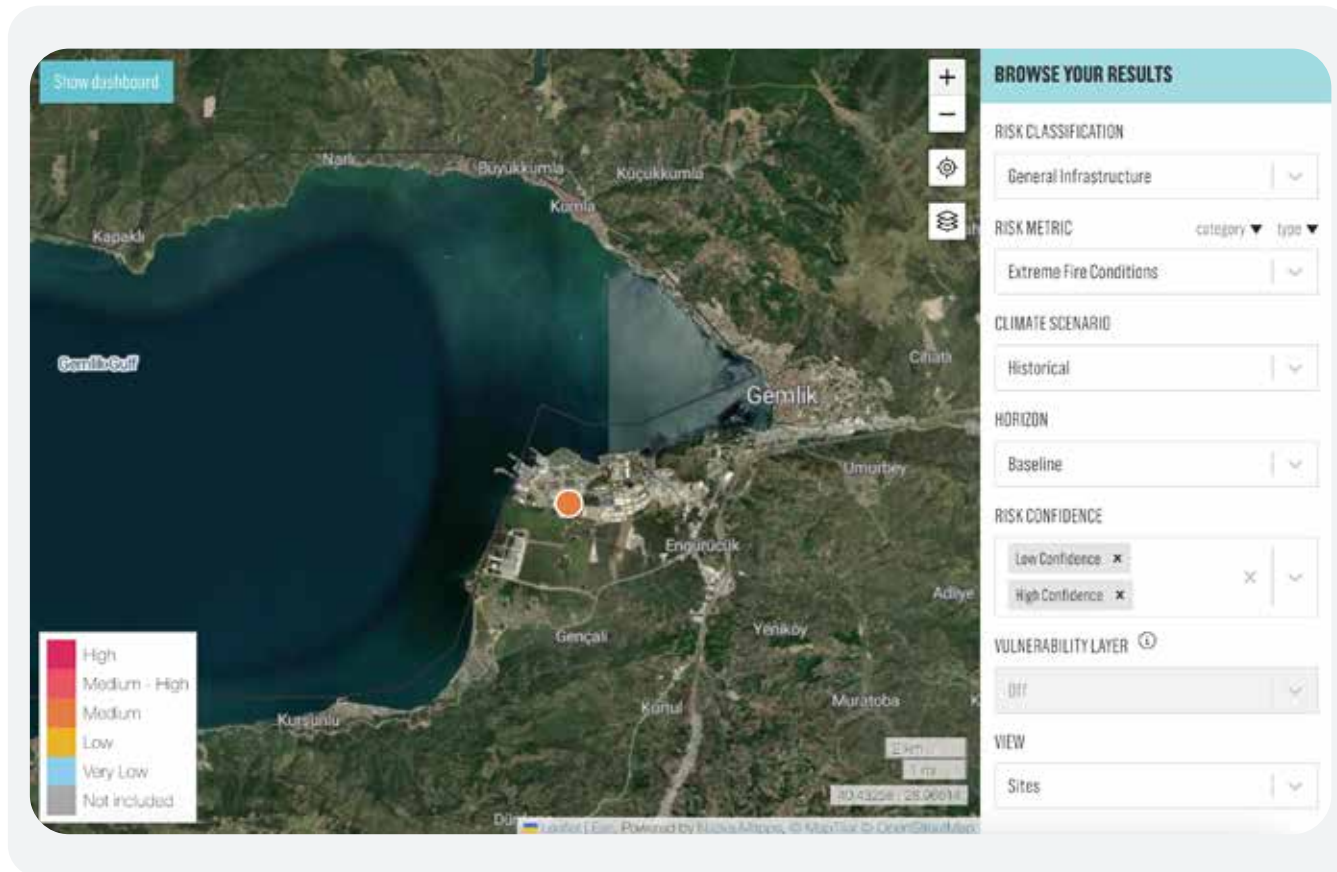
Embedded emissions refer to the greenhouse gas emissions from natural gas and electricity used in Borusan Pipe’s production sites, as well as the greenhouse gas emissions from the raw materials used in the production of pipes.

According to greenhouse gas emission calculations conducted since 2019, approximately 95% of the greenhouse gas emissions from pipe production (under the scope of CBAM) come from raw material sources. Therefore, the risks and opportunities Borusan Pipe may face under CBAM will be largely related to raw materials. However, in addition to energy efficiency efforts, investments in transitioning to low or zero-emission energy sources represent an opportunity for Borusan Pipe to reduce the costs arising from CBAM and meet customer expectations on the path to green transformation.

### EMISSION RELATED RISKS

Approximately 95% of the greenhouse gas emissions generated for pipe production (greenhouse gas emissions under the scope 3) are sourced from raw materials.

# RISK AND OPPORTUNITY MANAGEMENT



Borusan Pipe has worked with an international consultancy firm to assess and identify physical risks, evaluating physical risks across various scenarios for all its locations.



In the physical risk assessment, IPCC scenarios for short, medium, and long-term periods were used, focusing on climate change impacts such as comprehensive flooding, heat stress, and condensation in the regions where the facilities are located.

This study will also serve as a guide for Borusan Pipe's long-term investment decisions.

A risk and opportunity table for key sustainability topics, prepared by the Internal Control Department, is presented below.

Both the efforts within Borusan Holding and the regular work of the Borusan Pipe Sustainability and Internal Control teams continue to refine and detail the risk and opportunity studies within the scope of sustainability.

# RISK AND OPPORTUNITY MANAGEMENT

## TSRS Compliance - Strategy / Risk and Opportunity

### a) Sustainability and Climate-Related Risks and Opportunities

*The company discloses information that enables users of general-purpose financial reports to understand sustainability and climate-related risks and opportunities that are reasonably expected to affect the company's future financial risk scaling related with sustainability. Specifically, the company:*

The company defines sustainability-related risks and opportunities that are reasonably expected to affect its future financial viability.

It is included under the heading "Risks and Opportunities within the Scope of Sustainability." Financial risk scaling related with sustainability efforts are ongoing.

The company determines the timeframes—short, medium, or long term—during which the impact of each sustainability and climate-related risk and opportunity is reasonably expected to occur.

Short-term, medium-term, and long-term timeframes have been defined. Financial risk scaling related with sustainability efforts are ongoing.

It explains how the company defines its "short-term," "medium-term," and "long-term" periods, and how these definitions are linked to the planning periods used by the company for strategic decision-making.

The company explains whether it has classified each climate-related risk it identifies as a physical risk related to climate or as a transition risk related to climate.

Risks and Opportunities within the Scope of Sustainability

The company, when identifying climate-related risks and opportunities that are reasonably expected to affect its future financial viability, refers to the sector-specific disclosure topics outlined in the TSRS 2 Sector-Specific Implementation Guide and evaluates the applicability of these disclosure topics.

Risks and Opportunities within the Scope of Sustainability

### b) Business Model and Value Chain

*The company discloses information that enables users of general-purpose financial reports to understand the current and anticipated impacts of sustainability and climate-related risks and opportunities on the company's business model and value chain. Specifically, the company discloses the following:*

The description of the current and anticipated impacts of sustainability and climate-related risks and opportunities on the company's business model and value chain.

Risks have been identified using an end-to-end value chain approach. Detailed work is ongoing.

The description of where sustainability and climate-related risks and opportunities are concentrated within the company's business model and value chain (e.g., geographic areas, facilities, and asset types).

Risks have been identified using an end-to-end value chain approach. Detailed work is ongoing.



## RISK AND OPPORTUNITY MANAGEMENT

### c) Strategy and Decision Making

*The company discloses information that enables users of general-purpose financial reports to understand the impacts of sustainability and climate-related risks and opportunities on the company's strategy and decision-making processes. Specifically, the company discloses information related to the following:*

The company explains how sustainability-related risks and opportunities are addressed in its strategy and decision-making processes, and how it plans to respond to these risks and opportunities.

The company provides information on how it addresses climate-related risks and opportunities in its strategy and decision-making processes, including how it plans to achieve its self-set climate-related targets and those required by regulations.

The company specifically discloses information related to the following:

- Current and anticipated changes in the company's business model to address climate-related risks and opportunities, including resource allocation.
- Current and anticipated direct mitigation and adaptation efforts.
- Current and anticipated indirect mitigation and adaptation efforts.
- Including key assumptions used in the development of the company's transition plan and information regarding the dependencies on which the transition plan is based, the company's climate-related transition plan.
- (v) As mentioned in the relevant paragraphs, how the company plans to achieve its climate-related targets, including greenhouse gas emission targets.

Information on how the company allocates resources for the activities mentioned in the relevant paragraph and how it plans to allocate resources.

Progress made in relation to the plans disclosed in the company's previous reporting periods, including both quantitative and qualitative information.

According to the relevant paragraph, quantitative and qualitative information on the progress made towards the plans disclosed in previous reporting periods.

The company considers trade-offs between sustainability-related risks and opportunities, such as when making decisions about the location of new operations. For example, the environmental impacts of these operations and the employment opportunities they may create for the local community might be taken into account.

The governance of the risks and opportunities identified within the scope of sustainability is discussed under the "Governance" section.

The governance of the risks and opportunities identified within the scope of sustainability is also discussed under the "Climate" section.

In this context, efforts are ongoing, with continued work on decarbonization and climate scenario analyses.

The governance of the risks and opportunities identified within the scope of sustainability is discussed under the governance section.

Annexes

It is discussed under Risk and Opportunity Management. The work is ongoing.

## RISK AND OPPORTUNITY MANAGEMENT

### d) financial position, financial performance, and cash flows.

*The company discloses quantitative and qualitative information that enables users of general-purpose financial reports to understand the following:*

For the relevant reporting period, the impacts of sustainability and climate-related risks and opportunities on the company's financial position, financial performance, and cash flows (current financial impacts).

The 2023 decarbonization budget has been established. Risk and opportunity budgeting efforts are ongoing.

How sustainability and climate-related risks and opportunities have affected the company's financial position, financial performance, and cash flows during the reporting period.

Sustainability-related risks and opportunities that may require significant adjustments to the carrying values of assets and liabilities reported in the relevant financial statements in the next financial reporting period due to serious risks identified in the relevant paragraph.

The 2023 decarbonization budget has been established. Risk and opportunity budgeting efforts are ongoing.

The anticipated effects of climate-related risks and opportunities on the company's financial position, financial performance, and cash flows in the short, medium, and long term, considering how these risks and opportunities have been incorporated into the company's financial planning.

Climate-related risks and opportunities that may require significant adjustments to the carrying values of assets and liabilities reported in the relevant financial statements in the next financial reporting period, considering the anticipated effects.

*The company discloses quantitative and qualitative information that enables users of general-purpose financial reports to understand the following:*

Considering how sustainability and climate-related risks and opportunities are integrated into the company's financial planning, the anticipated effects of these risks and opportunities on the company's financial position, financial performance, and cash flows in the short, medium, and long term (anticipated effects).

The 2023 decarbonization budget has been established. Risk and opportunity budgeting efforts are ongoing.

Taking into account the company's strategy for managing sustainability-related risks and opportunities, how the company expects its financial performance and cash flows to change in the short, medium, and long term.

Considering the company's strategy for managing climate-related risks and opportunities, how it expects its financial performance and cash flows to change in the short, medium, and long term.

## RISK AND OPPORTUNITY MANAGEMENT

Considering the company's strategy for managing sustainability and climate-related risks and opportunities, and taking the following into account, how it expects its financial position to change in the short, medium, and long term

- The company's investment and divestment plans, including those not contractually committed.
- The financing sources planned by the company to implement its strategy.

The 2023 decarbonization budget has been established. Risk and opportunity budgeting efforts are ongoing.

The 2023 decarbonization budget has been established. Risk and opportunity budgeting efforts are ongoing.

### e) Resilience and Climate Resilience

*The company discloses information that enables users of general-purpose financial reports to understand the company's capacity to adapt to uncertainties arising from sustainability-related risks, and information that helps understand the resilience of the company's strategy and business model to climate-related changes, developments, and uncertainties, taking into account the climate-related risks and opportunities identified by the company.*

The company provides a qualitative and, where possible, quantitative assessment of the resilience of its strategy and business model to sustainability-related risks, including how the assessment is conducted and the timeframe of the assessment. When providing quantitative information, the company may disclose a specific amount or a range of amounts.

In a way that enables users of general-purpose financial reports to understand, the company's evaluation of its climate resilience as of the reporting date.

The company's assessment, including how it should respond to the impacts identified in its climate-related scenario analysis, and the effects on its strategy and business model (if any).

Key areas of uncertainty considered in the company's evaluation of its climate resilience.

Sustainability and Climate-Related Risk and Opportunity Management

Sustainability and Climate-Related Risk and Opportunity Management

Detailed work is ongoing in this regard.

Decarbonization and climate scenario analyses are continuing.

Including the following, the company's capacity to adapt or adjust its strategy and business model to climate change in the short, medium, and long term:

1. The availability and flexibility of the company's current financial resources to respond to the impacts identified in the climate-related scenario analysis, including addressing climate-related risks and leveraging climate-related opportunities.
2. The company's ability to relocate, repurpose, upgrade, or decommission its existing assets.
3. The impact of the company's current and planned investments in climate-related mitigation, adaptation, and climate resilience opportunities.

The 2023 decarbonization budget has been established. Risk and opportunity budgeting efforts are ongoing.

## RISK AND OPPORTUNITY MANAGEMENT

Including the following, how and when the climate-related scenario analysis was conducted:

**(i) Information regarding the inputs used by the company for the analysis:**

1. The climate-related scenarios used by the company for the analysis and the sources of these scenarios.
2. Whether the analysis includes a broad range of climate-related scenarios.
3. Whether the climate-related scenarios used for the analysis are related to climate-related transition risks or climate-related physical risks.
4. Whether the company has used a climate-related scenario aligned with the latest international agreement on climate change from the scenarios it has.
5. The reason the company has decided that the climate-related scenarios selected are relevant for assessing the company's resilience to climate-related changes, developments, or uncertainties.
6. The timeframes used in the analysis by the company.
7. The scope of operations used by the company in the analysis (e.g., operational locations and business units involved in the analysis).

**(ii) Key assumptions used by the company in the analysis, including the following:**

1. Climate policies in the countries where the company operates,
2. Macroeconomic trends,
3. National or regional variables (e.g., local weather events, demographics, land use, infrastructure, and availability of natural resources),
4. Energy usage and diversification,
5. Technological developments,

**(iii) The reporting period in which the climate-related scenario analysis was conducted.**

Decarbonization budget for 2023 has been set. Risk and opportunity budgets, decarbonization and climate scenario studies are also ongoing.



# RISK AND OPPORTUNITY MANAGEMENT

## Risk Management

**Including the following information, the processes, and relevant policies the company uses to identify, assess, prioritize, and monitor sustainability and climate-related risks.**

The company discloses information regarding the following to achieve this goal:

The inputs and parameters used by the company (e.g., information on data sources and the scope of operations involved in the processes). Risk and Opportunities

Whether the company uses scenario analysis to identify sustainability and climate-related risks and how it uses it. The company did not use scenario analysis for physical risks in 2023. However, work on this has begun in 2024.

- How the company evaluates the nature, likelihood, and magnitude of the impacts of these risks (e.g., whether the company takes qualitative factors, quantitative thresholds, or other criteria into account). Risk and Opportunities
- Whether and how the company prioritizes sustainability and climate-related risks over other types of risks.
- How the company monitors sustainability and climate-related risks.

Whether the company has changed the processes it used compared to the previous reporting period and how it has made those changes. Risk and Opportunity Management

Work is ongoing in this regard.

The processes the company uses to identify, assess, prioritize, and monitor sustainability-related opportunities. Risk and Opportunity Management

Work is ongoing in this regard.

Including information on whether the company uses climate-related scenario analysis to provide information for identifying climate-related opportunities and how it uses this analysis.

The processes the company uses to identify, assess, prioritize, and monitor climate-related opportunities, including information on whether it uses climate-related scenario analysis to provide information for identifying these opportunities and how it uses the analysis.

The extent to which and how the processes for identifying, assessing, prioritizing, and monitoring sustainability and climate-related risks and opportunities are integrated into the company's overall risk management process, and how the company informs its overall risk management process.

It is provided under the Governance and Risk and Opportunity section.

## STAKEHOLDER ENGAGEMENT AND MATERIALITY

“Borusan Pipe regularly evaluates the **expectations of its stakeholders within the value chain.**”



### IMPORTANCE OF STAKEHOLDER FEEDBACK

Borusan Pipe aims to manage each stage of its value chain with an ESG (Environmental, Social, and Governance) perspective, while also valuing the feedback of its stakeholders in all business processes.

Borusan Pipe regularly evaluates the expectations of its stakeholders within the value chain.

In the fourth quarter of 2023, a new materiality assessment was initiated by Borusan Holding to identify the material issues focused on sustainability.

Borusan Pipe continues to develop innovative products and services that align with the expectations and demands of its stakeholders. Recognizing every individual, organization, and community affected by its activities and involved in achieving its goals as stakeholders, Borusan Pipe includes them in the process of determining focus areas. The company aims to manage each stage of its value chain with an

environmental, social, and governance perspective, while also valuing its stakeholders' opinions in all business processes.

As part of the materiality assessment conducted by Borusan Holding and specifically in the context of Borusan Pipe's operations, an analysis was carried out to determine the sustainability materiality issues, evaluating impacts within the framework of climate, people, and innovation.

Borusan Pipe, through the work carried out by its sustainability team, contributed to identifying key focus areas. As a result of both group work and internal workshops, the material topics for Borusan Pipe were determined.

## STAKEHOLDER ENGAGEMENT AND MATERIALITY



Following surveys and workshops with Holding representatives, the impacts of the topics on Borusan Pipe, as well as Borusan Pipe's impact on sustainability issues, were identified.

### The Stakeholder Engagement and Materiality Assessment is designed in three steps:

- Determining the list of sustainability topics to be presented to stakeholders for scoring and feedback, conducting a sector analysis, and holding discussions with the Borusan Holding Project Team.
- Selecting specific stakeholders from various groups that can provide the most relevant and effective feedback (defining the scope) and sharing the topics via an online survey on SurveyMonkey with the sampled stakeholders.
- Analyzing the stakeholder responses and creating a materiality matrix.

A total of seventeen material key topics have been determined for Borusan Pipe. These topics are:

1. Combating Climate Change and Adaptation
2. Corporate Governance, Compliance, and Monitoring
3. Technology and Digital Transformation
4. Developing Sustainable Business Models
5. Protection of Nature and Biodiversity

6. Circularity and Waste Management
7. Water Management
8. Occupational Health and Safety
9. Human-Centered Corporate Culture
10. Sustainable Supply Chain Management
11. Customer Satisfaction Management and Service Quality
12. Talent Management and Development
13. Creating Social Value
14. Sustainable Economic Performance
15. Supporting Entrepreneurship and Developing Partnerships
16. Employee Rights
17. Information Security and Protection of Customer Privacy

As a result of the survey and the strategic meetings held afterward, Borusan Pipe's impact-focused material topic study was defined. Following this, a workshop was conducted to establish the perspective within the scope of double materiality.

