



Sustainability Report 2023





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ABOUT THE REPORT

Ortadođu Rulman Sanayi ve Ticaret A.Ş. (“ORS”), we have decided to present to all stakeholders the “ORS Sustainability Report” with the various activities in the technological, economic, social and environmental fields, as well as the implementation, performance goals and results in production since its establishment.

Thus, this “ORS Sustainability Report 2023” which we now bring to the attention of our stakeholders, includes our sustainability activities in the calendar year between 01.01.2023 - 31.12.2023.

This report has been prepared in accordance with the GRI standard. On the basis of our report, stakeholder notifications, special requests from our customers and legal regulations were taken into account, along with the inputs guided by ORS management and the details of which are explained in the report content.

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CEO'S MESSAGE



Dear Stakeholders and Employees,

We have now left behind the 100th anniversary of the Republic of Turkey. Environmental, economic, and social problems are rapidly multiplying worldwide. The climate crisis, which has been increasingly discussed over the past 20 years and whose effects we are feeling more and more each day, has become the main agenda for all nations, institutions, and individuals. Natural disasters, which directly impact life and the economy, have become more severe and destructive due to the effects of the climate crisis. The impacts of the climate crisis have reached a level that is known, visible, and predictable for the future. We have started to face environmental phenomena such as extreme heat, drought, air pollution, floods, forest fires, and the impending threat of food scarcity, all of which are consequences of climate change that have become inevitable due to the failure to take necessary precautions. Although late, we have begun to feel to our core

how crucial the concept of sustainability is and how vital it is to make this concept a way of life, in order to prevent all humanity on our planet from being affected by these changes. Sustainability is an issue that is too important to be the sole responsibility of nations, institutions, or individuals.

It is a long journey that will lead us and future generations to a better future. Sustainability is an issue that is too important to be the sole responsibility of nations, institutions, or individuals. It is a long journey that will lead us and future generations to a better future.

With a conscious approach, we have decided to manage our processes with a sustainability-centered perspective, knowing that creating added value for all our stakeholders is of critical importance. In line with our sustainability management approach, we deeply feel our responsibility toward the environment, society, and all related parties. We strive to realize our production and designs with a priority on respect for the planet, society, and humanity. We are determined to carry forward our corporate values, vision, and pioneering approach in production to ensure the continuity of the Republic of Turkey for many centuries to come.

In our existing facilities, we aim to produce bearings that can serve for years without wasting natural resources. Through our ongoing reforestation activities, we have transformed the area surrounding our factory into an exemplary garden. Recognizing the limitation of water resources, we strive to use every last drop by treating the wastewater generated at our facility. Over the past five years, we have reduced our water consumption by 41% through improvement projects in our facilities.



To prevent energy waste, we focus primarily on raising awareness among our employees and follow the philosophy of turning off energy and lighting in non-operational machinery or unused areas. Alongside this, we are working to improve efficiency through automation projects.

In 2004, we established the ISO 14001 Environmental Management System and ISO 45001 (Formerly ISO 18001) Occupational Health and Safety Management System, and as of 2020, we implemented the ISO 50001 Energy Management System, too. As of 2021, we have begun calculating our Corporate Carbon Footprint across all categories under the ISO 14064-1 standard and have started to develop action plans to reduce it. As part of our efforts to reduce greenhouse gases, we have equipped our facilities' roofs with solar energy panels, totaling 9.3 MWp in capacity. By sourcing all the energy needed for the factory from renewable energy sources, we have achieved a position where 35% of our energy consumption is supplied from renewable sources. After voluntarily joining the CDP platform in 2021, we continued reporting within the scope of the Carbon Disclosure Project (CDP) in the field of climate change. We received a "C" score in the 2022 CDP report. We plan to raise this score to a "B" level next year and set science-based greenhouse gas targets (SBTi).

In 2024, we aim to complete the "Product Carbon Footprint" calculations of our products by the end of 2026. In parallel, we have also decided to complete the LCA (Life Cycle Assessment) calculations for our products and share them with our customers.

In addition to our sustainability projects, we have made significant progress in the field of digital transformation. We monitor our production, from raw materials to finished products, through the world-renowned SAP program. We have reduced paper usage by 90% in all departments by transitioning to digital platforms. We have also worked to extend the understanding of sustainability to all our suppliers by implementing development programs, not just within our company.

Starting in 2024, we voluntarily decided to comply with the obligations of the German LkSG (Supply Chain Due Diligence Act), which came into force on January 1, 2023. In this context, we have begun conducting risk analyses concerning environmental and human rights issues, monitoring these risks, assigning responsible persons to take corrective and preventive measures, ensuring the full implementation of the previously published human rights policy, developing a grievance mechanism for reporting human rights violations, and publishing annual reports to document the fulfillment of all necessary due diligence obligations.

With the awareness that sustainability is a long-term and continuous journey, we are committed to striving for better. We will continue to progress toward our goal of transforming our sector into a more just, environmentally conscious, and society-focused structure. I would like to extend my sincere thanks to all our customers, business partners, colleagues, and all stakeholders who have supported us throughout this journey, which has spanned nearly 40 years since our establishment.

Sincerely,

Ahmet ASLAN
CEO



ABOUT ORS

ORS is the first bearing production facility established in 1982 to meet the bearing needs of the Turkish industry. During its establishment years, a license agreement was signed with Steyr Austria for production and design. In 1993, the license agreement was terminated and production was continued entirely with our own engineers, while new product development activities were also initiated. Although bearing production facilities have been established in various parts of Turkey in recent years, they have not reached a level that can supply products to the OEM and export markets. For this reason, ORS is still Turkey's first and only bearing manufacturer in terms of technology and product quality. ORS's bearing production capacity has increased from 4.5 million units/year in 1986 to 100 million units/year in 2018. This shows that our capacity has increased by 12% on average every year for 32 years.

In 2023, ORS ranked 443rd in the list of the 500 largest manufacturers published annually by the Istanbul Chamber of Industry.

The steel material, which is used as raw material in ORS, comes out as a packed bearing as a result of the production process. With this production ability, a great deal of added value is provided in our processes.

ORS Sustainability Policy

The sustainability policy principles of our company, which adopts a management approach that integrates the "Sustainable Future" vision with the corporate sustainability approach and accepts the fight against climate change, economic and social development of societies and environmental sustainability as its main responsibility, can be found [here](#).

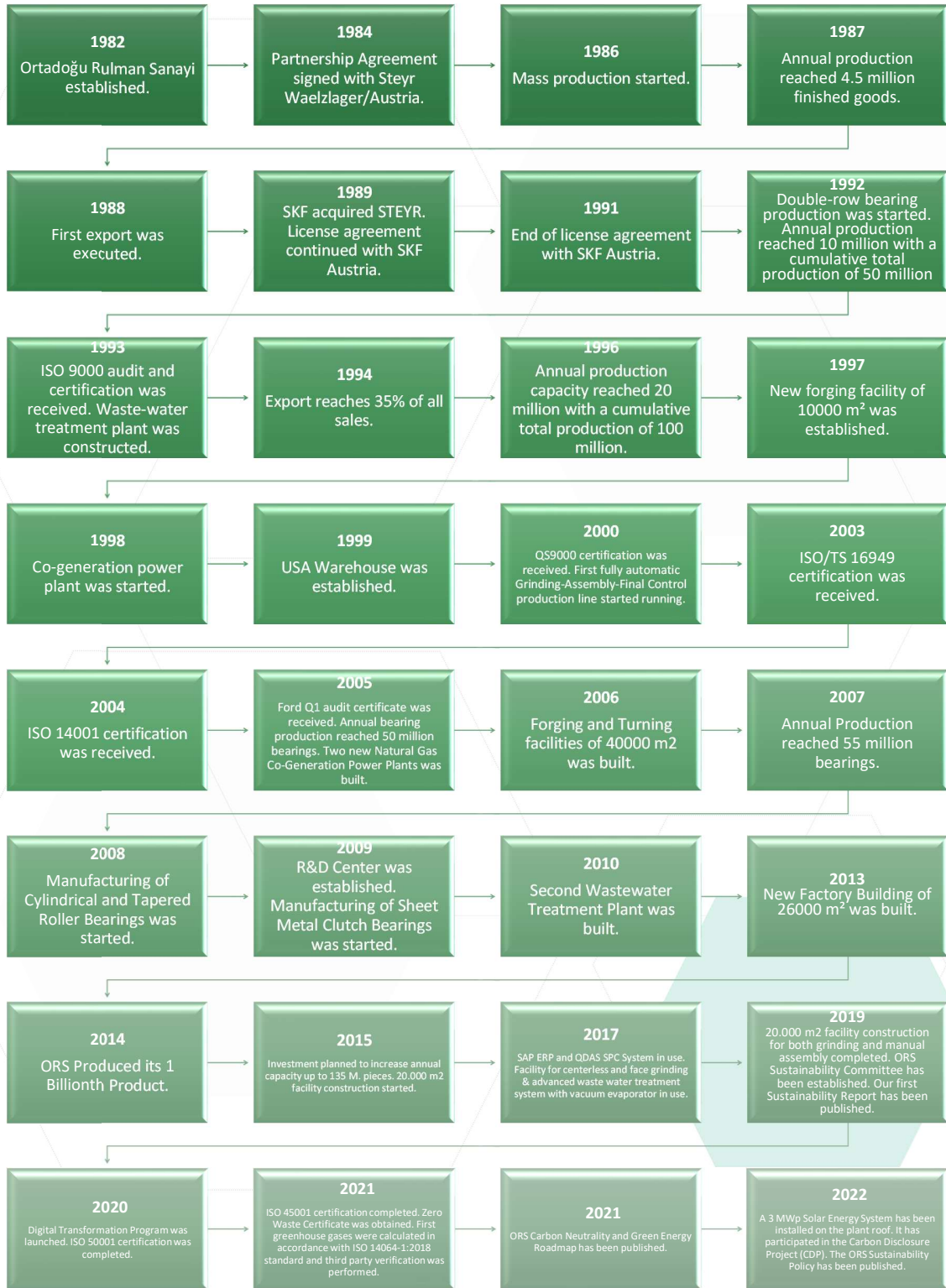
Organization

The sustainability board was established by the senior management on 11.02.2024 under the chairmanship of the board of directors and the CEO to determine policies on corporate sustainability and climate change, to determine strategies that comply with legal regulations and customer requests, and to ensure their integration with our processes.

The Duties and Responsibilities of the ORS Sustainability Board;

- Preparation of the sustainability policy
- Determination of priorities in sustainability
- Determination of targets and performance monitoring
- Preparation, publication and communication of the annual sustainability report to stakeholders







ORS SUSTAINABILITY PRIORITIES

SUSTAINABILITY REPORT 2023 ORS SUSTAINABILITY PRIORITIES





2024 SUSTAINABILITY GOALS

| | 2023 (Achieved) | 2024 (Next Year Target) | 2030 (Target) | |
|--|--|-------------------------------|------------------|--|
| Total Amount of Waste per Ball Bearing (Ton/pcs ball bearing) | 0,00021 | 0,00018 | ≤ 0,00015 | |
| Total Water Consumption Per Bearing (m ³ /pcs ball bearing) | 0,00205 | 0,00200 | ≤ 0,0019 | |
| Percentage of Recovered Water Rate (Total amount of recovered water/total water consumption) | 42,14 | 43,85 | ≥ 51 | |
| Scope-1 Emissions (Ton CO ₂ Equivalent) | 28.008,49 | 26.888,15 | 9.202,73 | |
| Scope-2 Emissions (Ton CO ₂ Equivalent) | 9.915,00 (location-based) 5.561,55 (market-based) | 3.893,08 | 2.208,90 | |
| Energy Consumption per Bearing (TOE/pcs ball bearing) | 0,0002322 | 0,0002150 | 0,0001282 | |



REFERENCES



SIEMENS





OUR STAKEHOLDERS

| <i>Priority Topics</i> | <i>Customers</i> | <i>Banks</i> | <i>Employees</i> | <i>Society</i> | <i>Suppliers</i> |
|---|------------------|--------------|------------------|----------------|------------------|
| <i>Energy consumption and efficiency</i> | • | • | | • | • |
| <i>Greenhouse gas emissions</i> | • | • | | • | • |
| <i>Environmental adaptation</i> | • | • | | | |
| <i>Resource utilization/recycling rate</i> | • | | | | • |
| <i>Production of bearings for electric vehicles</i> | • | | | | |
| <i>Human rights</i> | • | • | • | • | • |
| <i>Occupational health and safety</i> | • | • | • | | • |
| <i>Business ethics</i> | • | | • | | • |
| <i>Carbon footprint</i> | • | | | | • |
| <i>Chemical regulations (REACH, ROHS)</i> | • | | | | • |
| <i>Water consumption</i> | • | | | | • |
| <i>Waste valorization</i> | • | | | | • |
| <i>Circular economy</i> | • | | | | • |
| <i>Economic performance</i> | • | • | | | • |
| <i>Innovative solutions</i> | • | | | | |
| <i>R&D</i> | • | | | | |
| <i>Changing customer demands</i> | • | | | | |
| <i>ESG performance</i> | | • | | | |
| <i>Equity capital utilization</i> | | • | | | |
| <i>Diversity and equal opportunity</i> | | | • | | |
| <i>Education/Awareness Raising</i> | | | • | | |
| <i>Management</i> | • | | • | | |
| <i>Personal development and motivation</i> | | | • | | |
| <i>Skill acquisition</i> | | | • | | |
| <i>Employee engagement</i> | | | • | | |
| <i>Grievance mechanism</i> | | | • | | |
| <i>Fees</i> | | | • | | |
| <i>Communication</i> | • | • | • | • | • |
| <i>Relations with employees</i> | • | • | • | • | • |
| <i>Fighting corruption</i> | | | | • | • |
| <i>Competition rules</i> | | | | • | |
| <i>Air, water and soil quality</i> | | | | • | |
| <i>CNC School</i> | | | | • | |
| <i>Sport events</i> | | | • | • | |
| <i>Women leaders</i> | | | • | • | |
| <i>Sustainable development</i> | • | | | • | |
| <i>Supplier selection and evaluation</i> | | | | | • |
| <i>Payments</i> | | | | | • |
| <i>Scrap generated after manufacturing</i> | | | | | • |



BUSINESS ETHICS

ORS is a company that values universal ethical principles regarding business ethics, honesty, transparency, impartiality, confidentiality, respect for employees, sustainability, compliance with laws and regulations, responsibility towards society, bribery and corruption.

To achieve this, "ORS Code of Conduct Rules" are regulated within the framework of the general principles of honesty, transparency, impartiality and compliance with the law. Within ORS, it is anticipated that all employees and stakeholders operate in accordance with the "ORS Code of Conduct Rules."

It is the responsibility of the Ethics Board to ensure compliance with the "ORS Code of Conduct Rules" in our company, to evaluate practices that violate the rules of ethics, to disseminate the ethical culture within the company and among our stakeholders, and to raise awareness on this issue.

It is noteworthy that no reports of ethical violations or corruption were received in the year 2023.

