KAFEIN YAZILIM HIZMETLERI TICARET ANONIM SİRKETİ
SUSTAINABILITY POLICY

1. GENERAL INFORMATION

1.1. Mission

The purpose of this policy is to determine the basis and principles regarding the implementation of "Environmental, Social, Corporate Management (ESG) Studies" toward the Corporate Governance Principles and Sustainability Principles Compliance Framework of the Capital Markets Board.

1.2. Scope

While carrying out sustainability activities, the company supports economic development to improve the quality of life of the society, follows policies that respect the environment in all its activities, supports various projects prepared for social and cultural purposes in this direction, provide valuable services on education, health, life without barriers, environment, culture etc. by internalizing transparency, fairness, accountability and responsibility, supporting social development in all business processes, and encouraging efforts to increase employee awareness by taking part in social responsibility projects with its employees.

2. PRACTICE

2.1. Sustainability Basis and Principles

Based on environmental, social, and corporate management; Corporate Sustainability Policy covers the items below:

- To continuously improve all business processes by managing risks effectively
- Working with the zero-accident principle in terms of occupational health and safety
- Increasing company performance and production efficiency
- To provide an open communication environment by encouraging employees to participate actively
- To use energy efficiently, to protect environmental balance and natural resources
- To increase the knowledge and social awareness of stakeholders on climate change
- To follow a sustainable environmental management policy based on national environmental legislation, relevant environmental standards, and the best technologies in this field
- To ensure information security and business continuity in all activities
- To comply with national and international legislative requirements
- Managing relations with its stakeholders in a transparent and common sense
- To ensure continuity in customer satisfaction
- Developing its suppliers for sustainability practices
- To transparently share sustainable environmental policy practices with the public
- Presenting Corporate Social Responsibility activities to its stakeholders in line with Company strategies, goals, and priorities
- To adopt the Corporate Governance Principles as the corporate culture, especially ethical values, and anti-corruption.

2.2. Process Management

a) Due Diligence

Kafein Environmental Management System is based on the "Plan - Do - Check - Act (PDCA)" methodology.

- *Planning*: It is the process of setting the company's goals and planning how to achieve them. Planning involves creating an action plan, allocating resources and assigning responsibilities. In the first stage, it is essential to identify the positive or negative *impacts* that the company has or could potentially have on the economy, environment and society (including human rights) in order to ensure sustainable development. Sustainability-oriented goals and targets, as well as risks and opportunities, are identified. Criteria and standards for the goals and targets are identified. Authorities, responsible persons and stakeholders to be collaborated with are identified.
- *Do*: It involves taking the necessary actions to implement the processes in accordance with the plan. At this stage, it is ensured that the agreed procedures are put into effect, relevant personnel are trained and coordination between units is ensured.
- *Check:* It involves monitoring and measuring processes and reporting results against environmental policies, including commitments, objectives and operating criteria, and is a process of assessing how far targets have been achieved. It is based on monitoring, measuring and reporting. The data from the implementation process is the main input for the check phase. Using performance measures and key indicators, actual results are compared with planned results.
- *Action and Remediation:* This step is based on the principle of continuous improvement. If there are deviations from planned targets or areas for improvement, corrective actions are implemented.

b) Compensation Mechanism

Compensation is the stage of providing solutions to eliminate or improve a negative impact. In order to identify the negative impact, Kafein Yazılım has established grievance mechanisms that are accessible to all stakeholders and respect the right to confidentiality. All of our employees working within the company can submit their opinions, suggestions and complaints either with their personal information or anonymously through the "I Have an Idea" section on our company's online portal (portal.kafein.com.tr). All our stakeholders can communicate with us through the contact form on our company website . All incoming notifications are directed to the relevant departments, evaluated and necessary actions are taken. Anonymous reports are forwarded to the Ethics Committee by the system within the scope of our company's Ethical Principles and Behavior Policy. In addition, the opinions and suggestions of stakeholders are taken into consideration by conducting employee and customer satisfaction surveys on an annual basis and the results are reported to senior management.

