

# 2025 SUSTAINABILITY REPORT

elastron
ENGINEERING LIFE

For any questions, feedback, or collaboration opportunities regarding our sustainability journey, please contact us at **sustainability@elastron.com**

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# About the Report

Since 1980, our expertise in Thermoplastic Elastomers and the solutions we develop for diverse applications have enabled us to create value across a wide range of industries. In every area in which we operate, we place people, the environment and the future at the centre of our approach, managing our economic, environmental and social impacts in a balanced and responsible manner.

We view sustainability not merely as a part of our business processes, but as one of the fundamental pillars of our long-term growth and corporate resilience. Accordingly, we continue our efforts to use resources efficiently, support the transition to a circular economy and develop products with reduced environmental impacts. Through our investments in technology and the contributions of our employees, we integrate sustainability principles throughout our operations. In line with our corporate governance approach, we place transparency, accountability and ethical business practices at the heart of all our activities.

In our 2025 Sustainability Report, we transparently share how we integrate sustainability into our day-to-day activities, the initiatives we implemented throughout the reporting period and our vision for the future. The report presents our efforts in climate action, energy efficiency, responsible production, employee development and corporate governance, while openly communicating our progress in creating sustainable value to all our stakeholders.

We believe that collaboration with stakeholders across our value chain plays an important role in advancing sustainable development. Through this report, we transparently present the initiatives we undertake together with our customers, employees, suppliers and business partners, the progress we have made and our commitment to continuous improvement in pursuit of a more sustainable future.

We have prepared this report with reference to the GRI Standards to present our sustainability performance for the period from 1 January 2024 to 31 December 2025. The data disclosed in this report cover our operations and related activities in Türkiye.

We welcome your feedback and suggestions regarding our sustainability initiatives and reporting practices. You can contact us at sustainability@elastron.com.

*We report with transparency, accountability and a commitment to continuous improvement.*

*This report presents our environmental, social and governance performance for the 2024–2025 period in line with reference the GRI Standards.*



# Message from the President

**Dear Stakeholders,**

For more than four decades, our expertise in Thermoplastic Elastomer (TPE) technologies has enabled us to deliver innovative solutions across a wide range of industries. We believe that success is defined not only by economic results, but also by the impact we create for people, the environment and society. At Elastron, we consider sustainability as an essential part of our responsibility to meet today's needs while protecting the world of tomorrow.

We continue to enhance the transparent reporting approach that we initiated with our first sustainability report, presenting more comprehensive information and stronger performance indicators this year. Our 2025 Sustainability Report reflects our vision for sustainable growth, our efforts to combat climate change and our commitment to creating long-term value.

By combining our innovative perspective, people-centred approach and commitment to responsible production with the needs of the future, we continue working towards a better world together with our employees, customers, business partners and all other stakeholders.

Through our energy efficiency projects, we reduced our energy consumption per tonne of product by 4%, from 548 kWh/tonne in 2023 to 526 kWh/tonne in 2024. In 2025, energy consumption remained at 529 kWh per tonne, maintaining the improvement achieved and resulting in an overall reduction of 3.5% over the two-year period.

As part of our waste management practices, we remain committed to reducing waste at source, expanding recovery initiatives and improving resource efficiency. Over the past three years, all waste generated at our operations has been recycled in compliance with environmental legislation and reintegrated into the circular economy.

Between 2023 and 2025, we achieved significant progress by increasing the recycled raw material content of our circular product groups from 50% to 60%. In the coming period, we will continue our initiatives towards achieving our target of 75%.

We will maintain our efforts to manage our R&D activities in line with customer expectations, market needs and our sustainability objectives. Revenue generated from the sales of our low-carbon products increased from EUR 1,029 million in 2024 to EUR 1,691 million in 2025. In collaboration with our international business partners, we also continue to develop recyclable alternative material solutions with a lower environmental impact for the automotive industry.

In 2025, in accordance with our commitment to supporting the local economy, we continued to promote the use of locally sourced raw materials throughout our supply chain. Our collaboration with local suppliers helped us maintain operational continuity and supply reliability while also contributing to the reduction of environmental impacts arising from logistics activities.

The positive outcomes of our actions to use natural resources efficiently were also reflected in our water consumption performance. In 2025, we achieved an improvement of approximately 28% in water consumption per tonne of product compared with the previous two years.

> We remain committed to taking responsibility for a sustainable world and advancing our position within the industry.

During the reporting period, we increased our production capacity through investments in machinery while enhancing our operational efficiency through production downtime analyses, order consolidation and process improvement initiatives. By analysing production non-conformities and carrying out product optimisation studies, we strengthened customer satisfaction and established a more resource-efficient operational structure.

At Elastron, we regard sustainability not merely as a corporate objective, but as part of our responsibility to future generations. We continue to advance our efforts to reduce our environmental impacts, use resources more efficiently and create long-term value for all our stakeholders. Guided by our people-centred approach, ethical values and innovative perspective, we will continue to place practices that contribute to the environment, society and the economy at the center of the way we do business. By considering future needs today, we remain committed to taking responsibility for a sustainable world and advancing our position within the industry.

Based on our vision and mission for 2026–2030, we approach growth not only in terms of financial success, but also through reliable products, responsible production and long-term value creation. Initiatives that improve resource efficiency, reduce our environmental impacts, support employee development and provide innovative solutions for our customers form the foundation of our strategic priorities. We believe that this future-focused approach will make Elastron stronger, more competitive and more resilient.

**Respectfully yours,**

**Yüksel Habip**
**President**



# Elastron at a Glance



# Elastron at a Glance

Since we began our journey in 1980, we have combined our expertise in Thermoplastic Elastomer (TPE) technology with innovative and sustainable solutions, establishing ourselves as a trusted global solution partner. Today, we operate in 75 countries and provide high-performance TPE solutions to a wide range of industries, including automotive, consumer products, construction, wire and cable, industrial applications and medical.

Our activities are driven not only by our product development capabilities, but also by a solution partnership approach that adds value to our customers' business processes. Through our strong R&D infrastructure, engineering expertise and development capabilities, we address our customers' current needs while preparing for emerging technical requirements and sustainability expectations.

**We draw on more than 40 years of experience to develop sustainable solutions.**

Together with our partners and employees, we are building a reliable, innovative and responsible future.

Through our organisational network across Türkiye, Europe, Americas and Asia-Pacific, we communicate directly with our customers, closely monitor regional needs and provide rapid technical support and application-specific solutions. By combining our global experience with local expertise, we work alongside our customers throughout every stage, from product development to technical support, and build long-term partnerships.

We closely follow changing industry dynamics and technological developments, placing innovation, an agile working culture and continuous improvement at the heart of all our activities. By developing products that promote resource efficiency, support the circular economy and reduce environmental impacts, we contribute to the transition towards a more sustainable future.

With our engineering-driven approach, we deliver application-specific support that make everyday life easier. Guided by our principles of quality, trust, innovation and environmental responsibility, we remain committed to delivering reliable, long-term solutions for our stakeholders.

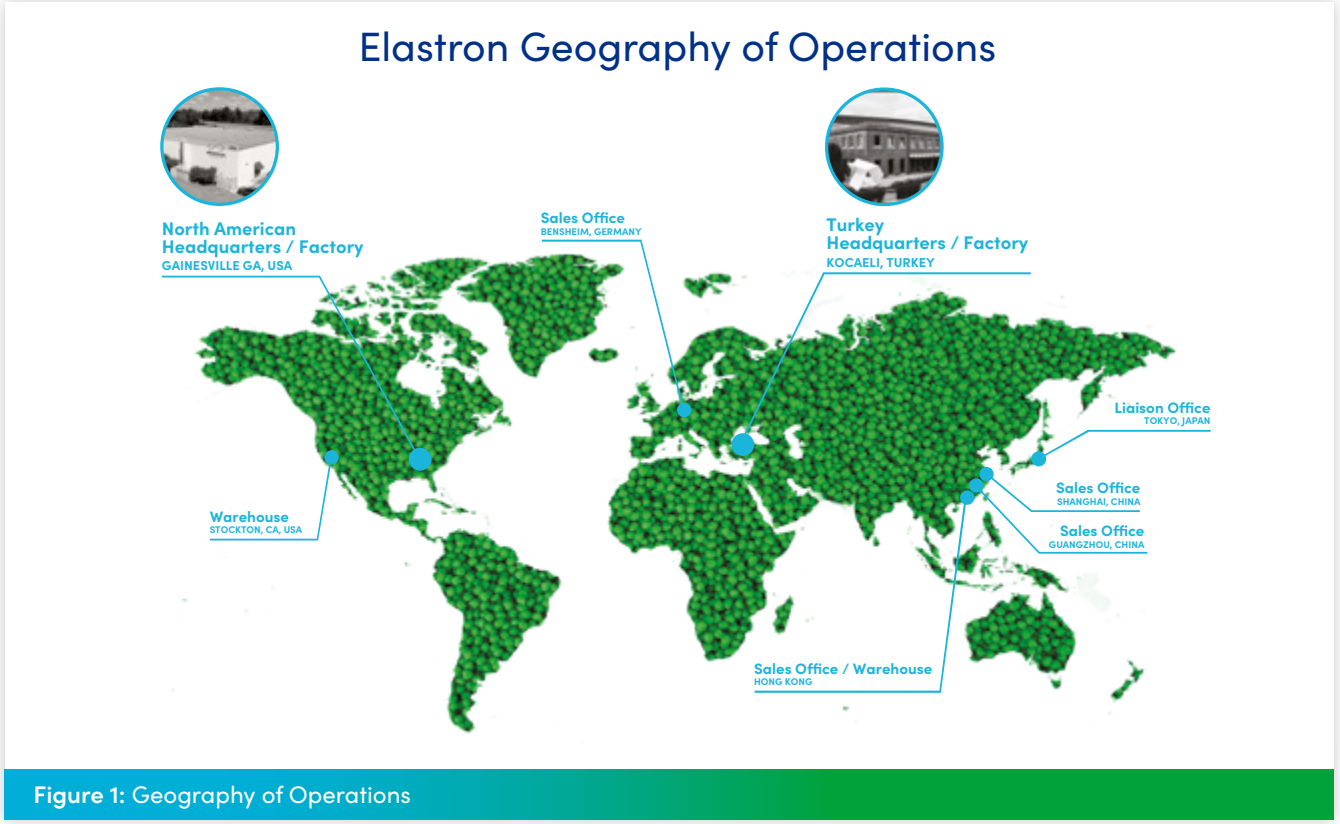



**Figure 1:** Geography of Operations

*Elastron has a strong international presence, with products available in 75 countries outside of Türkiye. The company's main export markets include the USA, Germany, China, Spain, Poland, the Czech Republic, India, Sweden and France.*

# Milestones

**1980**

Elastron TPE was established in Türkiye for the production of SBS-based TPE products.