Child Labor

There is no child labor in our organization. Our organization undertakes to employ people who meet the working age specified in the state's legal regulations regarding employment age and child labor, and do not tolerate child labor in any way, and to observe and respect the dignity and rights of children. Likewise, necessary information is provided to all suppliers to ensure that they do not employ child labor.

You can access the ORS Code of Ethics from the link below.

[Click here](#)

Our employees can report their concerns about ethical issues face to face to their managers and/or Ethics Board members. Our employees, suppliers and stakeholders who do not want to make face-to-face notifications can use the e-mail address etik.ihbar@ors.com.tr

In order to ensure that our employees read and understand the ORS Code of Conduct and comply with its articles, ethical rules training is provided in orientation training and OHS training repeated every 2 years.



FIGHT AGAINST CORRUPTION AND UNFAIR COMPETITION

All employees of our organization; strictly abides by the following previously determined and published Code of Conduct in all commercial relations with customers, suppliers, dealers and other third parties:

- All our employees strictly refrain from offering money or any object of value, directly or indirectly, to government officials in order to avoid influencing or appearing to influence official decisions and actions. Our organization adopts gaining customers and consumers through product quality and prices, not through illegal and unfair means.
- It is not allowed to have relationships based on financial interest with customers, suppliers, dealers and other third parties, including accepting gifts, invitations or entertainment.
- Gifts other than souvenirs / Promotional materials given in accordance with legal and commercial customs and traditions cannot be accepted or offered.
- ORS employees strictly refrain from offering money or any object of value to officials, directly or indirectly, in order to prevent or influence official decisions and actions that may be unfavorable to them.
- In order to support and evaluate fair market conditions, ORS employees immediately report any irregular payment offered to them to senior management.
- All ORS employees perform their duties impartially and ethically. He cannot gain an unfair advantage in favor of himself, his relatives or third parties by taking advantage of his title and powers.
- Our organization undertakes that all the products it puts on the market are its own real products and that it will never put fake products on the market.
- Our organization is committed not to violate intellectual property rights such as copyrights, patents, trademarks, industrial designs, licensed software and trade secrets.
- Our organization strictly stays away from money laundering activities and complies with the law.
- Our organization is committed to complying with applicable anti-corruption laws. In particular, they are careful not to allow their employees, subcontractors or representatives to offer, promise or provide benefits to customer employees in order to obtain a contract or other preferential treatment in the course of business.
- Our organization believes that commercial bribery distorts fair trade and fair market competition.



RISK MANAGEMENT

ORS evaluates risks and opportunities related to its commercial activities, business relationships or products and services within the scope of Risk management in order to achieve its corporate goals. Risks related to climate change are also included in the risk management system. The risk management system aims to identify these risks at an early stage and manage them in accordance with the risk strategy.

ORS is currently not directly affected by climate-related laws and regulations. Developments related to legal regulations are closely monitored by the relevant departments. Raising awareness about the risks posed by climate change is ensured through its IATF 16949, ISO 9001, ISO 14001, ISO 45001, ISO 5100 and ISO 27001 management systems.

The calculation and evaluation of the impacts and probabilities of the risks and opportunities identified as a result of Risk Analyses, taking measures against the risks identified, reporting and presenting them to the senior management are carried out regularly in certain periods. Trainings were provided to managers and process owners in order to increase risk awareness and culture. Training activities will continue to increase the awareness of employees on risk.

Assessment of institutional and climate change induced risks in ORS;

| | |
|-----------------------------------|---|
| Corporate and Operational Risks | Within the scope of IATF 16949 and ISO 9001, all processes are evaluated and monitored in detail under the responsibility of the process owner. |
| Physical risks | As a company with ISO 14001, ISO 45001 and ISO 50001 management standards, ORS strives to identify and prevent systematic risks and potential negative impacts on the environment and occupational health and safety at an early stage through proactive risk management. Physical climate-related risks such as floods, water shortages, fires and earthquakes that may affect production areas are identified and regular risk assessments are conducted. |
| Existing and emerging regulations | Energy Environmental and OHS management systems ensure that ORS operations follow and update current regulations in force. Legal consideration is given to relevant trends, including emissions reporting obligations, the work of Group Sustainability, carbon tax and carbon emissions trading schemes, banned substances, and impacts arising from current energy and carbon-related regulations. |
| Technology risks | Climate risks and opportunities are integrated into the entire process. Product and system solutions are explored, such as the transition to lower emission technologies and electrification of powertrains. |
| Legal risks | Despite increasing global regulations, ORS is currently not directly affected by climate-related laws and regulations. Climate-related legal developments are closely monitored within the relevant management systems. |
| Market risks | Bearing Market, competitors' situation, climate related trends and market developments are monitored and risks related to ORS's market position and market share are evaluated. |
| Reputation | Growing awareness of climate change has also led to increased customer demands and expectations. For example, improving carbon efficiency or neutrality. Unmet expectations can lead to customer churn and consequent reputational damage. Therefore, ORS strives to meet customer expectations. |



GRI 201, GRI 203

R&D

ORS R&D department consists of engineers and researchers who carry out research and development activities to improve existing products and develop new products and processes to meet the future requirements of customers.

In 2023, a total of 16 R&D projects were conducted, with 7 R&D projects completed and 1 new R&D project initiated. Within the scope of the R&D Center under Law No. 5746, the total R&D expenditure for the 2023 activity year was 37 million Turkish Lira. Thus, in 2023, the total R&D expenditures increased to approximately 1.5 times the amount spent in 2022 (25 million Turkish Lira), contributing to the company's economic sustainability.

ORS R&D Center consists of engineers and researchers conducting research and development in the areas of "Product Design and Development", "Production Process Design and Development", "New Materials and Coatings", "Quality Control", "Data and Signal Processing + Industry 4.0" and "Additive Manufacturing and Rapid Prototyping." In addition to projects funded by internal resources, it also designs and implements projects to take advantage of public support mechanisms, such as those provided by TÜBİTAK (The Scientific and Technological Research Council of Turkey) and European Union (EU) framework programs. In 2023, the center continued to benefit from these incentives.

In 2023, there were a total of 31 registered patents and 19 registered utility models with the TÜRKPATENT and international patent offices. The protection periods for our patent and utility model documents were also extended in 2023.

As part of our R&D efforts, the revision of noise/vibration control devices in the factory inventory was initiated in 2023, utilizing the know-how acquired regarding bearing vibrations. This revision aims to enable the detection of component faults in the automatic noise devices in the inventory and to increase measurement accuracy.

Therefore, all these topics highlight the indirect economic impacts of the activities carried out within the scope of R&D.



CONTRIBUTION TO SUSTAINABLE PRODUCTION

The contributions of our research and development projects to the processes of improving negative impacts can be evaluated under the following headings:

- Reducing errors through independent inspections from human control within the scope of image processing projects, detecting errors early and improving the process, reducing the amount of scrap,
- Monitoring and controlling manufacturing processes to non-destructively track manufacturing errors during the process and reduce the amount of scrap,
- Working on extending tool life, achieving cost, effort, and time savings, and ensuring energy savings,
- Using polymer materials for rapid prototyping with 3D Printer/Additive Manufacturing methods, achieving cost, effort, and time savings, and ensuring energy savings,
- Conducting studies on coating, different manufacturing procedures, heat treatment studies, and using different bearing materials to produce longer-lasting bearings, thereby ensuring raw material and energy savings and reducing CO₂ emissions released into nature with the use of long-lasting bearings and new bearing manufacturing,
- Consumable cutting tools are participated in sustainability cycle in our grinding workshops under the scope of our "Scrap Material Recycle" program. Thanks to our system which managing cutting tools that are at the end of their beneficial life by means of size and uses that tool for another suitable operation, thousands of cutting tools are saved from years.
- In the development of today's technology, competition and efficiency draw more attention than ever before. In this context, ORS continues its activities to meet and exceed the standards, as always, with both environmental responsibility and a perspective on efficiency and productivity. In this scope, in addition to nearly 100 machines which were determined to lag behind in terms of energy efficiency and productivity in automatic bearing assembly lines in 2020, we have been invested 21 of new grinding machines between 2022 and 2023. Thus, production can be continued with a machine inventory that can operate at high efficiency and consume less energy with a lower planned downtime.



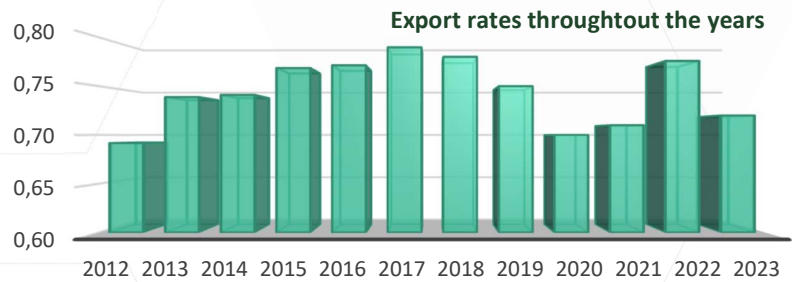
ECONOMIC PERFORMANCE

Since established in 1982 for the purpose of producing bearings “as quiet as a butterfly” until today, keeping the needs of customers from 33 countries a priority ORS increase production amounts and quality day after day.

ORS's direct goal is to achieve trouble-free maximum working capacity while considering customers' sensitivity to production and reducing costs.

Creating New Generation Production Cells

In order to ensure more efficient and ergonomic working conditions in the workshops where production is carried out and to create an economic gain by reducing labor costs, we designed a new line formation. We established production flow directions of the automatic grinding and assembly lines in opposite directions to form a cell. Within the scope of this formation in 2023, 50% labor savings were achieved in the relevant lines by commissioning 28 new lines to form double cells.



In line with this goal, ever since established, increasing the production capacity as well as various quality certificates help to achieve an increasing success rate.

ORS A.Ş. has embraced and certified ISO 9001:2015, IATF 16949:2016, ISO 14001:2015, ISO 45001:2018, ISO 50001:2018, ISO 14064-1:2018, ISO/IEC 27001:2013, FORD Q1 standards. The increase in production quantities and quality day after day has made it possible to reach the target quantities found in the graphs.

Due to the effect of the pandemic in 2020 sales have dropped globally, but when this effect is removed, we see that sales return to its previous level. Our work continues to grow for 2023 and years after.

Insulation studies were carried out in two of the heat treatment furnaces, the lost heat energy during the operation of the furnace were reduced and a 15% energy gain was achieved per furnace.



Product specific customer satisfaction research is carried out to increase consumer satisfaction, as customers care about product quality and satisfaction throughout all processes. In product and operation Development Studies, Research is concluded in an economical, safe, fast and aesthetic way by keeping customer requests prioritized. The development and improvement of ORS and its products is ensured by taking into consideration of the performance evaluations sent by our customers. Our customers always reward these steps to go further.



Ankara Chamber of Industry (ASO), Environment and Climate Change Sensitivity Award

GNUTTI "INNOVATION OF THE YEAR AWARD"





LEAN MANUFACTURING

In today's competitive environment, it is a very important issue that companies can deliver quality products to people by producing them at economical prices in order to maintain their existence. In order to reach this point, it is necessary to put forward serious solutions regarding lean production systems. For this reason, we work with all our energy in order to eliminate waste at all stages of production, reduce cost and labor, and reveal a simple but effective process.

Some of the Lean Production tools we use;

- In all manufacturing units, 5S studies are carried out with the trainings received and these units are inspected with monthly periods.
- Without compromising on quality with our U-Hats, high quantities of production were increased with fewer employees.
- Error proofing techniques and quality improvements are achieved with Poka-Yoke systems at many points of production.
- With the TPM studies we have carried out and continue, a more efficient system has been created by reducing downtime due to malfunctions.
- Thanks to the robotic systems used, higher production quantities were achieved with less manpower.

We are investing on smart systems which takes the responsibility from human which digitally control the actions that we perform to keep the processes stable and reduce the scrap ratio. In this scope, by establishing 39 of individual "Post Process Control" systems, which are directly copulated in grinding lines, we are aiming to reduce human effect on process and to have more productivity.



ORS ENERGY EFFICIENT BEARINGS

Energy efficiency and reducing environmental impact are among the primary goals of modern industry. ORS energy efficient single row deep groove ball bearings, with their optimized dimensions, advanced lubrication products, and innovative cage designs, play an important role in achieving these goals.

- **Optimized Bearing Design:** The optimized internal design of the bearing ensures high performance through more efficient working surfaces. This design approach reduces both production waste and environmental impact.
- **Advanced Lubrication Products:** Advanced lubrication minimizes friction losses, increasing the efficiency of the bearings. While reducing energy losses, it also improves the lifetime of the bearings, which in turn helps reduce waste.
- **Innovative Cage Design:** The innovative cage design optimizes the movement of the rolling elements, minimizing friction losses. This ensures that systems operate with reduced energy losses.
- **Modern Manufacturing Techniques:** Modern manufacturing processes make producing energy efficient bearings easier. These processes consume less energy, reducing environmental impact while resulting in more efficient products.

These innovations provide almost 30% or more friction loss reduction compared to traditional bearings. Reduced friction torque lowers energy consumption, enhancing system efficiency.

Environmental Impact

Lower energy consumption reduces the use of fossil fuels and, consequently, carbon emissions. Additionally, longer-lasting products decrease the consumption of raw materials in the production process.

Carbon Footprint

With reduced energy consumption, businesses can meet their environmental targets and contribute positively to their sustainability goals. The use of ORS bearings helps businesses reduce their carbon footprint. ORS energy-efficient bearings make significant contributions to sustainability by both saving energy and reducing environmental impacts. Advanced design and manufacturing techniques make these bearings a critical solution for the industry's future. At ORS, we will continue to develop these innovative products to achieve our sustainability goals.

DESIGN

- Optimized Internal Bearing Geometry
- Quiet, Low-Torque, Long-Life Grease
- New Polymer Cage Design

APPLICATIONS

- E-Drive Systems
- Electric Motors
- Pumps
- Compressors
- Fans
- Conveyors
- Other Medium and Light Load Applications

ADVANTAGES

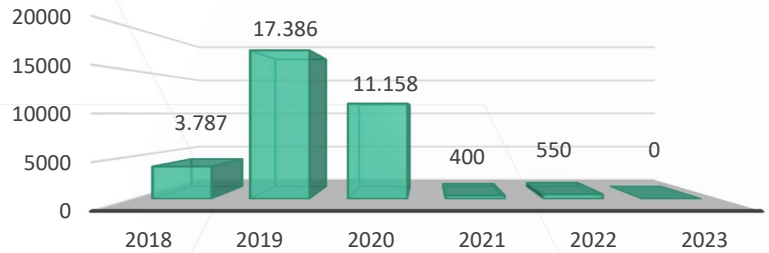
- **Low Energy Consumption:** Low acquisition cost with significant reduction in machine operating costs.
- **Long Lifespan:** Reduced friction extends bearing service life, decreasing waste generation.
- **Less Maintenance Required:** Improved durability reduces the need for maintenance and replacements, minimizing environmental impacts.