## 17 MATERIAL TOPICS

Through materiality analysis, seventeen key material topics specific to Borusan Pipe have been identified.

# STAKEHOLDER ENGAGEMENT AND MATERIALITY

## Some Notes from the Impact-Focused Materiality Assessment

- Borusan Pipe plays a significant role in Borusan Holding's environmental, social, and governance (ESG)-focused economic growth objectives in the sectors and geographies where it operates. This survey was conducted as part of addressing sustainability through effective collaboration for the development of the production economy.
- Key topics such as **“Occupational Health and Safety,” “Water Management,”** and **“Sustainable Supply Chain Management,”** which are always crucial for an industrial/production facility, were identified as highly material elements that must be considered from the perspective of all stakeholders.
- The analysis showed that social issues, such as **“Employee Rights”** and **“Human-Centered Corporate Culture,”** are of high importance to stakeholders.
- The topic **“Developing Sustainable Business Models”** emerged as one of the key points highlighted by stakeholders, emphasizing that Borusan Pipe should continue to evolve and manage its activities in alignment with innovation and next-generation business models in the future.
- In alignment with the corporate strategy and considering both internal and

external stakeholder expectations, it was noted that many of the identified material topics will remain a focus for Borusan Pipe in the future. The results of the study indicate that the stakeholders' primary expectations are in line with Borusan Pipe's long-term strategy.

- To assess the impact of Borusan Pipe's current activities on the identified materiality topics from an **Environmental, Social, and Governance (ESG)** perspective, stakeholders were also asked an open-ended question.

Additionally, it has been noted that:

Although Borusan Pipe has made significant strides in environmental responsibility and sustainability, further development and improvement are needed (such as supporting recycling, EcoVadis initiatives, etc.).

There is a need for further progress in areas such as decarbonization and the active involvement of employees in sustainability efforts, especially in parallel with European companies' efforts to reduce product carbon footprints.

There is awareness of the importance of technology and digital transformation to meet customer expectations and remain competitive, but further development is needed in technological infrastructure and automation investments.

Progress needs to be made in creating social value, and this issue will become more prominent in the future.

Steps need to be taken in the employment of qualified personnel, and more emphasis should be placed on training.

There are gaps in the implementation of Occupational Health and Safety (OHS), and the issue needs to be addressed more frequently.

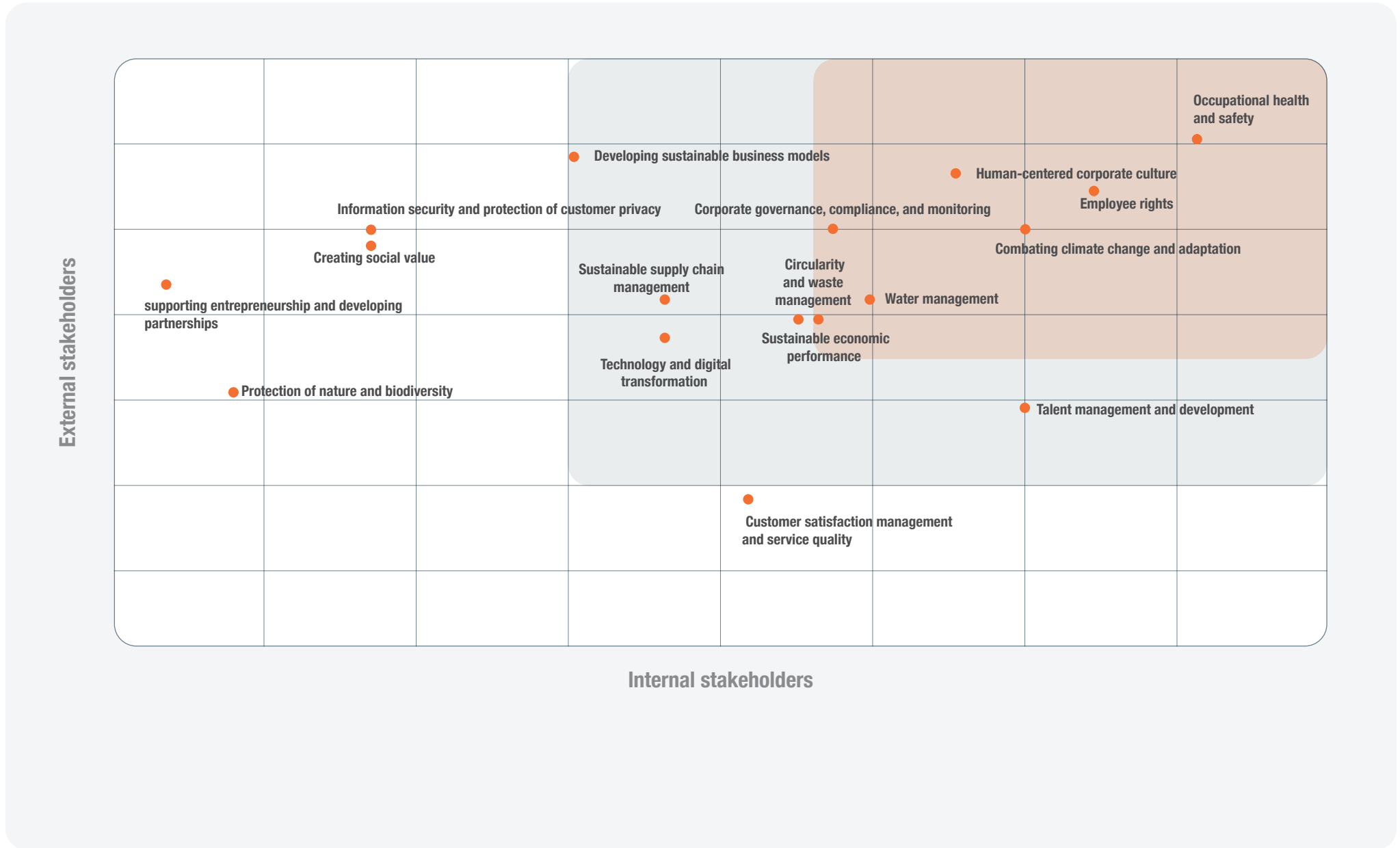
Sufficient efforts have been made to ensure legal compliance.

Developing products with less competition is believed to be beneficial for the company's future.





# IMPACT FOCUSED MATERIALITY



## IMPACT FOCUSED MATERIALITY

### Stakeholder Feedback

- As a result of successfully filtering all environmental pollutants, waste disposal will be ensured, and the company's negative impact will be reduced.
- With the zero-waste program, the company is an inspiring role model for the future. It should lead by example for other factories and create new projects in these areas.
- To maintain our presence in the European market and increase our competitiveness, active efforts in sustainability and environmental responsibility are essential. Today, customers prefer to work with companies that make efforts in these areas.
- Environmental waste management, employee relations from a social perspective (especially regarding equality and fairness), and governance transparency in the company's audit and committee structure should be prioritized.
- The use of water, chemicals, and electricity for heating and natural gas in the facilities have negative impacts in terms of emissions and require strict precautions.
- Borusan Pipe's environmental activities cannot go beyond externalities, and this will lead to failure in the company's alignment and efforts to combat climate change.
- Blue-collar employees' approach to sustainability issues remains passive.
- Public awareness campaigns are conducted through effective messages on social media to raise environmental awareness.
- Carbon emissions create a negative impact, while the introduction of new product varieties generates a positive impact.
- The market expects steps to be taken to reduce carbon footprints. Additionally, with the implementation of the Carbon Border Adjustment Mechanism (CBAM), steel pipe suppliers must do more than they have done so far.
- Borusan Pipe has the infrastructure to create a significant positive impact.

## FINANCIAL MATERIALITY

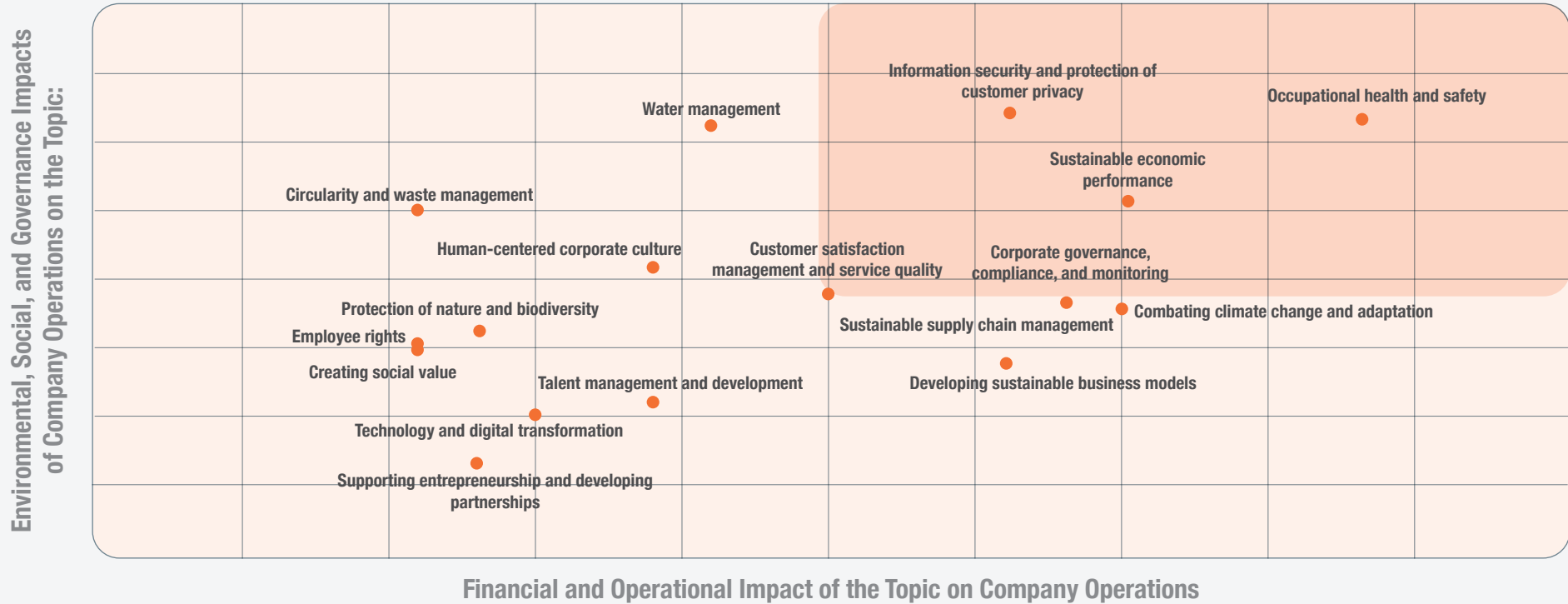


As part of the continuation of the impact-focused materiality study, Borusan Pipe has integrated the double materiality analysis approach into the materiality assessment, following the methodology proposed by the European Financial Reporting and Advisory Group (EFRAG). In this context, financial material topics that could potentially impact the company's strategy have been identified.



# FINANCIAL MATERIALITY

## “Double Materiality” Materiality Topics



### Very Highly Material Topics

- Occupational health and safety
- Sustainable economic performance
- Information security and protection of customer privacy
- Customer satisfaction and service quality

### Highly Material Topics

- Water management
- Human-centered corporate culture
- Corporate governance, compliance, and monitoring
- Combating climate change and adaptation
- Sustainable supply chain management
- Developing sustainable business models

- Talent management and development
- Technology and digital transformation
- Protection of nature and biodiversity
- Circularity and waste management
- Creating social value
- Supporting entrepreneurship and developing partnerships
- Employee rights





# OUR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

## OUR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

In all of its reports, Borusan Pipe evaluates its materiality topics in light of the **United Nations Sustainable Development Goals (SDGs)**, mobilizing all its resources in alignment with the United Nations' 2030 Agenda for Sustainable Development, with the aim of leaving a more livable world for future generations.

Very Highly Material Topics	SDG Impact	
Occupational Health and Safety	8.8. Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	
Sustainable Economic Performance	8.3. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.	
Information security and protection of customer privacy	12.a. Support developing countries to strengthen their scientific and technological capacities to move towards more sustainable patterns of consumption and production	
	8.5. By 2030, achieve full and productive employment and decent work for all people, including for young people and persons with disabilities, and equal pay for work of equal value.	
Customer Satisfaction and Service Quality	8.3. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.	
	12.8. By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.	
	17.17. Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.	



## OUR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

### Very Highly Material Topics

### SDG Impact

Combating Climate Change and Adaptation

12.4. By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.

6.3. By 2030, improve water quality by reducing pollution, eliminating dumping, and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater, and substantially increasing recycling and safe reuse globally.

13.3. improve education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.



**Sustainable supply chain management**

12.a. support developing countries to strengthen their scientific and technological capacities to move towards more sustainable patterns of consumption and production



Borusan Pipe’s key stakeholders include Borusan employees, shareholders, group companies, suppliers, media, customers, business partners, local communities, students and academics, financial institutions, government and local authorities, NGOs, and professional associations.

You can find the stakeholder communication table in the annex section of our report.

# METRICS AND TARGETS



# METRICS AND TARGETS

## Climate

### Borusan Group 2030 Climate Targets

- Adapting to climate change and efficiently utilizing finite natural resources are among the greatest challenges our planet faces today. The Borusan Group is committed to making a lasting and positive impact on the future of our world through its responsible actions in this context.

### Decarbonization

- Carbon Neutrality
- Establishing emission measurement, monitoring, and reporting mechanisms in compliance with regulations and legislation.
- Developing emission reduction projects that require investment.

### Contribution to the Circular Economy

- Supply Chain Management Aligned with Sustainable Procurement Criteria
- Fifty percent reduction in water consumption and a 50% increase in water recovery
- 50% reduction in waste and 100% integration into recycling processes
- Eliminating single-use plastic and paper products.



## METRICS AND TARGETS

### BORUSAN PIPE SUSTAINABILITY TARGETS (2023 & 2030)

Focus Area	Sub-Target Definition	Target Definition	Unit	2021 Actual	2023 Target	2023 Actual	2024 Target	2030 Target	
<b>CLIMATE Decarbonization</b>	TOTAL (Scope 1 + Scope 2)	Emission	ton CO <sub>2</sub> e	67,489.61	60,329	58,915	54,598	43,943	
		Targeted Reduction	%	0	11	13	19	37	
	Emission Reduction	Direct (Scope 1)	Emission	ton CO <sub>2</sub> e	21,762	22,124	16,245	21,326	21,460
			Targeted Reduction	%	0	-2	25	2	5
	Indirect (Scope 2)	Emission	ton CO <sub>2</sub> e	45,727.51	38,205	42,670	33,272	22,483	
		Targeted Reduction	%	0	16	7	27	52	
Project Development	Proposing emission reduction projects that require investment	#	6	5	22	5	5		
<b>CLIMATE Circular Economy</b>	Water	Reduction of water withdrawal	m <sup>3</sup>	452,313	5% reduction	306,712			
		Reduction of water withdrawal	%	0		32	15	50	
		Increasing the amount of recovered water	Amount of recycled water	%	0	5	17	15	50
<b>INNOVATION</b>	Revenue generated from new business models		m\$ GP	0	TDB	9.8	TDB	20	



## METRICS AND TARGETS

Focus Area	Sub-Target Definition	Target Definition	Unit	2021 Actual	2023 Target	2023 Actual	2024 Target	2030 Target	
HUMAN OHS	Loss Prevention	Reduction in accident severity rate	Value	Accident Severity (loss of workforce per 1,000 hours)	0.37	0.33	0.42	0.27	0.14
		Reduction in accident frequency rate	Value	Accident Frequency (number of accidents per 1 million hours)	6.5	5.265	4.05	4.7385	2.51823318
PEOPLE Equal Borusan	Gender Equality	Percentage of Female Office Employees	%	26.1	30	33	31	36	
		Percentage of Female Employees in Plant	%	2.8	4	4.8	6	16	
		Percentage of Women Leaders (All Levels)	%	17.5	16	22.7	17	27	
PEOPLE Talent Management	Talent Retention	Future Leader Turnover Rate	%	6	10	3	10	5	
		Borusan Alpha Turnover Rate	%	2020 - 25%	---	0	50	20	
	Employee Engagement Score	%	72% Office 74% Field	80% Office- 70% Field	79% Office- 51% Field		85		

# METRICS AND TARGETS

## TSRS Compliance / Metrics and Targets

### a) Climate-related metrics

- The organization discloses the following information related to cross-sector metric categories:

- Greenhouse Gases* —entity

**(i) disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO<sub>2</sub> equivalent classified as**

(1) *Scope 1 greenhouse gas emissions*

(2) *Scope 2 greenhouse gas emissions*

(3) *Scope 3 greenhouse gas emissions.*

**(ii) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions**

**(iii) disclose the approach it uses to measure its greenhouse gas emissions including:**

(1) the measurement approach, inputs, and assumptions the entity uses to measure its greenhouse gas emissions.

(2) the reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and

(3) any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes

**(iv) for Scope 1 and Scope 2 greenhouse gas emissions disclosed in accordance with related paragraph, disaggregate emissions between**

(1) the consolidated accounting group (for example, for an entity applying IFRS Accounting Standards, this group would comprise the parent and its consolidated subsidiaries); and

(2) other investees excluded from related paragraph (for example, for an entity applying IFRS Accounting Standards, these investees would include associates, joint ventures, and unconsolidated subsidiaries).

**(v) for Scope 2 greenhouse gas emissions disclosed in accordance with related paragraph disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions and**

(vi) for Scope 3 greenhouse gas emissions disclosed in accordance with related paragraph, and with reference to standards, disclose:

(1) the categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011); and

The targets are available in the table. Verification is obtained for the data. Methods and approaches are also provided in the Measurement and Verification reports. Measurements have been conducted for all Borusan Pipe companies

## METRICS AND TARGETS

**(b) climate-related transition risks—the amount and percentage of assets or business activities vulnerable to climate-related transition risks.**

This work is ongoing

**(c) climate-related physical risks—the amount and percentage of assets or business activities vulnerable to climate-related physical risks.**

**(d) climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities;**

**(e) capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities**

This work is ongoing

**(f) internal carbon prices—the entity shall disclose:**

This work is ongoing

(i) an explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis); and

(ii) the price for each metric ton of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions;

**(g) remuneration—the entity shall disclose:**

It is provided under the Governance section

(i) a description of whether and how climate-related considerations are factored into executive remuneration; and

(ii) the percentage of executive management remuneration recognized in the current period that is linked to climate related considerations.