**1996**



Production of SEBS-based TPE and EPDM/PP-based TPV products started.

**2003**

ISO 9001:2015 Quality Management System certification were acquired.

**2007**

IATF 16949:2016 Quality Management System certification were acquired.

**2011**

ISO 14001:2004 Environmental Management System certification was obtained.

**2011**



Asia-Pacific warehouse and sales office opened.

**2013**

EN ISO/IEC 17025 certification of Elastron R&D laboratory was achieved.

**2018**



Elastron USA Inc. production facility was established in Atlanta, USA

**2018**

Elastron Türkiye production facility OHSAS:18001 Occupational Health and Safety Management System certification was obtained.

**2020**

Elastron USA has been certified in accordance with ISO 9001:2015 Quality Management Systems.

**2021**

Elastron Türkiye has been certified in accordance with ISO 45001:2018 Occupational Health and Safety Management Systems.

**2021**



Production of SBC-based TPV products was started.

**2021**



The first PIR- and PCR-based circular products were produced.

**2022**

Elastron's corporate identity was renewed with the introduction of its current logo.

**2025**



Elastron published its first Sustainability Report.

**2025**

Elastron USA achieved IATF 16949:2016 certification for its quality management system.

# Elastron in Figures

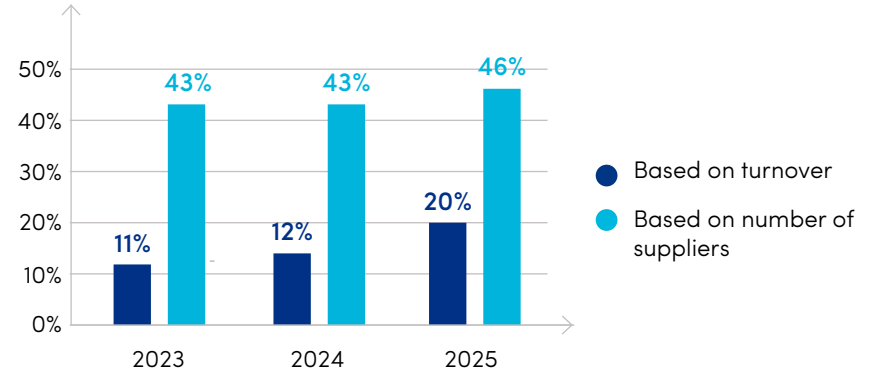



**Figure 2:** Ratio of Raw Material Suppliers Producing Domestically

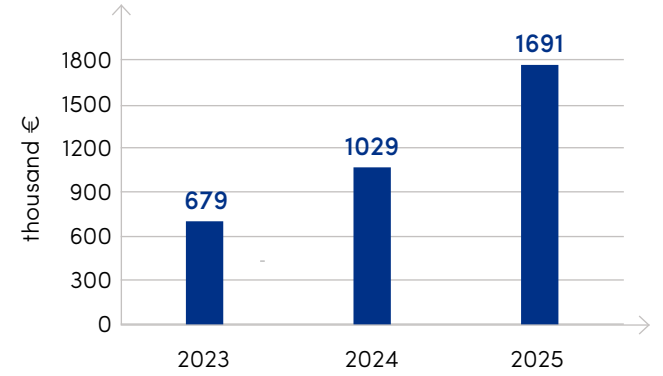



**Figure 3:** Revenue of the Circular Products

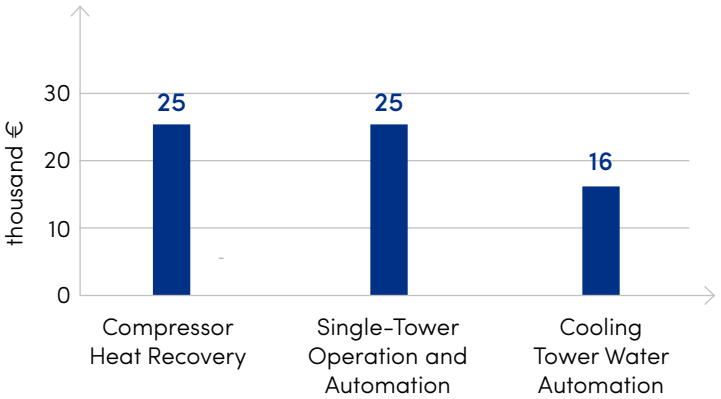



**Figure 4:** Project-based Savings

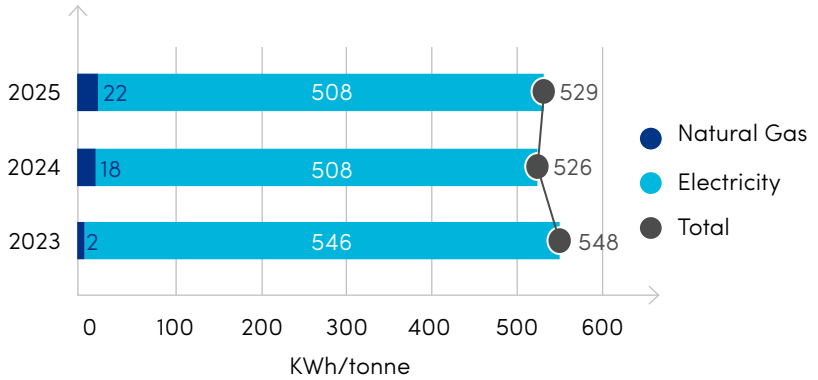



**Figure 5:** Energy Consumption per Tonne

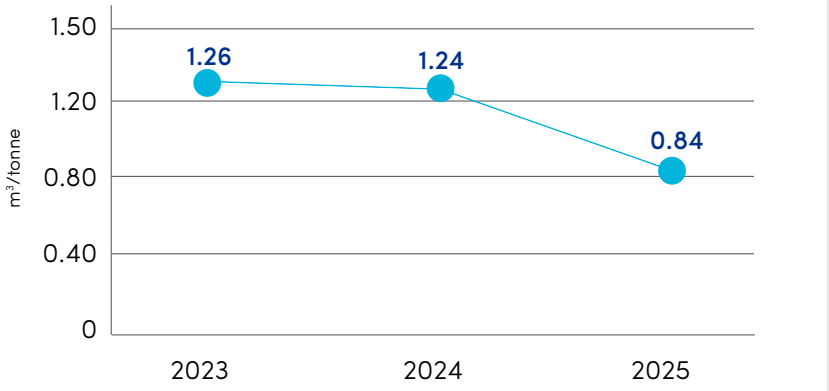



**Figure 6:** Water Consumption per Tonne

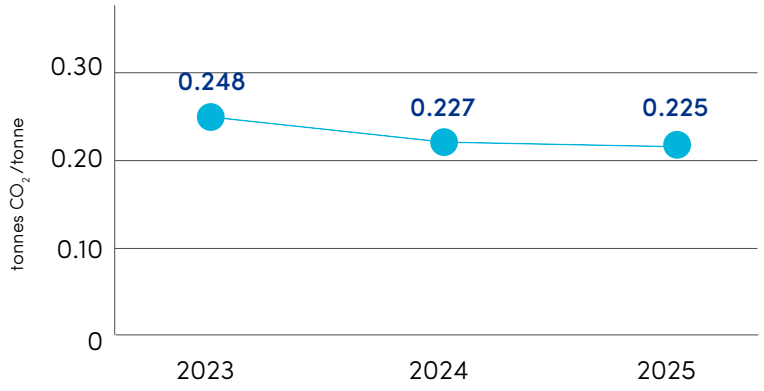



**Figure 7:** Greenhouse Gas Emission per Tonne

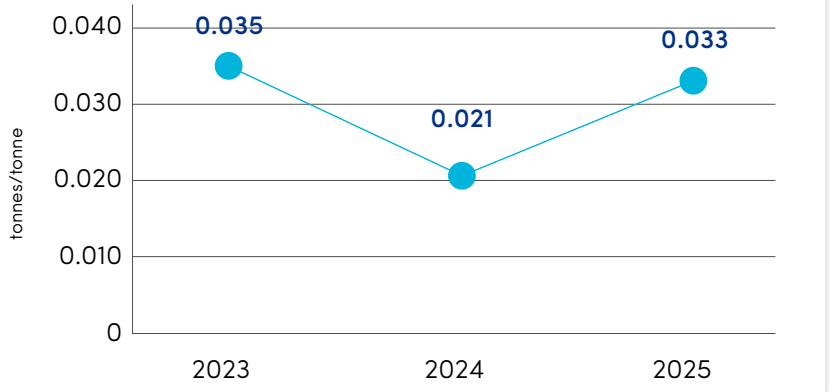



**Figure 8:** Amount of Waste per Tonne

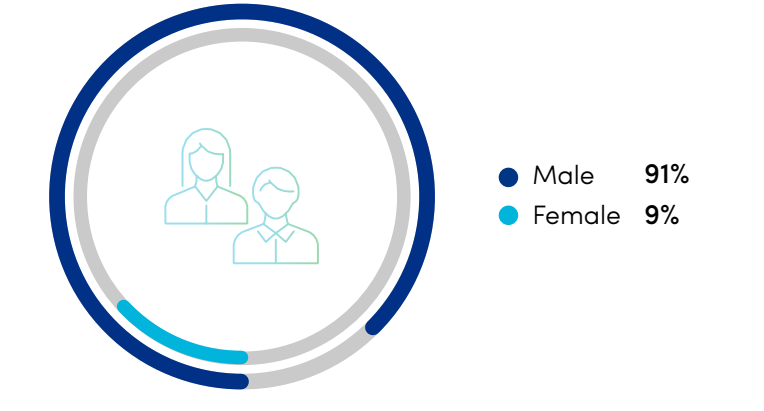



**Figure 9:** Total Workforce

# Our Products

Our expertise in Thermoplastic Elastomer (TPE) technologies enables us to develop TPV, SEBS- and SBS-based solutions for the Automotive, Wire & Cable, Electrical, Consumer, Construction, Industrial and Medical markets. We shape our product portfolio in line with customer needs, technical requirements and sustainability objectives, considering performance, processing efficiency, durability and recyclability together.

