

PENTA TEKNOLOJİ ÜRÜNLERİ
DAĞITIM TİCARET A.Ş.

CONVENIENCE TRANSLATION INTO
ENGLISH OF THE ANNUAL REPORT 2021

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1. GENERAL INFORMATION, CAPITAL AND SHAREHOLDERS STRUCTURE

Reporting Period	: 01.01.2021 – 31.12.2021
Trade Name	: Penta Teknoloji Ürünleri Dağıtım Ticaret A.Ş.
Trade Registration Number	: 492652
Head Office Address	: Dudullu Organized Industrial Zone, 4. Street No : 1 34775 Ümraniye/İSTANBUL
Phone Number	: (0216) 528 00 00
Fax Number	: (0216) 415 23 27
E-mail Address	: info@penta.com.tr , yatirimciiliskileri@penta.com.tr
Website	: www.penta.com.tr , yatirimci.penta.com.tr

Principal activities of Penta Teknoloji Ürünleri Dağıtım Ticaret A.Ş. ("Penta Teknoloji" or the "Company") are distribution of computer, hardware and software goods. The Company purchases the trade goods from domestic and foreign suppliers and distributes them mostly to its domestic customers via its sales network. Total number of the Company's employees is 353 as of 31 December 2021

The capital and shareholder structure as of 31.12.2021 is given below. Group A shares, held by Gözde Girişim Sermayesi Yatırım Ortaklığı A.Ş. ("Gözde GSYO A.Ş.") are privileged shares and their only privilege is the privilege of nominating candidates for members of the Board of Directors.

Shareholder	Share Group	Share Capital (TL)	Share Capital (%)
Gözde GSYO A.Ş.	A	11.824.231,00	27,04
	B	2.259.528,00	5,17
İstanbul Portföy Yıldız Serbest Fon	B	8.974.600,00	20,53
Mustafa Ergün	B	4.459.397,00	10,20
Mürsel Özçelik	B	3.135.347,00	7,17
Sinan Güçlü	B	3.091.088,00	7,07
Bülent Koray Aksoy	B	3.082.430,00	7,05
Other	B	6.897.379,00	15,77
Total Capital		43.724.000,00	100,00

The details of subsidiaries as of 31.12.2021 are given below.

Subsidiary Name	Place of Incorporation and Operation	Proportion of Ownership
Commonwealth Finance Investment Ltd.	British Virgin Islands	100,00%
Penta International B.V.	Netherlands	100,00%

2. BOARD OF DIRECTORS AND SENIOR EXECUTIVES

The Company is represented and managed by a 6-member Board of Directors, determined by the General Assembly. Most of the Board Members are non-executive members. Only one member is an executive member. Non-executive Board Members do not have any administrative duties in the Company, other than their Board memberships, and do not interfere in the Company's daily work flow and ordinary operations.

Members of the Board of Directors:

Name	Title
Mehmet TÜTÜNCÜ	Chairman of the Board of Directors
Ali ÜLKER	Vice Chairman of the Board Of Directors
Mürsel ÖZÇELİK	Executive Member of the Board of Directors
Erman KALKANDELEN	Member of the Board of Directors
Aytaç Saniye MUTLUGÜLLER	Independent Member of the Board of Directors
Fatma Pınar ILGAZ	Independent Member of the Board of Directors

Authorization and Limitations of the Members of the Board of Directors:

In accordance with the Turkish Commercial Code ("TCC"), the Capital Markets Board regulations and the provisions of the Articles of Association; the Board of Directors is authorized to take all decisions except those that fall within the jurisdiction of the General Assembly.

However, if such matters fall within the scope of a significant transaction pursuant to the Capital Markets Board's Corporate Governance Principles regulation, action is taken within the framework required by the aforementioned regulation. The Corporate Governance Principles, which are mandatory to be implemented by the Capital Markets Board, are complied with.

Top Management of the Company:

Name	Title
Mehmet Fatih ERÜNSAL (*)	General Manager
Gülay ÇUĞU BAL	Chief Financial Officer
Yasemin BUDAK	Digital Transformation and Operations Director

(*) General Manager of the Company as of 31 December 2021 is Mürsel Özçelik. Mehmet Fatih Erünsal was appointed as the General Manager on 31 January 2022.

3. SECTORAL DEVELOPMENTS AND ACTIVITIES IN THE REPORTING PERIOD

Digitalization trend accelerating all over the world in recent years as well as in our country, the growth of Turkey and the increase in investment and production capacity, as well as the increasing importance of technological infrastructure day by day resulted in the growth of Information Technologies sector. This growth was supported and accelerated by the Covid-19 outbreak. Technology has become an integral part of daily life and business for both individual end users, public institutions and private sector.

The positive course observed in the sector in the first three quarters of 2021 was interrupted by the exchange rate fluctuations and the import dependency of the sector in the last quarter. These developments had a negative impact on the Company's last quarter results.

4. EVENTS AFTER THE REPORTING PERIOD

It is decided to increase the current registered capital ceiling of the Company from TL 150.000.000 to TL 750.000.000 for the years 2022-2026 with the decision of the Board of Directors dated January 14, 2022. The Capital Markets Board ("CMB") application regarding the decision was made on 18 January 2022 and the application was approved by the CMB on 24 January 2022. On 3 February 2022, an application was made to Republic of Türkiye Ministry of Trade for the necessary changes and on 8 February 2022, Republic of Türkiye Ministry of Trade's permission was obtained for the amendment of Article 6 of the Company's Articles of Association for the purpose of increasing the Registered Capital Ceiling. The aforementioned amendment will be submitted to the approval of the shareholders at the first General Assembly meeting to be held.

The law on amending the Tax Procedure Law and the Corporate Tax Law was enacted on January 20, 2022, it has been enacted with the number 7352 and it has been decided that the financial statements will not be subject to inflations adjustment in the 2021 and 2022 accounting periods, including the temporary accounting periods, and in the provisional tax periods of the 2023 accounting period, regardless of whether the conditions for the inflation adjustment within the scope the repeated Article 298 are met. In line with the Law No. 7352, inflation adjustment will be applied to the financial statements dated 31 December 2023, and the profit/loss difference arising from the inflation adjustment will be shown in the previous years' profit/loss account and will not be taxed.

Mehmet Fatih Erünsal, Deputy General Manager responsible for Sales and Marketing, was appointed as the General Manager on 31 January 2022 by the Board of Directors and it is decided that Mürsel Özçelik will continue his duty as the Executive Director.