An entity shall disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry. In determining the industry-based metrics that the entity discloses, the entity shall refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the industry-based Guidance on Implementing IFRS S2

This work is ongoing

### b) Climate-related targets

An entity shall disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the entity shall disclose:

a - the metric used to set the target

Targets

b - the objective of the target (for example, mitigation, adaptation, or conformance with science-based initiatives)

c - the part of the entity to which the target applies

d - the period over which the target applies

e- the base period from which progress is measured.

f- any milestones and interim targets.

g - if the target is quantitative, whether it is an absolute target or an intensity target

h - how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.



## METRICS AND TARGETS

An entity shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:

- (a) whether the target and the methodology for setting the target has been validated by a third party.
- (b) the entity's processes for reviewing the target,
- (c) the metrics used to monitor progress towards reaching the target; and
- (d) any revisions to the target and an explanation for those revisions

Annexes and Targets / About the Report section /  
The target-setting process within the scope of the  
Borusan Group is being reviewed.

For each greenhouse gas emission target disclosed in accordance with the relevant paragraphs, the organization provides the following information:

- (a) which greenhouse gases are covered by the target,
- (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target,
- (c) whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target
- (d) whether the target was derived using a sectoral decarbonization approach.
- (e) the entity's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target.

Targets

Strategy

This work is ongoing for 2024

Not yet started



# 2023 SUSTAINABILITY JOURNEY

*The greatest threat to our planet is the  
belief that someone else will save it.  
Robert Swan*



# 1. CREATING VALUE FOR THE PLANET BY TAKING ACTION FOR THE CLIMATE

**Borusan Pipe** has reduced its Scope 1 emissions by 13% and Scope 2 emissions by 9% compared to the previous year.



## 26 DECARBONIZATION PROJECTS

**Borusan Pipe worked on 26 decarbonization projects in 2023.**

## COMBATING AND ADAPTING TO CLIMATE CHANGE

According to the 2024 Sustainable Development Report (SDR) published by the UN Sustainable Development Solutions Network (SDSN) in June 2024, tangible progress within the context of the Sustainable Development Goals (SDGs) indicates that only 16% of global targets are likely to be achieved by 2030. For 84% of the SDGs, progress is limited or even regressing.

In 2023, climate change had significant impacts on the pipeline sector. These effects manifested as both operational challenges and regulatory pressures, deeply influencing the industry. Climate change increases the

frequency and intensity of extreme weather conditions, leading to a higher occurrence of natural disasters that can damage pipelines. This situation raises maintenance and repair costs for pipelines (McKinsey & Company) (Pipeline Journal). Pipelines located in coastal areas are particularly at greater risk due to rising sea levels. Protecting and strengthening these pipelines requires additional investments (Pipeline Journal).

Pipelines, especially those used for transporting fossil fuels, are a major concern in terms of carbon emissions. In 2023, many countries and regions implemented stricter regulations to reduce carbon emissions, resulting in additional compliance costs for the pipeline sector (Pipeline Fighters Hub).

# 1. CREATING VALUE FOR THE PLANET BY TAKING ACTION FOR THE CLIMATE



Pipelines play a critical role in the application of carbon capture and storage (CCS) technologies. However, there are serious debates about the effectiveness and economic sustainability of these technologies. Some studies suggest that CCS projects have limited capacity to address the climate crisis and may even have negative impacts in terms of energy consumption and costs (Pipeline Fighters Hub). Using pipelines not only for fossil fuels but also for transporting hydrogen and other alternative fuels could help reduce the sector's carbon footprint. This transition also fosters the integration of renewable energy sources (McKinsey & Company).

The 2023 World Climate Report highlights the need for significant strategic changes in the pipeline sector to adapt to climate change and achieve sustainability goals. The sector's shift towards digitalization, innovative technologies, and alternative energy sources will play a critical role in this transformation process.

Borusan Pipe actively monitors all developments while identifying sustainability-related risks and opportunities.

As part of Borusan Group's 2030 targets, the company aims to reduce greenhouse gas emissions and water withdrawal compared to the 2021 baseline and expand its portfolio of clean and renewable energy sources.

## Climate-Focused Impactful Targets of the Borusan Group

- In line with the 2030 targets; reduction of emissions
- Establishing emission measurement, monitoring, and reporting mechanisms in compliance with regulations and legislation
- Developing emission reduction projects that require investment.
- Managing the supply chain in alignment with sustainable procurement criteria
- Achieving a 50% reduction in water consumption and a 50% increase in water recovery
- Reducing waste by 50% and ensuring 100% integration into recycling processes
- Eliminating single-use plastic and paper products

In 2023, Borusan Pipe worked on 26 decarbonization projects, with a budget allocation of \$2,225,000. Demonstrating its commitment to combating climate change and energy management, Borusan Pipe invested a total of 96 million TRY in environmental protection initiatives in 2023.

Through projects implemented in 2023, the company targeted an improvement of 2,500 tons of CO<sub>2</sub> emissions and has achieved total reduction of 3,057.51 tons of greenhouse gas emissions.



## ACHIEVED TARGETS

With the projects planned for implementation in 2023, a target of 2,500 tons of CO<sub>2</sub> improvement was set. Borusan Pipe exceeded this target by achieving a reduction of 3,057.51 tons of greenhouse gas emissions.

# 1. CREATING VALUE FOR THE PLANET BY TAKING ACTION FOR THE CLIMATE



Decarbonization projects are being monitored at the Gemlik and Halkalı locations. A significant step toward carbon neutrality has been taken at these two different locations by utilizing I-REC certificates. Borusan Pipe has also initiated feasibility studies in collaboration with Borusan EnBW for the establishment of a wind power plant.

Borusan Pipe reduced its total emissions (Scope 2) by 9% compared to 2022, while the reduction in Scope 1 emissions reached 13% (for details, see the Annex section).

In the context of combating climate change, Borusan Pipe continues to develop projects under the leadership of the Decarbonization Agile Group.

## Some of the projects aimed at reducing the carbon footprint in 2023:

- Conversion of ceiling lights within the facility to LED lighting
- Replacement of boilers in the boiler room
- Revision of the heating system for the galvanizing tank
- Renewal of steam boilers at the Halkalı location
- Utilization of waste heat in the ABM 90 Annealing process
- Transition of electrically powered paper towel machines to non-electric models
- Raising awareness about turning off devices such as fans, electric heaters, and spotlights when there is no work in the office center.

- Conducting feasibility studies for the use of electric vehicles within the campus
- Establishing a shared travel procedure
- Exploring the use of portal cranes with lower fuel consumption for crane operations

Borusan Pipe reviews its high-energy-demand activities in production processes with a focus on energy efficiency, identifying areas where savings can be achieved and taking necessary actions. Energy efficiency efforts within the company are monitored through the certified ISO 50001 Energy Management System.

Additionally, energy efficiency enhancement projects aligned with the ISO 50001 Energy Management System have been developed. For instance, compressor replacements were carried out in all production processes except the polyethylene plant, reducing energy consumption. Air losses were prevented by canceling air-blowing points within the facility and replacing them with electric motor-driven fans. Conventional varnish barrel and hardener waste was reduced. End-line compensation control was conducted company-wide.

As a result of Borusan Pipe Sustainability Leaders' participation in COP28, the company continues to stay updated on climate change processes.

[COP28'i Sürdürülebilirlik Liderlerimizle Yerde Takip Ettik! | Ahu Olgun \(youtube.com\)](#)

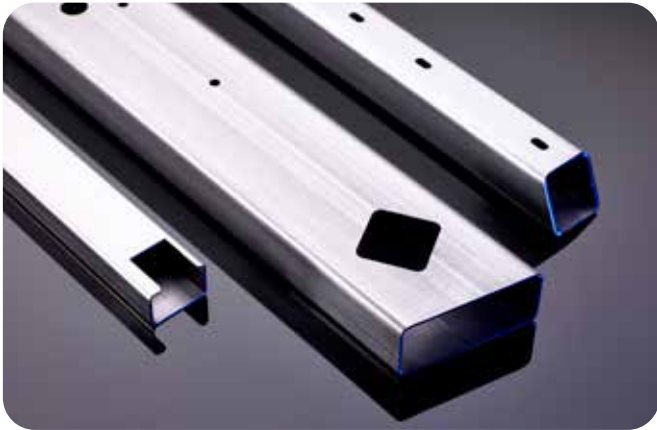
[\(591\) COP28'i Sürdürülebilirlik Liderlerimizle Yerde Takip Ettik! | Emir Cem Açıkgoz - YouTube](#)

A significant step towards carbon neutrality has been taken at the Gemlik and Halkalı locations through the use of I-REC certificates.

## I-REC CERTIFICATES



# 1. CREATING VALUE FOR THE PLANET BY TAKING ACTION FOR THE CLIMATE



Borusan Pipe participated in the CDP initiative for the first time in 2021, where international investors and customers evaluate environmental sustainability scores. The company achieved C scores in the CDP Climate and Water assessments.

**In 2023, compliance efforts regarding the Carbon Border Adjustment Mechanism (CBAM) and the Emissions Trading System (ETS) continued.** In risk and opportunity assessments, future taxation processes were identified as a key focus area, and the process has been closely monitored with the support of legal advisors.

Carbon emission calculations in the company are conducted and verified based on the Greenhouse Gas Protocol (GHG Protocol) methodology or the ISO 14064-1:2018 Standard.

The total non-renewable direct energy consumption for 2023 (gasoline, diesel, natural gas, and fuel oil) was reported as 276,617.93 GJ.

The 2023 calculations included Scope 1, Scope 2, and Scope 3 greenhouse gas emissions. Emission management also covers CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O gases.

## COMPLIANCE WITH CBAM AND ETS

Compliance efforts regarding the Carbon Border Adjustment Mechanism (CBAM) and the Emissions Trading System (ETS) continued in 2023.

### Borusan Pipe's 2023 Scope 1, Scope 2, and Scope 3 greenhouse gas emissions.

Türkiye				
Years	Scope 1 (ton CO <sub>2</sub> -e)	Scope 2 (ton CO <sub>2</sub> -e)	Scope 3 (ton CO <sub>2</sub> -e)	Total
2020	17,667.45	40,251.16	4,902.36	<b>62,820.98</b>
2021	21,762.09	45,727.51	*87,485.70	<b>154,975.30</b>
2022	18,644.29	46,833.35	1,575,387.61	<b>1,512,267.09</b>
2023	16,245.52	1,137.54	1,386,969.13	<b>1,404,352.19</b>

\*The Scope 3 emissions for 2021 are limited in scope. The scope has been expanded after 2022.

# 1. CREATING VALUE FOR THE PLANET BY TAKING ACTION FOR THE CLIMATE

In 2022, energy source measurements began at the Borusan Pipe Vobarno factory in Italy. In 2023, the goal is to further detail the measurements and obtain verification.

<b>Vobarno</b>				
	<b>Scope 1 (ton CO<sub>2</sub>-e)</b>	<b>Scope 2 (ton CO<sub>2</sub>-e)</b>	<b>Scope 3 (ton CO<sub>2</sub>-e)</b>	
<b>Years</b>				<b>Total</b>
2022	4,974.38	1,467.53	*	<b>6,441.92</b>
2023	4,082.04	1,094.99	<b>17,924.11</b>	<b>23,101.14</b>

\*Scope 3 calculations were not performed in 2022

In the Borusan Pipe US Inc. factory located in Baytown, USA, emissions measurements have been conducted regularly since 2021.

<b>Baytown</b>				
	<b>Scope 1 (ton CO<sub>2</sub>-e)</b>	<b>Scope 2 (ton CO<sub>2</sub>-e)</b>	<b>Scope 3 (ton CO<sub>2</sub>-e)</b>	
<b>Years</b>				<b>Total</b>
2021	10,479.62	7,108.41	178,949.00	<b>196,537.02</b>
2022	17,684.71	10,695.62	333,636.69	<b>362,017.03</b>
2023	21,930.85	12,123.23	438,033.24	<b>472,087.33</b>

Emission values for the Panama City and Mobile factories in the USA

<b>Panama City</b>				
	<b>Scope 1 (ton CO<sub>2</sub>-e)</b>	<b>Scope 2 (ton CO<sub>2</sub>-e)</b>	<b>Scope 3 (ton CO<sub>2</sub>-e)</b>	
<b>Years</b>				<b>Total</b>
2023	2,546.21	5,108.67	587,968.42	595,623.30

<b>Mobile</b>				
	<b>Scope 1 (ton CO<sub>2</sub>-e)</b>	<b>Scope 2 (ton CO<sub>2</sub>-e)</b>	<b>Scope 3 (ton CO<sub>2</sub>-e)</b>	
<b>Years</b>				<b>Total</b>
2023	889.95	5,317.44	144,345.91	150,553.30

# 1. CREATING VALUE FOR THE PLANET BY TAKING ACTION FOR THE CLIMATE



## We Are Combating the Climate Crisis

### ENERGY EFFICIENCY IN SRM INDUCTION FURNACES

This project aims to reduce the high energy costs occurring in induction furnaces while simultaneously lowering greenhouse gas emission. This project is designed to optimize the operation of nine simultaneously running furnaces by arranging them in configurations that achieve the same temperature with lower energy consumption. Using Python, a comprehensive analysis of all production processes was conducted, applying correlation and machine learning techniques. The analysis revealed that adjusting power distribution based on wall thickness and diameters leads to reduced energy consumption. By iterating and fine-tuning the furnace power balances, energy consumption in terms of kWh/ton was successfully reduced.

#### Key Achievements

In 2022, the energy consumption in induction furnaces was 227.5 kWh/ton, whereas in 2023, it decreased to 216.3 kWh/ton, resulting in an annual net gain of \$183,700. Additionally, greenhouse gas emissions per ton of pipe production dropped from 125.8 kg in 2022 to 119.6 kg in 2023. With 105,000 tons of production achieved using SRM in 2023, the emission of 735 tons of greenhouse gases into the environment was prevented.

[Click](#) here for more information about the project

### COOLING TOWER PROJECT - BAYTOWN

The cooling tower operates with 10 electric motors running 24/7. These motors have a total horsepower (HP) of 90 HP, consuming 67,113 watts of power. By integrating smart control systems, the pumps are designed to remain idle when water levels fall below a certain threshold or during cooler periods in the winter months. Additionally, instead of operating at 100% capacity daily, the system now runs only when needed.

#### Key Achievements

Reducing energy usage and the total amount of electricity purchased throughout the year will positively impact the carbon footprint. Additionally, lowering water usage and purchases during the year will contribute to the sustainability metrics under the water conservation category. Moreover, the pump not operating at 100% capacity for 365 days will positively affect the overall sustainability footprint and cost savings by preserving spare motors and parts. A decrease in equipment wears and repair needs will also be observed. This will enable maintenance staff to manage other tasks, freeing up internal resources and providing time-saving benefits. However, the exact savings in operational time and labor remain unknown.

## LONG TERM EFFORTS

**Borusan Pipe operates with the awareness that intensive efforts to address climate change must be long-term and transformative.**

# 1. CREATING VALUE FOR THE PLANET BY TAKING ACTION FOR THE CLIMATE



Borusan Pipe takes urgent action to combat climate change by addressing the negative impacts of climate change and working to mitigate them.

## COMBATING CLIMATE CHANGE

The framework for combating and adapting to climate change is one of the most critical issues for Borusan Pipe.

Borusan Pipe operates with the understanding that intensive efforts to mitigate and adapt to climate change must be both long-term and transformative.

In line with the 2030 and 2050 targets, the choices made today will determine whether we achieve a sustainable world or enter an era of climate disaster.

It is an undeniable fact that the sustainability, resilience, and responsible management of natural resources are critical for preserving our planet, protecting biodiversity, and ensuring the long-term sustainability of operations.

In this context, combating and adapting to climate change is one of the most significant material issues for Borusan Pipe. The Borusan Group aims to enhance its positive impact in this area by investing in sustainable resource use practices, biodiversity initiatives, conservation efforts, and innovative projects.

### 100% RENEWABLE ENERGY IN BORUSAN PIPE TÜRKİYE PRODUCTION FACILITIES

Borusan Pipe regularly updates its risk and opportunity analyses, taking into account global trends, in an era where circular initiatives are at the core of policy frameworks. While focusing on the use of renewable energy, Borusan Pipe has certified the electricity supplied to its production sites with I-REC certificates in 2023.

Operating in a total of four locations, Borusan Pipe has sourced electricity entirely from renewable energy sources at its Gemlik and Halkalı facilities.

A total of 345,228 GJ of electricity consumed at these two sites has been certified by I-REC, representing 97.3% of Borusan Pipe's total electricity consumption.

### VOBARNO-SOLAR PANEL

In line with the Borusan Group's policy, the possibility of establishing a small-scale solar panel facility was evaluated in the first phase with the aim of achieving financial savings and reducing environmental impact. The effectiveness of this technology will be assessed, and investment in the same technology is planned.

The project's goal is to reduce costs by decreasing the amount of energy sourced from the grid. The system will be sized to eliminate continuous energy consumption that is not related to the production processes.



## 1. CREATING VALUE FOR THE PLANET BY TAKING ACTION FOR THE CLIMATE

In its report published on World Water Day, the United Nations (UN) highlighted the regional and global risks caused by water scarcity and listed Türkiye among the countries experiencing high water stress.



### COLLECTIVE APPROACH



Borusan Pipe is aware that the water crisis triggers many related problems and is an issue that can be solved through a collective approach.

### WATER MANAGEMENT

Water footprint verification efforts continued in 2023, with water data validated by a third-party certification company according to the ISO 14046-1:2014 standard.

Borusan Pipe is aware that the water crisis triggers many related problems and is an issue that requires a collective approach to solve. In line with this awareness and the goals set by Borusan Holding, the company works on projects aimed at reducing the need for water resources, using alternative wastewater treatment methods, and reducing the amount of water used in products and processes.

Water usage is especially needed during the completion processes in pipe production. The amount of water supplied, and the quality of the wastewater generated are continuously monitored.

Water footprint verification efforts continued in 2023, with water data validated by a third-party certification company according to the ISO 14046-1:2014 standard.

Regarding the Borusan Pipe Supplier Sustainability Surveys sent to suppliers, companies' alignment with the company's goals is being evaluated.

Particularly, occasional efforts are made with chemical suppliers to reduce water usage.

# 1. CREATING VALUE FOR THE PLANET BY TAKING ACTION FOR THE CLIMATE



The water used at the Central Location is supplied by İSKİ. The resulting wastewater is discharged into the İSKİ sewer system. The wastewater here is primarily domestic in nature. At the Halkalı factory, water is supplied from third parties (İSKİ and occasionally tankers) for both process and human consumption. Domestic wastewater is discharged into the İSKİ sewer system. Process-related wastewater is treated in the treatment facility, with a large portion being reused in the process, and the excess amount is discharged into the İSKİ sewer system.

The Bursa factory, located within the Organized Industrial Zone (OSB), supplies its water from the OSB and discharges wastewater into the OSB sewer system.

There are no process-related wastewaters generated at the Bursa location.

In the Gemlik factory, in addition to well water, water transported by tanker is also used. The Gemlik facility has one chemical treatment plant for process water and one biological wastewater treatment plant for domestic wastewater. The treated water from these two facilities is separately discharged into the Sea of Marmara.