CIRCULAR ECONOMY

After the inner ring raceway (IBYY), hole diameter (\varnothing d) and outer ring raceway (DBYY) grinding stones used in grinding operations have completed their service life, the remaining waste stones are used for the second time in different operations according to their dimensions, thus reducing resource utilization and waste generation.

REUSED SUPERFINISHING STONES (PCS)

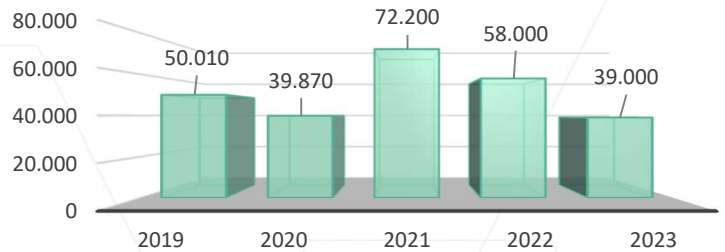


NUMBER OF GRINDING STONES RECYCLED BY YEARS

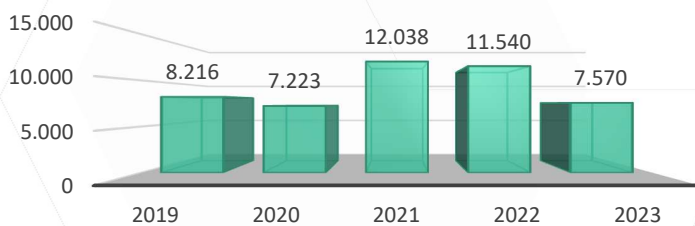
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| IBYY | 13 | 11 | 180 | 113 | 38 | 40 | 83 | 70 | 0 |
| \varnothingd | 21.629 | 17.924 | 29.207 | 20.363 | 12.896 | 13.089 | 25.808 | 24.608 | 17.979 |
| DBYY | 18.132 | 14.742 | 13.246 | 17.928 | 16.980 | 10.282 | 30.759 | 25.773 | 23.307 |

39 tons of heat treatment salt in 2023 were recovered from the facility established for the recovery of heat treatment salt which is mixed with washing water in salt bath heat treatment furnaces, resulting in resource savings.

Heat Treatment Salt Savings (kg)



Cold Forming Oil Savings (kg)



As a result of the work carried out in Cold Forming Department, 19% less oil consumption per ring was achieved and resulting in totally 7,570 kg oil savings for 2023.

With the implementation of the hot rolling process, material savings were achieved compared to the previous process, thus 32 tons of steel material savings were achieved for 2023.

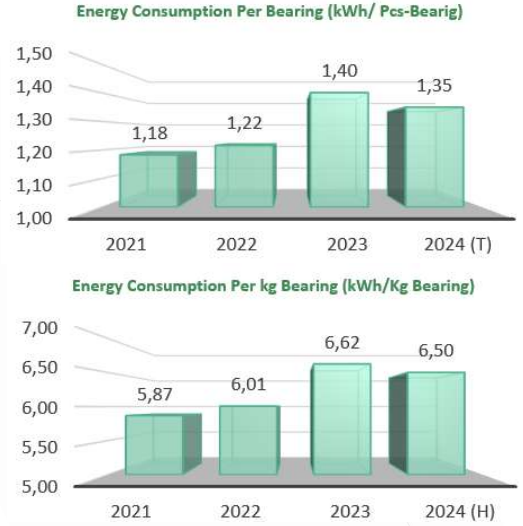
Insulation studies were carried out in two of the heat treatment furnaces, the lost heat energy during the operation of the furnace were reduced and a 15% energy gain was achieved per furnace.

ENERGY CONSUMPTION AND EFFICIENCY

Internal Energy Consumption

Within the scope of the ISO 50001 standard, we set energy targets by monitoring our internal consumption in order to increase energy efficiency and reduce energy consumption and therefore our greenhouse gas emissions.

We monitor our energy target as the energy consumed per unit product (piece or kg). Thus, this KPI which we determined, eliminates the effect of variables that affect energy performance (such as changes in production volume) and ensures focus on the underlying real energy performance. Factory-wide energy consumption and targets are given in kWh, normalized per number of bearings and kg of bearings, in the tables and graphs below as of 2021-2022-2023 (including the 2024 target).



| YEAR | Energy Consumption kWh | Produced Bearings Pcs | Produced Bearings Kg | KWh/ Bearing | KWh/ kg. Bearing |
|---------|------------------------|-----------------------|----------------------|--------------|------------------|
| 2021 | 96.629.497 | 81.651.681 | 16.471.301 | 1,183 | 5,867 |
| 2022 | 92.683.436 | 76.241.258 | 15.431.971 | 1,216 | 6,006 |
| 2023 | 79.220.728 | 56.549.262 | 11.458.917 | 1,401 | 6,63 |
| 2024(T) | 90.686.362 | 60.457.575 | 13.951.748 | 1,35 | 6,50 |

In order to use energy efficiently and ensure the conservation of natural resources, the electrical energy required for production in our factory is provided by the cogeneration facility. In addition to electricity generation in the cogeneration facility, the waste heat energy obtained from exhaust gasses, is used for heating the factory and administrative buildings in winter and cooling in summer. Compared to last year, our natural gas consumption decreased in 2023 with the implementation of energy efficiency projects.

| Consumed Fuel | 2021 | 2022 | 2023 |
|---------------|--------------------------|--------------------------|---------------------------|
| Natural Gas | 21.139.371m ³ | 14.250.076m ³ | 13.301.040 m ³ |
| Diesel Fuel | 251.650 kg | 229.010 kg | 237.774 lt |
| Propane | 13.821 kg | 17.924 kg | 9.565 kg |



Energy consumptions and targets per unit bearing in TEP (TEP/Pcs-Bearing, TEP/kg-Bearing) are also monitored within the scope of improving our energy performance, and official declarations are made in accordance with the Ministry of Energy legislation for 2023.



| Year | Energy Consumption (TEP) | Produced Bearings (Kg) | Target TEP/ Kg-Bearings | Achieved |
|----------|--------------------------|------------------------|-------------------------|-----------|
| 2021 | 18.835,70 | 16.471.301 | ≤0,0010044 | 0,0011435 |
| 2022 | 15.063,05 | 15.431.971 | ≤0,0010613 | 0,0009761 |
| 2023 | 13.131,12 | 11.458.917 | ≤0,0009940 | 0,0010981 |
| 2024 (T) | 12.998,37 | 13.951.748 | ≤0,0009316 | - |

Reducing Energy Consumption

In order to reduce energy consumption in 2023, the following improvements and savings were made with new investments to improve existing processes in our production processes:

- The electrical panel of the bearing washing central filter system was replaced with a new technology panel, resulting in a total annual energy saving of 112,000 kWh.
- Annual energy savings of 550,678 kWh were achieved by converting the vertical conveyors to electric servo motors in the grinding and assembly lines.
- The compressed air leaks were reduced to a minimum level by using Air Leakage Detector.
- Energy analyzers were connected to transformers and furnaces in the factory to monitor energy consumption in more detail on a departmental basis.
- A total of 1,013,244 kWh of energy was saved annually with the new technology induction heating bench.
- A total of 235,200 kWh of energy was saved annually by renewing the insulation of heat treatment and annealing furnaces.



GRI 303-1, GRI 303-2

WATER AND WASTEWATER

Interactions with water as a shared resource

As ORS Bearing, we are aware that the impact of climate change on water, one of the most critical natural resources on a global scale, is increasing day by day. Addressing how to adapt to the adverse effects of climate change elements, such as sudden severe natural events (floods, droughts, tornadoes, etc.) and changing temperatures, on water resources is one of today's major issues. Sustainable water management is a crucial step in adapting to climate change.

In line with our Environmental and Sustainability Policy and the requirements of the ISO 14001 standard, we are committed to ensuring sustainable water management by monitoring new technologies and minimizing resource consumption through the recycling of water in processes where water is used.

Although our product does not involve the use of water in its composition, we utilize water sourced from groundwater for both domestic use and industrial washing and cooling purposes. The wastewater generated from domestic and industrial uses is treated in our wastewater treatment facility and reused in cooling towers. In this way, by compensating for the amount of groundwater used with treated wastewater, we have made further progress toward our mid-term water consumption reduction target that we set for 2030 and zero discharge principle set. Excess wastewater is treated at our facility to ensure that discharge water parameters remain within permissible limits, considering the quality of the receiving environment's water and soil, before being discharged.

Management of water discharge-related impacts

Our discharge parameters were monitored by an accredited laboratory appointed by the Ministry of Environment, Urbanization, and Climate Change in 2023, with bi-monthly checks from January to June and monthly checks from July to December. Additionally, we monitor our discharge compliance through daily, weekly, and monthly periodic analyses conducted in the laboratory of the wastewater treatment facility located within our plant.

The compliance of our discharge parameters is evaluated and reported according to the criteria set forth in "Table 15.2, Table 15.4, Table 15.12, Table 20.1, and Table 20.7" of the Water Pollution Control Regulation. In 2023, all parameters were found to be in compliance with the relevant discharge criteria.

In accordance with our ISO 14001 obligations, a detailed environmental impact assessment is conducted for processes that generate wastewater, and any effects of the discharge on the receiving environment are monitored.

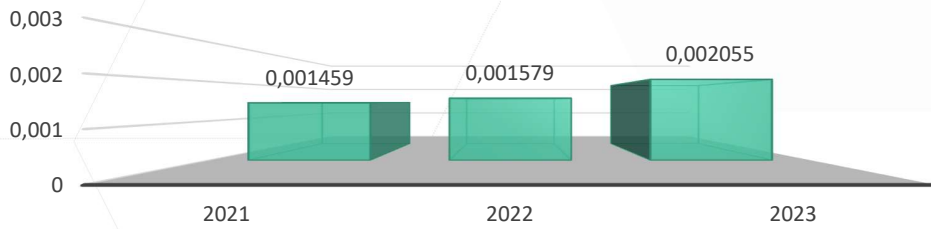


Water withdrawal

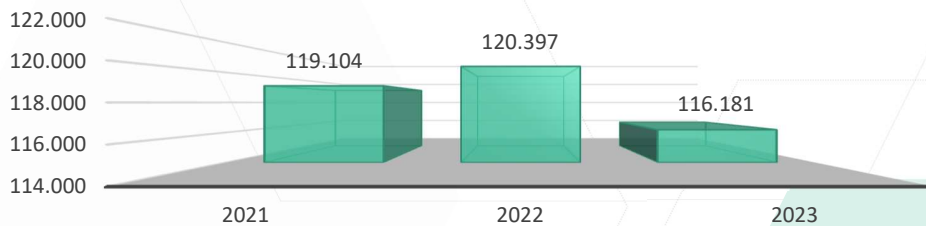
In 2023, a total of 116,181 m³ of water was sourced from groundwater for all activities. 48,956 m³ of treated water from the wastewater treatment facility was recovered in cooling towers, resulting in a water saving of 42.14 %. We monitor our water consumption data in relation to our production volumes.

| YEARS | 2021 | 2022 | 2023 | Target |
|---|------------|------------|------------|------------|
| Water Withdrawal=Consumption (m3) | 119.104 | 120.397 | 116.181 | 101.847 |
| Bearings Manufactured (pcs) | 81.651.681 | 76.241.258 | 56.549.262 | 60.457.575 |
| Bearings Manufactured (kg) | 16.471.301 | 15.431.971 | 11.958.417 | 13.951.748 |
| Water Withdrawal per PCS-Bearing (m3/pcs-Bearing) | 0,001459 | 0,001579 | 0,002055 | 0,002000 |
| Water Withdrawal per kg Bearing (m3/kg-Bearing) | 0,007231 | 0,007802 | 0,009715 | 0,008670 |

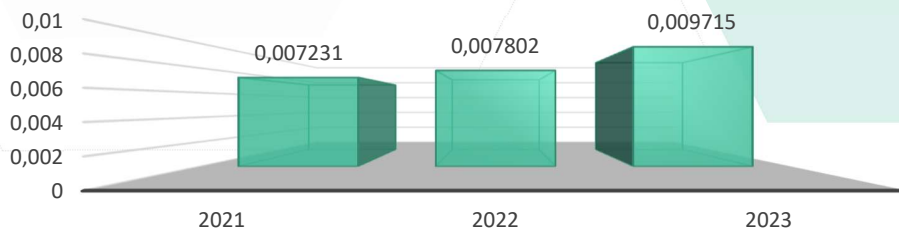
Water Withdrawal per pcs-Bearing (m3/pcs-Bearing)



Water Withdrawal (m3)



Water Withdrawal per kg-Bearing (m3/kg-Bearing)





Water discharge

In order to ensure compliance with discharge limits and achieve effective water recovery, our industrial wastewater undergoes high-tech processes including DAF (Dissolved Air Flotation), ultrafiltration, and vacuum evaporation before proceeding to the classical biological activated sludge process. This approach ensures that the discharge quality meets the limit values and the water is made suitable for recycling.