5. SUMMARY OF FINANCIAL INDICATORS

Condensed Consolidated Balance Sheet as of 31 December 2021:

	(Turkish Lira)	(Turkish Lira)	(US Dollar)	(US Dollar)
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Current Assets	2.550.272.108	1.692.991.089	191.332.591	230.637.026
Non-Current Assets	82.202.209	65.167.315	6.167.170	8.877.776
TOTAL ASSETS	2.632.474.317	1.758.158.404	197.499.761	239.514.802
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Current Liabilities	1.643.025.204	736.732.534	123.266.952	100.365.443
Non-Current Liabilities	22.348.121	810.634.243	1.676.655	110.433.109
Equity	967.100.992	210.791.627	72.556.154	28.716.250
TOTAL LIABILITIES AND EQUITY	2.632.474.317	1.758.158.404	197.499.761	239.514.802

Condensed Consolidated Income Statement as of 1 January – 31 December 2021:

	(Turkish Lira) 01.01.2021 - 31.12.2021	(Turkish Lira) 01.01.2020 - 31.12.2020	(US Dollar) 01.01.2021 - 31.12.2021	(US Dollar) 01.01.2020 - 31.12.2020
Revenue	5.659.271.479	4.206.483.149	635.651.793	600.154.537
Cost of Sales (-)	(5.253.912.721)	(3.891.097.796)	(590.121.724)	(555.157.340)
GROSS PROFIT	405.358.758	315.385.353	45.530.069	44.997.197
General Administrative Expenses (-)	(39.557.595)	(33.316.994)	(4.443.126)	(4.753.459)
Marketing, Sales and Distribution Expenses	(67.075.519)	(56.623.812)	(7.533.951)	(8.078.729)
Other Income From Operating Activities	3.450.477	1.721.319	387.559	245.587
Other Expenses From Operating Activities (-)	(131.119.798)	(86.599.028)	(14.727.432)	(12.355.403)
OPERATING PROFIT	171.056.323	140.566.838	19.213.119	20.055.193
Income From Investing Activities	1.890.867	513.577	212.383	73.274
Finance Income	6.026.954	21.225.460	676.950	3.028.315
Finance Expenses (-)	(99.241.656)	(132.795.654)	(11.146.865)	(18.946.448)
PROFIT BEFORE TAX	79.732.488	29.510.221	8.955.587	4.210.334
Tax Expense From Continuing Operations	(98.910.886)	(18.401.674)	(11.109.713)	(2.625.435)
Current tax expense	(77.459.436)	(33.613.816)	(8.700.277)	(4.579.227)
Deferred tax (expense) / income	(21.451.450)	15.212.142	(2.409.436)	1.953.792
(LOSS) / PROFIT FOR THE YEAR	(19.178.398)	11.108.547	(2.154.126)	1.584.899

Financial Ratios:

	(Turkish Lira) 31.12.2021	(Turkish Lira) 31.12.2020	(US Dollar) 31.12.2021	(US Dollar) 31.12.2020
Gross Profit Margin (%)	7,2%	7,5%	7,2%	7,5%
Operating Profit Margin (%) ^(*)	5,3%	5,4%	5,3%	5,4%
Net Profit Margin (%)	-0,3%	0,3%	-0,3%	0,3%
EBITDA Margin (%)	5,4%	5,6%	5,4%	5,6%

^(*) Before other income / expenses from operations.

6. ADMINISTRATIVE, LEGAL AND OTHER OPERATIONAL ISSUES

Related Party Transactions:

The amount of the sales and purchase transactions of the Company with the related parties is less than 1% of the Company's total sales. Details of transactions with related parties are included in note 4 of the independently audited consolidated financial statements report as of 31 December 2021.

Compensation of Key Management Personnel:

The key management personnel of the Company consist of board members, the general manager and the directors. The sum of wages and similar benefits paid to top management in 2021 is TL 4.971.513.

Donations and Grants:

Total amount of cash donations made in 2021 is TL 9.061.

Other Issues:

The Company's shares are publicly traded on Borsa Istanbul ("BIST") as of 17 May 2021.

No material lawsuits were filed against the Company during the period. There are no administrative and/or judicial sanctions against the Company and the members of the management. There has been no transaction or competition situation that may cause a conflict of interest with the company or its subsidiaries, of the shareholders holding the management dominance, the Members of the Board of Directors, senior managers and their spouses and close relatives including relatives-in-law up to the second degree.

The dividend distribution policy, donation policy and remuneration policy, determined with the Extraordinary General Assembly dated September 8, 2021, were approved and registered on October 13, 2021. Policies were shared with the public via Public Disclosure Platform.

Mürsel Özçelik, who is a member of the Company's Board of Directors and also served as the Company's General Manager, has been appointed as the Executive Director by the Board of Directors on 30 November 2021.

7. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

• SECTION I – Statement of Compliance with Corporate Governance Principles

CMB's Corporate Governance Communiqué numbered II-17.1, which determines the principles and procedures regarding the corporate governance principles and related party transactions on which the partnerships whose shares are publicly offered or deemed to be offered to the public, came into effect after being published in the Official Gazette dated 03.01.2014 and numbered 28871. In this respect, compliance with the provisions stipulated by the CMB to be mandatory has been accepted and compliance with these provisions has been achieved. Furthermore, the majority of non-mandatory principles were also complied with and there is no conflict of interest for the non-applied principles.

The Corporate Governance Compliance Report as required by the Capital Markets Board Resolution no. 2/49 on 10.01.2019 and the Communiqué no. II-17.1 on Corporate Governance will be published on the Public Disclosure Platform by using the templates of Corporate Governance Compliance Report (URF) and Corporate Governance Information Form (KYBF). Related documents can be reached at <https://www.kap.org.tr/tr/sirket-bilgileri/ozet/3909-penta-teknoloji-urunleri-dagitim-ticaret-a-s>.

Our Corporate Governance Principles Compliance Report, the details of which are given below, is also available to the shareholders and the public on the Company's website. Necessary efforts will be carried out by taking the developments and practices in the legislation into account to comply with the principles in the upcoming period. Accordingly;

- "Investor Relations Department" was established; the Board of Directors was formed including the Independent Board Members in the number set forth in the Corporate Governance Principles Communiqué, and upon the dissemination of their résumés,
- Female members was elected to the Board,
- Corporate Governance Committee, Audit Committee, and Early Detection of Risk Committee were formed in a way to directly report to the Board of Directors,
- Working principles of the committees were published on the Public Disclosure Platform and corporate website,
- Committee chairs were elected among the Independent Members of the Board,

- Information documents, meeting agenda, annual report, résumés of the nominees for Board Membership, and other matters to be announced were submitted to investors and shareholders three weeks prior to the General Assembly,
- The Investor Relations Manager was included in the Corporate Governance Committee to ensure compliance of committee members with the Corporate Governance Communiqué,
- Necessary arrangements were made regarding insider trading,
- The corporate website was arranged as stipulated in the principles.

Although full compliance with non-mandatory Corporate Governance Principles is a target, it has not yet been achieved due to difficulties regarding implementation of some principles and some principles failing to align with the existing structure of the market and the Company.

The principles that have not been implemented yet have not resulted in a conflict of interest among stakeholders up today. However, they are being worked on and the plan is to adopt them upon the completion of the administrative, legal and technical infrastructure works that would contribute to the Company's effective management.