We incorporate sustainability considerations into our product development processes from the design stage onwards. We work on recyclable product designs, alternatives containing post-industrial recycled (PIR) and post-consumer recycled (PCR) materials, life cycle assessments and solutions that support lower carbon emissions. We also continue to develop innovative approaches aimed at reducing the environmental impacts of our products.

By combining the technical expertise we have gained across different industries with our strong R&D capabilities, we develop high-performance, reliable and sustainable products. We aim to address our customers' evolving needs with solutions that create long-term value.

**In the medical sector, Elastron produces special TPE products that meet biocompatibility and sterilisation requirements.**

For Automotive applications, we offer solutions that provide resistance to high temperatures, UV radiation and ozone, as well as low compression set and lightweight performance. In the Wire & Cable and Electrical applications, we support safety, technical performance and resource efficiency through both general-purpose TPEs and halogen-free flame-retardant products. We develop solutions tailored to various requirements—including ergonomics, surface quality, durability and ease of processing—for Consumer, Construction and Industrial applications. For Medical applications, we offer specialised products designed to meet biocompatibility, sterilisation and hygiene requirements.



Details about our products can be found at

https://www.elastron.com/en/tpe-products

# Vision, Mision and Our Brand Values




## Co-creation

Elastron specializes in crafting tailor-made TPE solutions that perfectly align with our customers' unique needs, fostering a collaborative environment where ideas converge and partnerships flourish.

## Easy to do business with

With streamlined channels, flexibility and a customer-centric approach, Elastron ensures effortless access and interactions, providing prompt responsiveness and effective communication to meet our clients' needs.

## Excellence

Elastron's commitment to excellence shines through our unwavering dedication to delivering exceptional TPE products, setting the benchmark for industry standards and customer satisfaction.

## Human-orientation

At Elastron, we prioritize the needs and well-being of people, crafting innovative TPE solutions that enhance everyday experiences and promote a better quality of life

# Corporate Governance



# Corporate Governance

At Elastron, our corporate governance approach is founded on principles that support sustainable growth, consider stakeholder expectations and prioritise long-term success. In addition to providing high-quality products and services across all the markets in which we operate, we regard our responsibilities towards our employees, customers, business partners and society as an integral part of our business culture.

Our management model is designed to manage risks effectively, address the expectations of relevant stakeholders and underpin our strategic objectives. In our decision-making processes, we take an integrated approach to quality, environmental management, occupational health and safety, business ethics, information security and legal compliance. By regularly monitoring our performance indicators, we foster a culture of continuous improvement.

Sustainability is an integral part of our business strategy and corporate governance model. We regard environmental, social and governance matters as essential to the long-term success of our operations. We systematically manage our impacts in these areas and remain focused on continuously improving our performance.

> **We place sustainability at the heart of our strategic decisions.**
>
> By integrating our environmental, social and governance priorities into our business strategy, we create long-term value.

Our corporate governance structure is designed to ensure the effective management of risks, consideration of stakeholder expectations and advance long-term value creation objectives. Our management systems enable us to monitor our performance regularly and identify areas for improvement in a timely manner.




## Board Practices

Under the guidance of our Board of Directors, we set our company's strategic direction and make strategic decisions that support our sustainable growth objectives by periodically reviewing our investment plans, corporate performance and sustainability priorities.

A strong coordination mechanism is in place between our four-member Board of Directors, elected by the General Assembly, and our executive management. The roles of Chair of the Board and President are held by different individuals, ensuring an effective balance between governance and executive responsibilities. At the same time, our President's position as a member of the Board strengthens coordination between the Board and executive management, thereby enhancing the effectiveness of our decision-making processes.

## Corporate Management

Our corporate governance approach is guided by the principles of transparency, accountability, responsibility and continuous improvement. We operate our management structure through clearly defined mechanisms that establish roles, authorities and responsibilities. When appointing members of senior management and governing bodies, we consider the competencies, experience and leadership qualities required for their respective roles.

In our Five-Year Strategic Roadmap, which we review annually, we position sustainability as a core element of our growth strategy. In line with our vision of contributing to a better future through reliable and sustainable products, we aim to manage our environmental and social impacts while creating lasting value for all our stakeholders.

> **Strong governance is the foundation of sustainable success.**
>
> We manage all our decision-making processes with transparency, ethical principles and accountability.

We regularly assess the effectiveness of our corporate management system using the outcomes of management review meetings, internal and external audits, process performance indicators and customer feedback. We integrate ethics reports, regulatory developments and stakeholder feedback into the relevant management processes and implement action plans in areas identified for improvement. Through this approach, we aim to continuously strengthen our corporate governance system and support our sustainable growth objectives.

# Corporate Risk Management and Business Continuity

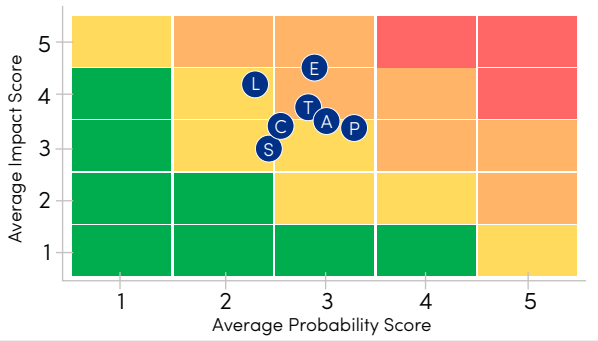
The potential impacts of the changing business environment and global developments on our operations are systematically assessed, with risk and opportunity management forming an integral part of our strategic management approach. We regard risk management not only as a process for preventing potential adverse outcomes, but also as an important management tool that identifies areas for improvement, supports our decision-making processes and strengthens our corporate resilience.

We conduct our corporate risk and opportunity assessments using the PESTEL methodology, evaluating political, economic, social, technological, environmental and legal factors from a holistic perspective. In response to the growing impact of climate change on our operations, we have expanded our methodology to include a dedicated climate change dimension. This allows us to assess energy costs, carbon regulations, extreme weather events, supply chain impacts and evolving customer expectations.

We ensure the active participation of senior management and all relevant business units in our risk assessment activities. Through assessment meetings involving managers from different disciplines, we examine internal and external developments that may affect our operations from a broad perspective. We review our assessments at least once a year and conduct additional reviews whenever significant changes may affect our organisational structure or operations.

Our assessments have identified the supply of critical raw materials, energy availability and costs, information technology infrastructure, cybersecurity, changing customer expectations, human resources management, regulatory developments and climate-related impacts as our priority risk areas. While developing action plans to address these risks, we prioritise sustainable product development, energy efficiency, digital transformation and operational improvement as strategic areas of opportunity.

We manage business continuity as an core component of our corporate risk management system. We periodically review and update our business continuity plans in response to evolving needs and potential disruptions that could affect our operations. We continue to identify alternative suppliers and raw materials for critical inputs, develop practices that support the continuity of our information technology infrastructure and implement measures to enhance our operational resilience. In this way, we minimise the potential impact of disruptions on our operations while strengthening our ability to provide uninterrupted service to our customers.




**E:** Environmental **L:** Legal **T:** Technological **A:** Economic
**C:** Climate Change **P:** Political **S:** Social

**Figure 10:** Corporate Risk Analysis

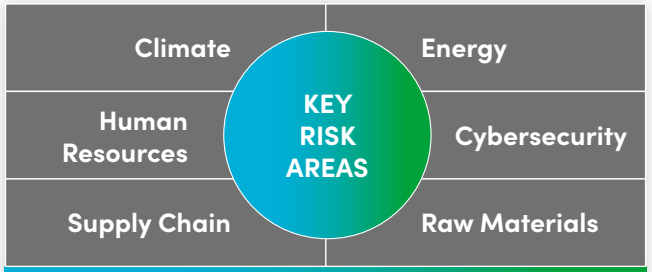



**Figure 11:** Key Corporate Risks

**Table 1:** 2025 Corporate Risk Management Assessment

| Indicator | Value |
|---|---|
| Number of Risks and Opportunities Assessed | 108 |
| Risk Categories | Environmental, Economic, Political, Social, Technological, Legal and Climate Change |
| Assessment Method | Impact- and likelihood-based assessment |
| Monitoring and Review | Periodic reviews and action tracking |

### We do more than manage risks—we turn them into opportunities.

We review our corporate risk analysis at least once a year with the participation of senior management and all business units, updating it whenever significant changes occur.

# Business Ethics and Legal Compliance

Ethical business conduct and legal compliance form the foundation of all our activities. We expect all our employees and business partners to conduct their activities in accordance with ethical principles.

We regard legal compliance not merely as an obligation, but as an integral part of our corporate management approach. Where necessary, we seek expert advice, inform the relevant teams and support awareness-raising initiatives. Through this approach, we focus on adapting to changing regulations and proactively managing potential risks.

Within this framework, we implement policies covering Human Rights; Equal Opportunity and Diversity; Anti-Bribery and Anti-Corruption; Harassment and Bad Behaviour Policy; Child Labour; Forced Labour; and Anti-Discrimination.

Our ethics reporting mechanism enables employees and other stakeholders to raise concerns and report potential breaches of our ethical principles. Conduct suspected of violating ethical principles, conflicts of interest, discrimination, human rights violations, harassment and suspected corruption can be reported securely through this system.

We consider the prevention of conflicts of interest to be a fundamental element of ethical business conduct. We expect our employees and business partners to ensure that personal interests do not take precedence over corporate interests in decision-making processes. Potential conflicts of interest are assessed by our Ethics Committee in accordance with the relevant procedures.