No adverse behavior or attitude can be displayed towards employees or other stakeholders who make notifications and complaints in good faith regarding behaviors contrary to the norms within the scope of this policy.

c) Commitment

Kafein Yazılım is committed to full compliance with the Universal Declaration of Human Rights, ILO (International Labor Organization) Conventions ratified by Turkey and the legal framework and legislation regulating human rights and working life in Turkey. The Company commits its commitment and continuous support to the 10 globally recognized principles of the United Nations Global Compact under the main headings of "Human Rights, Working Conditions, Environment and Anti-Corruption". The Company adopts the United Nations Sustainable Development Goals (SDGs) and commits to pay utmost attention to partnership and cooperation for the goals.

2.3. Environmental Principles

2.3.1. Tackling the Climate Crisis

- The Company conducts its activities in compliance with local and international environmental and climate change legislation and other requirements. In cases where legal legislation is not regulated, the Company adopts standards, internationally recognized principles and best practices.
- Identifies risks and opportunities arising from environmental and climate change impacts and uses the results obtained in determining business strategies.
- Monitors environmental and climate change performance, manages it through targets and focuses on continuous improvement. Takes the Company's sustainability strategy and roadmap into consideration when setting targets.
- Considers environmental and climate change impacts in financial and physical investment decision-making processes and conducts impact assessment studies in this context.
- Prioritizes the use of appropriate technologies in the transition to a low-carbon economy, taking into account the dynamics of the sector in which it operates, and carries out studies that will contribute to the fight against climate change.
- It considers environmental impact and climate change factors in facility and process design and production technology choices, aims to minimize their impact by implementing the best available techniques and technologies, and integrates best practices into business processes.
- Aims to keep environmental and climate change impacts under control throughout the product life cycle and develops environmentally friendly products. Carries out improvement studies using the results obtained.
- Participates in the efforts of its customers in the value chain to cooperate on their environmental and climate change performance and meets their requests in this direction. Encourages them to improve their environmental performance.
- Encourages the efforts of its employees and business partners to improve their climate and environmental performance through suggestion and reward systems.
- Carries out training and communication activities to raise the level of awareness of employees, external stakeholders and the general public on the environment and climate change.
- Considers climate change and environmental impacts in procurement and supply processes, supplier and raw material preferences; encourages its suppliers to improve their products and practices for climate change and environmental management.

- Closely follows international and national developments on environment and climate change, carries out communication and cooperation activities with institutions and organizations, and supports sectoral and public initiatives.
- Follows incentive mechanisms and prioritizes access to green financing to be used in the projects it develops and investments it will realize.

2.3.2. Water Management

The increase in extreme weather events such as floods and droughts and water stress due to the climate crisis pose significant risks for the whole world and especially for manufacturing businesses. The Company has low water dependency arising directly from its operations due to the sector in which it operates. However, the Company supports the United Nations' global goal of "Clean Water and Sanitation" to ensure accessible water and wastewater services and sustainable water management for all. In this context;

- The Company focuses on reducing water use and water-related risks, increasing wastewater recovery, and considering environmental and social needs in water withdrawal.
- It aims to minimize water-related environmental impacts throughout the product life cycle by adopting innovative technologies.
- Develops, implements and monitors effective water management projects by examining the best practices of national/international institutions.
- Carries out monitoring, measurement and analysis studies related to water and works to reduce its water footprint.
- In line with its water targets, it aims to reduce direct water consumption and to share annual water consumption in annual reports.
- Ensures that employees' right to access clean water is respected and a healthy working environment is provided.

2.3.3. Forest Positive Strategy and Biodiversity

Kafein Yazılım commits to take utmost care to protect and restore terrestrial ecosystems such as forests, wetlands, drylands and mountains in order to combat climate change and improve the capacity for sustainable use of forests. Observes local and global legislation to reduce the degradation of natural habitats and halt the loss of biodiversity. In this context, in order to reduce the demand for natural resources and ecosystems, the Company seeks resource efficiency and minimum waste generation in its operations.

- The Company pays utmost attention to protect and develop natural ecosystems in the geographies where it operates and to minimize the impact on biodiversity.
- Kafein aims to protect the diversity of species, habitats, ecosystems and the integrity of ecological functions by identifying and monitoring the impacts of its activities on biodiversity.
- Within the scope of its activities, it identifies risks and takes necessary actions to prevent soil and forest degradation.
- It cooperates with NGOs (Non-Governmental Organizations) to support the sustainable management of all types of forests, to end deforestation, to restore degraded forests and to promote afforestation and reforestation.