At the Halkalı factory, there is a chemical treatment system focused on sulfate removal. The Gemlik factory also has a chemical treatment system focused on sulfate and iron removal. Additionally, the Gemlik factory has a treatment system for the treatment of biological wastewater.

Türkiye						
	2021 (m <sup>3</sup> )	2022 (m <sup>3</sup> )	2023 (m <sup>3</sup> )			
Water Consumption	452,313	328,410.4	306,712.4			
Discharge	120,574.3	124,719.6	129,135.6			
Vobarno			Baytown	Panama City	Mobile	
	2021 (m <sup>3</sup> )	2022 (m <sup>3</sup> )	2023 (m <sup>3</sup> )	2023 (m <sup>3</sup> )	2023 (m <sup>3</sup> )	2023 (m <sup>3</sup> )
Water Consumption	447,359	440,956	381,944	47,224.15	25,731.86	39,496.28
Discharge	410,238	367,424	308,178	40,674.82	30,868.03	23,281.18

# 1. CREATING VALUE FOR THE PLANET BY TAKING ACTION FOR THE CLIMATE



## We Are Combating Water Consumption

In 2023, Borusan Pipe recovered approximately 71,500 tons of water.

### FEEDING COOLING TOWERS WITH RECOVERED WASTEWATER

The main objective of the project, which feeds the cooling towers with recovered wastewater, is to reclaim osmosis wastewaters that would otherwise be disposed of and convert them back into osmosis water. As a result of feeding the ERW-SRM cooling towers with wastewater, low conductivity blowdowns will also be reduced, saving 16,200 m<sup>3</sup> of water annually. Additionally, the project will prevent corrosion, leading to an estimated annual savings of \$60,000 for Borusan Pipe. This project was designed in 2023, with initial steps already taken, and will be fully implemented in 2024.



Borusan Pipe focuses on water conservation, ensuring accessible water and wastewater services for all, as well as securing sustainable water management.

### Key Achievements

The project aims to reduce serious occupational health and safety (OHS) risks for workers by preventing the bulging of SRM rollers, while also providing water savings.

The project benefits are outlined as follows:

- A total of 10,200 m<sup>3</sup> of water will be reclaimed, and 6,000 m<sup>3</sup> of water blowdown will be reduced, resulting in an annual decrease of 16,200 m<sup>3</sup> in water consumption.
- A minimum of eight roller replacements will be prevented annually, saving \$48,000 per year.
- By reducing the use of expended heat exchanger plates and clamps, an annual savings of \$6,000 will be achieved.
- Reducing the resources spent on labor and crane fees for interventions in the installations will result in an annual savings of \$6,000.

**71,500 TONS  
OF WATER  
RECOVERY**

In 2023, Borusan Pipe reclaimed approximately 71,500 tons of water.



# 1. CREATING VALUE FOR THE PLANET BY TAKING ACTION FOR THE CLIMATE

**For Borusan Pipe, circular economy is an operational philosophy.**



## AXIS OF INNOVATION

Adopting a circularity approach in all its activities, Borusan Pipe integrates innovation into its business processes and structures its business models around the axis of innovation.

## CIRCULARITY AND WASTE MANAGEMENT

Since 2019, Circle Economy, which has provided significant analyses and theories on the global state of circularity, calls on governments in the 2024 Circularity Gap Report to “create a level playing field for policy,” adjust fiscal policies, capitalize on public investments, and develop circular expertise and skills. According to the report, the share of circular materials consumed in the global economy has steadily declined over the past five years, from 9.1% in 2018 to 7.2% in 2023. Meanwhile, humanity has consumed 28% of all materials

since 1900 in the last five years alone. The three key solutions highlighted in the report are “creating a level policy playing field, properly valuing the economy, and developing circular expertise and skills.

**Borusan Pipe manages its processes under the leadership of the Circular Economy Agile Group.**

For Borusan Pipe, circular economy is an operational philosophy. It is not just a model that returns waste to the source; rather, it develops and ensures efficiency through interconnected processes of recycling, reuse, repurposing, and remanufacturing at every stage of the



# 1. CREATING VALUE FOR THE PLANET BY TAKING ACTION FOR THE CLIMATE



supply chain. By adopting a circularity approach in all its activities, Borusan Pipe integrates innovation into its business processes and structures its business models with a focus on innovation. The company chooses environmentally friendly products that generate no waste in material selection, reduces the waste produced, and recycles it, adding value back to the economy.

A large portion of production-related waste at Borusan Pipe is reused. Additionally, the pipes produced can be converted back into steel at the end of their lifecycle. Therefore, both the production process and the output products have a high circularity potential. It is crucial for Borusan Pipe's circular economy goal that the waste generated in the production processes is collected separately without mixing. According to the waste management procedures, all separated waste is evaluated for its recyclability and recovery potential within the framework of relevant regulations, and recovery is carried out using the appropriate methods.

Through annual ISO 14001 Environmental Management System evaluations, Borusan Pipe certifies the compliance of the environmental impacts from its factories with internationally recognized standards.

In 2022, the company ensured that the “Zero Waste” certificate, issued by the Ministry of Environment, Urbanization, and Climate Change, was obtained for all its locations.

As part of the contribution to the circular economy, an oil recovery project has been planned and completed at the Halkali factory.

Within the framework of the circular economy, Borusan Pipe prioritizes local suppliers, and in 2023, 70% of all raw material purchases were sourced from local suppliers.

## Responsible Waste Management

The Borusan Group's 2030 target is to “**reduce waste by 50% and achieve 100% participation in recycling.**” To achieve this goal, effective projects are being implemented in the areas of resource usage, waste management, and recycling, with the impacts of these projects being regularly monitored in set intervals.

Borusan Pipe conducts regular efforts to contribute to and support the Group's target.



**70 % LOCAL  
SUPPLIER**

In 2023, 70% of all raw material purchases were sourced from local suppliers.

# 1. CREATING VALUE FOR THE PLANET BY TAKING ACTION FOR THE CLIMATE



In the Borusan Group, the concept of “circularity” came to the forefront in 2023, with 127,154 tons of waste being recycled. **Borusan Pipe contributed by recovering 28,272 tons of waste.**

	Türkiye		
	2021	2022	2023
Total Waste Amount (tons)	44,563.91	51,203.44	38,992.00
Amount of waste sent for disposal (tons)	5,286.00	7,870.00	10,507.00
Amount of waste recycled (tons)	39,277.18	43,334.00	28,272.00

The goal of recovering organic waste has been researched for the Gemlik location and the Gemlik Borusan Holding campus. Approvals for the project have been obtained, and it has reached the stage where the Gemlik Municipality will provide guidance on the area.

In overseas locations, efforts have been made to develop the concept of circularity.

## 2023 Waste Management Table for Overseas Locations

	Vobarno			Baytown	Panama City	Mobile
	2021	2022	2023	2023	2023	2023
Total Waste Amount (tons)	3,422.63	2,881.28	2,237.22	4,836.85	6,371.34	1,273.60
Amount of waste sent for disposal (tons)	991.54	762.92	282.206	1,478.52	474.90	465.17
Amount of waste recycled (tons)	2,431.09	2,118.36	1,955.01	3,358.32	5,896.70	808.43

**28,277 TONS  
OF WASTE  
RECOVERY**

In 2023, Borusan Pipe reclaimed 28,272 tons of waste.

# 1. CREATING VALUE FOR THE PLANET BY TAKING ACTION FOR THE CLIMATE



## We Are Increasing Our Circularity

### IMPROVEMENT OF PACKAGING WASTE WITH AUTOMATIC DOSING SYSTEM IN VARNISH LINES

Solvent-based raw paint is supplied in 120 kg barrels, and the hardener chemical is supplied in 20 kg packaging. Two units of paint are mixed with one unit of hardener to make the paint ready for use. Additionally, one barrel of paint is mixed with three drums of hardener. In the water-based varnish line, the 240 kg barrel of varnish is diluted with water in a 1:2 ratio. In the Gemlik ERW-2 varnish lines, in 2022, 3,006 metal barrel waste and 8,047 20 kg plastic drum waste were generated. With the developed design, the varnish packaging for the solvent-based varnish line has been transformed from a 120 kg raw paint barrel to a 180 kg barrel, and the hardener packaging from 20 kg plastic drums to 900 kg deposit-return IBCs. For the water-based varnish, the packaging has been transformed from 240 kg metal barrels to 1,200 kg deposit-return IBCs.

#### Key Achievements

- With this project, a system has been implemented that generates zero waste for hardener plastic drum waste and water-based varnish metal barrel waste. Additionally, a 33% improvement has been achieved in solvent-based varnish line metal barrel waste.
- As a result of the project, in 2023, 2,006 metal barrel waste was generated instead of 3,040 metal barrels, and 8,047 plastic drum waste was generated.
- The increase in packaging weight is also expected to lead to a reduction in the number of transportation trips. Moreover, due to the increase in packaging weight, extra storage space has been created in warehouses, and material storage in open areas has been prevented.

In the drawing factory, considering the disposal costs of washing liquid waste generated in the first half of 2023 and the issue of being unable to recover these wastes, research was conducted on how the waste could be evaluated. Through revisions supported by field trials, it was concluded that 50 m<sup>3</sup> of washing liquid per day could be treated in the chemical wastewater treatment facility. Starting from August 2023, water intake began through joint revisions made at the chemical wastewater treatment facility and the drawing

surface preparation unit. As a result of this work, in the fourth quarter of 2023, washing liquid waste sent for disposal was reduced by 33%, contributing positively to waste reduction goals. Considering the disposal costs, approximately \$220,000 was saved in the last four months of 2023. The study also led to more frequent refreshment of baths in the drawing factory, directly affecting product quality.

# 1. CREATING VALUE FOR THE PLANET BY TAKING ACTION FOR THE CLIMATE



Borusan Pipe ensures sustainable production and consumption patterns through the business models it develops within the framework of Circularity and Waste Management.

In the solvent-based varnish coating line, three drums of hardener are mixed with 1 barrel of raw paint (120 kg) to prepare the coating chemical.

In the water-based varnish coating line, 480 liters of water are mixed with 1 barrel of raw paint (240 kg) to prepare the coating chemical.

As a result of these activities in 2022, 3,006-barrel wastes and 8,047 plastic drum wastes were generated.

To reduce packaging waste, a transition was made from drum-packaged hardeners to reusable high-volume IBC-packaged hardeners. To reduce metal barrel waste, barrels in both lines were replaced with larger reusable high-volume IBCs. As a result of the project, metal barrel waste was reduced by 33%, and contaminated drum waste was eliminated entirely.

## Responsible Resource and Material Use Towards the Environment and Society

In 2023, the efforts under the circular economy initiative contributed to enhancing circularity across all processes. Some of these projects involved reclaiming osmosis wastewaters and converting them back into osmosis water, while also feeding ERW-SRM cooling towers, reducing blowdowns through low conductivity. As a result, 16,200 m<sup>3</sup> of water was saved annually, and \$60,000 was saved due to the prevention of corrosion.

Borusan Pipe closely follows the Low Carbon Pathway (LCP) Projects prepared by the Ministry of Industry and Technology of Türkiye, acting with the awareness of its sectoral responsibility. The General Manager of Borusan Pipe serves on the Board of Directors of the Turkish Steel Exporters' Association (ÇİB) and participates in the association's information sessions and meetings.

[ÇİB - Yasar Zafer ATABEY \(cib.org.tr\)](http://cib.org.tr)

Borusan Pipe regularly collaborates with its suppliers on strategic roadmaps set by the Ministry of Industry and Technology of Türkiye. The company's strategy in this context is focused on purchasing raw materials from suppliers that produce using the Electric Arc Furnace (EAF) method, which results in lower greenhouse gas emissions compared to other production technologies. This approach reduces the carbon footprint from raw materials and increases the overall circularity rate.

To provide proactive solutions to its customers and better monitor the environmental performance of its products, Borusan Pipe obtained a total of 42 Environmental Product Declarations (EPD) in 2022. These certifications allow the company to transparently declare and assess the environmental impact of the products' life cycles. Borusan Pipe holds a total of 42 EPDs, with 30 for Segment 2-3 products and 12 for Segment 1 products. These EPDs can be accessed through EPD Türkiye.

Borusan Pipe ensures sustainable production and consumption patterns through the business models developed within the framework of Circularity and Waste Management. The company has also started working on EPDs for Segment 4 products as of 2023.

## LOW CARBON PATHWAY

Borusan Pipe closely follows the Low Carbon Pathway (LCP) Projects, acting with the awareness of its sectoral responsibility.



## 1. CREATING VALUE FOR THE PLANET BY TAKING ACTION FOR THE CLIMATE

**Borusan Pipe identifies the impact of its activities on the ecosystem through Environmental Impact Assessment (EIA) studies conducted before each project.**



### PROTECTION OF NATURE AND BIODIVERSITY

The biological resources of our planet are significant for humanity's well-being and economic development. The loss of biodiversity is one of the planetary boundaries and, in fact, represents the largest global risk triggered by climate change. The protection of nature and biodiversity holds a significant place in Borusan Group's sustainability strategy and activities. The pressures brought about by climate change on various lands and natural habitats, such as soil and water, pose dangers to organisms and habitats, leading to the ongoing extinction of different species.

The company's efforts to combat climate change are evolving into a holistic sustainability strategy, alongside projects and activities developed to preserve biodiversity.

Borusan Group views the protection of biodiversity as a responsibility for future generations, for living beings and their diversity, and for a sustainable world. In this context, the goal is to contribute to a sustainable future by developing conscious projects.

Borusan Pipe conducts Environmental Impact Assessments before each project to identify the effects of its activities on the ecosystem. In 2024, the company

plans to bring these efforts to an international platform, addressing all global impacts within the framework of the TNFD (Task Force on Nature-related Financial Disclosures).

The company will more clearly identify, both in the context of the updated GRI 101 Biodiversity-2024 standard and TNFD, which decisions and business practices lead to biodiversity loss, where the impacts in the value chain arise, and how these impacts can be managed.

## 2. WE DREAM, WE DESIGN, WE TRANSFORM INTO REALITY BECAUSE WE CARE FOR OUR PEOPLE

**Borusan Pipe considers its most asset to be human resources and prioritizes the health, safety, and development of its employees.**

### OHS CULTURE



Projects are being implemented to ensure that the Occupational Health and Safety (OHS) culture is embraced by all employees.



### OCCUPATIONAL HEALTH AND SAFETY

Like all Borusan companies, Borusan Pipe considers its most asset to be human resources and prioritizes the health, safety, and development of its employees. In this context, the company implements projects aimed at eliminating accident risks by eliminating manual

operations, improving high-paced working conditions by eliminating repetitive and effort-intensive tasks, and eliminating ergonomic risks in tasks that require speed and monitoring.

Like all Group Companies under Borusan Holding, Borusan Pipe views every employee as a family member and positions the health and safety of all family members as a top priority. In this context, Occupational Health, and Safety (OHS) activities are carried out with great sensitivity, aiming to maximize the trust of all stakeholders in the Company. Risk analyses, performance measurements, training sessions, drills, and digital applications are implemented within the framework of the “zero workplace accident” goal, and projects are launched to ensure that the OHS culture is embraced by all employees.

In 2023, Borusan Pipe was awarded the “Merit” category in the International Safety Awards by the British Safety Council, one of the most prestigious organizations in the world for Occupational Health and Safety (OHS). In the same year, Borusan Pipe was granted the 100<sup>th</sup> Year Special Award in the “Stars of Occupational Safety” competition organized by MESS. Additionally, Borusan Pipe received the White Flag Award from the Ministry of Labor and Social Security, given to unionized businesses, which features the slogan “Well-Organized Workplace.”

## 2. WE DREAM, WE DESIGN, WE TRANSFORM INTO REALITY BECAUSE WE CARE FOR OUR PEOPLE

### We Protect Our Human Capital

#### DIGITAL EMERGENCY MANAGEMENT - ASSISTANT APPLICATION

Borusan Pipe, with its developed digital application, aims to quickly determine whether employees, subcontractors, and visitors are safe during emergencies such as earthquakes, fires, floods, etc., and whether they need assistance. The mobile application, which covers all locations, aims to facilitate roll calls starting from gathering points and ensure faster access to all employees.

By adopting this application, Borusan Pipe has made considerable progress in identifying the number of people in the factory during an emergency. Additionally, it has become much easier to determine the number of people who have reached the gathering point after an emergency.

#### Key Achievement

In 2023, with this project that the company started working on, Borusan Pipe will be able to access data from all locations very quickly during an emergency, accelerating the planning and coordination process, and enhancing the effectiveness of the actions taken. The company plans to deliver rapid assistance to employees, achieving significant gains in rescue operations. The ultimate goal is to establish a system where all this data can be identified in real-time through the project.

In addition to emergencies, the project will positively impact many important processes such as legal working hours and subcontractor management. Especially, the ability to track multiple functions through a single application will prevent time loss and simplify processes.

This project, a significant step in ensuring the safety of employees, will also allow for minimal disruption to business continuity after an emergency. Additionally, it will play a key role in the early detection of potential workplace accidents due to overtime by helping to determine legal working hours.

## 2. WE DREAM, WE DESIGN, WE TRANSFORM INTO REALITY BECAUSE WE CARE FOR OUR PEOPLE

### ASSISTANT MOBILE APPLICATION

The goal of the ASİSTAN Mobile Application is to quickly determine whether employees, subcontractors, and visitors present at all Borusan Pipe locations during emergencies such as earthquakes, fires, and floods are safe and whether they need assistance.

Borusan Pipe's field employees pass through turnstiles at the factory entrances. For employees who forget their cards, security records are taken and tracked. Office employees, on the other hand, are not subject to any card scanning system. Including office employees in the turnstile/card scanning system is not feasible due to the high investment required for physical adjustments (security building and parking lot renovations) and the lack of sufficient physical space.

Before the project, obtaining information such as how many people were present in the factory during an emergency, how many people were in specific departments, and the number of employees, subcontractors, and visitors was a time-consuming process. Additionally, after an emergency, it was not possible to quickly access information like "How many people safely reached the gathering point?", "How many people could not be contacted?", and "Where do people need help?".

Individuals arriving at security and emergency gathering points were counted one by one, and lists were created for situation analysis. Similarly, during planned and unplanned emergency drills, the time taken for employees to reach gathering points and the gathering rate at the correct gathering points were manually recorded and analyzed, which was a time-consuming and ineffective process.

In an emergency, being able to quickly access data from all locations will accelerate the planning and coordination process, increasing the speed and effectiveness of the actions taken. This will enable the fastest possible assistance to be delivered to employees, leading to significant gains in rescue operations. The goal of the project is to establish a system where all this data can be accessed in real-time.