We handle all reports according to the principle of confidentiality and are committed to protecting the privacy and rights of reporting individuals. Our Ethics Committee is responsible for reviewing reports and determining the necessary actions. The Committee conducts its assessments in accordance with the principles of impartiality, fairness and confidentiality. Comprising representatives from Human Resources, Internal Audit and Legal departments, the Ethics Committee reports directly to the President.

We use feedback, reporting, audit and corrective action mechanisms to identify and assess potential adverse impacts arising from our activities at an early stage and to implement the necessary improvements.

We regularly monitor the legal and customer requirements applicable to our products and services and conduct our activities accordingly. We also closely follow requirements relating to international sanctions and trade restrictions and carry out information and awareness initiatives for the relevant employees.

During the reporting period, no fines, sanctions, lawsuits or confirmed incidents occurred due to non-compliance with product and service regulations, international sanctions, environmental legislation or other legal requirements. Legal expenses of approximately EUR 15,300 incurred during the period were largely associated with the resolution of labour disputes.

Protecting our employees' rights and maintaining a safe and fair working environment are among our priorities. We support the principle of equal pay for equal work and promote equal opportunities in our remuneration and benefits practices.

Our remuneration approach takes into account the nature of each role, level of responsibility, competencies, individual performance, company performance and legal requirements. We manage our remuneration practices in accordance with our human resources processes, collective bargaining agreement provisions and company policies.

**Ethical principles are the common foundation of all our activities.**



# Sustainability Management

Sustainability management is embedded in our corporate governance framework, with all relevant business units actively contributing to our activities. Our Sustainability Committee evaluates our material topics, monitors progress towards our targets, tracks indicators and guides our reporting activities. It also reviews our operations from a sustainability perspective, identifies areas for improvement and regularly evaluates our progress. Through this approach, we integrate our sustainability objectives into our business processes, embed our environmental, social and economic priorities across our operations, and focus on continuously improving our performance.

> **Sustainability is our shared responsibility.**
>
> With contributions from our Sustainability Committee and all business units, we continuously improve our performance.

Our sustainability management framework is based on assessing the environmental, social and economic impacts of our activities from a holistic perspective, identifying risks and opportunities in a timely manner, and fostering a culture of continuous improvement.

We continue to develop our activities in alignment with the United Nations Sustainable Development Goals. We particularly prioritise contributing to Decent Work and Economic Growth (SDG 8), Industry, Innovation and Infrastructure (SDG 9), Responsible Consumption and Production (SDG 12), and Climate Action (SDG 13).




To strengthen our senior management's knowledge of sustainability matters and support informed decision-making, we regularly monitor customer expectations, regulatory developments, sustainability trends and reporting requirements, and share our findings with senior management. We prepare our Sustainability Report under the coordination of the Sustainability Committee and with the active participation of the relevant business units. We verify the accuracy of the data and disclosures included in the report together with the relevant process owners and publish the report following its review and approval by senior management.

**Table 2:** Sustainability Governance Structure

| Management Level | Responsibilities |
|---|---|
| Senior Management | Setting strategic objectives and evaluating performance |
| Sustainability Committee | Managing material topics, ensuring coordination and monitoring performance |
| Process Owners | Implementing actions and collecting and reporting performance data |
| Employees | Contributing to the implementation of policies and practices in day-to-day business processes |



# Management of Material Topics

When identifying our material topics, we collectively consider stakeholder expectations, our business strategy, industry developments, the environmental and social impacts of our activities, and legal requirements.

We concluded that the material topics identified through the materiality assessment conducted in 2023 remained relevant throughout the 2024–2025 reporting period. We regularly review these topics in line with stakeholder expectations, customer demands, industry developments and our strategic objectives, updating them whenever necessary.

Within this framework, we manage our sustainability activities under the following material topic areas. These areas guide our strategic decision-making processes, serve as a reference when setting our performance targets and provide the overall framework for our sustainability activities:

- Climate, Environment and Circular Economy
- Workplace Practices
- Product Responsibility
- Digital Transformation and Innovation
- Governance



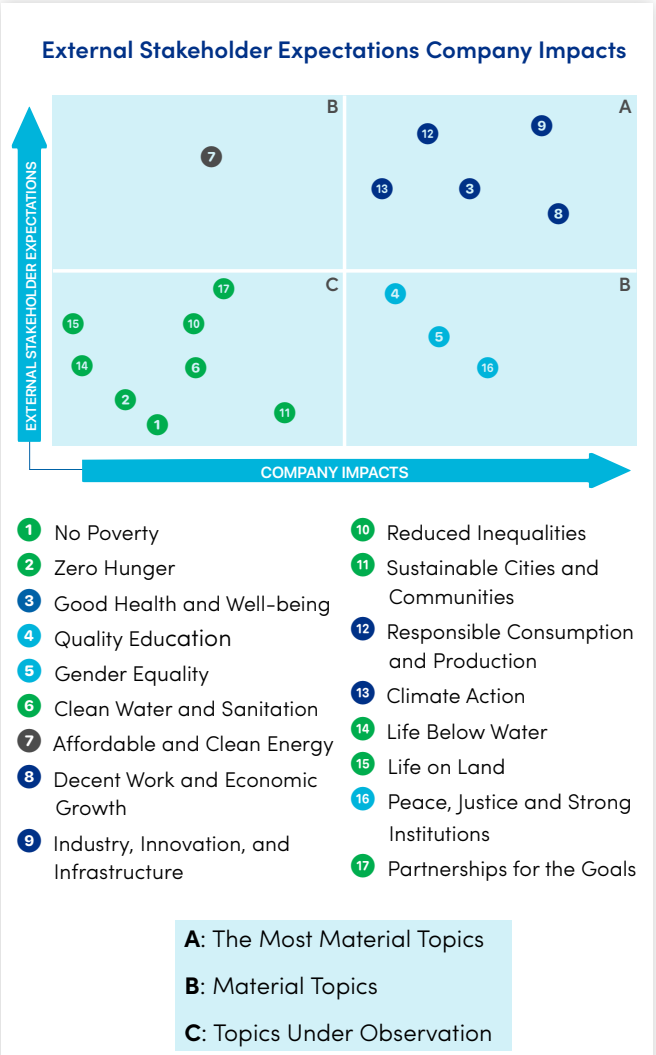




**Figure 13:** Our Materiality Assessment

# Stakeholder Engagement

One of the key elements of our sustainability approach is maintaining open, transparent and continuous communication with our stakeholders. We regard the views of our employees, customers, suppliers, shareholders, public authorities and other stakeholders as important inputs to our decision-making processes.

We regularly gather and evaluate our stakeholders' expectations and suggestions through meetings, audits, site visits, satisfaction survey analyses, training programmes, employee representatives, trade union consultations and ethics reporting mechanisms.

**Table 3:** Stakeholder Groups and Communication Channels

| Stakeholder Group | Communication Channels | Key Expectations |
|---|---|---|
| **Employees** | Training programmes, performance reviews, employee representatives, trade union consultations and the Ethics Hotline | A safe and healthy working environment, development opportunities and fair practices |
| **Customers / Distributors** | Technical meetings, visits, audits and satisfaction surveys | Quality, sustainable products and reliable supply |
| **Suppliers** | Audits, performance evaluations and meetings | Transparent communication and long-term collaboration |
| **Shareholders** | Management meetings and performance evaluations | Profitability, sustainable growth and risk management |
| **Public Authorities** | Regulatory reporting and official inspections | Regulatory compliance |
| **Local Communities and Other Stakeholders** | Corporate communications and social responsibility initiatives | Effective management of environmental and social impacts |

The feedback and recommendations received from our stakeholders provide valuable input for our risk management, material topic reviews, strategic planning, target-setting and improvement initiatives. We do not limit this engagement to reporting periods; we maintain continuous dialogue throughout the year through meetings, audits, visits and evaluation processes.

# Future Targets

Our future priorities include further developing our sustainability management system and strengthening its integration into our corporate processes. Climate change, the circular economy, sustainable product development, digital transformation and sustainable supply chain management will remain among our strategic priorities.

We remain focused on to support operational excellence by continuously improving our quality, environmental, and occupational health and safety management systems. By closely monitoring revisions to ISO standards, we will further develop our management systems in line with current requirements.

Our next steps include to strengthen our sustainability reporting processes in terms of data quality, transparency and traceability, while closely monitoring national and international regulations and incorporating them into our corporate practices. By keeping transparency, accountability and continuous improvement at the heart of all our activities, we will continue to create long-term value.

In accordance with these objectives, we will continue to approach sustainability not only as an area of environmental and social responsibility, but also as a strategic management approach that supports our company's competitiveness, resilience and long-term success.

During the 2026–2030 period, we aim to continue making progress in climate action, the circular economy, sustainable product development, digital transformation, employee development and supply chain sustainability, while creating environmental, social and economic value for all our stakeholders.



# Product Responsibility and Innovation



# Product Responsibility and Innovation

Product responsibility is a fundamental element of our corporate sustainability perspective. Throughout our value chain—from raw material sourcing and product development to the use phase of our products—we aim to reduce our environmental impacts, improve resource efficiency and provide our customers with reliable solutions.

While supporting the efficient use of natural resources through our recyclable TPE solutions, we manage our product quality and safety processes in accordance with relevant technical standards, customer requirements and applicable legislation. We build long-term relationships with our business partners throughout the supply chain and integrate our environmental and social responsibility approach into our procurement, production and product management processes. Accordingly, we regularly assess risks, monitor process performance and implement continuous improvement initiatives.

We shape our R&D activities in line with customer expectations, evolving market needs and our strategic priorities. In addition to developing products focused on safety, low emissions, recyclability and high performance, we evaluate alternative materials and technologies that can reduce the environmental impacts of our products throughout their life cycle.

Digital tools enable to support our product responsibility approach. Through the digital systems used in product development, production and logistics, we strengthen quality, traceability and data-driven decision-making. We also improve operational efficiency, optimise resource use and focus on continuously enhancing the environmental performance of our products. In this way, we continue to create long-term value for our customers, employees and other stakeholders.

## Product Lifecycle

The environmental and technical performance of our products is assessed across their entire life cycle. At every stage—from raw material selection and product design to production and delivery—we prioritise efficient resource use, reduced environmental impacts, and the preservation of product safety and quality.