Wastewater discharge is carried out in accordance with the Environmental Permit Certificate on Wastewater Discharge issued by the Ministry of Environment, Urbanization, and Climate Change.

| Table | Parameters | Unit | Feb | April | June | July | August | Sept | Oct | Nov | Dec | Limit Value |
|-------|----------------------------------|------|--------|--------|--------|---------|---------|---------|---------|---------|----------|-------------|
| 15.2 | Iron (Fe) | mg/L | | <0,05 | | 0,007 | 0,02 | 0,406 | 0,273 | 0,527 | 0,349 | 3 |
| 15.2 | Silver (Ag) | mg/L | <0,005 | | <0,005 | <0,005 | <0,005 | < 0,005 | < 0,005 | < 0,005 | 0,1 | |
| 15.2 | Fish Bioassay (ZSF) | - | | < 10 | | < 10 | < 10 | < 10 | < 5 | < 5 | < 5 | 10 |
| 15.2 | Chemical Oxygen Demand (COD) | mg/L | 79 | <30 | 29 | 19,5 | 21,2 | 20,1 | 22,3 | 31,4 | 41,9 | 150 |
| 15.2 | Suspended Solids (SS) | mg/L | 4,5 | <2 | 3 | 9 | < 10 | < 10 | < 10 | < 10 | < 10 | 120 |
| 15.2 | Oil and Grease | mg/L | < 10 | < 10 | < 10 | < 10 | < 10 | < 10 | < 10 | < 10 | < 10 | 20 |
| 15.2 | Ammonium Nitrogen (NH4-N) | mg/L | | 0,1 | | <0,016 | <0,016 | 0,09 | < 0,016 | 1,74 | 0,097 | 100 |
| 15.2 | Nitrite Nitrogen (NO2-N) | mg/L | | <0,05 | | < 0,1 | < 0,1 | < 0,1 | 0,33 | < 0,1 | < 0,1 | 2000 |
| 15.2 | Free Chlorine | mg/L | | <0,2 | | < 0,01 | < 0,01 | < 0,01 | < 0,01 | < 0,01 | < 0,01 | 0,5 |
| 15.2 | Sulfide (S ²⁻) | mg/L | | <0,1 | | <0,002 | <0,002 | < 0,002 | < 0,002 | < 0,002 | < 0,002 | 2 |
| 15.2 | Total Chromium | mg/L | | 0,005 | | <0,001 | <0,001 | 0,001 | 0,002 | 0,002 | 0,003 | 2 |
| 15.2 | Mercury (Hg) | mg/L | | <0,005 | | <0,0001 | <0,0001 | <0,0001 | <0,0001 | 0,003 | < 0,0001 | 0,05 |
| 15.2 | Cadmium (Cd) | mg/L | | <0,005 | | <0,0005 | <0,0005 | 0,005 | 0,024 | 0,001 | 0,0029 | 0,5 |
| 15.2 | Aluminum | mg/L | | <0,005 | | < 0,02 | < 0,02 | 0,04 | < 0,02 | 0,027 | 0,043 | 3 |
| 15.2 | Fluoride (F ⁻) | mg/L | | 0,4 | | < 0,1 | 0,225 | 0,263 | < 0,1 | < 0,1 | < 0,1 | 50 |
| 15.2 | Copper (Cu) | mg/L | | 0,039 | | 0,002 | 0,003 | 0,004 | < 0,001 | 0,005 | 0,0058 | 3 |
| 15.2 | Nickel (Ni) | mg/L | | 0,032 | | < 0,005 | < 0,005 | < 0,005 | < 0,005 | < 0,005 | 0,006 | 3 |
| 15.2 | Zinc (Zn) | mg/L | | 0,011 | | 0,011 | 0,021 | 0,077 | 0,044 | 0,65 | 0,655 | 5 |
| 15.2 | pH | - | 7,92 | 7,4 | 7,79 | 7,59 | 7,58 | 8,12 | 6,87 | 8,48 | 7,23 | 6-9 |
| 15.2 | Chromium (Cr+6) | mg/L | | 0,03 | | < 0,02 | < 0,02 | < 0,02 | < 0,02 | < 0,02 | < 0,02 | 0,5 |
| 15.2 | Lead (Pb) | mg/L | | <0,005 | | <0,0005 | <0,0005 | 0,02 | <0,0005 | <0,0005 | 0,0039 | 2 |
| 15.2 | Total Cyanide (Cn ⁻) | mg/L | | <0,001 | | < 0,005 | < 0,005 | < 0,005 | < 0,005 | 0,008 | < 0,005 | 0,5 |
| 20.7 | Chloride (Cl ⁻) | mg/L | | | | | | | 253 | 170 | 219 | 2000 |
| 20.7 | Sulfate (SO4 ²⁻) | mg/L | | | | | | | 326 | 191 | 291 | 3000 |
| 20.1 | Temperature | °C | | | | | | | 21,5 | 14,8 | 10,6 | 35 |

AIR, WATER, SOIL QUALITY AND BIODIVERSITY

Significant impacts of activities, products and services on biodiversity

Since the ORS production area is reserved for industrial use, there is no agricultural area, forest area, planned area and water surface use. In order to protect the existing flora-fauna and to leave a livable environment for future generations, necessary studies such as ensuring effective waste management, pollution reduction methods and choosing of the environmentally friendly technologies are carried out.

As in previous years, for each project planned in 2023, a detailed Environmental Impact Assessment is conducted in accordance with the regulations set by the Ministry of Environment, Urbanization, and Climate Change before the project is realized. This assessment includes analyzing the impacts on air, water, soil, and climate change, and outlining the necessary precautionary measures. Within the scope of waste management, we contribute to the protection of water and soil ecosystems through zero waste practices, recycling/recovery activities, and advanced wastewater treatment.

We monitor our production and energy-related emissions and, in compliance with Environmental Legislation, perform measurements every two years through accredited laboratories appointed by the Ministry of Environment, Urbanization, and Climate Change as part of our Emission Permit. By diligently tracking emission values and ensuring compliance with the relevant limit values, we maintain the air quality of the surrounding area.



GREENHOUSE GAS EMISSIONS

Our greenhouse gas emissions resulting from our activities are calculated in accordance with the ISO 14064-1:2018 Standard. These data have been verified with a 'reasonable assurance level' by an accredited organization in accordance with the ISO 14064-3:2019 Standard since 2021.

The year 2022 has been selected as the baseline year within the scope of ISO 14064-1:2018 Standard. In the reporting process, the operational control approach has been applied in line with the activities conducted by our organization. As stated in the Trade Registry Gazette, our report is applied within the boundaries of the organization, but has been analyzed to encompass all our activities, including indirect operations.

| | Year | Ton CO ₂ -eq |
|-----------------|----------------------|-----------------------------|
| Scope 1 | 2023 | 28.008,49 |
| | 2022 (Baseline year) | 29.379,69 |
| | 2021 | 43.408,89 |
| Scope 2 | 2023* | 5.561,55* 9.915,00** |
| | 2022 (Baseline year) | 16.263,59 |
| | 2021 | 5.749,32 |
| Scope 3 | 2023 | 88.340,45 |
| | 2022 (Baseline year) | 109.532,64 |
| | 2021 | 33.231,99 |
| Total Emissions | 2023 | 121.910,49* 126.263,95** |
| | 2022 (Baseline year) | 155.175,92 |
| | 2021 | 82.390,20 |

*Market-based
** Location-based

Scope 1 direct emissions consist of emissions of stationary combustion, mobile combustion and fugitive emissions as leakage of refrigerant gases generated within organization's boundaries. In 2023, our Scope 1 direct emissions amount to 28,008.49 tons of CO₂ equivalent.

Our organization procures electricity from renewable sources. Renewable Energy Certificate (YEK-G) certificates have been obtained for half of the reporting year for the purchased electricity. In 2023, our Scope 2 energy-related emissions amount to 5,561.55 tons of CO₂ equivalent.

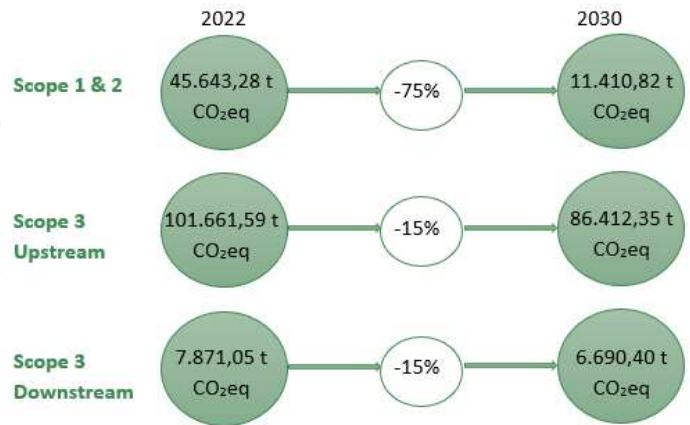
Scope 3 other indirect greenhouse gas emissions arise from purchased goods and services, capital goods, the transportation and distribution of materials, employee commuting, visitor/customer travel to the facility, business travel, waste, well to tank, and end-of-life treatment of sold products. In 2023, our Scope 3 other indirect emissions amount to 88,340.45 tons of CO₂ equivalent.

In 2023, we transparently shared our climate change mitigation performance with all our stakeholders and the global environmental non-profit organization Carbon Disclosure Project (CDP) with a C score. As part of our renewable energy initiatives, we completed the installation of an additional 6.3 MW solar energy system, in addition to our existing 3 MW solar energy system installed on the roof of our factory. Furthermore, in order to source energy from green power, Renewable Energy Certificates (YEK-G) were obtained starting from the second half of 2023 for the energy purchased from the grid. This enables us to meet part of our energy needs from renewable sources, thereby reducing our Scope 1 and Scope 2 emissions. Our efforts for emission reduction continue.



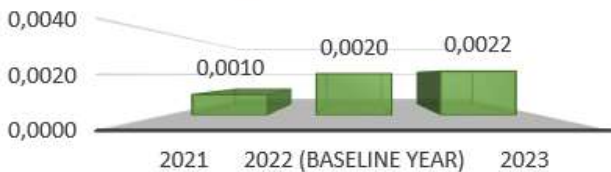
2030 CO₂ Emissions Reduction Targets

Climate change has become an increasingly significant global issue. For this reason, as ORS Bearing, we are making every effort to significantly reduce the impact of climate change. We aim to reduce our Scope 1&2 emissions by 75% and reduce both downstream and upstream Scope 3 emissions by 15% by 2030 compared to the baseline year 2022. We aim to be carbon neutral by 2050.

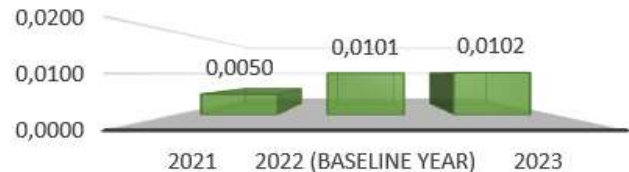


Greenhouse gas emission intensity is recorded based on two separate data points: the ratio of our total corporate carbon footprint for the relevant year (Categories 1, 2, 3, 4, 5) to the number of units produced and the number of bearings produced in kilograms. For the year 2023, this was recorded as 0.0022 tons of CO₂e per Bearing Unit and 0.0102 tons of CO₂e per kg of Bearings.

Greenhouse Gas Emission Intensity, Ton CO₂e/Piece-Bearing



Greenhouse Gas Emission Intensity, Ton CO₂e/Kg-Bearing



Air Emissions

In accordance with the Industrial Air Pollution Control Regulation (SKHKKY), emissions of VOC, CO, NO_x, SO_x, and PM generated during production processes and energy production in our cogeneration facility are measured every two years by independent laboratories appointed by the Ministry of Environment, Urbanization, and Climate Change. These emissions are monitored and tracked accordingly. Additionally, the required reporting and declarations are made under our Environmental Permit Certificate regarding Air Emissions.

| Years | Number of Days Worked per Year | NO _x (kg/y) | SO _x (kg/y) | VOC (kg/y) | PM (kg/y) |
|-------|--------------------------------|------------------------|------------------------|------------|-----------|
| 2021 | 279 | 41801 | 0 | 1792 | 54451 |
| 2022 | 274 | 46504 | 4857 | 1760 | 51258 |
| 2023 | 298 | 19019 | 0 | 26986 | 7828 |



GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4

WASTES

306-1 Waste generation and significant waste-related impacts

306-2 Management of significant waste-related impacts

306-3 Waste generated

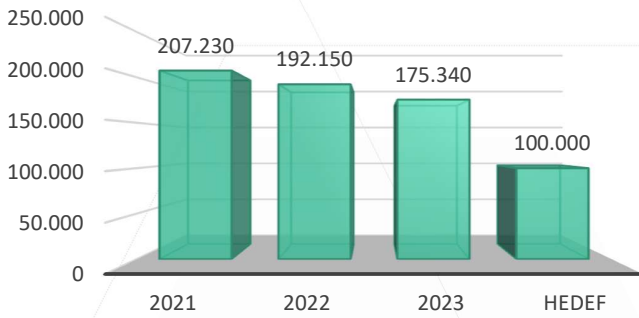
306-4 Waste diverted from disposal

As ORS Bearings, recognizing the significant potential of waste management in mitigating climate change and environmental pollution, we conduct our waste management activities in compliance with national legislation, international standards, our environmental and sustainability policies, and ISO 14001 requirements. In accordance with the Zero Waste Regulation issued by the Ministry of Environment, Urbanization, and Climate Change, we have established a waste management system and obtained the Zero Waste Certificate. Following the waste management hierarchy, we prioritize the prevention and reduction of waste at the source during our production processes. For situations where waste prevention is not feasible, we focus on reuse, recycling, and recovery methods. We code the waste in accordance with Waste Legislation using international waste codes and send it to licensed waste management companies.

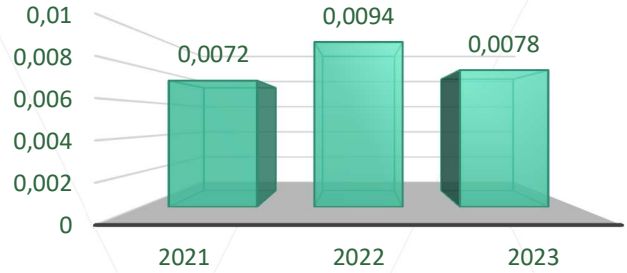
For the year 2023, our Waste Management System meticulously tracks the quantity of packaging waste sent for recycling, as well as the amounts of hazardous and non-hazardous waste normalized per piece of bearing and per kilogram of bearing, to ensure effective waste management and minimize our environmental impact.

SUSTAINABILITY REPORT 2023 WASTES

Amount of Packing Waste (kg)

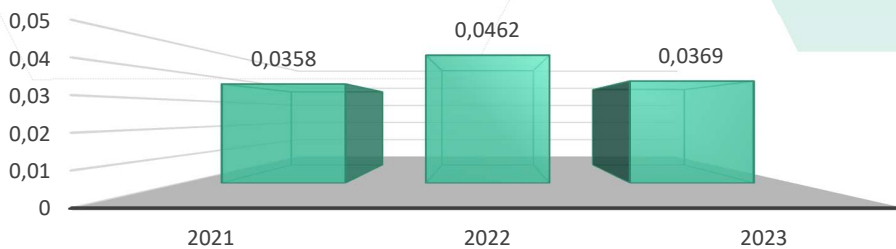


Amount of Hazardous Waste per Piece of Bearings (kg/piece-Bearing)



In 2023, declarations regarding the types, quantities, and licensed companies to which all waste was sent were made through the Integrated Environmental Information System-MOTAT application of the Ministry of Environment, Urbanization, and Climate Change.

Amount of Hazardous Waste per kg of Bearings (kg/kg-Rulman)





| Waste Code | Waste Name | Quantity (kg) |
|-------------------|---|----------------------|
| 08 03 17 | Waste printing toner containing hazardous substances | 560 |
| 12 01 01 | Ferrous metal filings and turnings | 7170160 |
| 12 01 18 | Metal sludge (grinding, honing and lapping sludge) containing oil | 11680 |
| 13 01 10 | Mineral based non-chlorinated hydraulic oils | 33340 |
| 13 05 02 | Sludges from oil/water separators | 26040 |
| 13 05 06 | Oil from oil/water separators | 188060 |
| 15 01 01 | Paper and cardboard packaging | 138080 |
| 15 01 06 | Mixed packaging | 37260 |
| 15 01 10 | Packaging containing residues of or contaminated by hazardous substances | 34180 |
| 15 02 02 | Absorbents, filter materials (including oil filters not otherwise specified), wiping cloths, protective clothing contaminated by hazardous substances | 110100 |
| 16 01 17 | Ferrous metal | 726940 |
| 17 04 05 | Iron and steel | 499400 |
| 18 01 03 | Wastes whose collection and disposal is subject to special requirements in order to prevent infection | 72 |
| 19 08 11 | Sludges containing hazardous substances from biological treatment of industrial waste water | 36980 |
| 20 01 40 | Metals | 3181660 |



GRI 403

OCCUPATIONAL HEALTH AND SAFETY

Our organization is highly committed to Occupational Health and Safety (OHS), Environmental protection, and Human Rights. The absence of any violation reports, both in previous years and in 2024, is a clear indicator of the success of this approach.