### ARTIFICIAL INTELLIGENCE WITH IMAGE PROCESSING TECHNOLOGY

Borusan Pipe is a heavy industry company. The sector carries risks of various workplace accidents depending on the employees. Before these accidents occur, the relevant process owners and the OHS team are continuously present on-site to monitor and warn employees about any improper behaviors. However, due to the large size of the work area, there are challenges in terms of accessibility and traceability.

To address this, the idea of using cameras at the facility connected to an AI-powered image processing platform has emerged, allowing it to identify risks and notify the relevant parties. By creating rule sets for different scenarios, such as fire lines in crane operations, working in restricted areas without permission, monitoring vehicle-to-vehicle or vehicle-to-pedestrian interactions, and workers entering machine areas with moving parts, AI can detect unsafe conditions and behaviors.

At Borusan Pipe's Gemlik and Halkalı facilities, a total of 120 cameras have been integrated into the system, enabling effective utilization of the technology. In the upcoming period, integration with AI modules is planned to create dynamic alert systems.



## 2. WE DREAM, WE DESIGN, WE TRANSFORM INTO REALITY BECAUSE WE CARE FOR OUR PEOPLE



### HALKALI FACILITY ENDLINE PROJECTS

By replacing the old machines with new automated ones, an automatic feeding system has been installed on all endline machines.

### DIGITIZATION OF THE PERIODIC INSPECTION PROCESS FOR LIFTING AND CONVEYING EQUIPMENT

The ability to quickly access current and historical periodic inspection reports for the relevant equipment has been provided through QR codes.

### GEMLIK FACILITY SPIRAL PIPE END PREPARATION STATION ROBOTIC IMPROVEMENT PROJECT

To eliminate the physical and ergonomic risks encountered during the manual execution of TAB plate removal and pipe end grinding operations, a robotic automation system has been integrated into the entire operation.

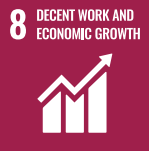
### GEMLIK AUTOMOTIVE FACTORY ABM90 ONLINE PIPE STRAIGHTENING LINE PROJECT

The online straightening line has been fully automated, ensuring that pipes, which are inspected through visual control stations, are automatically fed into the straightening line without the need for manual intervention.

Globally, significant projects have also been launched for Occupational Health and Safety (OHS). The “Champion’s Approach” project, implemented at Borusan Pipe, aims to enhance the impact of strong and effective training programs. The company has focused on engaging employees more effectively by incorporating visuals, music, and emotions, updating all content accordingly.

In 2023, there were no fatal workplace accidents at any of Borusan Pipe’s locations.

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Borusan Pipe's proactive efforts in OHS (Occupational Health and Safety) support stable, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.

### 2023 Occupational Health and Safety Statistics

The accident frequency rate at Türkiye locations has improved by 25% compared to 2022.

	Lost day injury rate (LTA)	Lost day injury rate (LTI)	Accident severity rate (Severity rate)
Türkiye	16	4.05	0.42
Vobarno	1	6.87	1.24
Baytown	1	0.91	0.01
Panama City and Mobile	4	3.79	0.06
<b>Total</b>	<b>22</b>	<b>3.52</b>	<b>0.31</b>

Borusan Pipe achieved a 37% improvement in its Türkiye locations in 2023, surpassing the anticipated 17% improvement target, further advancing its commitment to providing a safe workplace for its employees.

**25%  
IMPROVEMENT**

The accident frequency rate at Türkiye locations has improved by 25% compared to the previous year.

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“Our organizational culture is further strengthened through the ownership and value creation of our shared values by human capital.”



**FAIR,  
SAFE, AND  
HEALTHY**

Creating a fair, safe, and healthy working environment for our colleagues is one of the defining characteristics that make us who we are.

### PEOPLE-CENTERED ORGANIZATIONAL CULTURE

Human capital is the core element we focus on the most while carrying out our activities. Our organizational culture is further strengthened by the ownership and value creation of our common values by human capital. Creating a fair, safe, and healthy working environment for our colleagues, executing projects for the development of the community we are part of, and establishing a transparent and accountable dialogue environment to build trust-based relationships with our stakeholders are among the key characteristics that define us.

Many projects have been developed by Borusan Holding to strengthen the people-centered organizational culture.

Borusan Pipe is moving forward with the vision of creating and nurturing an organization that adds meaning to life, fosters happiness, makes a difference, and draws its strength from its employees, through projects that support Holding activities.

## 2. WE DREAM, WE DESIGN, WE TRANSFORM INTO REALITY BECAUSE WE CARE FOR OUR PEOPLE



### PROJECT HIGHLIGHTS

- The first project is the result of the Sustainable Talent Management Team, which was formed by employees from different departments on a voluntary basis. Borusan Pipe has set out with the goal of becoming a company that will sustain its presence for 200 years. The project aims to retain the talents the company envisions for the future through inclusive, sustainable, and practical efforts, while also fostering the exchange of experiences between the past and the future. To achieve this, two distinct personas were defined: experienced professionals and high-potential recent graduates who are targeted to join the organization.

In order to retain these personas within the organization, breakfasts were organized where the necessary environment, values, expectations, and needs were outlined, and potential successes and failures were openly discussed. During these gatherings, experienced and successful employees shared their success stories, inspiring new Borusan employees in an honest yet professional, free yet conscious way.

Feedback from these sessions, along with results from HR surveys, were evaluated to ensure that the talent is best adapted to the company, with a focus on building a sustainable organization.

When deciding on projects, the goal was to ensure that employees feel close to both leaders and each other and establish an emotional connection. Sharing stories was emphasized, and the Borusan X values were lived. Empowering and enabling leadership, acting with courage, learning from mistakes, sharing experiences, the sense of “we,” valuing and loving each other, and unity were actively supported as important cultural values and principles.

- The second project is the Enhanced Orientation Process. The priority of the project was to best adapt talent to the company to ensure the sustainability of the organization. According to 2023 metrics, the turnover rate in the first 6 months of the last year was 11.54%. To improve this, the first 6-month orientation process, during which individuals develop a sense of belonging to the company, was improved. Feedback from new employees on various platforms highlighted areas for improvement in the orientation process. Comments included issues such as the Buddy process not being effectively implemented due to workload, not knowing how to reach someone, the lack of a systematic plan, and incomplete preparations on the first day.

### GAME CHANGING

**Borusan Pipe is moving forward with the vision of creating and sustaining an organization that makes a difference and draws its strength from its employees.**



## 2. WE DREAM, WE DESIGN, WE TRANSFORM INTO REALITY BECAUSE WE CARE FOR OUR PEOPLE



For the solution, the team was divided into three sub-teams:

- First Day Experience
- Buddy Process
- First 6-Month Experience

Each sub-team was tasked with developing content focused on their respective areas.

The program's goal is as follows:

- **At the end of the first day, new hires should say: "The uncertainty of starting a new job was eliminated, and thanks to the personal touches, I was able to trust my company and felt special. I had an unforgettable first day!"**
- **In the Buddy Process: "My Buddy is my companion. Having someone to support me with my needs makes me feel at ease!"**
- **After the first 6 months: "Instead of feeling lost on my own efforts, I experienced a learning process tailored specifically for me. I have full confidence that my development will be supported!"**

Borusan Pipe's main objective has been to transform the existing orientation process into a more systematic and people-centered structure. The goal was to ensure that new joiners feel a sense of belonging from day one.

Borusan Pipe has returned with two awards from the Human Capital Excellence Awards organized by the Brandon Hall Group. The "Talent Management" team won the gold award in the Best Training and Development Team category, and the "Sales Faculty" project won the bronze award in the Best Sales Team Development Program category.

## 2. WE DREAM, WE DESIGN, WE TRANSFORM INTO REALITY BECAUSE WE CARE FOR OUR PEOPLE

**The foundation of Borusan Pipe's corporate culture is its people-centered approach. Borusan Pipe values its employees immensely, as they are the source of the company's strength.**



### EMPLOYEE COMMITMENT AND SATISFACTION SCORE 80%

**In 2023, the employee engagement and satisfaction score at Borusan Pipe was measured at 80%.**

### EMPLOYEE RIGHTS

#### Employee Satisfaction

Borusan Pipe's most valuable asset is its human capital. The foundation of the company's corporate culture is its people-centered approach. Borusan Pipe values its employees immensely, as they are the source of the company's strength.

Employee happiness and engagement are of utmost importance. In this regard, providing technical and personal support, developing work models, and creating an inclusive work environment are among Borusan Pipe's top priorities.

Borusan Pipe measures employee satisfaction on an annual basis. The company generates ideas to enhance the experience of colleagues who add value to the company brand and aims to be the voice of all employees.

Borusan Pipe's employee engagement and satisfaction score, which was 80% in 2020, was measured at 74% in 2021 and 82% in 2022.

The result for 2023 was 80%, and efforts to increase employee satisfaction have continued.

Borusan Pipe has made full compliance with laws related to human and labor rights a fundamental aspect of its operations, within the framework of decent work and working conditions. The company's unwavering goal is to uphold human rights in all its activities without compromise.

The company respects employees' right to unionize and supports their freedom to exercise their union rights.

Borusan Pipe is a member of the Türkiye Metal Manufacturers' Employers' Association (MESS), which represents the workers' unions. The unionization rate among employees in Türkiye is 81.7%. The company also acts in alignment with the Human Rights Principles outlined in the United Nations Global Compact, to which it is a signatory.

To provide easier access to healthcare benefits for employees, the company offers private health insurance to all office employees, covering both outpatient and inpatient treatment. Additionally, employees have access to various annual check-up options and life insurance coverage.

Borusan Pipe supports its employees' future through a contributory Individual Retirement Plan. Under this plan, employees who participate have monthly deductions from their salary, with the company matching the same amount as a contribution. The content of the benefits offered varies based on employees' seniority levels.

Parental leave is provided for 14 days, contributing to strengthening the bond between father and child.

The company also values employees spending time with their loved ones on special occasions, offering 7 days of marriage leave.

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**Efforts to enhance employee satisfaction** are ongoing within human resources processes.



### DEVELOPMENT PLANS

#### TALENT MANAGEMENT AND DEVELOPMENT

As part of the talent management process, all employees are evaluated annually with their managers to assess their potential and competencies, and development plans are created. To support employees' growth, they are encouraged to step out of their comfort zones by participating in different projects, receiving feedback from colleagues, and listening to experiences from internal leaders they look up to. These efforts are supported and promoted within the organization.

The most effective team collaborations are those that focus on sustainability, especially when employees engage in various activities. In 2022, with contributions

from the Talent Management team, several projects were developed with Borusan Holding in 2023 as part of sustainability efforts.

The following initiatives aimed at increasing employee satisfaction are ongoing within the human resources processes:

- Providing mentorship to employees in creating development plans,
- Various activities such as refreshments, picnics, and social events at factories and the head office,
- Training, conferences, coaching-mentoring programs as part of development plans,

All office employees annually evaluate their potential and competencies for development with their managers and create development plans accordingly.

## 2. WE DREAM, WE DESIGN, WE TRANSFORM INTO REALITY BECAUSE WE CARE FOR OUR PEOPLE



- Team-specific overnight or full-day business planning meetings,
- New Year's and Summer Welcome parties, along with other events,
- Team motivation dinners.
- Gifts given to employees in case of birth or marriage,
- Digital and physical sharing meetings (monthly digital sessions with the General Manager for all employees and sharing meetings held at factories),
- Inspiring breakfasts that create opportunities to learn from each other,
- Actions taken based on the employee engagement survey,
- Family picnics,
- Internal and external sports activities (such as trekking, bowling, volleyball, fishing),
- One additional week of leave beyond the legal parental leave,
- Establishment of the Sustainability Academy,
- Organization of the Sales School faculty,
- Redesigned enhanced orientation process using the 70-20-10 development approach.

**Our employees are valuable, and our valuable assets are our employ.**

### LEADERS WHO TREAT EVERYONE EQUALLY

In line with the views of Borusan Pipe employees on gender equality, a training program titled "Equal Leaders Seminars" has been organized for unit managers, leaders, and directors. The goal of this program is to implement gender equality from the top management to the lowest positions and break gender-related biases at every level.

The program covers topics such as bias, stereotypes, discrimination, and inclusivity. Training seminars continue, where the importance of promoting diversity and valuing different perspectives among participants is discussed.

### Key Achievements

The awareness of Borusan Pipe managers regarding gender equality has increased

### LEADERS OF THE FUTURE

At Borusan Pipe, a career management process is implemented with the aim of developing leaders from within the company and providing employees with career advancement opportunities.



## 2. WE DREAM, WE DESIGN, WE TRANSFORM INTO REALITY BECAUSE WE CARE FOR OUR PEOPLE



The career management process, which is implemented across Borusan Group with the aim of identifying potential and performance to create future leaders from within the company and providing career development opportunities for employees, is also applied at Borusan Pipe. The feedback-oriented performance management process consists of three main steps: goal setting, goal tracking and evaluation, and year-end performance review, forming an annual process. In Borusan Group, the annual performance evaluation processes, which include both job and competency goals, are applied to all office employees.

Since 2020, the Leadership Development Program has been implemented to support the competencies of leaders in this journey. It follows a practical and long-term development process aimed at enhancing coaching skills.

In 2023, 14 employees participated in the Leadership Development Program within Borusan Pipe

Borusan Group manages its compensation and reward processes with the “Recognition, Appreciation, and Total Reward Management” strategy.

In compensation management, internal fairness and objectivity are carefully balanced. Based on expectations and needs, benefits are defined and implemented centrally, with varying content and flexibility depending on role and job size.

As part of the total reward approach, the performance bonus system encourages the achievement of company goals. There is also a reward system aligned with sustainability goals.

The performance bonus system, which is part of the total reward approach, encourages the achievement of company goals. There is also a reward system in place that is aligned with sustainability objective.

### Inclusion and Equal Opportunity

As a heavy industry company, Borusan Pipe is developing policies that create an environment where female employees can work in office, field, and managerial positions, and is planning effective actions in this area.

The company continues to take significant steps on its journey toward achieving its 2030 goals.

In 2023, the company set a target to increase the percentage of female employees in the office to 30%, in the field/factory to 4%, and the percentage of female leaders to 16%.

By the end of 2023, Borusan Pipe successfully increased the percentage of female employees in the office to 33%, in the field/factory to 4.8%, and the percentage of female leaders to 22.7%.

This performance, which exceeded the targets, indicates the company’s strong commitment to ensuring that women take on more active and diverse roles in the workforce.

### The Highest Increase in Employment

In 2023, Borusan Pipe achieved the highest increase in female employment, with a 61.5% rise, making it the company with the highest growth in the “Women Employment” research conducted by Nasil Bir Ekonomi newspaper.

## INCREASING FEMALE EMPLOYEE RATIOS

**By the end of 2023, Borusan Pipe successfully increased the ratio of female office employees to 33%, female field/factory employees to 4.8%, and female leaders to 22.7%.**

## 2. WE DREAM, WE DESIGN, WE TRANSFORM INTO REALITY BECAUSE WE CARE FOR OUR PEOPLE



### We became the first company to earn the “Women in the Workplace Equality” certification in the steel pipe industry.

Borusan Pipe has once again made a breakthrough in the steel pipe industry. The company, which has implemented many pioneering initiatives in its sector and published the industry’s first sustainability report in recent years, has become the first company to earn certification in gender equality in the workplace. As a result of its efforts to increase gender equality in business, the company underwent an audit and certification process in collaboration with the Sustainability Academy and Intertek. The evaluation was carried out under five main headings: Management System, Recruitment and Employment, Occupational Health and Safety, Supply Chain, and Social Impact, making Borusan Pipe the first company to receive this certification.

our efforts in this area, we have successfully earned the Women in the Workplace Equality certification after undergoing numerous thorough audit processes. With this certification, we have proven that we provide the most suitable work environments for all our employees, regardless of gender, and thereby strengthen our employer brand. This certification, which is valuable to us, motivates us to continue our gender equality-focused work, and we will keep doing our best to create equal working environments.

### Equal Borusan

In 2015, with the belief that gender equality must be adopted and internalized at both institutional and individual levels, the “Borusan Equals - Gender Equality Platform” was established.

The platform aims to achieve tangible results on gender equality across a wide spectrum, from human resources policies to communication strategies.

Borusan Group and Borusan Pipe are pioneers in promoting gender equality in all decision-making and implementation processes in business life. They adopt inclusive policies to eliminate inequalities and take steps in this direction, setting an example with their exemplary initiatives.

Borusan Pipe demonstrated its commitment to this cause by signing the “Borusan Equals Pledge” on March 5, 2020. This pledge, signed at the General Manager level, represents a promise to embrace gender equality throughout the entire company.

[Borusan Holding Borusan Eşittir](#)

### A FIRST IN ITS INDUSTRY

**Borusan Pipe has achieved a first in its industry by obtaining the “Equal Woman at Work” Certificate.**



” We provide the most suitable work environment for all our employees.”

Borusan Pipe’s Deputy General Manager of Human Resources, Corporate Development, Environment, and Sustainability, Nihan Alhan, expressed her happiness and pride in achieving a first in their industry with the “Women in the Workplace Equality” certification. She said, “As Borusan Pipe, we are a company that has taken significant steps toward gender equality. Under the leadership of our Borusan Eşittir team, which guides

## 2. WE DREAM, WE DESIGN, WE TRANSFORM INTO REALITY BECAUSE WE CARE FOR OUR PEOPLE

**Focusing particularly on education, culture, and arts in its corporate social responsibility projects, Borusan Pipe considers contributing to the country and society as its natural responsibility.**



### CREATING SOCIAL IMPACT

One of Türkiye's leading industrial enterprises, Borusan Pipe, is a company committed to sharing its achievements with society. Focused particularly on education, culture, and arts in its corporate social responsibility projects, the company views contributing to the country and society as its natural responsibility. By embracing the principle of giving back to society, Borusan Pipe undertakes significant social responsibility projects in these fields, offering substantial support.

The company believes in repaying its debt of gratitude to society as a fundamental principle and actively conducts social responsibility projects in education, culture, and arts, providing extensive support to these areas. Through

collaborations, Borusan Pipe continues to create value for society, stakeholders, and business partners.

Borusan Pipe incorporates all its stakeholders within its sphere of influence into its decision-making processes, emphasizing the importance of having their signatures under its initiatives. This inclusive approach ensures that stakeholders are integral to the company's journey and achievements.

With a strong spirit of volunteerism and partnerships, Borusan Pipe creates meaningful impact for society, one of the most valuable components of its extensive stakeholder group. To ensure the sustainability of this impact, the company broadens its focus and initiatives to address the evolving needs of society, demonstrating a forward-thinking and adaptive perspective.



As a pioneer of an inclusive approach, Borusan Pipe contributes to ensuring the full and effective participation of women in the decision-making processes of political, economic, and social life. The company also supports providing women with equal opportunities to become leaders at all levels within decision-making mechanisms.