With R&D coordination, we manage the product life cycle through a multidisciplinary process involving our Procurement, Production, Quality and Sustainability teams. We specify our product development activities in line with customer expectations, market needs, technical requirements and applicable regulations. We also undertake initiatives to improve the performance of existing products and enhance process efficiency.

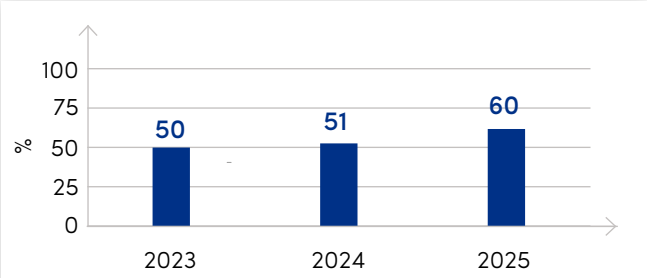



**Figure 14:** The Highest Recycled Content in Circular Products

Within our procurement processes, we maintain our strategy of working with at least three approved suppliers for each raw material. While aiming to reduce supply risks through alternative sourcing and localisation projects, we are also working to obtain raw material emissions data from our suppliers. This procurement strategy contributes to strengthen the data quality of our corporate carbon footprint calculations and supports more informed decision-making.




**Figure 15:** 2025 Highlights

We regularly monitor our production performance using overall equipment effectiveness (OEE), productivity and availability indicators. These indicators enable us to identify potential deviations at an early stage and implement improvement initiatives to reduce production losses and utilise recovered materials in suitable processes.

In our product design and development activities, we focus on increasing the use of recycled raw materials and developing lower-carbon product alternatives. As of 2025, we offer products containing up to 60% post-industrial recycled (PIR) and post-consumer recycled (PCR) raw materials for the industrial, consumer and automotive markets. Our long-term objective is to increase the proportion of recycled raw materials in our products to 75% and expand the share of lower-carbon products in our portfolio.

We continue to evaluate all of our raw materials to reduce our carbon footprint, considering both their technical and environmental performance. To ensure compliance with international regulations, we collaborate with our suppliers to develop alternatives to raw materials that may pose regulatory risks.

We conduct life cycle assessments (LCA) and emissions analyses for selected products and use the findings to improve our product development processes. Through our Circular Product Group, comprising 69 products, we promote the wider use of recovered raw materials to support resource efficiency. While continuing our preparations for Environmental Product Declarations (EPDs), we evaluate our implementation plans in line with customer expectations and market needs.

In our product life cycle assessments, we consider not only product composition but also the packaging materials used for shipment. We offer different packaging options based on our customers' operating conditions, order volumes and logistics requirements, ensuring that products are shipped safely and efficiently while identifying opportunities to reduce packaging-related environmental impacts.

We regularly review our product life cycle activities through internal and external audits and plan the necessary improvements based on the findings. In this way, we maintain compliance with quality management system requirements while continuing to improve the environmental performance of our products and enhance resource efficiency.

**Table 4:** Sustainability Approach Across the Value Chain

| Stage | Key Activity | Sustainability Focus | Examples of Practices |
|---|---|---|---|
| Suppliers | Supplier selection and evaluation | Responsible sourcing | Alternative sourcing, supplier performance and local procurement |
| Raw Materials | Raw material procurement | Resource efficiency | Recycled content and regulatory compliance |
| R&D | Product development | Innovation | Product carbon footprint (PCF), LCA and low-carbon products |
| Production | Manufacturing processes | Operational efficiency | Energy and water efficiency and emissions reduction |
| Quality | Testing and validation | Product safety | IATF 16949 and traceability |
| Logistics | Storage and shipment | Carbon management | Shipment optimisation and packaging improvements |
| Customers | Technical support | Customer satisfaction | Complaint management and technical service |
| Circular Economy | Material recovery | Resource reuse | Recycling and waste management |

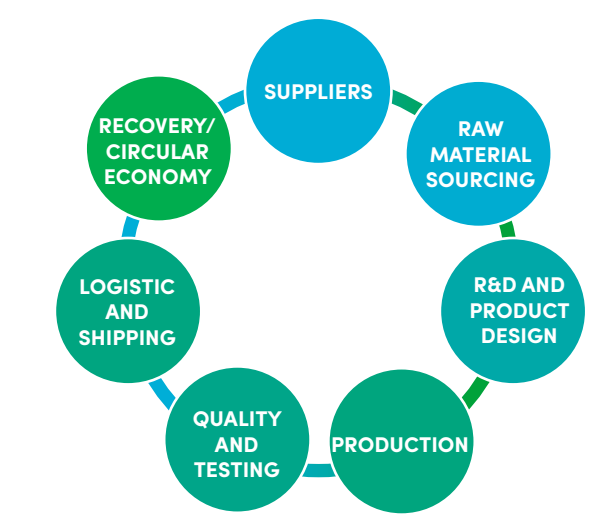



**Figure 16:** Our Value Chain

## R&D and Innovation

R&D, innovation and digital transformation are three complementary pillars of our sustainable growth strategy. In line with customer expectations, industry transformation and our sustainability objectives, we develop high-performance, value-added products with lower environmental impacts while continuously improving our production technologies and ways of working. Through this approach, we not only develop new products but also improve operational efficiency, optimise resource use and offer innovative solutions to our customers.

We conduct our R&D activities in line with our commitment to developing "solutions that touch people's lives". We take a holistic approach to new product development, the improvement of existing products, alternative raw material studies and product validation activities. We focus particularly on products that increase the use of recycled raw materials, contribute to reducing carbon emissions and support the circular economy. We also enhance the resilience of our supply chain through localisation projects and support production continuity by developing alternative raw materials.

We do not evaluate our innovation activities as being limited to technical development projects; we focus on developing solutions that anticipate customer needs, create value across different markets, and drive commercial success. As of 2025, we offer products containing up to 60% post-industrial recycled (PIR) and post-consumer recycled (PCR) raw materials for the industrial, consumer and automotive markets. Through our new product development activities, we generated sales revenue of EUR 1,029 million in 2024 and EUR 1,691 million in 2025, translating our R&D and innovation efforts into commercial success.

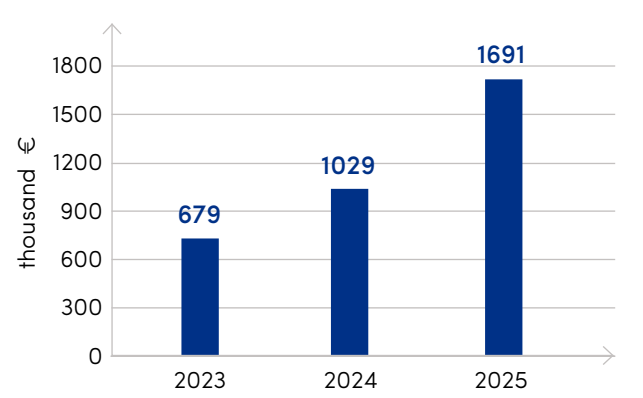



**Figure 17:** Revenue of the Circular Products

## Digital Transformation

Digital transformation initiatives strengthen our culture of innovation. We manage our production, quality, maintenance, logistics, human resources, finance and supply chain processes through integrated digital systems. Platforms including SAP, SAP MII, CRM, SAP Fiori, the EBA Document Management System and QDMS enable us to improve data accuracy and traceability while enhancing integration across our processes.

Through our SAP MII infrastructure, we monitor overall equipment effectiveness (OEE), causes of downtime, production volumes, scrap rates, energy consumption, labour costs and machine performance indicators in real time. We use the resulting data effectively in performance management, decision-making and continuous improvement activities. By automating repetitive tasks through Robotic Process Automation (RPA), we reduce the risk of errors and enable our employees to dedicate more time to higher-value activities. We are also evaluating artificial intelligence applications through pilot projects for selected use cases while exploring opportunities for their future deployment.

We regard information security and personal data protection as integral components of our digital transformation approach. Our corporate infrastructure, established in line with the ISO 27001 Information Security Management System, is supported by practices implemented under Türkiye's Personal Data Protection Law (LPPD), penetration testing, data backup systems, disaster recovery scenarios and employee awareness training. Through these measures, we protect our information assets, manage cybersecurity risks effectively and safeguard business continuity. During the reporting period, we received no verified complaints or legal sanctions relating to the loss or unauthorised disclosure of customer information or violations of data privacy.

We closely monitor technological developments, continuously enhance our digital infrastructure and strengthen our data analytics and reporting capabilities. In the coming period, we aim to expand the use of Power BI to reinforce our data-driven management approach, support operational excellence through investments in digitalisation and provide our customers with more innovative solutions.

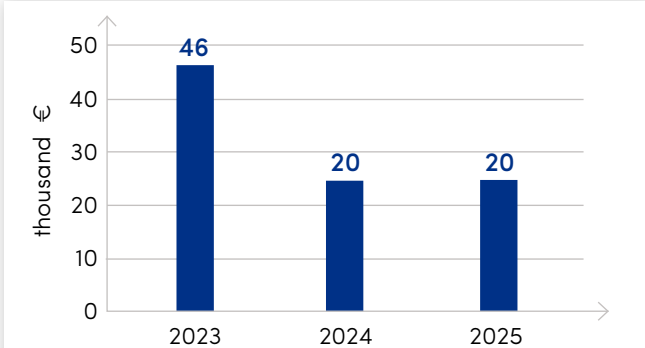



**Figure 18:** Digital Transformation Investments

# Product Safety and Traceability

Elastron's management of product safety and traceability Product safety and traceability are our key priorities that support customer satisfaction, regulatory compliance and responsible product management. At every stage, from raw material acceptance to the delivery of products to our customers, we operate in accordance with the principles of reliability, transparency and traceability.

**Product safety is a priority on which we never compromise.**



Our lot-based traceability system enables us to track all product movements retrospectively, from raw materials through to final delivery. Under our product responsibility and recall procedures, we maintain processes that enable rapid and effective action in the event of potential customer complaints or product recalls. We systematically manage our quality, traceability and product safety practices within the scope of the IATF 16949 Quality Management System. In line with automotive customer requirements, we also maintain responsibilities and control mechanisms consistent with the Product Safety and Conformity Representative (PSCR) approach.