As of January 1, 2023, the due diligence obligations outlined in the German Supply Chain Due Diligence Act (LkSG) came into effect. In line with this, our organization began voluntarily complying with these obligations as of 2024. In this context, the previously published risk assessments on OHS and Environmental issues were expanded to include Human Rights. This expansion aims to monitor risks and implement necessary corrective and preventive measures by assigning a responsible person. Additionally, a grievance mechanism has been established to track reports of OHS, Environmental, and Human Rights violations, and an annual report will be published to document the due diligence activities carried out.

Our organization ensures due diligence in relation to human rights and environmental risks in accordance with the LkSG framework, as outlined in our Ethical Code of Conduct Procedure, no. 02 FB 016. This includes issues such as the prohibition of forced labor, child labor, freedom of association and collective bargaining rights, Non-discrimination, protection of occupational health and safety, environmental protection, land, forest, water rights, and the prevention of forced evictions.

The existing Grievance Mechanism includes an email address, allowing complaints to be submitted via email in addition to the complaint boxes located throughout the factory.

Our organization remains committed to taking necessary steps, as it has in previous years, to enhance human-centered activities and ensure that no violations occur in the future.

403-1 Occupational Health and Safety Management System

Our factory has ISO 45001:2018 Occupational Health and Safety Management System. In this context, in order to increase OHS performance; the interactions of main and support processes with the OHS system are taken into account. While maintaining the OHS system, continuous improvement is implemented, sustainability is aimed by eliminating or minimizing hazard risks through risk analysis and fulfilling the requirements of the OHS Policy.

403-2 Hazard Identification, Risk Assessment and Accident Investigation

Risk analyzes are carried out to improve our OHS performance and to prevent major consequences of possible accidents. For each activity, new investments and changes are taken into account in detail and processed into risk analysis. Risk analysis evaluation team; consists of Plant Manager, Occupational Safety Experts, Workplace Physician, Process and Unit Managers, relevant unit engineers and employees. Risk analysis is carried out periodically, and in case of a possible change, they are revised in accordance with the current field situation.



While conducting our Risk Assessment studies, not only risks but also possible opportunities are included. These risks and opportunities are reported in detail and presented to senior management at regular intervals.

When determining our risks and opportunities, we contribute to the prediction and management of uncertainties in front of our targets by taking into account the events that have affected the objectives and targets in the past as well as the events expected to occur in the future. The data we consider are mainly listed below:

- Studies to review the targets and risks of process owners
- Change documents
- Changes in domestic and international legal regulations
- Domestic and international political developments
- Customer complaints
- Internal and external audit results
- Nonconformities that constitute input for Corrective Actions
- Accidents in different lines of business
- SWOT Analysis
- Notifications sent to the email address etik.ihbar@ors.com.tr

403-3 Occupational Health Service

Within the scope of occupational health and safety service, 5 OHS Specialists and 3 workplace physicians, 2 of whom are permanent, work in our factory and provide daytime health services to our employees. In 2023, as in other years, it has been ensured that there will be medical personnel in each shift to provide first aid in emergency situations and approximately 10% of the working personnel will receive first aid training.

Workplace Hygiene measurements, which are required to be carried out annually in accordance with the Occupational Health and Safety Law and cover the parameters of Personal Noise Exposure, Personal Dust Exposure, Ambient Noise, Ambient Dust, Lighting and Thermal Comfort, are carried out in our factory by an accredited company authorized by the ministry, as every year. Our drinking and utility water is analyzed by the Public Health Laboratory every 6 months. When abnormal situations are detected, our staff is referred to the relevant health institution or occupational diseases hospital to ensure detailed analysis and precautions are taken.

Statistical information and activities regarding the factory infirmary are detailed below.

Number of Workplace Doctors: 1 permanent doctor, Service Procurement of 1 workplace physician, 3 medical officers

Health Service Duration Provided: 24 hours, 3 Shifts

Ambulance Status: 1 Patient Transport Vehicle

Rest taken from hospitals due to illness: 18,359 days

Rest taken from the factory doctor due to illness: 137 days



403-4 Employee Participation, Consultation and Communication in Occupational Health and Safety

Our OHS Policy and OHS Performance Reports are published on the ORS-WEB page to inform customers and suppliers. In order to effectively inform our employees, OHS-Environment communication boards are used to announce issues such as Emergency Plans, Emergency Teams, Risk Assessment within the scope of Occupational Health and Safety.

An Employee Representative is included in the Occupational Health and Safety board to obtain the opinions of workers on OHS issues. In addition, an OHS shift representative selected from the workers is appointed in each department and in each shift. These people carry out activities to inform employees about Occupational Health and Safety.

Workers' participation in the identification of hazards, risk assessment, determination of controls and incident investigations is ensured through the coordination of Employee Representatives and shift representatives in the Occupational Health and Safety Board.

Suggestion boxes in the factory are used effectively to ensure employee participation. Our employees are provided with the opportunity to convey their ideas directly to the senior management through "You Have Your Say" meetings.

In the survey study organized by the senior management in 2022, employees participated by writing their opinions on topics such as, service vehicles, dining hall, kitchen, Occupational Health and Safety, Environment, thermal comfort, condition of WCs, status of wages, etc.

Additionally, our factory implements an Individual Suggestion Procedure. The purpose of the procedure; To ensure that all employees actively participate in the development of our company in matters that will improve the production processes, working environment and conditions at ORS in line with ORS's goals and policies.

403-5 Training of Employees on Occupational Health and Safety

Our training program was implemented as planned in 2023 to create a safe working environment with high OHS awareness in periods in accordance with the OHS Law. Our trainings are given by occupational safety experts and workplace physicians, and the training notes are distributed to all participants in a booklet. Periodic trainings are determined as 12 hours every 2 years, depending on the danger class of our factory.

403-8 Employees within the Scope of Occupational Health and Safety Management System (Subcontractors)

There is an Employee Representative in the Occupational Health and Safety Board to obtain the opinions of workers on OHS issues, and an OHS shift representative selected from workers is appointed in each department/shift. These people carry out activities to inform employees about Occupational Health and Safety. Thus, healthy consultation and communication with subcontractors on Occupational Health and Safety, Environment and Energy issues are ensured.



403-9 Work Accidents (Work-related Injuries)

We monitor in detail the Change in the Number of Accidents by Years, Change in Job Loss by Years, Job Loss per Accident and target achievement for our OHS performance. There were 22 work accidents in 2023, and they did not occur in the category of serious injuries or serious accidents.

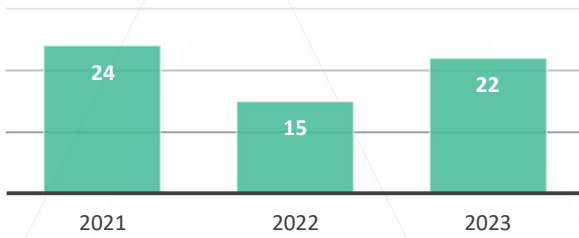
| Lost Time, Day | No of Accidents | Target Lost Time/Accident | Achieved Lost Time/Accident | Lost Time, Day |
|----------------|-----------------|---------------------------|-----------------------------|----------------|
| 2021 | 535 | 24 | ≤ 20 | 22,29 |
| 2022 | 384 | 15 | ≤ 20 | 25,60 |
| 2023 | 364 | 22 | ≤ 25 | 16,55 |
| 2024 (T) | | | ≤ 20 | |

| Year | Lost Time, Day | No of Accidents | Accident Frequency Rate Target | Achieved Accident Frequency Rate |
|---------|----------------|-----------------|--------------------------------|----------------------------------|
| 2021 | 535 | 24 | ≤ 4.50 | 5,79 |
| 2022 | 384 | 15 | ≤ 4.50 | 3,54 |
| 2023 | 364 | 22 | ≤ 4.50 | 6,03 |
| 2024(T) | | | ≤ 7.50 | |

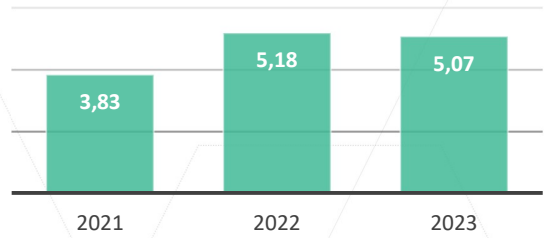
| Year | Lost Time, Day | No of Accidents | Accident Severity Rate Target | Achieved Accident Severity Rate |
|----------|----------------|-----------------|-------------------------------|---------------------------------|
| 2021 | 535 | 24 | ≤ 2.5 | 3,10 |
| 2022 | 384 | 15 | ≤ 2.5 | 2,18 |
| 2023 | 364 | 22 | ≤ 2.5 | 2,4 |
| 2024 (T) | | | ≤ 2.5 | |

| Year | No of Employees | No of Accidents | Accident Likelihood Rate Target | Achieved Accident Likelihood Rate |
|----------|-----------------|-----------------|---------------------------------|-----------------------------------|
| 2021 | 2048 | 24 | ≤ 500 | 1172 |
| 2022 | 1991 | 15 | ≤ 500 | 753 |
| 2023 | 1845 | 22 | ≤ 800 | 1192 |
| 2024 (T) | | | ≤ 1200 | |

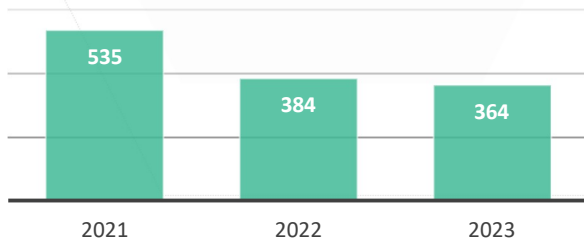
Change in Accident Numbers by Years



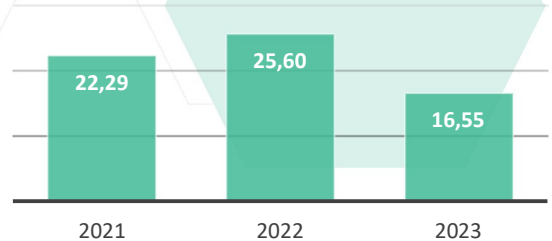
Annual Rate for Person/Lost Time



Annual Lost Time(Days)



Annual Lost Time/Accident Rate





H&R MANAGEMENT

Value To the Employees

ORS has defined its human resources policy as employing an innovative, highly motivated, and high-performing workforce that is competent in its field. This workforce is sustained in a way that increases employees' commitment to ORS. In line with its human resources mission, ORS provides its employees with a fair and safe working environment that helps them increase their productivity and develop their talents. Additionally, ORS places great importance on safeguarding all the rights of its employees, ensuring they receive their entitlements fully and accurately



Employee Development and Talent Management

ORS places great importance on strengthening the talents and skills of its employees. Therefore, it has implemented numerous programs. These programs are organized within the framework of defined procedures and policies and according to the needs of the employees.

Career at ORS

With its Career Management System, ORS has created career paths for its employees based on performance, competence, and development. The aim of this practice is to closely monitor and develop current employees, ensuring that ORS always has the necessary workforce ready. Through this system, ORS trains its own managers.

Feedback Culture with Performance Management System

Performance evaluations for white-collar employees are conducted twice a year, in March and September. After the performance evaluations, feedback meetings are held with the department manager. This allows for easier identification of employees' development needs and expectations, enabling a focus on areas for improvement.

Employee Rights

(201-3 Defined benefit plan obligations and other retirement plans)

ORS recognizes that its employees are the most important means of achieving its goals. Therefore, it invests in its employees. First and foremost, ORS places great importance on ensuring occupational health and safety, protecting employee rights, and creating a fair working environment for its employees. Maintaining these processes is among ORS's top priorities.

| | Cash Aids Provided to All Employees | Cash Aids Provided to Certain Positions |
|---|-------------------------------------|---|
| Incentive bonus | ● | |
| Complementary Health Insurance | ● | |
| Military Aid | ● | |
| Heating Aid | ● | |
| Birth, Marriage Assistance | ● | |
| Food Aid | ● | |
| Night Raise Fee | ● | |
| Education, Child, Holiday Aid | ● | |
| Annual Leave Allowance | ● | |
| Scholarship for Children of Employees | ● | |
| Bonus, Duty Compensation | | ● |
| Project Assistance, Adjuster/Supervisor Fee | | ● |



| Social Aids |
|-----------------------------|
| Shoes |
| Detergents /Towel/ Bathrobe |
| Ramadan supplies |



ORS provides scholarships/aid to the children of employees who are enrolled in formal education and advance to the next grade each year, to the children who rank in the top ten thousand in university entrance exams, and to the children who pass the scholarship exam of TED College, aiming to increase their educational level and learning motivation.

Blue-collar employees at ORS have one chief representative and four department representatives. These representatives are elected every five years. They play a crucial role in enabling ORS employees to actively participate in decision-making processes within the company.





Communication

ORS believes in the importance of transparent and effective communication with its employees. Utilizing technology, ORS has established a robust communication network with its employees, disseminating information through written communication, social media, SMS, local area network, email, and announcement screens.



ORS ensures that employees can share their opinions and suggestions through a suggestion-complaint system and annual employee surveys. The annual employee satisfaction survey gathers suggestions for improving the work environment, and feasible suggestions are implemented to enhance workplace conditions.

According to ORS's suggestion and complaint procedures, members of the suggestion and complaint board gather suggestions and complaints during the first week of each month. These are then evaluated by the Suggestion and Complaint Review Committee and presented to management. ORS ensures that feedback is provided to individuals after review.

| 2023 | |
|-----------------------|----|
| Number of suggestions | 34 |
| Number of Complaints | 28 |

Talent Acquisition

(401-1 New Employee Hires and Employee Turnover)

ORS aims to meet both the sustainability of the company and the career expectations and development needs of its employees through Talent Management. By supporting the development of its human resources through investments, ORS ensures continuity in its operations from recruitment to retirement. It prioritizes maintaining the health and safety of its employees throughout their tenure, supporting their personal and professional development, and providing a peaceful working environment where all labor and human rights are protected.

ORS ensures equal opportunities for all candidates during the recruitment process, conducting it in an objective and fair manner. Human Resources diligently manages the candidate selection process to fill all positions with the right talents.

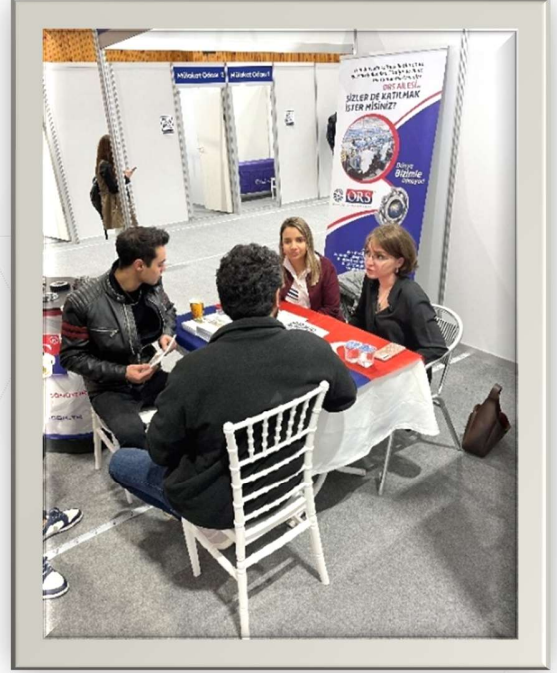
ORS selects approximately 95% of its employees from the region where they are located (202-2 Proportion of senior management hired from the local community).