## 2. WE DREAM, WE DESIGN, WE TRANSFORM INTO REALITY BECAUSE WE CARE FOR OUR PEOPLE

**Borusan Pipe carries out its activities while maintaining its innovative, collaborative, ethical, responsible, and transparent corporate culture.**



### LOCAL AND INTERNATIONAL COMPLIANCE

**Operating on a global scale, Borusan Pipe closely monitors both local and international regulations.**

### CORPORATE GOVERNANCE, REGULATORY COMPLIANCE, AND MONITORING

Borusan Pipe carries out its activities while preserving its innovative, collaborative, ethical, responsible, and transparent corporate culture. Approaching governance with an integrated perspective, the company recognizes the importance of aligning its strategic objectives, sustainability practices, business goals, and ethical principles.

Operating on a global scale, Borusan Pipe monitors both local and international regulations and regularly informs its Board of Directors about compliance processes.

Information on regulatory changes that could significantly impact the company's activities is regularly provided by the legal department and advisors. Potential risks and opportunities are identified as part of this process.

The company utilizes its existing management systems to consistently monitor legal requirements and keeps all stakeholders informed.

The company's 2023 Corporate Governance Compliance Report and Corporate Governance Information Form can be accessed starting from page 86 of the [2023 Annual Report](#).



### 3. WE ARE OWNING INNOVATION BY DESIGNING INNOVATIVE IDEAS

**Borusan Group integrates innovation across its entire organizational structure, striving to contribute to the growth of the value it creates.**



#### REDESIGNED PROCESSES

Processes are being redesigned innovatively through the use of technology, aiming to reduce operational risks and ensure the effective and efficient use of resources and workforce.

#### NEW PRODUCT DEVELOPMENT, INNOVATION, AND DIGITAL TRANSFORMATION

Sustainable Development Goal 9, Target 9.4, aims to “By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

Borusan Group operates by integrating innovation into its entire organizational structure and works to contribute to the growth of the value it generates. With a value approach based on innovation, the company aims to

redesign its processes innovatively using technology while ensuring the reduction of operational risks and the effective and efficient use of resources and workforce.

At Borusan Pipe, activities in this field are conducted under three main headings: new product development, innovation, and digital transformation.

Under the new product development heading, focus areas include steel pipe production, which is Borusan Pipe’s core business line, the development of coating and steel material technologies related to steel pipes, and the exploration of various connection methods.

### 3. WE ARE OWNING INNOVATION BY DESIGNING INNOVATIVE IDEAS



Efforts in the field of digital transformation are focused on Industry 5.0, product/customer quality, and after-sales services. The objectives of ongoing projects include developing IoT technologies, data collection systems, wearable technologies, robotic/automation systems, and technologies that improve customer quality and after-sales services.

At Borusan Pipe, internal and external innovation efforts are conducted under the newly established “Factory Innovation Network.” The Factory is an initiative that brings together individuals and organizations aiming to create value in the dynamic world of innovation with Borusan Pipe’s expert team. Through various innovation programs conducted both internally and externally, the development of scalable new products/services and new business models is targeted.

#### New Product Development

In 2023, Borusan Pipe achieved 16% of its consolidated gross profit from first-quality products through sales in the new product and service group.

When evaluated in terms of sales volume, this value corresponds to 10% of the total tonnage of first-quality product sales. By the end of 2023, the consolidated distribution of new product sales by sector in terms of tonnage was as follows: 4% infrastructure and project, 52% construction and general industry, and 44% automotive.

In 2023, efforts in product development continued to focus on value-added advanced processes and coatings. Additionally, activities aimed at developing innovative pipe types for various applications across all business lines also progressed.

Borusan Pipe has set a target of achieving 20 million USD gross profit from new products and business models by 2030. To support this goal, the company allocated a budget of 3.4 million USD for new product development and innovation initiatives in 2023.

In 2023, the share of innovation investments within the total investments stood at 0.2%. This reflects Borusan Pipe’s ongoing commitment to fostering innovation and driving growth in its business lines.

	2023	2020	2021	2022
The ratio of R&D and Innovation investments to total investments in Türkiye.	0.2	1.4	0.9	4

Innovation initiatives are also a priority at Borusan Pipe’s overseas factories.

## FACTORY INNOVATION NETWORK

Internal and external innovation initiatives at Borusan Pipe are conducted under the newly established “Factory Innovation Network

### 3. WE ARE OWNING INNOVATION BY DESIGNING INNOVATIVE IDEAS



#### Technology and Digital Transformation

Technology and digital transformation, which continue to be global trends, are integral to sustainable value creation processes. Leveraging the catalytic impact of this transformation, Borusan Group takes confident steps toward the future through its digital transformation projects. Numerous successful projects implemented to date were further expanded in the 2023 operational period, with new initiatives added to the portfolio without slowing down.

Digitalization, which has been taken to an entirely new dimension with Industry 4.0, transforms production processes by integrating virtual and real production worlds into an ecosystem designed for greater flexibility, quality, and efficiency. Consequently, digitalization promises a bright future for the industry.

Borusan Pipe embarked on its digitalization journey in 2021 with a budget of 6.5 million USD, increasing this investment to 8 million USD by 2023.

Borusan Pipe, to maximize the efficient use of its resources, will prioritize digital transformation initiatives and launch its ERP (Enterprise Resource Planning) investment as of 2024. In this regard, the company aims to manage the costs of its extensive product portfolio more effectively.

The ERP Transformation Project seeks to enhance and strengthen business processes across all locations with efficient and effective systems. It is believed that streamlined and aligned strategies will play a pivotal role in shaping the future through improved business processes.

Following extensive workshops and meetings, Borusan Pipe is taking the first steps of a three-year transformation process with the support of its selected ERP partner and expert team members.

#### Innovation

#### Innovation initiatives are conducted under the newly established Factory Innovation Network

The design of the Factory Innovation Network was shaped by the outcomes of workshops conducted with entrepreneurs from incubation centers and internal stakeholders. The Factory model was developed with a focus on collective intelligence, participatory management, and maximizing overall benefit.

The Factory Innovation Network serves as a platform that brings together individuals and organizations aiming to create value in the dynamic world of innovation with the expertise of Borusan Pipe's skilled team.

Through various programs conducted both internally and externally, Factory aims to develop scalable new products/services and business models.

## ERP TRANSFORMATION PROJECT

The ERP Transformation Project aims to enhance business processes across all locations by strengthening them with effective and efficient systems.

### 3. WE ARE OWNING INNOVATION BY DESIGNING INNOVATIVE IDEAS



#### INNOVATION PROGRAMS

Short-term innovation programs organized within the company provide participants with the opportunity to explore their potential in the field of innovation.

Short-term innovation programs organized within the company allow participants to explore their potential in the field of innovation. These programs, called Innovation Days, welcome employees from all departments, ranging from production to sales.

Borusan Pipe employees who participate in these programs and discover their interests and talents are invited to join a long-term innovation program called **FutureUp**.

The long-term program encompasses idea workshops and the process of transforming generated ideas into projects. With technical training modules and rich content offered within the program, participants are equipped to enhance their competencies in the field of innovation.

Through Factory, internal and external innovation efforts have been unified under one roof, fostering synergy among different stakeholders within the ecosystem.

Externally, collaborations are established with various ecosystem stakeholders such as incubation centers, universities, and startups. The prioritized focus areas include New Product and R&D, digital technologies, energy, and sustainability.

In 2023, external collaboration programs with startups, academia, and clubs were launched, leading to the execution of several joint innovation projects related to the focus areas. These collaborations in 2023 contributed significantly to the expansion of the **Collective Innovation Network**.



## 3. WE ARE OWNING INNOVATION BY DESIGNING INNOVATIVE IDEAS

### DEVELOPING SUSTAINABLE BUSINESS MODELS

A sustainable business model in the pipe industry focuses on ensuring long-term success by considering environmental, economic, and social sustainability principles. As Borusan Pipe, we take the following points into account to create a sustainable business model:

#### 1. Environmental Sustainability

- **Material Selection:** Using environmentally friendly and recyclable materials is the foundation of sustainability. Especially recycled plastics and bioplastics derived from renewable sources stand out in this regard.
- **Energy Efficiency:** Investing in renewable energy sources (such as solar and wind energy) and using energy-saving technologies are crucial for improving energy efficiency in production processes.
- **Waste Management:** Minimizing waste generated in production processes and ensuring its recycling reduce environmental impacts. Additionally, optimizing water usage and treating wastewater are critically important.

#### 2. Economic Sustainability

- **Long-Term Planning:** Developing long-term strategic plans for financial sustainability enhances resilience against economic fluctuations.
- **Increasing Efficiency:** Optimizing production processes to reduce costs and offer competitive prices can increase market share.
- **R&D Investments:** Investing in research and development to create innovative products and technologies ensures sustainable leadership in the sector.

#### 3. Social Sustainability

- **Employee Rights and Workplace Safety:** Complying with occupational safety standards and organizing continuous training programs protect the health and safety of employees.
- **Community Contribution:** Supporting local communities and conducting social responsibility projects contribute to the company's social sustainability.
- **Equality and Diversity:** Promoting equality and diversity among employees is an essential part of social sustainability.

#### 4. Technological Sustainability

- **Digital Transformation:** Integrating digital technologies (IoT, artificial intelligence, automation, etc.) into production and management processes enhances efficiency and supports sustainability.
- **Data Analytics:** Using big data analytics optimizes supply chain management and enables more effective resource utilization.

#### 5. Collaborations and Partnerships

- **Industry Collaborations:** Partnering with other companies and industry stakeholders facilitates the sharing of knowledge and resources, enabling the development of sustainable solutions.
- **Academic Collaborations:** Collaborating with universities and research institutions to develop new technologies and sustainable practices fosters innovation in the sector.

### 3. WE ARE OWNING INNOVATION BY DESIGNING INNOVATIVE IDEAS

**Borusan Pipe recognizes that demonstrating agile and resilient corporate governance in a rapidly changing world lies in integrating innovative business models into the value creation chain.**



#### COLLABORATION WITH 3 STARTUPS

**As part of the startup collaboration program, partnerships have been established with three startups.**

#### SUPPORTING THE ENTREPRENEURSHIP ECOSYSTEM AND DEVELOPING COLLABORATIONS

External collaborations are carried out under the Factory Innovation Network. Three distinct programs have been implemented to foster partnerships with various ecosystem stakeholders such as incubation centers, universities, and startups. Within the academic collaboration program, five different projects were conducted in partnership with 8 universities.

Under the startup collaboration program, partnerships were established with three startups, while Proof of Concept (PoC) stages were reached with an additional 3 startups. To expand the Factory network at universities,

workshops, presentations, and seminars were organized at 10 universities, engaging with more than 3,000 individuals.

Borusan Pipe recognizes that demonstrating agile and resilient corporate governance in a rapidly changing world lies in integrating innovative business models into the value creation chain.

While adding value to the country, the company focuses on global markets to ensure sustainable growth.

In 2023, Borusan Pipe continued to support startups by utilizing the Cloud-Based Carbon Footprint Management Platform "Carbon Smart" for its carbon footprint measurements.

### 3. WE ARE OWNING INNOVATION BY DESIGNING INNOVATIVE IDEAS



#### ARTIFICIAL INTELLIGENCE-POWERED IMAGE PROCESSING TECHNOLOGY

Borusan Pipe has developed a project to process facility cameras through the artificial intelligence-powered image processing platform Intenseye to implement a more effective management system in occupational health and safety (OHS) and take more comprehensive measures against workplace accident risks.

Cameras in the field have been registered into the system, and vehicles, individuals, and various scenarios have been introduced to the platform. Risky situations for each area monitored by cameras have been programmed into the system. For example, when a load is lifted by a crane, employees must not stand under or near the load. If an employee is detected standing in a hazardous area during loading operations, the system triggers an alarm. Additionally, the camera feed maps areas with high activity intensity. As the system is capable of further development, its use within the facility can be expanded, and it is being implemented in other facilities as well.

The project, initiated in partnership with TİSK, aims to be deployed at international locations after being rolled out across all sites. The positive feedback received has been the main driver for expanding the project's scope. The ability of the alarm system to notify OHS teams in hazardous situations is a significant achievement. Consequently, by taking or enhancing the necessary precautions, the long-term goal is to reduce the number of OHS incidents.

#### KEY ACHIEVEMENTS

It contributes to reducing OHS risks and achieving the goal of "zero workplace accidents."



#### ARTIFICIAL INTELLIGENCE TECHNOLOGY

The developed artificial intelligence-powered image processing technology aims to reduce the number of OHS incidents.



## 4. WE INSPIRE THE FUTURE BECAUSE WE EMBRACE I3.

**Borusan Holding values the adoption of a sustainability culture by its business partners and stakeholders.**

### SUSTAINABLE PROCUREMENT POLICY

**In 2023, Borusan Holding announced and implemented its Sustainable Procurement Policy.**



### SUSTAINABLE SUPPLY CHAIN

Borusan Holding works to manage the environmental and social impacts of its direct operations while promoting this approach across the entire value chain to create positive value.

Operating in various sectors, from services to production, Borusan Holding's diverse business areas necessitate the development of responsible practices in supply chain management. The geopolitical and socio-economic changes occurring globally and their impacts on the business world have made it essential to enhance resilience in supply chain management. Strengthening

resilience requires conducting detailed risk analyses and adopting sustainable practices and a responsible management approach.

Borusan Holding values the adoption of a sustainability culture by its business partners and stakeholders. Accordingly, the company announced and implemented its **Sustainable Procurement Policy** in 2023.

The Sustainable Procurement Policy was designed to transfer Borusan's sustainability principles to its business partners and ensure that all suppliers in its procurement portfolio operate in alignment with Borusan's ESG expectations and sustainability approach. For more detailed information about Borusan's Sustainable Procurement approach, please visit the following [link](#).





## 4. WE INSPIRE THE FUTURE BECAUSE WE EMBRACE I3.



### POSITIVE VALUE

**Borusan Holding strives to create positive value across its entire value chain**



Borusan Pipe works to establish resilient infrastructures, support inclusive and sustainable industrialization, and strengthen innovation.

Borusan Pipe continued its sustainable procurement activities in 2023.

- A procurement improvement initiative, the plug packaging project, was developed, enabling a transition to recyclable packaging.
- Instead of disposing of products nearing their expiration dates, process improvements were implemented in collaboration with alternative suppliers to ensure their utilization.

- The saw sharpening process was integrated in-house, reducing logistics-related emissions.
- For 2023, a sustainable approach was adopted across all procurement processes, from suppliers to the end point, with projects such as selecting agricultural products grown through good agricultural practices for all meals served at the Gemlik factory.

In 2023, the company participated in the EcoVadis platform, underwent evaluation, and was awarded a bronze medal.

## 4. WE INSPIRE THE FUTURE BECAUSE WE EMBRACE I3.

**Borusan Pipe regularly monitors external trends while shaping its strategy and identifies risks and opportunities based on these trends.**



### EFFECTIVE RISK AND CRISIS MANAGEMENT

Borusan Pipe regularly monitors external trends when shaping its strategy and identifies risks and opportunities accordingly.

The company considers effective crisis management and the promotion of solution-oriented approaches to be crucial for achieving inclusive and sustainable development and safeguarding human rights.

Investments are made in all necessary collaborations to minimize geopolitical risks, manage humanitarian crises effectively, and ensure a more equitable world for everyone.

Borusan Pipe has adopted a comprehensive approach to global geopolitical issues, incorporating analysis, risk assessment, and targeted risk reduction strategies.

By closely monitoring geopolitical developments and trends, potential risks and opportunities are anticipated, and strategies are adjusted accordingly. Through risk assessments, specific geopolitical risks that may impact business activities are identified, and, when necessary, mitigation efforts are prioritized.

Mitigation strategies include diversifying supply chains, developing emergency action plans, and establishing effective communication with stakeholders to enhance transparency. Crisis management protocols have been prepared to enable a swift and coordinated response in case of potential crises, minimizing disruptions while safeguarding employees, assets, and the company's reputation. In line with these strategies, Borusan Pipe maintains its operational flexibility in a dynamic global environment.

## 4. WE INSPIRE THE FUTURE BECAUSE WE EMBRACE I3.

**The foundation of Borusan Pipe's customer satisfaction policy is customer focus.**



### CUSTOMER SATISFACTION MANAGEMENT AND SERVICE QUALITY

In the scope of customer satisfaction, Borusan Pipe conducts customer satisfaction surveys, competitor product analyses, periodic customer visits, and customer audits. The quality and delivery performance of customers under the IATF 16949 framework are evaluated monthly, and a satisfaction score is calculated. Once a complaint is shared via the customer's preferred channel, it is entered into the system by the Customer

Quality and Project Management (CQPM) department through the CCM system, initiating the complaint process.

Complaints are reviewed by relevant departments, and an 8D report is prepared. After the report is completed, it is shared with the customer, and the complaint is closed.

Borusan Pipe's customer satisfaction policy is centered on customer focus. To sustain customer satisfaction, customer requirements are meticulously analyzed, and all developments are closely monitored. Customer feedback

is one of the most important channels of stakeholder communication for Borusan Pipe. The **VOC – Voice of the Customer Management System** is implemented to gather customer requests and feedback systematically and holistically. Business processes are improved to meet customer expectations, and products and services are developed accordingly.

Borusan Pipe achieved a first in the global pipe industry by obtaining the **ISO 10002 Customer Complaints Management Quality System Certificate**. Alongside Borusan Cat and Borusan Logistics, Borusan Pipe works within the ISO 10002 Customer Satisfaction Management System framework, carefully evaluating all suggestions, feedback, and complaints from customers to develop solution-oriented strategies and meet certification requirements.

To ensure lasting customer satisfaction, Borusan Pipe evaluates whether customer requirements are met and assesses changing customer expectations, sharing these insights with employees. Product development activities and improvement efforts are prioritized to address even the slightest dissatisfaction with existing products.

With this approach, continuous improvement efforts are carried out to enhance customer satisfaction. In 2023, Borusan Pipe provided 205 hours of training on customer relations to employees, reporting a customer satisfaction rate of 80% for the year.