Grounds for the Corporate Governance Principles Not Yet Implemented

- No model or mechanism was created for the Stakeholders to participate in the management. However, the independent members of the Board ensure that the Company and shareholders, as well as all stakeholders, are represented in the management. The Company takes the advice and opinions of the employees, suppliers, various non-governmental organizations, and all other stakeholders into consideration.
- There is no written compensation policy for the employees that must be established in accordance with Article 3.1.2 of the Corporate Governance Principles and related works are in progress.
- Due to the number of members in the Board of Directors, a member of the Board assumes duties in a number of committees.
- As per Article 4.6.5 of the "Corporate Governance Principles," the remuneration of the members of the Board and executive senior managers as well as all other benefits granted are publicly announced via Annual Report. The wages paid and all other benefits provided are disclosed collectively, and no disclosure is made on an individual basis yet.
- There are no provisions in the Articles of Association, giving the shareholders any personal right to ask for a private audit from the general assembly. The relevant regulations of the Turkish Code of Commerce and the Capital Markets Board are deemed sufficient to appoint a private auditor. Every shareholder's right to ask for a private audit is recognized within the framework of the regulations of the Turkish Code of Commerce no. 6102 that entered into force on 01.07.2012.

SECTION II – Shareholders

2.1. Investor Relations

The duties, stipulated in Article 11 of the Capital Markets Board's Communiqué on Corporate Governance numbered II-17.1, are carried out under the Investor Relations Department, which reports directly to the Company's Chief Financial Officer

This unit responds to applications made by existing and potential stakeholders. It also participates in investor conferences and holds meetings with institutional investors. BIST, CMB and Central Securities Depository statements that provides information to shareholders and stakeholders and the communication with these institutions are carried out by this department.

Information regarding the executives responsible for the Investor Relations Department is presented below.

Osman AKBULUT
Investor Relations Manager
Phone: +90 (216) 528 0000
E- mail address: yatirimciiliskileri@penta.com.tr

Gülay ÇUĞU BAL
Chief Financial Officer
Phone: +90 (216) 528 0000
E-mail address: yatirimciiliskileri@penta.com.tr

2.2. Use of Shareholders' Right to Request Information

Except for information considered either commercial secret or insider information, all written or verbal requests from our shareholders for information within the period were responded to. Our shareholders are provided with all the information as required to exercise their rights as shareholders in a healthy manner via quarterly reports and annual reports, material event disclosures, and investor presentations. The information necessary for shareholders is also made available to shareholders in the Company's website.

The request of the shareholders to appoint a special auditor has not yet been regulated as an individual right in the articles of association of the company and no request has been made to appoint a private auditor in the period.

2.3. General Assembly Meetings

General assemblies convene ordinarily or extraordinarily. The provisions of the Turkish Commercial Code and the Capital Markets Legislation are complied with at the general assembly meetings. The operation of the general assembly meetings is regulated by the Company's Internal Directive on the Working Principles and Procedures of the General Assembly.

The ordinary general assembly convenes at least once a year. At this meeting, negotiations are held and decisions are taken regarding the election of the organs, financial statements, the annual report of the Board of Directors, the way the profit is used, the determination of the proportions of the profit and earnings to be distributed, the release of the members of the board of directors, and other matters that are relevant to the period and deemed necessary.

Extraordinary general assembly convenes when required by the business of the Company, in accordance with the provisions written in the law and the articles of association, and takes the necessary decisions.

Pursuant to Article 1527 of the Turkish Commercial Code no. 6102 dated January 13, 2011, which stipulates that online participation in general assembly meetings, making proposals and statements online, and online voting shall have the same legal effects in all aspects as participating and voting in any general assembly meeting in person; and that all companies traded on the stock exchange are required to set up and maintain a system allowing online participation in general assembly meetings and voting; the online General Assembly convenes on the same date and with a parallel agenda as the physical general assembly.

The Company's shares are publicly traded on Borsa Istanbul as of 17 May 2021. There is no Ordinary General Assembly Meeting held after this date. However, the Company's Extraordinary General Assembly Meeting was held on 08.09.2021 at 10:00 in Kısıklı Mah. Ferah Cad. No:1 B.Çamlıca Üsküdar-Istanbul, under the supervision of Ministry Representative Mustafa KENDİ, who was assigned with the letter of Istanbul Provincial Trade Directorate dated 07.09.2021 and numbered 66996827.

In accordance with Article 414 of the TCC, the invitation to the meeting which stated the date and agenda of the meeting, stipulated in the law and the Articles of Association and including the agenda, was published in the Trade Registry Gazette dated 10.08.2021 and numbered 10384, on the official website of the Company, www.penta.com.tr and on the Public Disclosure Platform. In addition, the meeting was held in due time by notifying the meeting day and agenda.

After the examination of the list of attendees, it was understood that the minimum meeting quorum stipulated in both the law and the articles of association was present, and the discussion of the agenda began. After the meeting, the minutes of the general assembly meeting, the list of attendees and additional documents regarding the decisions taken were published on the Company's corporate website and on the Public Disclosure Platform.

2.4. Voting and Minority Rights

According to the Articles of Association, each share carries the right to one vote.

However, provided that the capital represented by the group A shares continues to represent at least 20% of the Company's issued capital, half of the total members of the Board of Directors of the Company will be selected from among the candidates nominated by the A group shareholders.

The Company does not implement a cumulative voting method.

There are no provisions in the Articles of Association that prevent non-shareholders from voting by proxy as representatives.

There is no company in which the Company holds reciprocal shares.

The shareholders who have the right to attend the General Assembly meetings of the Company may also attend them by electronic means, pursuant to Article 1527 of the Turkish Commercial Code. The Company may set-up an electronic general assembly system allowing the shareholders to participate in general assembly meetings, express opinions, share suggestions, and vote as per the terms of the "Regulation on the General Assembly Meetings to be held Electronically in Joint Stock Companies" or may purchase services from the systems designed for this purpose. In all General Assembly meetings, it shall be ensured that the beneficiaries and their representatives are able to exercise their rights specified in the provision of the aforementioned Regulation, through the system set-up as described under this provision of the Articles of Association.

2.5. Dividend Rights

Our company distributes profits in accordance with the provisions of the Turkish Commercial Code, Capital Market Regulations, Tax Regulations and other relevant regulations and the provisions of our Articles of Association regarding profit distribution.

As long as the relevant regulations and financial possibilities allow, taking into account the market expectations, the long-term strategies of the Company, the capital requirements of the subsidiaries and affiliates, the investment and financing policies, profitability and cash situation; It is aimed to distribute at least 50% of the distributable net profit for the period calculated within the framework of the Articles of Association, TCC, CMB Communiqué on Dividends

and tax regulations to the shareholders and other people participating in the profit. The dividend may be distributed in cash and/or in the form of bonus shares and/or by using these two methods together at certain rates.

The dividend is, as of the distribution date, distributed equally to all existing shares in proportion to their shares, regardless of their issuance and acquisition dates. There is no share that provides a profit share privilege among the shares of the Company.

Provided that it is decided at the General Assembly Meeting where dividend distribution is decided, dividend payments can be made in equal or different amount installments.

The Company's Profit Distribution Policy was approved at the Extraordinary General Assembly meeting held on September 8, 2021 and disclosed to the public via the Public Disclosure Platform and the corporate website.

2.6. Transfer of Shares

The transfer of shares are included in the Article 7 of the Articles of Association.

The transfer of Company shares is carried out in accordance with the provisions of the Turkish Commercial Code and the Capital Markets Law and other relevant legislation.