We consider chemical safety and environmental compliance to be integral parts of our product safety approach. We comply with the European Union's Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Regulation, as well as requirements concerning Unique Formula Identifier (UFI) codes, Substances of Very High Concern (SVHC), Classification, Labelling and Packaging (CLP), the Restriction of Hazardous Substances (RoHS), and Persistent Organic Pollutants (POPs). We also closely monitor Türkiye's KKDIK requirements and other applicable regulations in the markets where we operate. We regard regulatory compliance not only as a legal obligation, but also as part of our corporate responsibility to protect human health and the environment and promote the safe use of our products.

We reinforce our chemical safety culture through regular training programmes. By monitoring the use of hazardous substances through defined control points, we effectively manage potential risks to our employees, customers and the environment.

We continuously evaluate our product safety practices through internal and external audits, customer feedback and management system reviews. By incorporating the findings into our improvement activities, we ensure quality, traceability and regulatory compliance throughout the product life cycle and continue to provide our customers with reliable and sustainable solutions.




**Figure 19:** Product Safety

## Changes in Customer Behaviour

Changes in customer expectations serve as a key input for our product development activities and business strategies. We closely monitor market dynamics, technological developments and evolving user needs across the industries in which we operate, continuously adapting our products and services accordingly.

Customer feedback, technical requests, market research and satisfaction survey results are analysed collaboratively by our Sales, Quality Assurance, Technical Service and R&D teams. Insights gained from trade fairs, technical meetings, site visits and direct customer discussions make an important contribution to our product development activities, product portfolio management and commercial planning.

> **We see evolving expectations as opportunities for the future**

In recent years, we have observed a significant increase in demand for sustainable products, lower carbon footprints and responsible business practices. Requests for information regarding product carbon footprint data, recycled raw material content, environmental performance indicators and ethical business practices gain increasing importance each year, the requirements of the Code of Conduct are also coming to the forefront in supplier evaluation processes. In response to these developments, we are diversifying our sustainable product solutions, expanding our product groups that support the circular economy and continuing to enhance our ethical supply chain practices.

Changing market conditions, driven by the growing use of alternative product technologies, evolving price-performance expectations, and increasing sustainability requirements, present certain risks. At the same time, these changes create significant opportunities for innovative product development, stronger customer loyalty, and access to new markets. We therefore review our product portfolio regularly, optimise it by jointly assessing sales performance and market needs, and improve our operational efficiency.

We prioritise technical requests and customer complaints and implement the necessary improvements based on root cause analyses. Where required, our technical teams provide on-site support, enabling us to offer customers rapid, effective and sustainable solutions. We regularly monitor customer satisfaction using insights obtained from technical visits, satisfaction surveys, performance evaluations and complaint management processes, incorporating the results into our continuous improvement activities.

We consider changes in customer expectations to be an important input to our corporate risk management system. We regularly analyse market trends, customer feedback and industry expectations and share our findings with senior management to support strategic decision-making. In this way, we strengthen customer satisfaction and long-term partnerships while continuing to develop innovative and sustainable solutions that respond rapidly to evolving expectations.

Through this approach, we follow changes in customer expectations not merely as a commercial indicator, but as an important area of development that guides our product development, innovation and sustainability strategies.

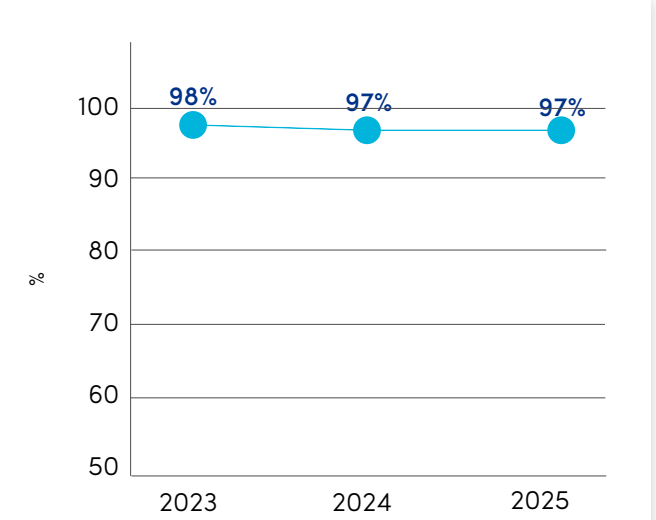



**Figure 20:** Customer Satisfaction Rate



# Sustainable Supply Chain Management

Supply continuity is a fundamental element of our operational resilience, customer satisfaction and long-term growth objectives. Recognising that disruptions in the supply of raw materials and services could directly affect our production activities, delivery performance and customer relationships, we manage our supply chain through a risk-based approach.

Natural disasters, economic fluctuations, cybersecurity threats, logistics disruptions, interruptions in raw material supply and dependence on a single supplier constitute our priority risk areas. We also regularly assess the potential effects of delays in obtaining packaging materials, spare parts used in technical support activities and other consumables on operational continuity. By managing these risks effectively, we maintain our delivery performance, strengthen customer confidence, support cost stability and enhance our corporate resilience.

To mitigate supply risks, we develop alternative and equivalent sources across our raw material portfolio. Wherever possible, we work with at least three approved suppliers for each critical raw material category and distribute our orders among different suppliers to strengthen supply continuity. We evaluate alternative sources both locally and across different geographical regions and maintain safety stocks for critical materials to support continuity of supply.

We manage our inventory through optimisation applications integrated with SAP. By ensuring that materials are procured at the right time and in appropriate quantities, we improve resource efficiency and support operational continuity.

In supplier selection and performance evaluations, we take an integrated approach to quality, cost, delivery performance, continuity and sustainability. We encourage our business partners to operate in accordance with management system standards such as ISO 9001, ISO 14001 and ISO 45001, and support improvement and certification processes where gaps are identified. We regularly evaluate supplier performance based on quality, delivery, service level and commercial criteria. Where necessary, we prepare development plans and review the allocation of orders among suppliers.

To improve environmental performance, we request product carbon footprint (PCF) data from our suppliers and encourage them to generate such data. This enables us to improve the data quality of our product and corporate carbon footprint calculations while managing the environmental impacts arising from our value chain more effectively.

We manage our supply chain through coordination among our Procurement, Indirect Procurement, Sales, Production Planning, Quality Assurance, R&D and Chemical Regulatory Affairs teams. Our relevant teams work together on supplier selection, alternative source development, contract management, critical inventory levels, product requirements, regulatory compliance, customer expectations and supplier performance. We then integrate the resulting decisions into our operations.

In the short term, we plan to strengthen collaboration with our suppliers around shared objectives, further develop our category-based procurement structure and increase the number of alternative suppliers. In the medium term, we aim to achieve greater integration across our planning and optimisation applications. Over the long term, we intend to strengthen a flexible, resilient and sustainable supply chain structure that is fully integrated with our ERP systems.

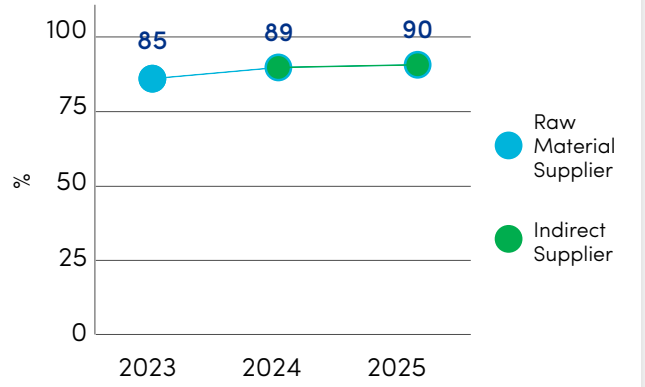



**Figure 21:** Supplier Satisfaction Rate

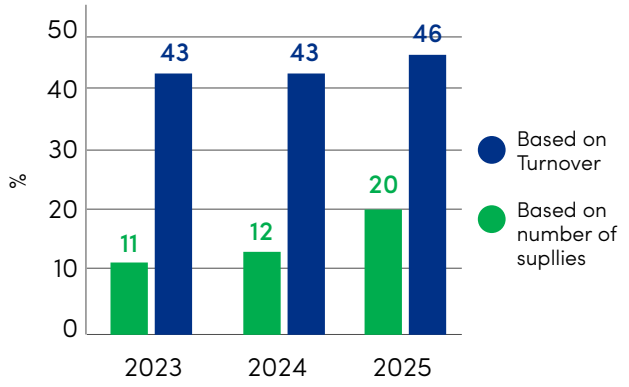



**Figure 22:** Ratio of Raw Material Suppliers Producing Domestically

Between 2023 and 2025, the proportion of our locally producing raw material suppliers increased from 43% to 46% by number of suppliers and from 11% to 20% by procurement spend. This progress is a tangible reflection of our approach to strengthening local supply sources and enhancing operational resilience. During the same period, we increased our supplier performance score from 85% in 2024 to 90% and maintained this level in 2025, supporting the continuity of our reliable business partnerships.

## A resilient supply chain is the foundation of sustainable growth

For indirect procurement suppliers, the share of local suppliers by procurement spend increased from 84% to 100% between 2023 and 2025. Through this progress, we strengthened our collaboration with local suppliers while supporting the resilience of our supply chain.

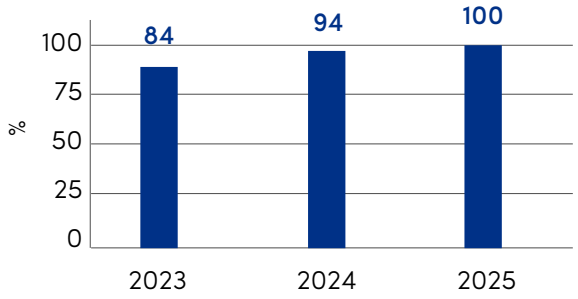



**Figure 23:** Local Indirect Suppliers Ratio (based on turnover)

We regularly monitor supply chain risks and performance indicators as part of our corporate risk management system, review them through internal audits and share the results with senior management on a monthly, quarterly and annual basis. When significant changes occur in global developments, supply risks or market conditions, we reassess the situation without waiting for the scheduled review period and rapidly implement the necessary actions.

| Local Raw Material Suppliers | Indirect Procurement from Local Suppliers | Supplier Performance |
|---|---|---|
| 46% | 100% | 90% |



# Environment and Climate Management



# Environment and Climate Management

Reducing our impact on natural resources and combating climate change are key priorities of our long-term business strategy. In response to the environmental, economic and social impacts of the global climate crisis, we conduct our activities not only in compliance with legal requirements, but also as part of our responsibility to protect natural resources and safeguard the future for generations to come.