# ANNEXES





# 1. COLLABORATIONS



- 43<sup>rd</sup> Group Professional Committee (ISO)
- AmCham Türkiye / ABFT (American Business Forum in Türkiye)
- UN Women's Empowerment Principles
- Steel Pipe Manufacturers Association (ÇEBİD)
- Steel Exporters' Association (ÇİB)
- Turkish Green Building Council (ÇEDBİK)
- Foreign Economic Relations Board (DEİK)
- Association of Italian Entrepreneurs Worldwide
- Gemlik Chamber of Commerce and Industry
- Istanbul Mineral and Metals Exporters' Association (İMMİB)
- Business Council for Sustainable Development Türkiye (SKD)
- Boiler and Pressure Vessel Manufacturers Association
- Corporate Communicators Association
- Sustainability Academy
- Automotive Suppliers Association of Türkiye (TAYSAD)
- Tent and Tarp Manufacturers Association
- Tunnel Association
- Turkish Structural Steel Association (TUCSA)
- Turkish Ethics and Reputation Society (TEİD)
- Turkish Internal Audit Institute
- Turkish Exporters Assembly (TİM)
- Turkish Metal Industrialists Union (MESS)
- UN Global Compact Türkiye Network
- Structural Steel Association

## 2. AWARDS



Award Name	Awarding Institution	Awarded Project Name
International Sustainability Awards 2023	International Sustainable Awards	B'Design Idea
Best Outcomes in Learning and Development Program	Stevie Awards	Maintenance School Development Program
Achievement in Competencies and Skill Development or Management	Stevie Awards	Sales Faculty
International Safety Awards	British Safety Council	Our OHS Practices
ISO Green Transformation Awards	The Istanbul Chamber of Industry	Environmental Sustainability Management Category
Best Learning Team	Brandon Hall Group	All Projects of the Training and Development Department
Best Development Award for Sales Teams Project	Brandon Hall Group	Sales Academy
White Flag Award	Ministry of Labor and Social Security and Turkish Confederation of Employer Associations (TISK)	Awarded for providing a fair working environment for its employees, prioritizing occupational health and safety, maintaining transparent communication with employees, and fully meeting its tax obligations.

### 3. STAKEHOLDER ENGAGEMENT

The key stakeholder groups of Borusan Pipe and the communication tools identified are as follows:

STAKEHOLDER GROUP	COMMUNICATION METHOD	COMMUNICATION FREQUENCY
<b>Borusan Pipe employees</b>	CEO and GM Memorandums (Special day celebrations, information on critical issues)	Periodic
	Special Day Events (Digital)	Continuous
	Employee Engagement / Satisfaction Surveys	Annual
	Internal and External Reports (sustainability-operational reports)	Periodic
	Social Responsibility Platforms and Clubs	Continuous
	Social media, Corporate Websites and Borusan Applications	Continuous
	Trainings	Continuous
	Guides / Manuals	Continuous
	Internal and External Meetings, Assessments and Announcements	Continuous
Ethical Principles and Ethics Line	Continuous	
<b>Borusan Holding</b>	Internal and External Reports	Annual
	Internal and External Meetings, Assessments and Announcements	Continuous
	Social media, Corporate Websites and Borusan Applications	Continuous
	Special Status Notifications	Simultaneous
<b>Group Companies</b>	Internal and External Reports	Annual
	Internal and External Meetings, Assessments and Announcements	Continuous
	Trainings	Continuous
	Corporate Websites, social media	Continuous
<b>Suppliers</b>	Internal and External Reports	Annual
	Supplier Visits, Supplier Audits, Supplier Platforms	Continuous
	Social media	Continuous



### 3. STAKEHOLDER ENGAGEMENT

STAKEHOLDER GROUP	COMMUNICATION METHOD	COMMUNICATION FREQUENCY
<b>Board</b>	Board meetings	Continuous
	Internal and External Reports	Annual
	Corporate Websites, social media	Continuous
<b>Media</b>	Internal and External Reports	Continuous
	Press Releases	Continuous
	Social media, Corporate Websites and Borusan Applications	Continuous
<b>Customers</b>	Internal and External Reports	Annual
	Customer Satisfaction Surveys	Continuous
	Internal and External Meetings, Assessments and Announcements	Continuous
	Social media, Corporate Websites and Borusan Applications	Continuous
	Customer Standards / Customer Audits	Continuous
<b>Competitors</b>	Internal and External Reports	Periodic
	Associations etc. formations	Continuous
	Social media, Corporate Websites and Borusan Applications	Continuous
	Exhibitions	Continuous
<b>Local Community</b>	Internal and External Reports	Periodic
	Social Responsibility Projects	Continuous
	Social media, Corporate Websites and Borusan Applications	Continuous
<b>Students, Academics, Universities</b>	Career days	Continuous
	Social Responsibility Projects	Continuous
	Coaching and Internship Programs with Students	Continuous
	Social media, Corporate Websites and Borusan Applications	Continuous





### 3. STAKEHOLDER ENGAGEMENT

STAKEHOLDER GROUP	COMMUNICATION METHOD	COMMUNICATION FREQUENCY
<b>Financial Institutions</b>	Internal and External Reports	Annual
	Social media, Corporate Websites and Borusan Applications	Continuous
<b>Public and Local Administrations</b>	Internal and External Reports	Annual
	Internal and External Meetings, Assessments and Announcements	Continuous
	Social media, Corporate Websites and Borusan Applications	Continuous
	Projects	Project Based
	Audits	Simultaneous / Periodic
<b>Civil Society Organizations and Professional Associations</b>	Internal and External Reports	Annual
	Internal and External Meetings, Assessments and Announcements	Continuous
	Projects	Project Based
	Social media, Corporate Websites and Borusan Applications	Continuous
	Memberships	Continuous
	Donations and Sponsorships	Project Based
<b>Other Stakeholders</b>	Internal and External Reports	Annual
	Internal and External Meetings, Assessments and Announcements	Continuous
	Social media, Corporate Websites and Borusan Applications	Continuous
<b>Unions</b>	Internal and External Reports	Annual
	Internal and External Meetings, Assessments and Announcements	Continuous
<b>R&amp;D Ecosystem</b>	Internal and External Reports	Annual
	Collective Innovation Network as Borusan Pipe	Continuous

## 4. MANAGEMENT SYSTEM



### Integrated Management System

- ISO 14064-1:2006 Greenhouse Gas Calculation Verification
- ISO 14046 Water Footprint
- IATF 16949 Automotive Quality Management System
- Integrated Management System
  - o ISO 9001:2015 Quality Management System
  - o ISO 14001:2015 Environmental Management System
  - o ISO 45001:2018 Occupational Health and Safety Management System
  - o ISO 10002:2018 Customer Satisfaction Management System
- ISO 50001:2018 Energy Management System
- ISO 17025:2017 General Requirements for the Competence of Testing and Calibration Laboratories
- API 5L Specification for Line Pipe
- API 5CT Specification for Casing and Tubing
- API Q1 Quality Management System

## 5. PERFORMANCE INDICATORS

### FINANCIAL PERFORMANCE INDICATORS

	Unit	2020	2021	2022	2023
<b>Number of R&amp;D employees</b>	person	3	4	4	7
<b>Number of new products developed</b>					
Implemented after the Development Process	quantity	11	12	6	4
Implemented without the Development Process	quantity	6	6	5	?
<b>Proportion of R&amp;D and Innovation investments to total investments</b>	%	1.4	0.9	4	4
<b>Ratio of R&amp;D expenditures to turnover</b>	%	0.1	0.03	0.08	0.2

#### 2023

#### Number of university collaborations

**Boğaziçi University:** Innotime  
**Istanbul Technical University (ITU):** Event Collaboration  
**Yıldız Technical University:** Club Collaboration  
**Yıldız Technical University:** Technical Project  
**Mimar Sinan Fine Arts University:** B'design Product Design  
**Uludağ University:** Recovery of Metal Sludge

## 5. PERFORMANCE INDICATORS

## SOCIAL PERFORMANCE INDICATORS

	UNIT	2019	2020	2021	2022	2023
<b>Workforce by Employment Type and Gender</b>						
White-Collar - Female	person	58	59	69	88	105
White-Collar - Male	person	192	194	196	216	211
Blue-Collar - Female	person	20	19	35	43	69
Blue-Collar - Female	person	1,168	1,139	1,235	1,315	1,347
Total	person	1,438	1,411	1,535	1,662	1,732
<b>Number of Employees by Gender and Management Category</b>						
<b>Senior Management</b>						
Women	HC	1	2	2	1	1
	%	11.11	20	22.22	14	14
Men	HC	8	8	7	6	6
	%	88.89	80	77.78	86	86
<b>Mid-level</b>						
Women	HC	6	4	4	5	8
	%	20.69	14.29	11.11	11	14
Men	HC	23	24	32	39	48
	%	79.31	85.71	88.89	89	86
<b>Other</b>						
Women	HC	71	72	98	125	165
	%	5.07	1301	6.5	8	10
Men	HC	1329	94.79	1392	1486	1504
	%	94.93	1411	93.5	92	90



## 5. PERFORMANCE INDICATORS

	UNIT	2019	2020	2021	2022	2023
<b>Other Indicators</b>						
Men - Hired	HC	59	45	235	191	355
	%	79	79	82	81	87.50
Men-Resigned	HC	129	69	140	200	292
	%	91	86	84	90	96
Women-Hired	HC	16	12	50	46	51
	%	21	21	18	19	12.50
Women-Resigned	HC	13	11	26	23	11
	%	9	14	16	10	4
Age 18-30 - Hired	HC	39	30	220	183	293
	%	52	53	77	77	72
Age 18-30 - Resigned	HC	51	35	91	129	132
	%	36	44	55	58	43
Hired 31-40 - Hired	HC	24	20	56	44	92
	%	32	35	20	19	22
Resigned 31-40	HC	54	25	47	38	71
	%	38	31	28	17	23
Hired Age 41-50	HC	9	6	6	5	19
	%	12	11	2	2	5
Resigned Age 41-50	HC	15	13	14	5	64
	%	11	16	8	2	21
Hired Aged 51-60	HC	3	1	2	5	2
	%	4	2	1	2	1
Resigned Age 51-60	HC	22	8	14	5	36
	%	15	10	8	6	13
Over 60 - Hired	HC	0	0	1	0	0
	%	0	0	0.4	0	0
Over 60 - Resigned	HC	0	0	0	0	0
	%	0	0	0	0	0

## 5. PERFORMANCE INDICATORS

### Occupational Health and Safety Data

Türkiye								
Occupational Accidents	Group	Unit	2020	2021	2022	2023		
Number of Accidents (Occupational accidents resulting in loss of more than 3 days)	Company	Number/ year	16	19	23	5		
	Subcontractor	Number/ year	2	7	4	5		
AFR - Accident Frequency Rate (Lost Time Injury Rate) (Number of Accidents x 1,000,000) / EN	Company	%	6.65	6.15	6.57	3.48		
	Subcontractor	%	2.73	7.69	4.52	6.36		
ASR - Accident Severity Ratio (Severity Rate) (Lost Days x 1000) / EN	Company	%	0.26	0.44	0.26	0.4		
	Subcontractor	%	0.19	0.14	0.15	0.5		
Occupational disease rate (ODR) (Number of Occupational Diseases x 1,000,000 / ES	Company	%	0.00	0.00	0.00	0.00		
	Subcontractor	%	0.00	0.00	0.00	0.00		
2023		(LTA)		(LTI)		(Severity rate)		
Türkiye		16		4.05		0.42		
Vobarno		1		6.87		1.24		
Baytown		1		0.91		0.01		
Panama City and Mobile		4		3.79		0.06		
<b>Total</b>		<b>22</b>		<b>3.52</b>		<b>0.31</b>		
Plants	Group	Unit	Vobarno		Baytown		Panama City and Mobile	
Occupational Accidents	Group	Unit	2022	2023	2022	2023	2022	2023
Number of Accidents (Occupational accidents resulting in loss of more than 3 days)	Company	Number/ year	2	1	40	18	3	6
	Subcontractor	Number/ year	0	0	0	0	n/a	n/a
AFR - Accident Frequency Rate (Lost Time Injury Rate) (Number of Accidents x 1,000,000) / EN	Company	%	12.74	6.82	1.18	0.91	1.06	1.11
	Subcontractor	%	0	0	0	0	n/a	n/a
ASR - Accident Severity Ratio (Severity Rate) (Lost Days x 1,000) / EN	Company	%	0.36	1.23	0	0	5.32	5.55
	Subcontractor	%	0.0	0	0	0	n/a	n/a

## 5. PERFORMANCE INDICATORS

	Türkiye			
<b>Occupational Health and Safety Trainings</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Number of Company Employees	28,297	36,699	40,867	31,049
Number of Subcontractor Employees	5,687	2,065	3,599	2,032
<b>Total Number of Participants</b>	<b>33,984</b>	<b>38,764</b>	<b>44,466</b>	<b>33,081</b>
Company Employees (Person*Hours)	21,610.04	29,831.04	45,778.40	20,291.71
Subcontractor Employees (Person*Hour)	7,214.55	2,920.95	3,890	2,301.02
<b>Total OHS Trainings (Person*Hour)</b>	<b>28,854.59</b>	<b>32,751.99</b>	<b>49,668.40</b>	<b>22,592.73</b>

### Number of Committees

		Türkiye			Vobarno		Baytown			Panama City	
	Unit	2020	2021	2022	2023	2023	2020	2021	2022	2023	2023
<b>Number of OHS Committees Established</b>	Number	10	13	15	1	0	0	1	1	2	6
<b>Total Number of Members in Board OHS Committees</b>	Number	28	33	36	5	0	0	15	15	20	20
<b>Number of Employee Representatives in Board OHS Committees</b>	Number	2	2	2	1	0	0	15	15	15	20

## 5. PERFORMANCE INDICATORS

## ENVIRONMENTAL PERFORMANCE INDICATORS

	Türkiye				
Environmental Investments (TL)	2019	2020	2021	2022	2023
Total operating expenses of environmental activities	2,445,318.70	2,567,584.64	3,845,469.64	6,914,311.75	20,282,853.000
Total investments in environmental protection	287,315.00	445,680.00	-		96,481,854.86

	Türkiye				
Proportion of reused/recycled packaging	2019	2020	2021	2022	2023
Type of Packaging Waste	2019	2020	2021	2022	2023
PLUGS (QUANTITY)	3,973,113	5,013,088	7,267,730	6,563,766	1,868,970

## Borusan Pipe Water Management

	Türkiye		
	2021 (m <sup>3</sup> )	2022 (m <sup>3</sup> )	2023 (m <sup>3</sup> )
Water consumption	452,313	328,410.4	306,712.4
Discharge	120,574.3	124,719.6	129,135.6

	Vobarno		Baytown		Panama City	Mobile
	2021 (m <sup>3</sup> )	2022 (m <sup>3</sup> )	2023 (m <sup>3</sup> )	2023 (m <sup>3</sup> )	2023 (m <sup>3</sup> )	2023 (m <sup>3</sup> )
Water consumption	447,359	440,956	381,944	47,224.14576	25,731.86	39,496.28
recharge	410,238	367,424	308,178	40,674.816	30,868.03	23,281.18

## Borusan Pipe Waste Management

	Türkiye		
	2021	2022	2023
Total Waste Amount (TONS)	44,563.905	51,203.44	38,992
Amount of Waste Disposed (TONS)	5,286	7,870	10,507
Amount of Waste Recycled (TONS)	39,277.181	43,334	28,272



## 5. PERFORMANCE INDICATORS

	Vobarno			Baytown	Panama City	Mobile
	2021	2022	2023	2023	2023	2023
Total Waste Amount (TONS)	3,422.630	2,881.278	2,237.216	4,836.847	6,371.339	1,273.6
Amount of Waste Disposed (TONS)	991.540	762.920	282.206	1,478.523	474.9	465.17
Amount of Waste Recycled (TONS)	2,431.090	2,118.358	1,955.01	3,358.323	5,896.7	808.43

### GREENHOUSE GAS EMISSIONS

Years	Türkiye			
	Scope 1 (ton CO <sub>2</sub> -e)	Scope 2 (ton CO <sub>2</sub> -e)	Scope 3 (ton CO <sub>2</sub> -e)	Total
2020	17,667.45	40,251.16	4,902.36	<b>62,820.98</b>
2021	21,762.09	45,727.51	*87,485.70	<b>154,975.30</b>
2022	18,644.29	46,833.35	1,575,387.61	<b>1,512,267.09</b>
2023	16,245.52	1,137.54	1,386,969.13	<b>1,404,352.19</b>

Years	Vobarno			
	Scope 1 (ton CO <sub>2</sub> -e)	Scope 2 (ton CO <sub>2</sub> -e)	Scope 3 (ton CO <sub>2</sub> -e)	Total
2022	4,974.38	1,467.53	*	<b>6,441.92</b>
2023	4,082.04	1,094.99	<b>17,924.11</b>	<b>23,101.14</b>

Years	Baytown			
	Scope 1 (ton CO <sub>2</sub> -e)	Scope 2 (ton CO <sub>2</sub> -e)	Scope 3 (ton CO <sub>2</sub> -e)	Total
2021	10,479.62	7,108.41	178,949.00	<b>196,537.02</b>
2022	17,684.71	10,695.62	333,636.69	<b>362,017.03</b>
2023	21,930.85	12,123.23	438,033.24	<b>472,087.33</b>

## 5. PERFORMANCE INDICATORS

Panama City				
Years	Scope 1 (ton CO <sub>2</sub> -e)	Scope 2 (ton CO <sub>2</sub> -e)	Scope 3 (ton CO <sub>2</sub> -e)	Total
2023	2,546.21	5,108.67	587,968.42	595,623.30
Mobile				
Years	Scope 1 (ton CO <sub>2</sub> -e)	Scope 2 (ton CO <sub>2</sub> -e)	Scope 3 (ton CO <sub>2</sub> -e)	Total
2023	889.95	5,317,441	144,345,912	150,553.30

## 6. GLOBAL COMPACT

United Nations Global Communication on Progress

Borusan Pipe is a member of the UN Global Compact. Companies that are party to the UN Global Compact align their strategies and operations with the 10 Principles in the areas of human rights, labor standards, environment, and anti-corruption.

### Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights. Page 25

Principle 2: Businesses should make sure that they are not complicit in human rights abuses Page 25

### Labor

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. Page 106

Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor. Page 25,106

Principle 5: Businesses should uphold the effective abolition of child labor. Page 25,106

Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation. Page 25,108

### Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges. Page 81-96

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility. Page 81-96

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies Page 81-96

### Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery Page 25, 26, 27, 28

## 7. GRI CONTENT INDEX

### GRI Content Index

<b>Statement of use</b>	Borusan Pipe has reported in accordance with the GRI Standards for the period 1 January 2022—31 December 2023
<b>Used GRI</b>	GRI 1: Foundation 2021.
<b>Applicable GRI sector standards</b>	Not currently available.