When an application is made to the Central Securities Depository or the institution that will replace it, for any of the group A shares to be traded on the stock exchange for any reason, including the sale of the said shares on the stock exchange or being subject to collateral, the shares subject to the application automatically turn into group B shares.

SECTION III – Public Disclosure and Transparency

3.1. Corporate Website and Its Content

The Company's websites www.penta.com.tr and yatirimci.penta.com.tr which are published in Turkish and English, are used for public disclosure, and the information contained there is updated when necessary. The information on the company's website is the same and consistent with the explanations made in accordance with the provisions of the relevant legislation, and does not contain contradictory or incomplete information. In addition to the information that is required to be disclosed in accordance with the legislation; the Company's website also contains trade registry information, current partnership and management structure, the final version of the company's articles of association, material disclosures, financial reports, annual reports, investor presentations, prospectuses and public offering circulars, information on general assembly meetings, company policies and frequently asked questions.

3.2. Annual Report

The Company's annual report is prepared in detail to enable shareholders and the public to access complete and accurate information about the Company's operations, in accordance with the Corporate Governance Principles and the issues specified in the legislation.

SECTION IV – Stakeholders

4.1. Information to Stakeholders

In cases where the rights of the stakeholders are not regulated by legislation or contract, the interests of the stakeholders are protected within the framework of goodwill rules and within the scope of the Company's abilities, by also considering the reputation of the Company.

Stakeholders such as company employees, customers, suppliers and investors are provided with information on matters that concern them, in addition to the information included in the financial statements and reports disclosed to the public pursuant to the CMB legislation. Company employees are informed through periodic e-mail announcements and announcements made on the Company's internal internet portal.

4.2. Participation of Stakeholders in Management

The Board of Directors consists of 6 members, 2 of which are independent members. These members are elected by the General Assembly upon the proposal of the shareholders in line with the provisions of the Articles of Association. There are no efforts made for the participation of stakeholders in the management. Stakeholders are informed through regular meetings.

4.3. Human Resources Policy

The adopted human resources policy aims to position the qualified workforce for the right job in the light of the vision and strategies of the Company, to give importance to the development, career plans and happiness of its employees, as well as to carry out studies for improvement, to design systems to support sustainable high performance and productivity. Penta Teknoloji Human Resources adopts a working system that puts people in its priority and focus and adopts the principle of applying its processes with this perspective.

The core of the company's human resources policy is to be against discrimination, to provide equal opportunities to all employees and to display a fair management approach. The Company's Human Resources Policy is submitted to the shareholders via the Company's corporate website and annual report.

4.4. Ethical Rules and Social Responsibility

For our Company and its subsidiaries, the Ethical Principles represent the behaviors that must be followed or avoided and is based on honesty. The purpose of the Ethical Principles is to create a common corporate culture on business ethics and to raise awareness on this issue. Ethical Principles aim to be a guide for all parties in business processes to act not only with legal and commercial but also with ethical responsibility. The Ethical Principles cover relationships with customers, employees, shareholders, business partners, suppliers, competitors, government agencies, society and the environment. Environmental Policy, Customer Satisfaction Policy, Information Security Policy, Anti-Bribery and Anti-Corruption Policy, Occupational Health and Safety Policy, which constitute our ethical and working principles, are presented to the public on the Company's website.

We as Penta Teknoloji, act with the understanding of creating shared value in our social investments. In line with its social responsibility approach, with the understanding of contributing to the development of society and creating value, our employees are supported to participate in volunteer projects. To act with business ethics and social responsibility awareness; we act sensitively to the problems of the society, take part in projects that will contribute to the life and development of the society, provide donation support, contribute to social life by supporting education, culture, art, science and sports activities. Care is taken not to make corporate donations and social supports to projects, institutions and organizations that will damage the Company's reputation, to political activities and to persons and organizations associated with these activities, to private accounts and profit-oriented organizations. In all activities, we act in line with social benefit and respect for the environment.

SECTION V – Board of Directors

5.1. Structure and Organization of the Board of Directors

Members of the Board of Directors are elected by the General Assembly. Declaration of independence is taken from independent members. There are 2 female members in the board of directors. Information on the Members of the Board of Directors is presented below:

Name	Title	Tenure
Mehmet Tütüncü	Chairman of the Board of Directors	08.09.2021 – 08.09.2024
Ali Ülker	Vice President of the Board of Directors	08.09.2021 – 08.09.2024
Erman Kalkandelen	Member of the Board of Directors	08.09.2021 – 08.09.2024
Mürsel Özçelik	Executive Member of the Board of Directors	08.09.2021 – 08.09.2024
Aytaç Saniye Mutlugüller	Independent Member of the Board of Directors	08.09.2021 – 08.09.2024
Fatma Pınar Ilgaz	Independent Member of the Board of Directors	08.09.2021 – 08.09.2024

Mehmet Tütüncü - Chairman of the Board of Directors

He completed his undergraduate education in Gazi University Mechanical Engineering Department and his graduate education in Maltepe University Industrial and Organizational Psychology. Starting his career as a Domestic Industry Specialist at the Ministry of Industry and Trade, Tütüncü took on the duties of Production Manager, Operations Manager and General Manager, respectively, during his 10 years of experience at Best Rothmans Entegre Sigara ve Tütün Sanayi A.Ş. He started to work at Ülker Gıda A.Ş. in 1996 as the Operations Coordinator. He served as the General Manager of Ülker Biscuits and Chocolate factories, Vice President of Ülker Group, Head of Food and Beverage Group, President of Food Group and Ülker International Group. In 2016, he was appointed as the Regional CEO responsible for Turkey, Middle East, North Africa and Central Asia to the pladis organization established within Yıldız Holding. In 2017, he continued his duty as pladis Deputy CEO, taking the responsibility of South Asia and Latin America regions and pladis Global Information Systems and Business Models Transformation. In October 2018, he was elected to the position of Deputy Chairman of Yıldız Holding Board of Directors and also appointed as Yıldız Holding CEO. In addition to his duties at Yıldız Holding, he is the Chairman of the Board of Directors and a member of various companies. Being a member of Turkish Food&Beverage Industry Employers Association Board of Directors, Tütüncü is a member of many Turkish and foreign sectoral organizations.

Ali Ülker - Vice President of the Board of Directors

Ali Ülker was born in 1969, following his education at Istanbul Erkek Lisesi he graduated from the Business Administration Department of the Faculty of Economics and Administrative Sciences at Boğaziçi University, Istanbul. Having participated at different education programs at IMD, INSEAD, Wharton, and Harvard, Ali Ülker worked in the Internal Kaizen Projects at De Boccard & Yorke Consultancy (1992) and on IESC Sales System Development and Internal Organization Projects (1997). Mr. Ülker joined the group in 1985 as an intern in the quality control department of Ülker Gıda. From 1986 to 1998 he worked at chocolate production facilities and at Atlas Gıda Pazarlama in positions including sales manager, sales coordinator, product group coordinator, and product group director. In 1998 Mr. Ülker became General Director of Atlas Gıda Pazarlama, in 2000 Vice Chief of Retail Group, and in 2001 General Director of Merkez Gıda Pazarlama A.Ş. In 2002, he rose to Vice Chairman of the Food Group and in 2005 Chairman of the Group. After working as Vice Chairman of the Yıldız Holding Board of Directors for nine years, as of January 29, 2020, Ali Ülker became the Chairman of Yıldız Holding.