In this context, we focus on improving energy efficiency, using natural resources effectively, reducing waste generation and integrating circular economy practices into the way we operate. We regularly review our production activities and implement practices aimed at reducing environmental impacts. In our product development activities, we prioritise solutions that have a lower carbon footprint, improve resource efficiency and contribute to the circular economy.

We consider it important for environmental responsibility to be embraced throughout our organisation. To this end, we regularly provide training to enhance our employees' knowledge and awareness of environmental management, waste management, energy efficiency and climate change. In this way, we approach environmental management not merely as the responsibility of specific departments, but as a shared corporate culture embraced by all our employees.

During the reporting period, we provided environmental training to 72 employees, amounting to a total of 144 person-hours. These training programmes focused on environmental responsibilities, legal obligations, the efficient use of resources and sustainable production practices, thereby contributing to greater environmental awareness.

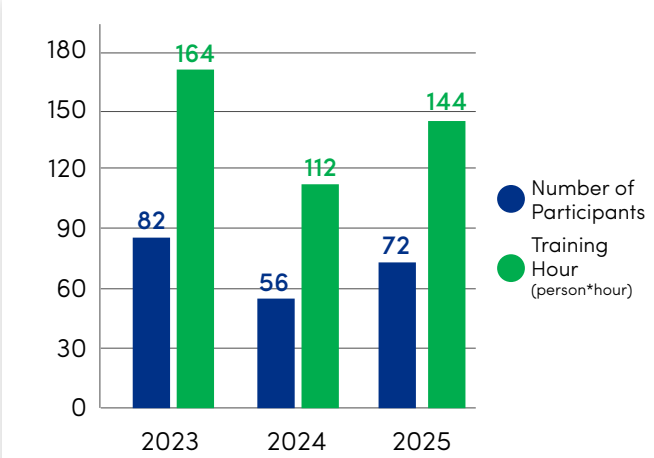



**Figure 24:** Environmental Trainings

We continue to provide the necessary financial resources and technical infrastructure to improve our environmental performance. We regard our investments in energy efficiency, emissions reduction, waste management, products containing recycled materials and circular economy practices as an important part of our long-term growth strategy.

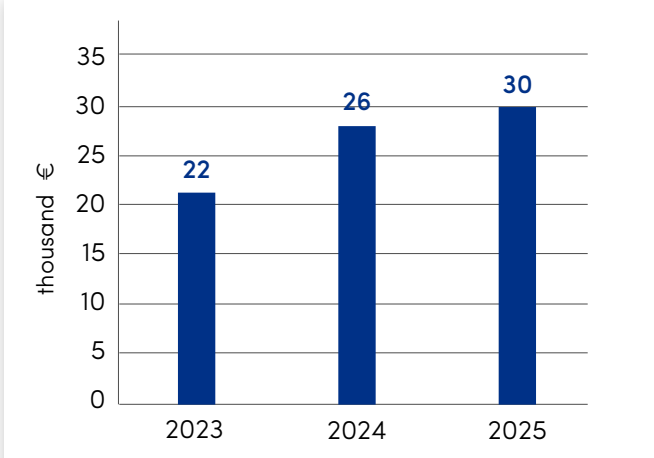



**Figure 25:** Environmental Investments

In this context, we monitor our environmental operating costs and environmental investments under separate categories and allocate our resources to practices that contribute to reducing environmental impacts. Our total environmental expenditure amounted to EUR 22,000 in 2023, EUR 26,000 in 2024 and EUR 30,000 in 2025. These investments contributed to maintaining the continuity of our environmental management practices, supporting regulatory compliance and improving our environmental performance.



# Climate Change and Energy Management

Climate change is one of the most significant environmental issues affecting our operations, and managing climate-related risks and opportunities is an integral part of the way we do business. Through energy efficiency practices, cleaner production technologies and initiatives to reduce greenhouse gas emissions, we improve resource use while continuing to strengthen our low-carbon production approach. At the same time, by offering our customers product alternatives with lower carbon footprints, we enhance our value chain's contribution to combating climate change.

We regularly monitor changes in energy costs, the impacts of climate change on our operations, supply chain uncertainties and evolving market expectations. We view these developments not only as risks, but also as important opportunities to improve energy efficiency, enhance operational performance and develop sustainable product solutions. The greenhouse gas emissions calculations conducted for our operations in Türkiye contribute to the development of our climate roadmap and support our decision-making processes with reliable data.



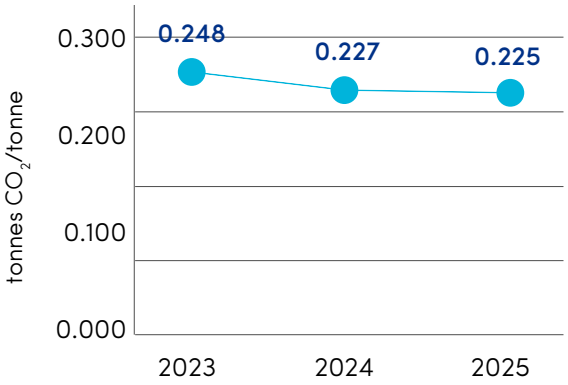



**Figure 26:** Greenhouse Gas Emission per Tonne

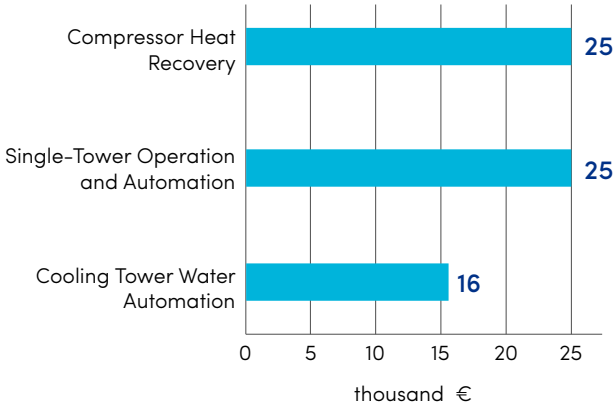



**Figure 27:** Project-based Saving

In line with our commitment to transparent reporting, we have regularly calculated our greenhouse gas emissions since 2021 and monitored our performance on an annual basis. In 2025, our greenhouse gas emissions intensity amounted to 0.225 tonnes of $CO_2e$ per tonne of product. Through energy efficiency projects, operational improvements and resource efficiency practices, we reduced our greenhouse gas emissions per tonne of product by 9% compared with the previous reporting period. We plan to expand the scope of our emissions calculations to include Scope 3 emissions in our monitoring activities.

To continuously improve our energy performance, we make efficiency-focused investments in our production facilities and utilities. Through initiatives such as heat recovery systems, regular monitoring of compressed-air leaks, the transition to single-tower operation, cooling tower automation and compressor waste heat recovery, we reduce both our energy consumption and operating costs. These projects generated electricity cost savings of EUR 24,638 through single-tower operation and automation upgrades, EUR 24,922 through compressor waste heat recovery and EUR 16,171 through the installation of an actuator in the cooling tower water system.

In line with the targets set out in our 2023 Sustainability Report, we are continuing our efforts to obtain ISO 50001 Energy Management System certification. Our energy management activities are coordinated by our Electrical Automation Department, while the appointment of energy managers and specialist training provided to relevant employees strengthen the effectiveness of our system.

We regularly monitor our energy performance using energy consumption indicators per tonne of product. By reducing our energy consumption intensity from 548 kWh per tonne in 2023 to 529 kWh per tonne in 2025, we achieved an improvement of approximately 3.5%. Despite changes in production volume, this reduction in energy consumption per tonne of product demonstrates that we are using our energy resources more efficiently.

For new investments, we select high-efficiency IE4-class electric motors. By integrating our compressor waste heat recovery system into the boiler line, we use all the recovered energy in our production activities. We optimise energy consumption in our utilities by operating the cooling towers through a single-tower system. Through practices that improve water quality, we also reduce water losses during the backwashing process and decrease liquid salt consumption. In this way, we strengthen our integrated approach to resource efficiency by addressing energy, water and chemical consumption together.

**Through our energy efficiency initiatives, we reduced energy consumption per tonne of product by 3.5%**

To reduce the environmental impacts associated with transportation, we provide employee shuttle services and shared vehicles for commuting. We regularly review shuttle routes based on employee density and location distribution and, where appropriate, combine routes to optimise transportation planning. These practices help us reduce vehicle use and fuel consumption, lower transport-related emissions and improve operational efficiency. We are also continuing our efforts to renew our vehicle fleet with more efficient, lower-emission alternatives.

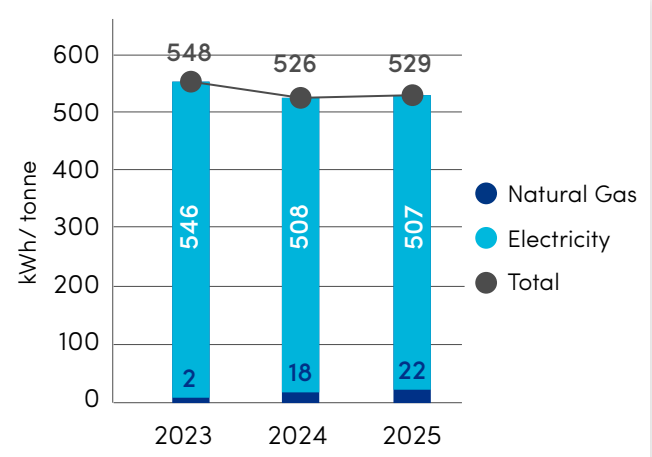



**Figure 28:** Energy Consumption per Tonne

We conduct our energy management activities under the oversight of senior management and regularly evaluate our performance through Management Review Meetings and audits. Our energy efficiency team meets periodically to review ongoing initiatives, promote good practices across the organisation and identify new improvement opportunities. We regularly report performance indicators relating to energy efficiency, energy consumption and waste management to senior management. Based on data provided by our Technical Support and Maintenance teams, we plan and implement the necessary improvement initiatives.

| Energy Consumption | Cost Savings |
|---|---|
| 529 kWh/tonne<br>▼<br>3.5% improvement | 65,731€ |

In the coming period, we will focus on expanding energy-saving projects, increasing the use of renewable energy sources and obtaining certification for our ISO 50001 Energy Management System. We will also continue to improve our energy performance, broaden the scope of our greenhouse gas emissions monitoring and increase our contribution to combating climate change by strengthening our low-carbon production approach.