2.3.4 Carbon Emission and Air Pollution Reduction

Carbon Footprint means the damage that individuals and companies leave to the world through the emission of carbon dioxide (CO2), which is shown to be the main cause of global warming, which causes the formation of gases that cause the greenhouse effect and is emitted into the atmosphere by the use of fossil fuels, directly or through the use of energy in the production of the products they use. Kafein Yazılım has determined a policy that aims to limit the direct and indirect impacts of its products on the environment throughout their life cycle. In this context;

- Including Scope I (Direct Emissions), Scope II (Indirect Emissions), including Scope III (Other Indirect Emissions), the Company regularly monitors and reports greenhouse gas emissions and ozone-depleting substance (ODS) emissions from its operations on an annual basis by adopting an operational control approach within the framework of globally accepted standards.
- Provides comprehensive trainings to its employees through the training portal in order to raise awareness on the reduction of Carbon Footprint and Air Pollution and to improve human and institutional capacity.
- Prepares an improvement plan especially in electricity consumption where emissions are high and sets gradual targets for emission reduction.

2.3.5. Waste Management

Waste Management encompasses all waste-related activities such as generation, segregation, storage, transportation and transport from the point of origin (region/department) to the final disposal location (recycling/storage/incinerator). This policy covers Kafein's arrangements, including responsibilities for the classification, segregation, collection, storage, transportation and disposal of all waste generated as a result of Kafein's activities.

- The company supports minimizing the consumption of materials and packaging, using materials with low environmental impact, increasing recycling, recovery, reuse and continuing its activities with a circular economy approach.
- With a waste management principle in line with the value chain approach, it ensures that waste generation is prevented at the source, waste is reduced, sorted, recycled and, where possible, waste is used as a resource.
- Within the scope of waste management and recycling activities, it acts in accordance with the waste policies of the Technology Development Zone in which it operates.
- Always ensures full regulatory compliance for Waste Management activities and realizes the best possible practices.
- All employees actively participate in, and support waste reduction, minimization and recycling initiatives carried out in their respective areas/departments.

2.3.6. Energy Management

The software industry is directly dependent on electricity consumption and therefore the main source of greenhouse gas emissions is energy consumption. The intensive use of electricity is the most important issue that makes it necessary to work on energy efficiency and reduction. We strive to reduce our environmental impact and energy costs by reducing our energy consumption to the lowest possible level. In this context;

- The Company follows all legal regulations related to energy management, efficiency programs developed on national/international platforms, carries out its activities within the framework of corporate standards, integrates applicable rules and standards, especially ISO 50001 Energy Management System, into its processes, fulfils its obligations under legal regulations and programs of which it is a member.
- Within the scope of this policy, it determines and categorizes the energy impact of its activities, ensures the efficient use of energy resources, continuously strives to improve its energy performance and, as a result, minimizes energy and environmental impact to the minimum possible level.
- Sets goals and targets to continuously improve energy efficiency, reviews them regularly and prevents inefficient energy use.
- It follows global, sectoral and technological developments regarding energy efficiency and identifies new products, processes and standards that can be applied within the scope of this policy. By presenting the developments and opportunities it identifies to the evaluation of relevant stakeholders, it ensures the use of applicable new products and/or implements processes and standards.
- Diversifies the energy resources used by taking into account the risks of climate change and encourages the use of renewable energy resources.

2.4. Responsibility

Kafein's Board of Directors, whose duties and authorities are determined within the framework of the provisions of the Turkish Commercial Code, is the highest-level management body that has responsibility and decision-making authority in our company's sustainability studies and activities. In this context, the Board of Directors assumes high-level responsibility in establishing policies, evaluating relevant studies, following developments and determining strategies. The performance status and progress regarding this policy is reported annually by the *Corporate Governance Committee* and submitted to the Board of Directors. In addition, the *Ethics Committee* is responsible for presenting to the Board of Directors the complaints, suggestions and opinions submitted to it within the scope of the "Ethical Principles and Behaviour Policy" published on the Company website.

This Policy is binding for all activities and employees of the Company. The Company takes utmost care to ensure that the principles listed in this Policy are adopted and disseminated by its suppliers and business partners.

2.2. Effective Date

This Policy takes effect on the date it is approved by the Board of Directors. When any change is required in the Policy, the changes become valid after the approval of the Board of Directors and are disclosed to the public on the website.