Having a deep expertise and experience in marketing and sales, Ali Ülker is especially interested in innovation and supports teams working on this subject in the Group. He is Fluent in English and German and he is married with three children.

Erman Kalkandelen - Member of the Board of Directors

Currently serving as the CEO and Chairman of Franklin Templeton Danışmanlık A.Ş. Since joining Franklin Templeton in 2006, Mr. Kalkandelen has focused on Emerging Markets, Small-cap Companies and Turkish Stocks. He is a member of the Board of Directors of Defacto Perakende Ticaret A.Ş., ŞOK Marketler Ticaret A.Ş. and Gözde Girişim Sermayesi Yatırım Ortaklığı A.Ş. Kalkandelen holds an MBA degree, with honors, from Sabancı University. During his MBA, he also studied strategic management at Florida University, Warrington School of Business Management, and he completed the Labor Economics Department of the Political Sciences Faculty, Ankara University, as a high honor student.

Mürsel Özçelik - Executive Member of the Board of Directors

After graduating from Kabataş High School in 1986, Mürsel Özçelik graduated from Istanbul Technical University, Department of Control and Computer Engineering. Özçelik, who founded Penta Bilgisayar with his university friends in 1990, also served as the General Manager of the Company for many years. He has been appointed as the Executive Director by the Board of Directors on 30 November 2021. He is married and has two children.

Aytaç Saniye Mutlugüller - Independent Member of the Board of Directors

Aytaç Saniye Mutlugüller obtained her undergraduate degree in Business Administration from Boğaziçi University and spent most of her professional life at the Şişecam Group, which operates in all fields of glass with production plants in many countries. She began her professional life as an assistant specialist for finance and then was directly involved in the domestic and overseas growth of the Group that adopted a centralized financial management style. Ms. Mutlugüller supported the development of a robust financial structure and played an active role as manager in the first-time implementation of various financial products. She represented the Group in several conferences as a speaker, in addition to her representative duties for foreign and domestic shareholders. After she retired as the Vice President for Finance, she served the Boards of four companies under the Group, provided advisory, and supported the implementation of different projects.

Fatma Pinar Ilgaz - Independent Member of the Board of Directors

Fatma Pinar Ilgaz graduated from Izmir Bornova Anatolian High School in 1983 and from the Faculty of Administrative Sciences, Department of Public Administration of Boğaziçi University in 1988. In 1989, she started her career in banking and continued as assistant finance manager in the financial leasing sector. Since 1995, she works at the ARGE Consultancy department. She continues to provide management consultancy in various projects as a Managing Partner at ARGE Consultancy. Within the scope of her expertise areas such as Strategic Assessment and Performance Improvement Projects, Institutionalization, Corporate Governance Structures and Sustainability Strategies, Integrated Thinking and Reporting, and Human Resources areas under ARGE Consultancy, Ms. Ilgaz has conducted management consultancy projects for more than 100 institutions and companies of different magnitudes and in different sectors. She serves at the Advisory Board of a food industry company with production and global sales activities. She is Managing Partner at ARGE Consultancy (www.arge.com), Vice Chairman of the Board of Directors of the Argüden Governance Academy Foundation (www.argudenacademy.org), Chairman of the Board of Directors of the Association of Private Sector Volunteers (OSGD- www.osgd.org), Member of the Placement Committee of the Association of Women at the Board of Directors. She has been selected for the "More Women in the Boards of Directors" Program, together with 40 Women Executive in the first group to be selected in Turkey, she has completed the trainings within the program, including Preparations for Being an Independent Member in the Boards of Directors, Information and Mentor Guidance.

Statement of Independence:

The joint statement of independence of the Independent Members of the Board of Directors is presented below.

STATEMENT OF INDEPENDENCE

To the Board of Directors of Penta Teknoloji Ürünleri Dağıtım Ticaret A.Ş.;

In the last five years, I, my spouse or my up to the second degree blood or affinity relatives is not or has not been; employed by as a key management personnel; has not had ordinary or privileged shareholding exceeding 5% by himself or together with; or has not been involved in any material business dealings with the Company, its subsidiaries and affiliates, or shareholders controlling the Company or having material effect over the Company and all entities controlled by those shareholders.

In the last five years, I am not or have not been employed by as an executive having significant duties and responsibilities or have not been a member of the board or did not have a shareholding exceeding 5% of an entity which has had a contractual relationship with the Company for a material business transaction including audit (including tax audit, legal audit, and internal audit) rating or consulting services during the terms in which the goods or services were provided.

I have the professional education, knowledge and experience to fulfill the duties I will undertake as an independent board member.

I do not work full time in a Turkish governmental or public institution and I will keep this trait if I am elected.

I am deemed to be resident in Turkey according to Revenue Tax Law No.193 dated 31.12.1960.

I am capable to contribute positively to the operations of the Company, to maintain my objectivity in conflicts of interests between the Company and the shareholders, to have strong ethical standards, professional reputation and experience to freely take decisions by considering the rights of the stakeholders.

I will dedicate enough time to follow up the activities of the Company and for the duly fulfillment of my responsibilities.

I have not been on the Board of Directors of the Company for more than six years within last ten years.

I am not an independent board member in more than three of the corporations controlled by the Company or its controlling shareholders and in more than five corporations listed on Borsa İstanbul in total.

I declare that I am not registered in the name of any legal entity elected as a member of the Board of Directors.

5.2. Rules of Conduct of the Board of Directors

The business and administration of the company is carried out by a board of directors consisting of six or eight members to be elected by the General Assembly within the framework of the provisions of the Turkish Commercial Code and the Capital Markets legislation, meeting the conditions specified in the Turkish Commercial Code and the Capital Markets legislation.

Members of the Board of Directors can be elected for a maximum of three years. Members of the Board of Directors whose term of office has expired can be re-elected. If the general assembly deems necessary, it can always change the members of the board of directors. The Board of Directors may conclude contracts and other transactions exceeding the term of office. The Board of Directors holds meetings as often as necessary according to the company's business and transactions. However, it is mandatory for the board of directors to meet at least four times a year.

Those who have the right to attend the Board of Directors' meetings may also attend them via electronic means, pursuant to Article 1527 of the Turkish Commercial Code.

The Company may establish an Electronic Meeting System allowing beneficiaries to participate in Board of Directors' meetings and vote via electronic means, as per the terms of the "Communiqué regarding the Meetings other than General Assembly Meetings to be held in Electronic Environment in Joint Stock Companies" or may purchase systems designed for this purpose. It shall be ensured in those meetings that the beneficiaries exercise their rights set forth in the provisions of the relevant legislation within the framework of relevant Communiqué of the Ministry through the system set-up or through the system from which support will be received under this provision of the Articles of Association.