ORS Human Resources team conducts exit interviews with every departing employee. The results of these interviews are analyzed and communicated to management





ORS Career Days





Long Term Employment (401-1 New Employee Hires and Employee Turnover)

ORS values the knowledge and experience of its employees. The turnover rate for ORS in 2023 was 11.6%.

Internship Programs for Young Talents (401-1 New Employee Hires and Employee Turnover)

ORS places importance on internship programs to cultivate potential candidates. It observes interns throughout their internship period, offering them a significant opportunity for career development, and prioritizes them for evaluation in case of available positions.

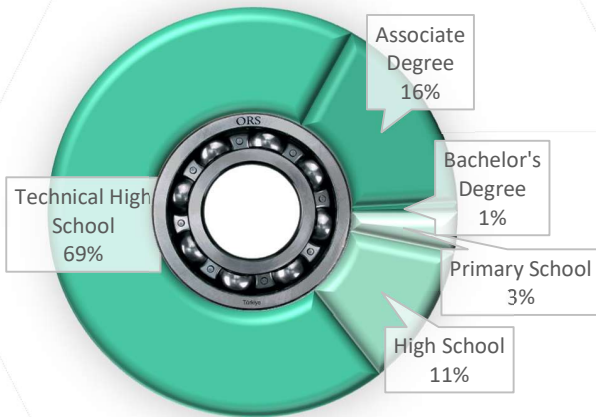
- Skill training opportunities are provided to Industrial Vocational High School students.
- Workplace training and summer internship opportunities are provided to university students within the scope of university-industry cooperation.

In today's world, the demand for skilled engineers continues to grow steadily. To support young students aspiring to become engineers, ORS provides assistance to enhance the efficiency of their final projects and help them develop their skills further.

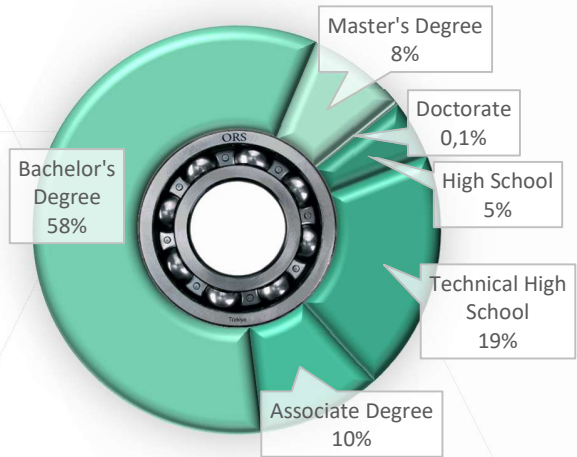


Education Status (405-1 Diversity of Governance Bodies and Employees)

Blue Collar Education Distribution



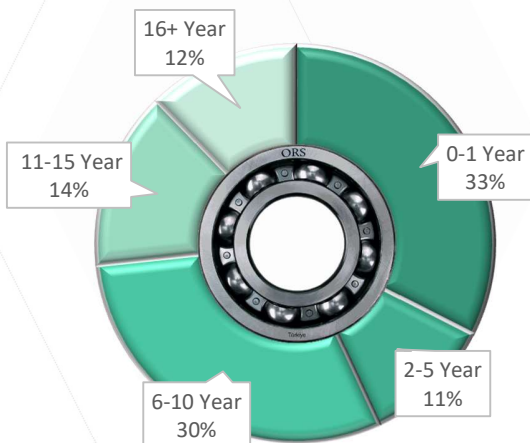
White Collar Education Distribution



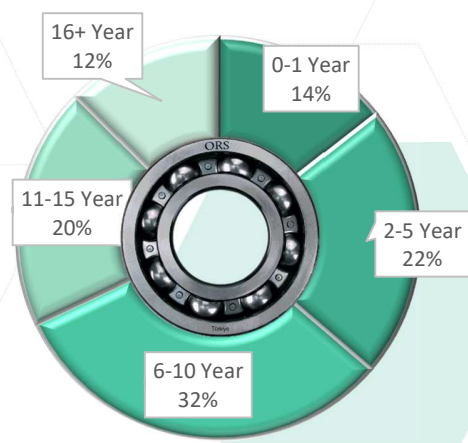
Employee Participation and Loyalty (405-1 Diversity of Governance Bodies and Employees)

ORS values employee engagement and commitment, thus it recruits talented, qualified, innovative, high-performing, and highly motivated employees. With an approach that emphasizes equality, fairness, employee well-being, and development, ORS enhances employee loyalty and places great importance on retaining experienced employees.

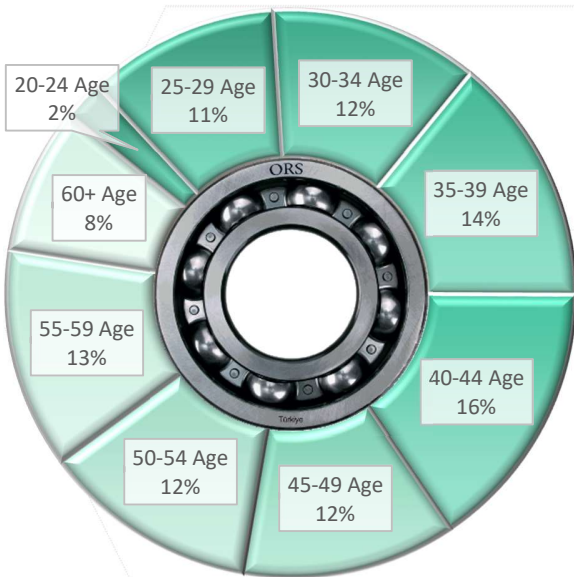
White Collar Seniority Distribution



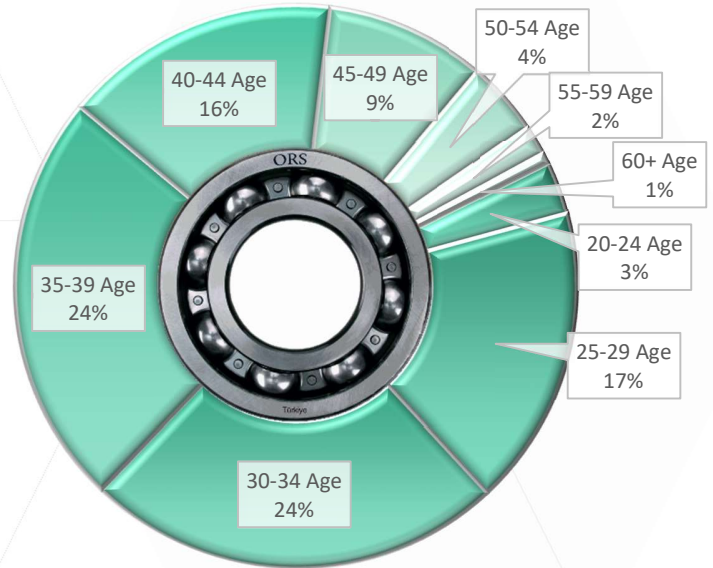
Blue Collar Seniority Distribution



White Collar Age Distribution



Blue Collar Age Distribution



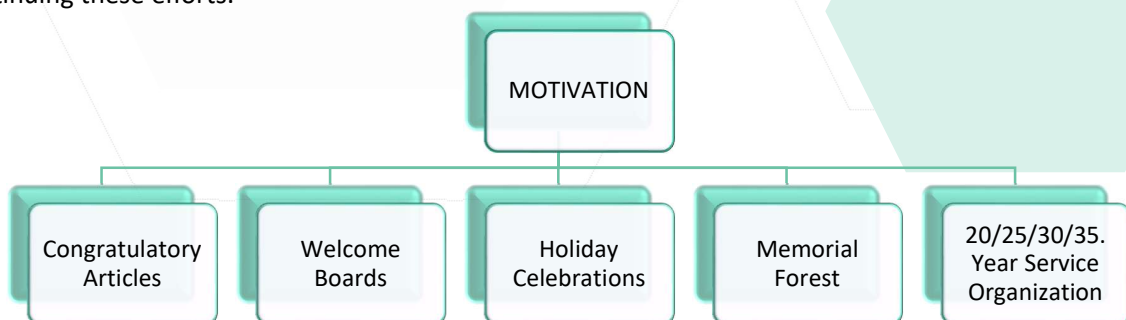
Equality and Diversity (405-1 Diversity of Governance Bodies and Employees, GRI 406: Non-discrimination, 406-1 Incidents of discrimination and corrective actions taken)

ORS offers an ethical working environment to its employees within the framework of equal opportunity. It ensures equal opportunity from the moment of recruitment and throughout their employment. Human resources processes are conducted without discrimination based on race, religion, language, age, nationality, ethnic identity, or gender. (2-19 Remuneration policies- 2-20 Process to determine remuneration)

At ORS, salaries are determined based on education, seniority, experience, title, and performance without any discrimination, in compliance with legal requirements. Entry salaries for white-collar employees are set according to their education level, foreign language proficiency, experience, and competencies. Salary increases for white-collar employees are based on performance, knowledge, skills, and seniority, and these increases are approved by the Factory Manager and the General Manager. Entry salaries for blue-collar employees are determined by adding bonuses and social benefits to the minimum wage, with these salaries being approximately 35% higher than the minimum wage.

Importance of Motivation in ORS (404-2 Programs for Upgrading Employee Skills and Transition Assistance Programs)

ORS has implemented various initiatives to boost employee motivation and places great importance on continuing these efforts.





ENFORCING OUR EMPLOYEES (Gri 404: Training and Education)

(404-1 Average Hours of Training Per Year Per Employee)

(404-2 Programs for Upgrading Employee Skills and Transition Assistance Programs)

Training and Improvement (Gri 404: Training and Education)

ORS, prioritizing the development of its employees, prepares training and development programs aimed at strengthening their competencies. When creating annual training and development plans, ORS considers all the needs of its employees.

Trainings are planned based on annual training analyses and semi-annual training effectiveness evaluation results, taking into account the needs of the employees.

Training plans are created for employees at all levels, from upper management to blue-collar workers.

ORS collects feedback from its employees regarding the training programs to improve the training and development process.

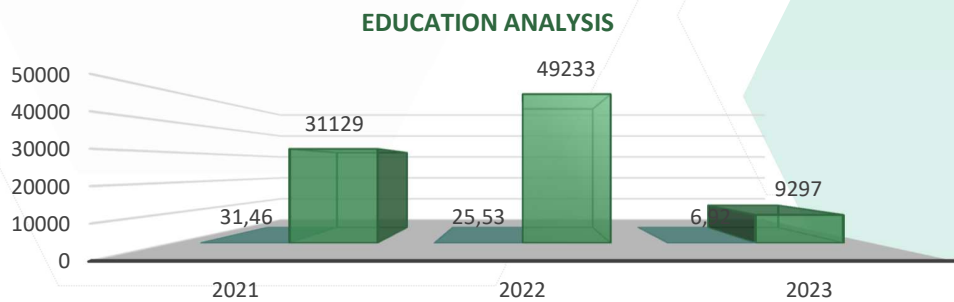
Once the recruitment process for new employees is completed, the Human Resources department provides an Orientation Training. This training includes information on ORS's establishment, mission, vision, quality policies, environmental policy, occupational health and safety policy, information security policy, data protection policy, working principles, production process, and employee rights and responsibilities.

The On-the-Job Training Program for white-collar employees lasts 12 days. During this period, they have the opportunity to meet all departments and learn about the processes. For blue-collar employees, the program includes 1 day of orientation and bearing process training in the Human Resources department. They also complete on-the-job training in their respective departments. Depending on the characteristics of the relevant department and workplace, on-the-job training lasts a minimum of 1 week and a maximum of 3 weeks.

ORS Human Resources and Administrative Affairs Manager meets with every new employee, gives a welcome speech, and provides all necessary information about ORS.

Bachelor's, Master's and Doctorate Support (Gri 404: Training and Education)

ORS, in order to support the education and development of its employees, offers paid leave to employees who wish to pursue undergraduate, master's, and doctoral degrees by signing a study contract with them. In 2023, a total of 10 employees continued their formal education programs and determined their career paths.



| | 2021 | 2022 | 2023 |
|--------------------------------|-------|-------|------|
| Kişi Başına Düşen Eğitim Saati | 31,46 | 25,53 | 6,92 |
| Toplam Eğitim Saati | 31129 | 49233 | 9297 |



Social Policies for Society (Gri 415: Public Policy)

ORS, which values social development as much as economic development, supports education, sports, culture, and the arts, and continues to create social benefit through its social responsibility projects. To enhance the love of nature among employees and the community, the "ORS 35th Year Hasan Aslan Memorial Forest" was established in memory of ORS's founder, Mr. Hasan Aslan.

Gender Equality (406-1 Incidents of Discrimination and Corrective Actions Taken)

Gender equality has been one of the issues that ORS has valued and supported in all areas of its activities since its establishment.

Strong Women Strong ORS (406-1 Incidents of Discrimination and Corrective Actions Taken)

ORS places great importance on the empowerment and active participation of women in the workplace by ensuring the presence of female managers at all levels. Pregnant and breastfeeding employees work within the time frames specified by law. Female employees continue to participate in the workforce in the same position after returning from maternity leave.

(401-3 Parental leave)

- * The percentage of female managers at ORS is 20.65
- * The percentage of female employees among white-collar workers at ORS is 14.65.



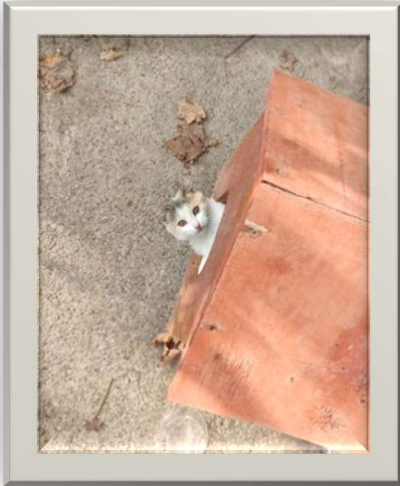
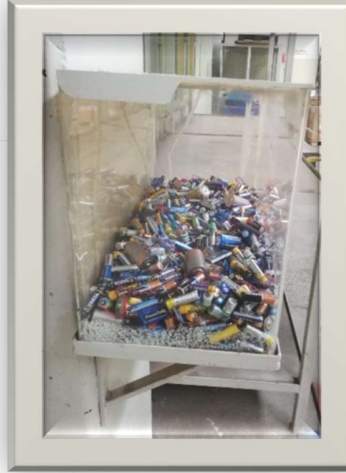
| 2023 | |
|--|-----|
| Number of Employees Taking Paternity Leave | 133 |
| Number of Employees Taking Maternity Leave | 4 |



Handling of Waste Battery

(Gri 415: Public Policy)

Used batteries that have reached the end of their useful life, expired, or become unusable due to physical damage are collected in waste battery collection boxes to protect the environment, and then they are delivered to the contracted waste collection company for proper disposal.