GRI	DISCLOSURE	Page Numbers
	2-1 Organizational details	33-34-35
	2-2 Entities included in the organization's sustainability reporting	37-38-39-40
	2-3 Reporting period, frequency and contact point	3
	2-4 Restatements of information	3
	2-5 External Assurance	3
	2-6 Activities, value chain, and other business relationships	17-18-19-20
	2-7 Employees	Annexes
	2-8 Workers who are not employees	Annexes
	2-9 Governance structure and composition	33-34-35
	2-10 Nomination and selection of the highest governance body	33-34-35
	2-11 Chair of the highest governance body	33-34-35
	2-12 Role of the highest governance body in overseeing the management of impact	37-38
	2-13 Delegation of responsibility for managing impacts	37-38
	2-14 Role of the highest governance body in sustainability reporting	37-38-39-40
	2-15 Conflicts of interest	24-25-26-27-28
	2-16 Communication of critical concerns	25-26
	2-17 Collective knowledge of the highest governance body	37-38
	2-18 Evaluation of the performance of the highest governance body	38
	2-19 Remuneration policies	38-109
	2-20 Process to determine remuneration	38-109

### GRI 2: General Disclosures



## 7. GRI CONTENT INDEX

GRI	DISCLOSURE	Page Numbers
<b>GRI 2: General Disclosures</b>	2-21 Annual total compensation ratio	Not given
	2-22 Annual total compensation ratio	43-44-45-46-47-48
	2-23 Policy commitments	25-27-41-72-121
	2-24 Embedding policy commitments	25-27-41-72-121
	2-25 Processes to remediate negative impacts	107-123
	2-26 Mechanisms for seeking advice and raising concerns	106-107-124
	2-27 Compliance with laws and regulations	25-112
	2-28 Membership association	Annexes
	2-29 Approach to stakeholder engagement	25-27-33-Annexes
	2-30 Collective bargaining agreements	106
<b>Material Topics (*Topics marked with an asterisk are identified as having extremely high material under Borusan Pipe's impact materiality assessment.).</b>		
<b>GRI 3: Material Topics</b>	3-1 Process to determine material topics	<b>65-66-67-68-69-70-71</b>
	3-2 List of material topics	<b>71</b>
<b>PROTECTION OF NATURE AND BIODIVERSITY</b>		
<b>Biodiversity</b>		
<b>GRI 101: Biodiversity 2024</b>	3-3 Management of material topics	96
	101-1 Policies to halt and reverse biodiversity loss	As of January 2026, GRI 101 will be implemented, and work is ongoing. It has not been identified as a material topic.
	101-2 Management of biodiversity impacts	
	101-3 Access and benefit-sharing	
	101-4 Identification of biodiversity impacts	
	101-5 Locations with biodiversity impacts	
	101-6 Direct drivers of biodiversity loss	
	101-7 Changes to the state of biodiversity	
	101-8 Ecosystem services	

## 7. GRI CONTENT INDEX

GRI	DISCLOSURE	Page Numbers
<b>DEVELOPING SUSTAINABLE BUSINESS MODELS - SUSTAINABLE ECONOMIC PERFORMANCE</b>		
<b>Economic Performance</b>		
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	25, 67, 71, 72, 117
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distribute	21, Annexes, Annual Report
	201-2 Financial implications and other risks and opportunities due to climate change	57
	203-1 Infrastructure investments and services supported	13, 18, 2023 Sustainability Journey
	201-4 Financial assistance received from government	NA
<b>Market Presence</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	12, 15, 21
<b>Direct Economic Impact</b>		
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	13, 18
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	13, 18
	203-2 Significant indirect economic impacts	25, 67, 71, 72
<b>SUSTAINABLE SUPPLY CHAIN MANAGEMENT - CORPORATE GOVERNANCE, REGULATORY COMPLIANCE, AND MONITORING</b>		
<b>Procurement Practices 2016</b>		
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	67, 71, 119, 120
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	93, 119
<b>Supplier Environmental Assessment</b>		
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	120
<b>Anti-Corruption</b>		
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	25, 26, 27, 28, 119
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	28, 29
	205-2 Communication and training about anti-corruption policies and procedures	25, 26, 27, Annexes
	205-3 Confirmed incidents of corruption and actions taken	25, 26, 28



## 7. GRI CONTENT INDEX

GRI	DISCLOSURE	Page Numbers
<b>Anti-Competitive Practices</b>		
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	25, 27, 28
<b>GRI 206: Anti-Competitive Behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-monopolistic practices, and monopolistic practices	25, 27, 28
<b>*CIRCULARITY AND WASTE MANAGEMENT, *COMBATING AND ADAPTING TO CLIMATE CHANGE, *WATER MANAGEMENT</b>		
<b>Materials</b>		
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	91, 92, 93
<b>GRI 301: Materials 2016</b>	301-3 Reclaimed products and their packaging material	90-91-92-93, Annexes
<b>Energy</b>		
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	15, 63, 83
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	84, 85, 87, Annexes
	302-2 Energy consumption outside of the organization	87
	302-4 Reduction of energy consumption	15, 63, 83
	302-5 Reductions in energy requirements of products and services	15, 63, 84, 85
<b>Water and Wastewater</b>		
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	16, 88, 89, 93
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	88-89
	303-2 Management of water discharge related impacts	88-89
	303-3 Water withdrawal	88-89, Annexes
	303-4 Water discharge	88-89, Annexes
	303-5 Water consumption	88-89, Annexes

## 7. GRI CONTENT INDEX

GRI	DISCLOSURE	Page Numbers
<b>Emissions</b>		
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	16, 63, 82, 84, 87
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	83, 84, 85, Annexes
	305-2 Energy indirect (Scope 2) GHG emissions	83, 84, 85, Annexes
	305-3 305-3 Other indirect (Scope 3) GHG emissions	83, 84, 85, Annexes
	305-5 Reduction of GHG emissions	63, 82, 84
<b>Wastes</b>		
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	93, 94, 95
<b>GRI 306: Wastes 2020</b>	306-1 Waste generation and significant waste-related impacts	93, 94
	306-2 Management of significant waste related impacts	93, 94
	306-3 Waste generated	Annexes
	306-4 Waste diverted from disposal	Annexes
	306-5 Waste directed to disposal	Annexes
<b>TALENT MANAGEMENT AND DEVELOPMENT, CREATING SOCIAL BENEFIT, *EMPLOYEE RIGHTS</b>		
<b>Employees</b>		
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	103-106
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	104-105, Annexes
	401-2 Benefits provided to full-time employees that are not provided to temporary or part time employees	106
	401-3 Parental leave	106



## 7. GRI CONTENT INDEX

GRI	DISCLOSURE	Page Numbers
<b>OCCUPATIONAL HEALTH AND SAFETY</b>		
<b>Occupational Health and Safety</b>		
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	92, 93, 94
	403-1 Occupational health and safety management system	92, 93, 94
	403-2 Hazard identification, risk assessment, and incident investigation	48-55
	403-3 Occupational health services	92, 93
	403-4 Worker participation, consultation, and communication on occupational health and safety	92, 93, 94
<b>GRI 403: Occupational Health and Safety 2018</b>	403-5 Worker training on occupational health and safety	92, 93, 94
	403-6 Promotion of worker health	92, 93, 94
	403-7 Prevention and mitigation of occupational health and safety impacts linked by business relationships	92, 93, 94
	403-8 Workers covered by an occupational health and safety management system	92, 93, 94
	403-9 Work-related injuries	92, 93, 94, Annexes
	403-10 Work-related ill health	92, 93, 94, Annexes
<b>HUMAN-CENTERED CORPORATE CULTURE</b>		
<b>Training</b>		
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	104-107
	404-1 Average hours of training per year per employee	Annexes
<b>GRI 404: Training and Education 2016</b>	404-2 Programs for upgrading employee skills and transition assistance programs	104-107
	404-3 Percentage of employees receiving regular performance and career development reviews	104-107



## 7. GRI CONTENT INDEX

GRI	DISCLOSURE	Page Numbers
<b>Diversity and Equal Opportunity</b>		
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	108
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	107-108
<b>Freedom of Association and Collective Bargaining</b>		
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	106
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<b>GRI 3: Material Topics</b>	3-3 Management of material topics	110-111
<b>CUSTOMER SATISFACTION MANAGEMENT AND SERVICE QUALITY</b>		
<b>Customer Health and Safety</b>		
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	123
<b>Marketing and Labeling 2016</b>		
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	123
<b>OTHER TOPICS</b>		
<b>TECHNOLOGY AND DIGITAL TRANSFORMATION</b>		71, 115
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<b>INFORMATION SECURITY AND PROTECTION OF CUSTOMER PRIVACY</b>		29, 71

## 8. VERIFICATION STATEMENTS



### Water Footprint Verification Statement

#### BORUSAN BİRLEŞİK BORU FABRİKALARI SAN. VE TİC. A.Ş.

##### Organizational Boundaries

**Vobarno Factory:** Via G E Falck 43 25079 Vobarno (BS) – ITALY  
**Texas Factory:** 4949 Borusan Road Baytown, Texas 77523, USA  
**Panama City Factory:** 5315 West 19th Street Panama City, Florida 32401, USA  
**Mobile Factory:** 900 Paper Mill Road Mobile, Alabama 36610, USA

The Water Footprint report has been verified to meet the standard requirements specified below according to ISO 17029:2019

#### ISO 14046:2014

Blue Water Footprint	494.396,29 m <sup>3</sup>
Gray Water Footprint	403.002,51 m <sup>3</sup>
Green Water Footprint	--- m <sup>3</sup>

Level of Assurance	: Reasonable	Verification Report Date	: 09.05.2024
Reporting Period	: 01.01.2023 - 31.12.2023	Statement No	: WP-GNL-110 / 2023 / 2

Approved by  
**Okay Kayhanlı – General Manager**

QSI Belgelendirme, Muayene ve Test Hizmetleri Ltd. Şti.  
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### Water Footprint Verification Statement

#### BORUSAN BİRLEŞİK BORU FABRİKALARI SAN. VE TİC. A.Ş.

##### Organizational Boundaries

**Head Office:** Medisi Mebusan Cad. No: 37 34427 Salıpazarı / İstanbul  
**Gemlik:** Ata Mah. Sanayi Cad. No: 54/68 16601 Gemlik/Bursa  
**ABKY:** Bursa Organize Sanayi Bölgesi. Gri Cadde. No: 8/A 16140 Nilüfer / Bursa  
**Halkalı:** Halkalı Cad. No:154 34295 Sefaköy/İstanbul

The Water Footprint report has been verified to meet the standard requirements specified below according to ISO 17029:2019

#### ISO 14046:2014

Blue Water Footprint	306.712,42 m <sup>3</sup>
Gray Water Footprint	60.874,13 m <sup>3</sup>
Green Water Footprint	--- m <sup>3</sup>

Level of Assurance	: Reasonable	Verification Report Date	: 09.05.2024
Reporting Period	: 01.01.2023 - 31.12.2023	Statement No	: WP-GNL-110 / 2023 / 1

Approved by  
**Okay Kayhanlı – General Manager**

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# 8. VERIFICATION STATEMENTS



BORUSAN PIPE GROUP

To whom it may concern,

This letter is presented to BORUSAN PIPE GROUP to present opinion of the Bureau Veritas Certification Turkiye on the Corporate Greenhouse Gases Verification for the monitoring period of 01.01.2023 to 31.12.2023.

Bureau Veritas Turkiye does not accept or assume any responsibility or liability on any other party who may access to this letter or assurance report.

BORUSAN PIPE GROUP commissioned Bureau Veritas to perform a verification of its 2023 Corporate GHG Inventory. The verification was performed on March, April and May 2024.

**The GHG assertions verified were the following:**

1. That the 2023 GHG Inventory for BORUSAN PIPE GORUP has been developed in accordance with common industry practice, including GHG Protocol.
2. The verification has been carried out to cover the Gemlik and Halkali factories, which are operational in Turkey, the ABKY facilities, the Istanbul headquarters, the Vobarno (Italy) factory, as well as the Texas factory in the United States in which it holds shares, and the production facilities in Panama City and Mobile.
3. That the calculated Scope 1, Scope 2 and Scope 3 emissions for 2023 are **2,645,717 tons of CO<sub>2</sub>e** (the emission sources included for each source has been given in verification report)

**The verification task was to form an opinion at a reasonable level of assurance about the above GHG assertions, regarding:**

1. Conformance with the general requirements of GHG Protocol.
2. Reasonableness of the calculated Scope 1, Scope 2 and Scope 3 emissions for the monitoring period of 01.01.2023 - 31.12.2023

**The verification performed by Bureau Veritas applied ISO 14064-3 International Standard for GHG verifications. The following verification activities were conducted:**

1. Review of documentation, controls and methodologies, including other verification reports,
2. Assessment of risks and verification planning,
3. Assessment of documentation, controls and methodologies, including the facility quality management systems,
4. Documentation of verification findings and outstanding issues in verification report,
5. Assessment and documentation of resolutions to outstanding issues in verification report,
6. Issuance of verification statement and completion of verification.

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**GHG Assertion #1:** The GHG inventory conforms to the general requirements of GHG Protocol.

**GHG Assertion #2:**

Facility	Country	Scope-1	Scope-2	Scope-3
Merkez	TR	580.99	274.17	1,386,969.13
Halkali	TR	6,744.33	0.00	
Gemlik	TR	8,899.43	0.00	
ABKY	TR	20.76	863.36	
<b>TURKEY</b>		<b>16,245.52</b>	<b>1,137.54</b>	<b>1,386,969.13</b>
Texas	ABD	21,930.86	12,123.23	438,033.24
Panama City	ABD	2,546.21	5,108.67	587,968.42
Mobile	ABD	889.95	5,317.44	144,345.91
Vobarno	Italy	4,082.04	1,094.99	17,924.11

**GHG Assertion #3:**

Scope 3	TR	Vobarno	Texas	Mobile	Panama
Category 1- Purchased goods and services	1,265,128.46	14,450.25	93,591.77	107,174.80	179,290.48
Category 3- Fuel and energy related activities	2,806.12	710.21	3,350.68	164.34	415.96
Category 4- Upstream transportation and distribution	64,890.86	563.60	167,195.38	232.24	6,067.65
Category 5- Waste generated in operations	1,138.26	0.00	0.00	0.00	0.00
Category 6- Business Travel	1,070.41	0.00	0.00	0.00	0.00
Category 7- Employee Commuting	530.51	0.00	0.00	0.00	0.00
Category 9- Downstream transportation and distribution	51,404.50	2,200.05	173,895.41	36,774.53	402,194.33

Emission due to biomass combustion is **0 tons of CO<sub>2</sub>e**. (The emission sources included for each category has been given in verification report)

**View Declaration**

As a result of the verification audit conducted on the basis of international standards, the 2023 greenhouse gas emission data disclosed in the Corporate Carbon Footprint Report were verified for Scope 1, 2 and 3 with reasonable assurance.

**Verifier Opinion and Qualifications**

Based on the process and procedures conducted, the GHG assertion is prepared in accordance with the requirements of GHG Protocol.

Based on the process and procedures conducted, the GHG assertion is materially correct and is a fair representation of the GHG data and information.

Date: 26 September 2024

**S.Özge ŞAHINKAYA**  
Lead Verifier

**İbrahim TAGAY**  
Certification Manager

BVGH-SUS-F13-Rev 0-30.11.2023

## 8. VERIFICATION STATEMENTS



BORUSAN PIPE GROUP

To whom it may concern,

This letter is presented to BORUSAN PIPE GROUP to present opinion of the Bureau Veritas Certification Turkiye on the Corporate Greenhouse Gases Verification for the monitoring period of 01.01.2023 to 31.12.2023.

Bureau Veritas Turkiye does not accept or assume any responsibility or liability on any other party who may access to this letter or assurance report.

BORUSAN PIPE GROUP, commissioned Bureau Veritas to perform a verification of its 2023 Corporate GHG Inventory. The verification was performed on March, April and May 2024.

**The GHG assertions verified were the following:**

1. That the 2023 GHG Inventory for BORUSAN PIPE GROUP has been developed in accordance with common industry practice, including ISO 14064-1:2018 Standard.
2. The verification has been carried out to cover the Gemlik and Halkalı factories, which are operational in Turkey, the ABKY facilities, the Istanbul headquarters, the Vobarno (Italy) factory, as well as the Texas factory in the United States in which it holds shares, and the production facilities in Panama City and Mobile.
3. That the calculated Category 1, Category 2, Category 3 and Category 4 emissions for 2023 are **2,645,717 tons of CO<sub>2</sub>e** (the emission sources included for each source has been given in verification report)

**The verification task was to form an opinion at a reasonable level of assurance about the above GHG assertions, regarding:**

1. Conformance with the general requirements of ISO 14064-1.
2. Reasonableness of the calculated Category 1, Category 2, Category 3 and Category 4 emissions for the monitoring period of 01.01.2023 - 31.12.2023

**The verification performed by Bureau Veritas applied ISO 14064-3 International Standard for GHG verifications. The following verification activities were conducted:**

1. Review of documentation, controls and methodologies, including other verification reports,
2. Assessment of risks and verification planning,
3. Assessment of documentation, controls and methodologies, including the facility quality management systems,
4. Documentation of verification findings and outstanding issues in verification report,
5. Assessment and documentation of resolutions to outstanding issues in verification report,
6. Issuance of verification statement and completion of verification.

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**GHG Assertion #1:** The GHG inventory conforms to the general requirements of ISO 14064-1 Standard.

**GHG Assertion #2:** 2,645,717.25 tons CO<sub>2</sub>e of which 45,694.57 tons of CO<sub>2</sub>e direct emissions (Category 1), 24,781.87 tons of CO<sub>2</sub>e indirect emissions from imported energy (Category 2), 914,466.79 tons of CO<sub>2</sub>e indirect GHG emissions from transportation (Category 3), 1,660,774.02 tons of CO<sub>2</sub>e indirect GHG emissions from products and services used by the organization (Category 4).

Emission due to biomass combustion is 0 tons of CO<sub>2</sub>e. (The emission sources included for each category has been given in verification report)

**GHG Assertion #3:**

Facility	Country	Category-1	Category-2	Category-3	Category-4
Turkey	TR	16,245.52	1,137.54	120,702.41	1,266,266.72
Texas	ABD	21,930.86	12,123.23	344,441.47	93,591.77
Panama City	ABD	2,546.21	5,108.67	408,677.94	179,290.48
Mobile	ABD	889.95	5,317.44	37,171.11	107,174.80
Vobarno	Italy	4,082.04	1,094.99	3,473.86	14,450.25

**View Declaration**

As a result of the verification audit conducted on the basis of international standards, the 2023 greenhouse gas emission data disclosed in the Corporate Carbon Footprint Report were verified for Category 1, 2, 3 and 4 with reasonable assurance.

**Verifier Opinion and Qualifications**

Based on the process and procedures conducted, the GHG assertion is prepared in accordance with the requirements of ISO 14064-1.

Based on the process and procedures conducted, the GHG assertion is materially correct and is a fair representation of the GHG data and information.

Date: 26 September 2024

**S.Özge ŞAHINKAYA**  
Lead Verifier

**İbrahim TAGAY**  
Certification Manager

BVGH-SUS-F13-Rev 0-30.11.2023



# CONTACT

This report may include general information as well as forward-looking statements, estimates, and projections, which are not intended as legal advice or recommendations for any investment decisions. These statements are disclosed in good faith and for informational purposes only, as of the period covered by the report. The information provided is supplied “as is,” without any warranty of completeness or validity. Borusan Pipe, its employees, managers, and other individuals or entities involved in the reporting process cannot be held liable for any damages arising from the use of the information presented in this report. All rights regarding this report or its content are reserved by Borusan Pipe. For further information, please contact [bbsurdurulebilirlik@borusan.com](mailto:bbsurdurulebilirlik@borusan.com).

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