In accordance with the provisions of the Turkish Commercial Code, if none of the members of the board of directors requests a meeting, provided that the written approval of a sufficient number of board members stipulated in the Turkish Commercial Code, the Capital Markets legislation and Articles of Association, the board of directors can make a decision, provided that written approval is obtained for a proposal written in the form of a decision made by one of the members of the board.

The management of the company and its representation against third parties belong to the Board of Directors. The Board of Directors performs the duties envisaged in the Turkish Commercial Code, the Capital Markets Law and other relevant legislation and assigned to it by the General Assembly.

The Board of Directors took 26 decisions in the period between 01.01.2021– 31.12.2021.

No different opinions were expressed against the decisions taken by the members of the Board of Directors at the meetings held in the year 2021. Important decisions regarding the issues that should be shared with the public were announced to the public right after the meeting.

5.3. Number, Structure, and Independence of the Committees formed by the Board of Directors

Audit Committee, Corporate Governance Committee and Early Detection of Risk Committees serve within the company. The Company's Board of Directors has left the task of fulfilling the duties envisaged for the Nomination Committee and Remuneration Committee to the Corporate Governance Committee.

The frequency of meetings of the committees, their activities and the procedures they follow while carrying out these activities are specified in the regulations on our corporate website. Decisions taken as a result of the work carried out independently by the committees are presented to the Board of Directors as suggestions, and the final decision is taken by the Board of Directors.

Audit Committee:

Name	Duty	Title
Aytaç Saniye Mutlugüller	Chairman	Independent Member of the Board of Directors
Fatma Pınar Ilgaz	Member	Independent Member of the Board of Directors

The Audit Committee convened once in 2021 and presented the meeting results to the Board of Directors.

Corporate Governance Committee:

Name	Duty	Title
Fatma Pınar Ilgaz	Chairman	Independent Member of the Board of Directors
Aytaç Saniye Mutlugüller	Member	Independent Member of the Board of Directors
Osman Akbulut	Member	Investor Relations Manager

The Corporate Governance Committee convened once in 2021 and presented the meeting results to the Board of Directors.

Risk Assessment Committee:

Name	Duty	Title
Aytaç Saniye Mutlugüller	Chairman	Independent Member of the Board of Directors
Fatma Pınar Ilgaz	Member	Independent Member of the Board of Directors
Erman Kalkandelen	Member	Member of the Board of Directors

The Early Detection of Risk Committee convened once in 2021 and presented the meeting results to the Board of Directors.

5.4. Risk Management and Internal Control Mechanism

The Company's risk management activities are carried out by the Early Detection of Risk Committee. In addition, the Company is regularly audited by the audit units of Yıldız Holding A.Ş. and independent audit firms. Findings obtained from audits are reported to the members of the Audit Committee together with other Board members. The Company's work flows, procedures, authorities and responsibilities of the employees have been brought under control within the framework of risk management and have been subjected to a continuous audit.

5.5. Strategic Objectives of the Company

The increase in digitalization all over the world and the increase in the need for technology have also spread to our country. In addition, the importance of digital infrastructure in all sectors and the fact that individuals have a large share of awareness have supported the growth of our sector. Many world-renowned global manufacturers operate in Turkey and invest in our country. Being one of the companies that distribute for these manufacturers in Turkey and support their operational processes, the Company works to spread the technology to our country and reach all users.

Due to the nature of its sector, the Company bases its strategies on working capital management and providing value-added services to producers and customers. In this context, the policies developed to date continue to be implemented with the principle of continuous improvement.

5.6. Remuneration

The principles of remuneration of the members of the Board of Directors and executives with administrative responsibility were put in writing and presented to the shareholders for the first time at the Extraordinary General Assembly meeting for 2021 held on 08.09.2021. The remuneration policy is available on the Company's website. The amount paid to the independent members of the Board of Directors is determined by the General Assembly and it is disclosed to the public through the General Assembly minutes published on the Public Disclosure Platform and on the Company website.

No loans were given to any member of the Board of Directors or senior executives, no loans were made available under a personal loan directly or through a third party and no guarantees were given in their favor during the period.

8. SUSTAINABILITY PRINCIPLES COMPLIANCE

With the Communiqué (II-17.1.a) Amending the Corporate Governance Communiqué (II-17.1) published in the Official Gazette dated 02.10.2020; incorporations subject to Corporate Governance Principles should include the title of "Sustainability Principles Compliance Framework" in their Corporate Governance Principles Compliance Reports, and also in their annual reports, whether or not the sustainability principles are applied, and if not, an explanation should be given regarding the effects that have occurred in environmental and social risk management due to non-compliance with these principles.

Penta Teknoloji complies with the principles published within the scope of the CMB "Sustainability Principles Compliance Framework" through the environmental, social and governance ("ESG") policies that it publicly shares on its website. It continues its work in the field of ESG by improving it every year. Efforts are continuing to share the criteria and performance data specified in the principles in the activity reports in the future. The criteria that do not exist among the principles are shared below, and full compliance with the non-mandatory "Sustainability Framework Principles" is aimed. Working on principles that have not yet been put into practice; it is planned to be implemented after the completion of the administrative, legal and technical infrastructure works that will contribute to the effective management of our company.

A. General Principles

A1. Strategy, Policy and Objectives

The Board of Directors determines ESG priority issues, risks and opportunities and creates ESG policies accordingly. The Board of Directors makes the decision for these policies and discloses them to the public.

The Board of Directors is responsible for the development of sustainability strategies, policies and targets, the execution, updating and auditing of the efforts, and the efforts are disclosed to the public on the Company website.

The Company determines the Company Strategy in line with ESG policies, risks and opportunities. The Company determines and publicizes its short and long-term goals in line with company strategy and ESG policies.

Penta Teknoloji, under the umbrella of the Integrated Management System it has created in line with its vision, mission, principles and values, in a way that will contribute to all the products and services it supplies; It has harmonized and certified with ISO 9001 Quality, ISO 10002 Customer Satisfaction, ISO 14001 Environment, ISO 27001 Information Security and ISO 45001 Occupational Health and Safety Standards. The objectives, approach and efforts carried out in this context are shared with the public on the Company's corporate website.

A2. Implementation/Monitoring

The Company determines the committees/units responsible for the implementation of ESG policies and discloses them to the public. The responsible committee/unit reports the activities carried out within the scope of the policies to the Board of Directors at least once a year.

Our Company does not have a separate Sustainability Board responsible for the management of sustainability issues. In addition, the Quality Management unit within the Company is responsible to the General Manager of the Company in order to monitor and implement the ESG policies.

The Company creates and publicizes implementation and action plans in line with the determined short and long-term goals.

Our ESG policies, action plans and efforts are publicly available on the company website.

The Company determines the ESG Key Performance Indicators (KPI) and explains them comparatively on a yearly basis. The company provides KPIs with local and international industry comparisons, if verifiable data is available.

It is not yet available for our Company.

The Company explains innovation activities that improve sustainability performance for company business processes or products and services.

We benefit from the power of innovation and digitalization to move our business processes forward, reduce costs, increase product and service quality, understand the needs of our stakeholders, offer solutions, and increase our positive impact on the environment.