ORS continues to provide living spaces for our animal friends with the philosophy that "the fundamental requirement for protecting nature is to protect those within it." ORS sends food leftovers to the Temporary Shelter and Feeding Point for stray animals in Polatli.

ORS gives various gifts to female employees every year on March 8th, International Women's Day, to help them feel their value more distinctly.





ORS provided aid to the disaster area to alleviate the devastating effects of the earthquake disaster that occurred on February 6.



PURCHASING MANAGEMENT APPROACH

Due to the intense price negotiations experienced in the year 2023, it became a year that did not directly align with the investigation plans. Therefore, in 2023, we were unable to conduct on-site visits to our suppliers in line with our plans. Instead, particularly online meetings were held for mutual exchange of information on the agenda. However, plans for visits were made for the year 2024.

In the year 2023, a total of 1180 suppliers were collaborated with. Especially in the material groups of ball, roller, tapered cage, and plastic cage, initiatives to onboard new suppliers were initiated.

In the automotive sector, the key processes to be able to source the right product in the desired quality, at the right time, and at a reasonable cost can be listed as supplier selection, supplier performance evaluation, and supplier development activities.



Companies that successfully complete the onboarding process for new suppliers are now included in the approved supplier list of ORS and purchases are initiated based on the requirements.

In line with the sustainability approach, ensuring the continuity of material supply processes is among our key processes. Within this scope, all purchases of steel material, energy, and steel ball, which rank in the top 3 in the procurement budget, are made through agreements on a quarterly/annual basis. These agreements secure the purchases of the quantities covered by the agreement at the agreed-upon prices. The general aim of sustainability studies is to target the continuity of both global resources and the supply chain in a healthy manner, taking into account human rights from a procurement perspective. In this context, there are several different topics that ORS considers in its procurement activities, and these are listed below;

- Local Purchasing
- The Social Performance of Suppliers and Continuity in Relationships
- Source and Supplier Management
- Suppliers' Environmental Awareness and Performance
- Energy Management



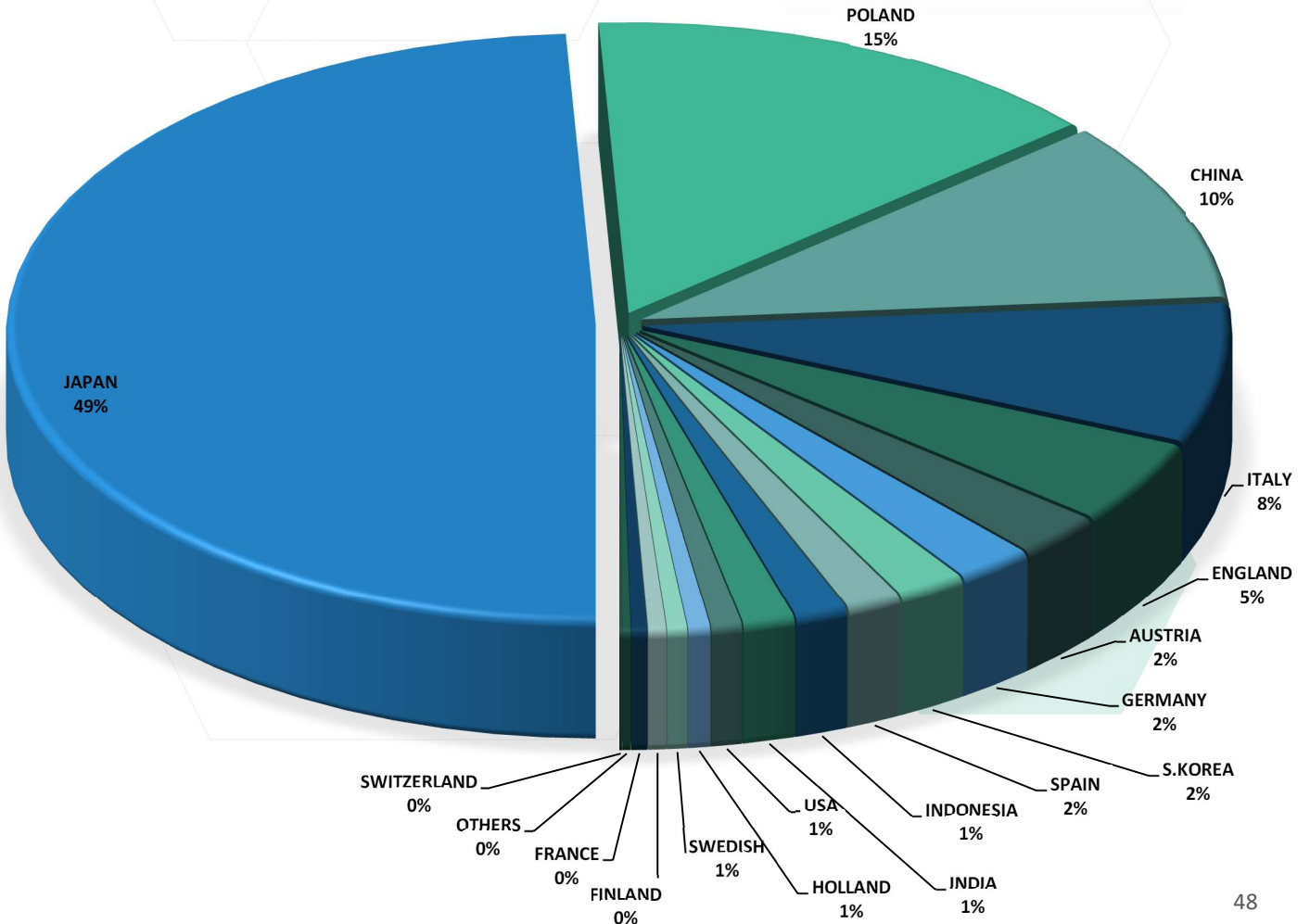
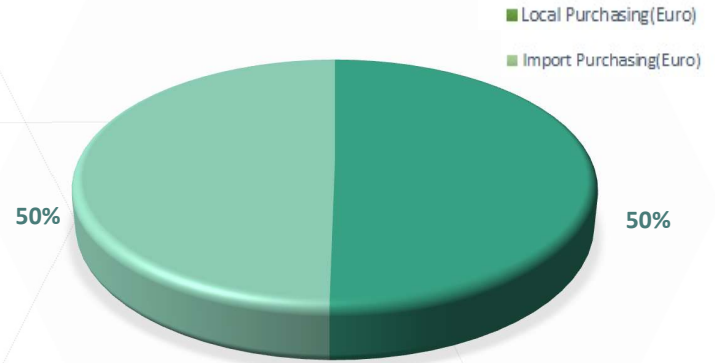
1) Local Purchasing (GRI-204-1)

ORS is an organization aware of the challenges and significance of being a local manufacturer that operates entirely within a single factory in Ankara, Turkey. At this point, the definition of the word "Local" is of great importance, and for purchasing operations at ORS, this definition refers to Turkey.

The pie chart below shows the domestic (local) and international distribution of purchases in 2023 by turnover.

For imported purchases, the country-based distribution is shown in the table below;

2023 Purchasing Turnover Distribution





As the only fully operational bearing manufacturer in Turkey, ORS recognizes the difficulty of finding local suppliers in the direct material group. However, through the supply network established in Turkey over the years, ORS has achieved localization in certain bearing component materials by enabling local suppliers to provide necessary business and process improvements. The best example of this is that all 8 new projects initiated in 2023 in the rubber seal material group were awarded to local manufacturers.

The purpose of this localization in all purchasing processes is to increase the continuity of the supply chain, whether through a manufacturer or seller based in Turkey, while also aiming to reduce carbon emissions, which have gained increased awareness in recent years. In these times when the Earth's natural balance is experiencing disruptions, ORS, as a manufacturer, aims to reduce carbon emissions by choosing local suppliers, just as every individual has a responsibility. In this context, ORS has a mission in 2023 to carry out detailed Carbon Footprint calculations and immediately develop new solutions to reduce them.

2) The Social Performance of Suppliers and Continuity in Relationships (GRI 205-2)

In addition to localization efforts in procurement, keeping the long-standing supplier network has been another mission of the ORS' Procurement Department for many years. The ways to maintain this involve providing support in financial matters and shipments.

In 2023, a year when the negative effects of the energy crisis that emerged with the impacts of the Russia-Ukraine war were somewhat mitigated, there were significant declines in demand across many material groups due to the global inflationary environment. This decline in demand led to reductions in input prices. However, due to the contraction in the automotive market, our own demands have also decreased, and measures have been taken to reduce inventories.

ORS, known for adhering to strict payment terms, adapted to changes and supported its local suppliers by shortening payment terms and making payments in foreign currency, in response to sudden fluctuations in exchange rates in 2023, through mutual agreement with suppliers.



Under the Sustainable Purchasing Policy, the ORS Purchasing Department has taken necessary actions to prevent disruptions in the supply chain by supporting suppliers in matters of payments and shipments, recognizing that every structure within the supply chain is interconnected. Our Sustainable Purchasing Policy has been shared with our suppliers, and confirmation has been received that purchases will be made in accordance with the provisions outlined in the policy. The main topics covered under our **Sustainable Purchasing Policy** are listed in the next table.

MAIN TOPICS OF SUSTAINABLE PURCHASING POLICY

- Privacy, Information Security, Mutual Trust, Effective Communication, Ethical Awareness
- Environment, Social Responsibility, and Occupational Health and Safety
- Technology Focus and Continuous Improvement
- Human Trafficking, Fraud, Deception, Extortion, Corruption, and Bribery
- Compliance with Laws, Fair Competition, and Anti-trust
- Water Consumption, Energy Consumption, Greenhouse Gas Emissions, Carbon Emissions,
- Prohibited and Restricted Chemicals
- Working Conditions, Wages, Working Hours, Union and Collective Bargaining, Slavery, Human Trafficking, Equal Rights, Discrimination, Child Labor
- Woman Employees and Equality, Human Rights, and Minorities,
- Local Purchases,
- Original Products



3) Source and Supplier Management (GRI 3-1)

Under this title, ORS has primarily focused on two different issues;

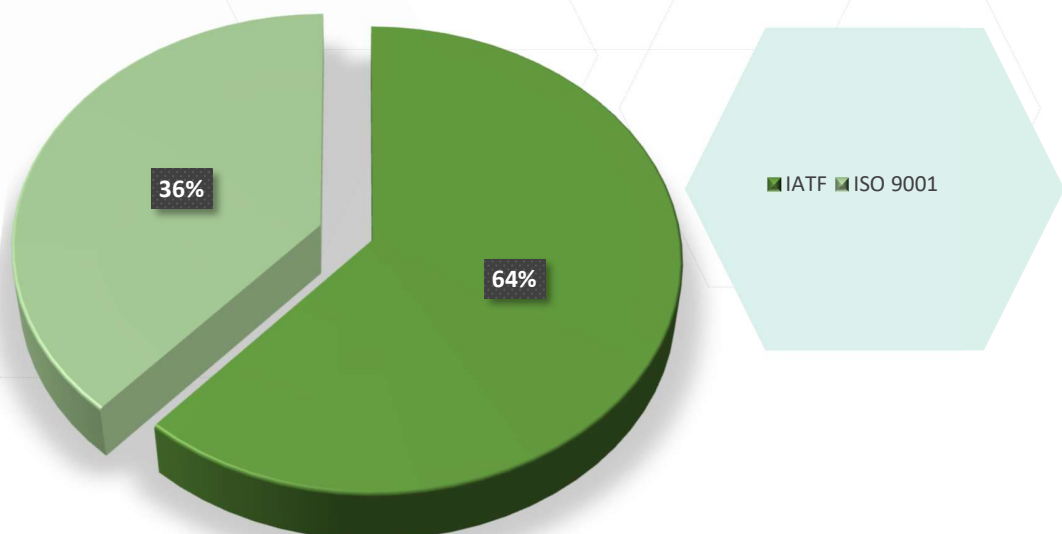
Firstly, as is well known, the issue of "Conflict Minerals" has been an important global concern for many years. ORS, in alignment with many other companies, condemns human rights violations and environmental abuses occurring in various African countries and does not support them, even indirectly. In these regions, mines are extracted under conditions that lead to serious human rights violations, such as forced labor and child labor, as well as environmental exploitation, to produce tin, tantalum, tungsten, and gold (Conflict Minerals). Beyond this, the profits generated from these minerals can directly or indirectly finance armed groups involved in civil wars. ORS has obtained written declarations from every supplier using these relevant minerals in their processes to ensure that no company in its supply chain benefits directly or indirectly from these human rights violations.

In addition to its stance on "Conflict Minerals," ORS regularly collects declarations from its suppliers regarding REACH, RoHS, and ELV to ensure that prohibited and restricted substances are not present in its products.

Furthermore, by tracking the raw materials used in the production of direct materials, ORS ensures that all change processes are monitored without any disruption.

As ORS, since our main market is the automotive sector, we emphasize the necessity for our suppliers to have automotive awareness. In this context, we regularly monitor the current status of the quality certificates held by our suppliers to track their approach to quality systems. Below, as of 2023, the percentage of suppliers with and without the IATF 16949 automotive quality system is shown in the graphic.

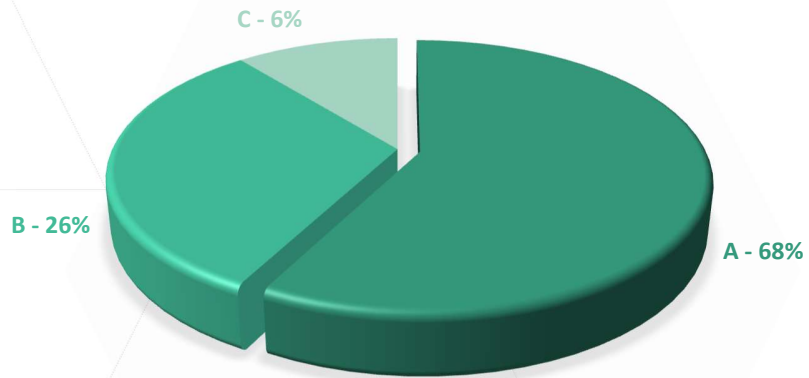
Proportion of Suppliers with IATF 16949 Quality System





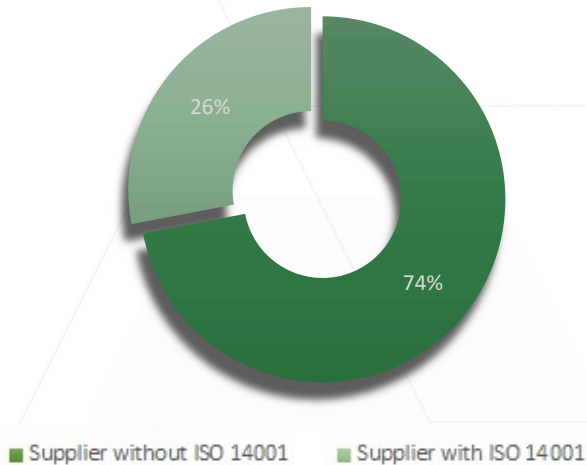
At the same time, we expect our suppliers to have a quality consciousness and, within this scope, to provide us with products at a reasonable price and without any problem. In this context, we evaluate approximately 100 suppliers with whom we directly engage in procurement each year, considering both quality and purchasing requirements, and classify them into A, B, and C categories. The distribution of the evaluated suppliers into A, B, and C groups is provided in the table below

Distribution Of Suppliers As Per Yearly Supplier Performance Evaluation



Finally, each year, risk assessment studies are conducted for our suppliers, and action plans are developed for those suppliers with high-risk factors.