A3. Reporting

The Company reports and publicizes its sustainability performance, targets and actions at least once a year. It may disclose information on sustainability activities within the scope of annual report, sustainability report or integrated report/integrated annual report.

Although our Company does not have a sustainability report, the necessary reports are made within the scope of the integrated environmental management system and the Environmental Law No. 2872. A separate report will be considered at a later date.

It is essential for the Company to share material information with stakeholders in a direct and concise manner. The Company can also disclose detailed information and data on the corporate website, and can prepare separate reports that directly meet the needs of different stakeholders.

Although our Company does not have a sustainability report, the necessary reports are made within the scope of the integrated environmental management system and the Environmental Law No. 2872. A separate report will be considered at a later date.

The Company takes the utmost care in terms of transparency and reliability. Within the scope of the balanced approach, it objectively explains both positive and negative developments about material issues in disclosures and reports.

Although our Company does not have a sustainability report, the necessary reports are made within the scope of the integrated environmental management system and the Environmental Law No. 2872. A separate report will be considered at a later date.

The Company gives information about which of its activities are related to the United Nations (UN) 2030 Sustainable Development Goals.

Company activities are related to the UN 2030 Sustainable Development Goals Gender Equality, Decent Work and Growth, Industry, Innovation and Infrastructure, and Reducing Inequalities.

The Company makes a statement regarding the lawsuits filed and/or concluded against environmental, social and corporate governance issues.

There are no lawsuits filed for environmental, social or corporate governance issues.

A4. Verification

The Company publicly discloses sustainability performance measurements verified by independent third parties (independent sustainability assurance providers) and strives to increase such verification processes.

There is no verification by independent third parties in our Company. The issue will be evaluated after the publication of the reports.

B. Environmental Principles

The Company explains the policies and practices, action plans, environmental management systems (known as the ISO 14001 standard) and programs in the field of environmental management.

Our company has ISO 14001 quality certificate.

The Company complies with and explains environmental laws and other relevant regulations.

Our company has ISO 14001 quality certificate in order to realize our products and services in full compliance with environmental legislation and standard conditions. Compliance is ensured within the scope of Environmental Law No. 2872. The Company's Environmental Policy has been disclosed to the public on the corporate website.

The Company describes the boundaries of the environmental report, reporting period, reporting date, reporting frequency, data collection process, and reporting conditions.

Although our Company does not have a sustainability report, the necessary reports are made within the scope of the integrated environmental management system and the Environmental Law No. 2872. A separate report will be considered at a later date.

The Company announces the highest level officer in the company related to the environment and climate change, the relevant committees and their duties.

There is no defined committee in our company yet, but there is a team within the Company that works within the scope of environment and climate change.

The Company explains the incentives it offers for the management of environmental issues, including the achievement of objectives.

None.

The Company explains how environmental issues are integrated into business goals and strategies.

Strategies are determined and followed up within the scope of nonconformities detected with the consultancy service regarding compliance processes within the scope of environmental policy.

The Company explains the sustainability performances of business processes or products and services and their activities to improve this performance.

Our company continues its operations under the Integrated Management System, and in this context, it regularly performs process audits and performance measurement, and takes remedial/developmental measures according to the findings.

The Company explains how it manages environmental issues and integrates suppliers and customers into its strategies, not just in direct operations but throughout the company value chain.

Our policies can be accessed on the corporate website of our company.

Whether the Company is involved in policy-making processes on environmental issues (sectoral, regional, national and international); the Company explains the cooperation with the environmental associations, related organizations and non-governmental organizations of which it is a member and, if any, the duties it undertakes and the activities it supports.

The Company is a member of the Turkish Industry & Business Association (TÜSİAD).

The Company periodically reports the environmental impacts in the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management and biodiversity impacts) and relevant information on a comparable basis.

None.

The Company describes details of the standard, protocol, methodology, and base year it uses to collect and calculate its data.

Our company uses methodologies determined within the scope of ISO 14001 quality standards. Corporate carbon footprint researches are carried out within the scope of ISO 14064-1. It gives declarations within the scope of electronic waste, packaging waste, hazardous waste and GEKAP.

The Company describes the status of environmental indicators (increase or decrease) for the report year in comparison with previous years.

None.

The Company sets and explains short and long-term goals to reduce their environmental impact. It is recommended that these targets be determined as Science-Based Targets as suggested by the United Nations Climate Change Conference. The Company provides information on the subject, if there is progress in the report year according to the targets it has previously determined.

None.

The Company explains its strategy and actions to combat the climate crisis.

None. It is planned to work within the scope of carbon footprint.

The Company explains its programs or procedures to prevent or minimize the potential adverse impact of the products and/or services it offers; explains the actions of third parties to reduce greenhouse gas emissions.

None. It is planned to work within the scope of carbon footprint.

The Company explains the actions it takes to reduce its environmental impact, the total number of projects and initiatives it carries out, and the environmental benefits/benefits and cost savings they provide.

Benefit and cost savings are kept statistically within the scope of recycling projects.

The Company reports the total energy consumption data (excluding raw materials) and discloses their energy consumption as Scope-1 and Scope-2.

None. It is planned to work within the scope of carbon footprint.

The Company provides information on electricity, heat, steam and cooling produced and consumed in the reporting year.

Data is available within the enterprise and reporting is done.

The Company works on increasing the use of renewable energy and the transition to zero or low carbon electricity and explains the performed work.

None.

The Company explains renewable energy production and usage data.

None.

The Company develops energy efficiency projects and explains the amount of energy consumption and emission reduction originated from these projects.

None.

The Company reports on the amounts of water withdrawn, used, recycled and discharged from underground or above ground, sources (Total water withdrawal by source, water sources affected by withdrawal; ratio and total volume of recycled and reused water, etc.).

Mains water is used in our Company. Consumption amounts are recorded.

The Company discloses whether its operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).

Our Company is not a part of any carbon pricing system.

The Company discloses information on carbon credits accumulated or purchased during the reporting period.

No accumulated or purchased carbon credits during the reporting period.

If carbon pricing is applied within the Company, the Company explains the details.

Carbon pricing is not applied.

The company discloses all mandatory and voluntary platforms where it discloses its environmental information.

None. Within the scope of the Environmental Law No. 2872, environmental awareness, sensitivity and awareness-raising activities are carried out for employees.

C. Social Principles

C1. Human and Employee Rights

The company creates a Corporate Human Rights and Employee Rights Policy, in which full compliance with the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey, and the legal framework and legislation regulating human rights and working life in Turkey is committed. The Company publicly discloses the policy in question and the roles and responsibilities associated with its implementation.

The company supports the principles contained in the OECD Guidelines for multinational enterprises and abides by the declarations of the International Labor Organization (ILO) on collective bargaining and freedom of association, the prohibition of forced and child labor, and discrimination. It respects human rights, people's individual differences and personal characteristics and supports the United Nations Universal Declaration of Human Rights. It rejects the use of child labor in violation of ILO principles and does not work with any supplier or subcontractor that uses children as labor contrary to ILO principles. Penta Technology attaches great importance to the creation of a safe and healthy working environment that is free from all kinds of verbal and physical harassment based on race, ethnicity, religion, physical or sexual characteristics, sexual orientation or any other factor.