Proportion of Suppliers with ISO 14001 Quality System



4) Suppliers' Environmental Awareness and Performance

As ORS, we prioritize working with suppliers who have established environmental awareness, are conscious of their responsibilities towards the environment, and take the necessary precautions and actions in this regard. Below, you can find the proportion of our suppliers who hold the ISO 14001 certification.

Additionally, under the topic of carbon footprint emissions, we recognize that steel manufacturing is one of the sectors with very high energy consumption. Steel bars, pipes, sheets, bearings, and rollers, all made from 100Cr6 material or products manufactured from 100Cr6 material, or flat steels of different grades, constitute 30% of our total purchasing budget.

In this context, during 2023, we inquired about the carbon footprint values and the proportion of scrap materials used in manufacturing from our suppliers of pipes, bars, and sheets. In 2024, our goal is to initiate survey studies covering all our direct material suppliers regarding carbon footprint, the amount of scrap material used in manufacturing, and other environmental requirements.

5) Energy Management (GRI 302-2)

In 2023, energy prices, which had risen due to the Russia-Ukraine war, declined but did not return to 2021 levels. Both our suppliers in Europe and ORS experienced a decrease in energy costs over the past year. In 2024, we will be questioning our suppliers about their energy sources and investigating what percentage of their current energy needs is met by green energy.





QSI VERIFICATION REPORT SUMMARY

Ortadoğu Rulman San. ve Tic. A.Ş. Greenhouse Gas Emissions Summary Report, 2023

General Principles and Scope

ORS manages its greenhouse gas emissions in accordance with the Regulation on the Monitoring of Greenhouse Gas Emissions and the Communiqué on the Monitoring and Reporting of Greenhouse Gas Emissions, as per the Environmental Legislation.

ORS is classified at Category B, Facility level, in accordance with Article 17 of the Communiqué on the Monitoring and Reporting of Greenhouse Gas Emissions, with CO₂ identified as the activity category.

This report is a summary of the Verified Greenhouse Gas Emissions Report prepared for the 2023 year, based on the defined activities of fuel combustion (1b) and the production or processing of iron-containing metals (including ferrous alloys).

ORS 2023 Greenhouse Gas Emission Report has been prepared in line with the Monitoring Plan valid as of January 1, 2023 and approved by the Ministry of Environment and Urbanization.

Greenhouse Gas Emissions and Organizational Boundaries

ORS's Greenhouse Gas Emissions Monitoring Plan and Emissions Report include stationary emissions resulting from the combustion of fuels required for production activities. Our facility has been producing with the same process since it became subject to the Regulation on the Monitoring of Greenhouse Gas Emissions. However, during the 2023 verification, an additional finding raised by the verifying organization indicated that the scope of '4.1 – Production or processing of iron-containing metals (including ferrous alloys)' has been added. In this context, no new source flows, emission sources, or emission points have been added to the facility.

Emissions from vehicles used within the factory, emissions related to logistics activities, and emissions from catering services within the scope of subcontractors have not been included.

The total emissions from fuel combustion (1b) required for production activities during the reporting year amount to 25,733.56 tons of CO₂ equivalent.

Calculation of Greenhouse Gas Emissions

In the calculation of greenhouse gas emissions, a calculation-based method was used for CO₂, and the relevant calculation factors (net calorific value, emission factor, oxidation factor) were taken from the National Inventory Report Tables and greenhouse gas emissions were calculated. Since there is insignificant resource flow in the calculation factors of only propane, the LPG value (due to the cautiously higher carbon content of propane) has been applied since there is no relevant data in the national inventory in the calculation factor in accordance with Article 24 (3) of the M&R Communiqué. No steps were applied in the activity data.

Internal Audit and Control Methods

Data controls were carried out in accordance with the internal audits conducted during the reporting year and the "Data Management and Control Procedures" established.

Verification

The 2023 Greenhouse Gas Emissions Report has been verified by QSI, which is accredited and qualified independent verification organization, in accordance with the relevant regulations.



GRI INDEX

| | | |
|---|--|--|
| Statement of use | Ortadoğu Rulman Sanayi ve Ticaret A.Ş. has prepared its report covering the period January 01, 2023 - December 31, 2023 in accordance with the GRI Standard. | |
| GRI 1 used | GRI 1: Temel 2021 | |
| GRI STANDARD | DISCLOSURE | LOCATION |
| GRI 2: General Disclosures 2021 | 2-1 Organizational details | About The Report p. 2-5 https://www.ors.com.tr/tr/iletisim |
| | 2-2 Entities included in the organization's sustainability reporting | About The Report p. 2 |
| | 2-3 Reporting period, frequency and contact point | About The Report p. 2 |
| | 2-4 Restatements of information | There is no restated information in the report. |
| | 2-5 External assurance | |
| | 2-6 Activities, value chain and other business relationships | Purchasing Management Approach p.47 |
| | 2-7 Employees | Value to Employees p.35-47 |
| | 2-8 Workers who are not employees | Value to Employees p.35-47 |
| | 2-9 Governance structure and composition | About ORS p.5 |
| | 2-10 Nomination and selection of the highest governance body | |
| | 2-11 Chair of the highest governance body | |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | |
| | 2-13 Delegation of responsibility for managing impacts | About ORS p.5 |
| | 2-14 Role of the highest governance body in sustainability reporting | About ORS p.5 |
| | 2-15 Conflicts of interest | Business Ethics p.11 |
| | 2-16 Communication of critical concerns | Business Ethics p.11 |
| | 2-17 Collective knowledge of the highest governance body | About ORS p.5 |
| | 2-18 Evaluation of the performance of the highest governance body | Our 2023 Sustainability Goals p.8 |
| | 2-19 Remuneration policies | Diversity and Equal Opportunities p.42 |
| | 2-20 Process to determine remuneration | Diversity and Equal Opportunities p.42 |
| | 2-21 Annual total compensation ratio | |
| | 2-22 Statement on sustainable development strategy | CEO's Message p.4 |
| | 2-23 Policy commitments | Business Ethics p.11 |
| | 2-24 Embedding policy commitments | Business Ethics p.11 |
| | 2-25 Processes to remediate negative impacts | Contribution to Sustainable Production p.15 |
| | 2-26 Mechanisms for seeking advice and raising concerns | Business Ethics p.11 |
| | 2-27 Compliance with laws and regulations | Business Ethics p.11, Environmental compliance p.32 |
| | 2-28 Membership associations | |
| | 2-29 Approach to stakeholder engagement | Our stakeholders p.10 |
| | 2-30 Collective bargaining agreements | Employee Rights p.36 |
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | Our Sustainable Priorities p.7, Our Stakeholders p.10 |
| | 3-2 List of material topics | Our Sustainable Priorities p.7, Our Stakeholders p.10 |
| | 3-3 Management of material topics | Our Sustainable Priorities p.7, Our Stakeholders p.10 |
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed | Economic Performance pp.16-18 |
| | 201-2 Financial implications and other risks and opportunities due to climate change | Economic Performance pp.16-18; Risk Management p. 13 |
| | 201-3 Defined benefit plan obligations and other retirement plans | Employee Loyalty and Participation p.41 |
| GRI 202: Market Presence 2016 | 202-1 Ratios of standard entry level wage by gender compared to local minimum wage | Diversity and Equal Opportunities p.42 |
| | 202-2 Proportion of senior management hired from the local community | |
| GRI 202: Market Presence 2016 | 203-1 Infrastructure investments and services supported | R&D p.14-15, |



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| | 203-2 Significant indirect economic impacts | |
| GRI 204: Procurement Practices 2016 | 204-1 Proportion of spending on local suppliers | Purchasing Management Approach p.49 |
| GRI 205: Anti-corruption 2016 | 205-1 Operations assessed for risks related to corruption | Business Ethics p.11, Fighting Corruption p.12 |
| | 205-2 Communication and training about anti-corruption policies and procedures | Business Ethics p.11, Fighting Corruption p.12 |
| | 205-3 Confirmed incidents of corruption and actions taken | Business Ethics p.11, Fighting Corruption p.12 |
| GRI 206: Anti-competitive Behavior 2016 | 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | Business Ethics p.11, Unfair Competition p.12 |
| GRI 207: Tax 2019 | 207-1 Approach to tax | |
| | 207-2 Tax governance, control, and risk management | |
| | 207-3 Stakeholder engagement and management of concerns related to tax | |
| | 207-4 Country-by-country reporting | |
| GRI 301: Materials 2016 | 301-1 Materials used by weight or volume | Economic Performance pp.16; |
| | 301-2 Recycled input materials used | Circular Economy p.20 |
| | 301-3 Reclaimed products and their packaging materials | Circular Economy p.20 |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | Energy Consumption and Efficiency p.21 |
| | 302-2 Energy consumption outside of the organization | Purchasing Management Approach p.47-54 |
| | 302-3 Energy intensity | Energy Consumption and Efficiency p.21 |
| | 302-4 Reduction of energy consumption | Energy Consumption and Efficiency p.22 |
| | 302-5 Reductions in energy requirements of products and services | ORS Energy Efficient Bearings p.17 |
| GRI 303: Water and Effluents 2018 | 303-1 Interactions with water as a shared resource | Water and Wastewater p.23 |
| | 303-2 Management of water discharge-related impacts | Water and Wastewater p.23 |
| | 303-3 Water withdrawal | Water and Wastewater p.23 |
| | 303-4 Water discharge | Water and Wastewater p.23 |
| | 303-5 Water consumption | Water and Wastewater p.24 |
| GRI 304: Biodiversity 2016 | 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | |
| | 304-2 Significant impacts of activities, products and services on biodiversity | Air, Water, Soil Quality and Biodiversity p.26 |
| | 304-3 Habitats protected or restored | |
| | 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations | |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | Climate Change and Emissions p.28 |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Climate Change and Emissions p.28 |
| | 305-3 Other indirect (Scope 3) GHG emissions | Climate Change and Emissions p.28 |
| | 305-4 GHG emissions intensity | Climate Change and Emissions p.28 |
| | 305-5 Reduction of GHG emissions | Climate Change and Emissions p.28 |
| | 305-6 Emissions of ozone-depleting substances (ODS) | |
| | 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | Climate Change and Emissions p.28 |
| GRI 306: Waste 2020 | 306-1 Waste generation and significant waste-related impacts | Wastes p.29-30 |
| | 306-2 Management of significant waste-related impacts | Wastes p.29-30 |
| | 306-3 Waste generated | Wastes p.29-30 |
| | 306-4 Waste diverted from disposal | Wastes p.29-30 |
| | 306-5 Waste directed to disposal | Wastes p.29-30 |
| GRI 308: Supplier Environmental Assessment 2016 | 308-1 New suppliers that were screened using environmental criteria | Purchasing Management Approach p.47 |
| | 308-2 Negative environmental impacts in the supply chain and actions taken | Purchasing Management Approach p.47 |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | Talent acquisition p.36-40 |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | |
| | 401-3 Parental leave | Talent acquisition p.36-40 |
| GRI 402: Labor/Management Relations 2016 | 402-1 Minimum notice periods regarding operational changes | |



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| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | Occupational Health and Safety p.31 |
| | 403-2 Hazard identification, risk assessment, and incident investigation | Occupational Health and Safety p.32 |
| | 403-3 Occupational health services | Occupational Health and Safety p.32 |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | Occupational Health and Safety p.33 |
| | 403-5 Worker training on occupational health and safety | Occupational Health and Safety p.33 |
| | 403-6 Promotion of worker health | Occupational Health and Safety p.33 |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Occupational Health and Safety p.34 |
| | 403-8 Workers covered by an occupational health and safety management system | Occupational Health and Safety p.34 |
| | 403-9 Work-related injuries | Occupational Health and Safety p.34 |
| | 403-10 Work-related ill health | |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | Training and Development p.43 |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | Human Resources Management p.35-47 |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | Human Resources Management p.35-47 |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | Employee Loyalty and Participation p.43, Diversity and Equal Opportunities p.41-42, |
| | 405-2 Ratio of basic salary and remuneration of women to men | Diversity and Equal Opportunities p.41-42 |
| GRI 406: Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | Business Ethics p.11, Diversity and Equal Opportunities p.41-42 |
| GRI 407: Freedom of Association and Collective Bargaining 2016 | 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | Diversity and Equal Opportunities p.41, Purchasing Management Approach p.47-54 |
| GRI 408: Child Labor 2016 | 408-1 Operations and suppliers at significant risk for incidents of child labor | Business Ethics p.11, Diversity and Equal Opportunities p.41, Purchasing Management Approach p.47-54 |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | Business Ethics p.11, Diversity and Equal Opportunities p.41, Purchasing Management Approach p.47-54 |
| GRI 410: Security Practices 2016 | 410-1 Security personnel trained in human rights policies or procedures | |
| GRI 411: Rights of Indigenous Peoples 2016 | 411-1 Incidents of violations involving rights of indigenous peoples | |
| GRI 413: Local Communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programs | |
| | 413-2 Operations with significant actual and potential negative impacts on local communities | |
| GRI 414: Supplier Social Assessment 2016 | 414-1 New suppliers that were screened using social criteria | Purchasing Management Approach p.47-54 |
| | 414-2 Negative social impacts in the supply chain and actions taken | Purchasing Management Approach p.47-54 |
| GRI 415: Public Policy 2016 | 415-1 Political contributions | |
| GRI 416: Customer Health and Safety 2016 | 416-1 Assessment of the health and safety impacts of product and service categories | Purchasing Management Approach p.47-54 |
| | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | No cases of incompatibility were observed. |
| GRI 417: Marketing and Labeling 2016 | 417-1 Requirements for product and service information and labeling | |
| | 417-2 Incidents of non-compliance concerning product and service information and labeling | No cases of incompatibility were observed. |
| | 417-3 Incidents of non-compliance concerning marketing communications | No cases of incompatibility were observed. |
| GRI 418: Customer Privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | GRI Content Index: There were no complaints regarding violation of customer information confidentiality during the reporting period. |



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