The Company provides equal opportunity in recruitment processes and considers the effects of supply and value chain, it includes fair workforce, improvement of labor standards, diversity and inclusion issues (such as gender, sexual orientation, religious belief, language, race, ethnic origin, age, disability, refugee, etc.) in its policies.

The Company treats all employees and job applicants honestly and fairly, regardless of race, religion, gender, sexual orientation, age, nationality, origin, marital status, pregnancy, disability and treats everyone equally. The Company's human resources policy can be accessed on the corporate website.

The Company explains the measures taken along the value chain to protect the rights of certain groups (low-income groups, women, etc.) or minority rights/equality of opportunity that are sensitive to certain economic, environmental, social factors.

The Company treats all employees and job applicants honestly and fairly, regardless of race, religion, gender, sexual orientation, age, nationality, origin, marital status, pregnancy, disability and treats everyone equally. The Company's human resources policy can be accessed on the corporate website.

The Company reports the developments regarding the prevention and corrective practices of discrimination, inequality, human rights violations, forced labor. It explains the regulations regarding not employing child labor.

Preventive rules that may cause discrimination and inequality are defined within the scope of ethical principles. The company is subject to Yıldız Holding Ethical Principles and Working Principles. Ethical Principles can be accessed from Yıldız Holding's official website.

The Company explains its policies regarding investment in employees (education, development policies), compensation, fringe benefits, right to unionize, work/life balance solutions and talent management. Determines processes for employee complaints and dispute resolution and regularly explains the activities carried out to ensure employee satisfaction.

The company's human resources policy can be accessed on the corporate website.

Occupational health and safety policies are created and disclosed to the public. The Company explains the measures taken to prevent occupational accidents and accident statistics.

Necessary measures are taken within the scope of ISO 45001 and statistics are kept.

The Company creates and publicly discloses personal data protection and data security policies.

The company has established a structure that complies with the Information Security Management System requirements and has ISO 27001 certificate. The Company's Information Security Policy has been established and approved by the Board of Directors. The Information Security Policy has been disclosed to the public on the corporate website.

The Company creates an ethical policy (including business, work ethics, compliance processes, advertising and marketing ethics, open disclosure, etc.) and discloses it to the public.

The company is subject to Yıldız Holding Ethical Principles and Working Principles. Ethical Principles can be accessed from Yıldız Holding's official website.

The Company explains its activities within the scope of social investment, social responsibility, financial inclusion, access to finance.

As a company, we act with the understanding of creating common value in our social investments. In line with its social responsibility approach, with the understanding of contributing to the development of society and creating value; our employees are supported to take part in volunteer projects. To act with business ethics and social responsibility awareness; we act sensitively to the problems of the society, take part in projects that will contribute to the life and development of the society, support donations, and contribute to social life by supporting cultural, artistic, scientific and sports activities.

The Company organizes information meetings and trainings for employees on ESG policies and practices.

If deemed necessary, meetings are held and Environmental Management Systems and Awareness trainings are given periodically by the environmental consultant.

C2. Stakeholders, International Standards and Initiatives

The Company carries out its activities in the field of sustainability by taking into account the needs and priorities of all stakeholders (employees, customers, suppliers and service providers, public institutions, shareholders, society and non-governmental organizations).

In order to respond correctly to the ever-changing stakeholder expectations, our primary focus areas in the field of sustainability will be determined in line with global and local trends and developments, with the participation of our stakeholders.

The Company arranges and publicly discloses a customer satisfaction policy regarding the management and resolution of customer complaints.

Our company has a Customer Satisfaction Policy and it is shared with the public on the corporate website.

The Company conducts the stakeholder communication in a continuous and transparent manner; explains the developments in sustainability activities with which stakeholders, for what purpose, on what subject and how often.

The Company has created a communication environment where all its stakeholders can present their questioning, creative and innovative ideas and solutions in order to develop and strengthen business processes and culture, and to identify current and potential problems. Related links and communication channels are available on the Company's corporate website.

The Company publicly discloses the international reporting standards it has adopted (Carbon Disclosure Project (CDP), Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC), Sustainability Accounting Standards Board (SASB), Climate-Related Financial Disclosures Task Force (TCFD) etc.).

Although our company does not have a sustainability report, sharing the sustainability performance will be evaluated in the future.

The Company is a signatory or a member of international organizations or principles (Equator Principles, United Nations Environment Program Finance Initiative (UNEP-FI), United Nations Global Compact (UNGC), United Nations Principles for Responsible Investment (UNPRI) etc.).

None.

The Company makes concrete efforts to be included in Borsa Istanbul Sustainability Index and international sustainability indices (Dow Jones Sustainability Index, FTSE4Good, MSCI ESG Indices, etc.).

Our company is not included in the Borsa Istanbul Sustainability Index.

D. Corporate Governance Principles

The Company makes maximum effort to comply with all Corporate Governance principles as well as the Corporate Governance principles that must be complied with within the scope of CMB's Corporate Governance Communiqué numbered II-17.

Explained in the Corporate Governance Principles Compliance Report.

The Company considers the issue of sustainability, the environmental effects of its activities and the principles in this regard while determining its corporate governance strategy.

Penta Teknoloji, under the umbrella of the Integrated Management System it has created in line with its vision, mission, principles and values, in a way that will contribute to all the products and services it supplies; It has harmonized and certified with ISO 9001 Quality, ISO 10002 Customer Satisfaction, ISO 14001 Environment, ISO 27001 Information Security and ISO 45001 Occupational Health and Safety Standards. The targets, approach and activities within this scope are included in the corporate governance strategy of the Company.

The Company takes the necessary measures to comply with the principles regarding the stakeholders and to strengthen the communication with the stakeholders, as specified in the Corporate Governance Principles. It seeks the opinions of stakeholders in determining the measures and strategies in the field of sustainability.

In cases where the rights of the stakeholders are not regulated by legislation or contract, the interests of the stakeholders are protected within the framework of goodwill rules and within the scope of the Company's abilities, by also considering the reputation of the Company. Stakeholders such as company employees, customers, suppliers and investors are provided with information on matters that concern them, in addition to the information included in the financial statements and reports disclosed to the public, pursuant to the CMB legislation. Company employees are informed through periodic e-mail announcements and announcements made through the company's internal internet portal.

The Company makes effort to raise awareness about the issue of sustainability and its importance, through social responsibility projects, awareness events and trainings.

As a company, we act with the understanding of creating common value in our social investments. In line with its social responsibility approach, with the understanding of contributing to the development of society and creating value; Our employees are supported to take part in volunteering and cooperation projects. To act with business ethics and social responsibility awareness; acts sensitively to the problems of the society, takes part in projects that will contribute to the life and development of the society, provides donation support, contributes to social life by supporting cultural, artistic, scientific and sports activities.

The Company strives to be a member of international standards and initiatives on sustainability and to contribute to efforts.

None.

The Company explains its anti-bribery and anti-corruption policies and programs.

The Company's Anti-Bribery and Anti-Corruption Policy is available on the Corporate website.

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