## Water Use

The protection and efficient use of water resources are key priorities of our sustainable production approach. We manage water through an integrated approach to support the continuity of our production activities, reduce our impact on natural resources and prepare for the potential effects of climate change on water availability.

We meet our water requirements for production, R&D and domestic use primarily through groundwater wells and rainwater harvesting systems, using mains water where necessary. We regard rainwater harvesting systems as an important alternative source that reduces pressure on natural resources. High-purity process water required for production and R&D activities is obtained from external suppliers and used in the relevant applications.

> **In 2025, we reduced our water consumption by 35%**

We support our efforts to reduce water consumption through both technical investments and initiatives that raise employee awareness. We install water-saving equipment in hygiene facilities, integrate flow regulators at points of use and promote responsible water use through regular training.

One of the major improvements achieved during the reporting period was enhancing the performance of our water softening systems. By improving raw water quality, we increased the interval between system regenerations from 90 tonnes to 450 tonnes. This reduced the number of regeneration cycles by 80% and lowered water losses from backwashing from 2,254 $m^3$ to 451 $m^3$. Through this initiative, we achieved annual water savings of 1,803 $m^3$ while also significantly reducing our liquid salt consumption.

One of our most significant water management projects involved redesigning the operating scenarios of our cooling towers. Within our two-tower system, we placed one tower on standby and began operating the other at an optimised capacity based on demand. As a result, our groundwater and rainwater consumption decreased from 30,921 $m^3$ in 2024 to 20,286 $m^3$ in 2025. This generated annual water savings of 10,635 $m^3$, representing an improvement of approximately 34%. At the same time, we reduced energy consumption and chemical use, improving resource efficiency across multiple areas.

The impact of these initiatives was also reflected in our performance indicators. Between 2023 and 2025, we reduced our total water consumption by 35%. Over the reporting period, our water consumption intensity decreased from 1.26 $m^3$ per tonne of product to 0.84 $m^3$ per tonne demonstrating more efficient resource use relative to our production volume.

We discharge wastewater generated by our operations into the Gebze Organised Industrial Zone's sewerage system in accordance with applicable legal requirements. The quality of our discharge is continuously monitored by GOSB through an automatic sampling system, and our regulatory compliance is regularly verified.

We regularly monitor our water consumption, wastewater management performance and implement improvements to sustain the gains achieved. We will continue to introduce new practices that improve water efficiency, contributing to the protection of natural resources and our climate change adaptation efforts.

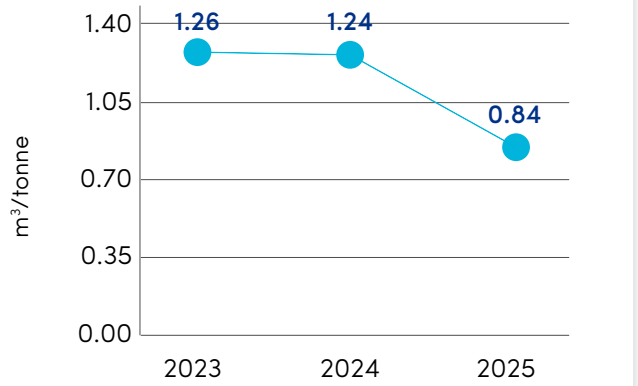



**Figure 29:** Water consumption per Tonne



## Waste Management

Preventing waste generation and promoting the circular use of resources are key priorities of our environmental management approach. Ineffective waste management can lead to greater consumption of natural resources, increased environmental impacts and additional costs. We therefore prioritise preventing waste at source, properly segregating the waste generated and directing as much of it as possible towards recovery.

We carry out our waste management activities in accordance with the requirements of the Zero Waste Regulation and the ISO 14001 Environmental Management System. In this context, we implement practices aimed at reducing waste generation, returning recyclable materials to the economy and increasing the use of recycled content. In this way, we contribute to conserving natural resources while strengthening our circular economy approach.

> **In 2025, we sent all waste generated by our operations for recovery**

We segregate the waste generated by our operations at source and send it to licensed recovery facilities. In our production activities, we continue our efforts to reduce material losses, limit the use of hazardous substances wherever possible and develop products with lower environmental impacts. Through these efforts, we improve resource efficiency and strengthen our production approach that supports the circular economy.

Our waste management activities are coordinated by our Health, Safety and Environment (HSE) Department. With contributions from the relevant business units, we set our targets, regularly monitor performance indicators and plan improvement initiatives. We regard waste management not only as an environmental obligation, but also as an important management area that improves resource efficiency, contributes to cost control and supports our operational resilience.

In the short term, we are focusing on reducing waste generation at source, expanding proper segregation practices and raising employee awareness. In the medium and long term, we aim to reduce the amount of non-recyclable waste through process improvements and technological investments, increase the use of recycled and reusable materials and extend circular economy practices across all our operations.

During the reporting period, our waste generation intensity amounted to 0.035 tonnes per tonne of product in 2023, 0.021 tonnes per tonne in 2024 and 0.033 tonnes per tonne in 2025. All waste generated during the reporting period was recovered in accordance with applicable environmental legislation and returned to the circular economy.

We regularly monitor our waste management performance within the scope of our quality and environmental management systems. We evaluate our practices through internal audits and annual audits conducted by independent certification bodies. We share the results with senior management during Management Review Meetings, identify areas for development and plan the necessary improvement initiatives.

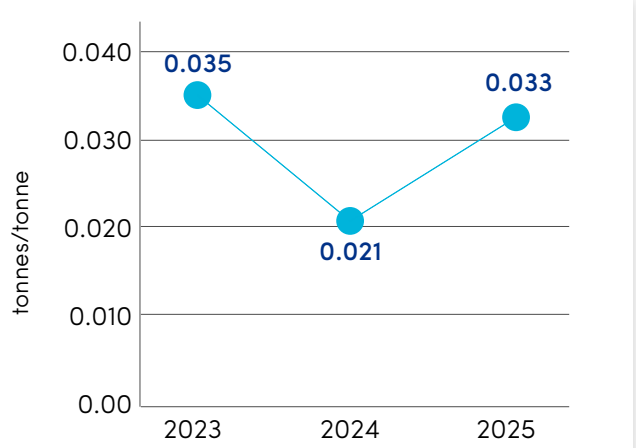



**Figure 30:** Amount of Waste per Tonne



# Workplace Practices



# Workplace Practices

Our people are among the key drivers of our sustainable growth, organisational development and long-term success. Our human resources practices extend beyond recruitment and personnel administration and are managed through a holistic approach encompassing employee experience, development, occupational health and safety, equal opportunities and well-being. We aim to foster a corporate culture in which employees can fulfil their potential by creating a safe, fair and inclusive working environment that encourages continuous learning.

> **In 2025, we sent all waste generated by our operations for recovery**

As of 2025, 41% of our workforce held a university or postgraduate degree. Employees aged between 30 and 50 accounted for 78% of our workforce, while field-based and office-based employees represented 60% and 40%, respectively. We believe that employees with diverse areas of expertise, levels of experience and perspectives enrich our organisational knowledge, contribute to the development of innovative solutions and support our sustainable success.





| | |
|---|---|
| Post Graduate | 8% |
| University | 33% |
| High School | 38% |
| Primary Education | 21% |

**Figure 31:** Workforce by Education



| | |
|---|---|
| Field Employees | 60% |
| Office Employees | 40% |

**Figure 32:** Workforce by Category



| | |
|---|---|
| 18-30 | 28% |
| 30-50 | 68% |
| 50+ | 4% |

**Figure 33:** Workforce by Age Group

# Talent Management and Employee Development

The knowledge, competencies and development potential of our people are key elements of our sustainable success. Accordingly, we manage all our practices, from recruitment to career development, through a long-term talent management approach and focus on strengthening the competencies our company needs today and will require in the future.

During recruitment, we assess candidates not only based on their technical knowledge and experience, but also on their competencies, development potential and alignment with our corporate culture. We apply a similar approach to performance evaluation, career planning and promotion practices, supporting the retention and continuity of critical knowledge and expertise within our organisation.

We consider employee engagement and the retention of organisational knowledge to be key indicators of our human resources management. In 2025, our total employee turnover rate was 7%, while our voluntary turnover rate was 2%. During the same period, approximately one-third of our employees had been with the company for more than five years. This workforce structure makes an important contribution to preserving our organisational memory, strengthening our technical expertise and maintaining the continuity of our corporate culture.

To support professional and personal development, we provide technical training as well as programmes covering quality, environmental management, occupational health and safety, customer requirements and professional development. We regularly review training needs and update our programmes based on feedback from our business units. In 2025, we delivered a total of 3,420 person*hours of training, continuing to enhance our employees' knowledge and competencies.

We conduct performance evaluations annually, assessing target achievement, individual contributions, development areas and expectations for the coming period together with our employees. We use the results as input for remuneration, career planning and promotion decisions. We give priority to internal talent when filling vacancies and encourage employees to gain experience in different roles. In 2025, four positions were filled through internal appointments.

Our priorities include career development practices, increase opportunities for internal promotion and lateral moves, and expand development programmes that support technical and managerial competencies. In this way, we will continue to build a strong workforce that can adapt to evolving business needs, embraces continuous learning and contributes to sustainable success.

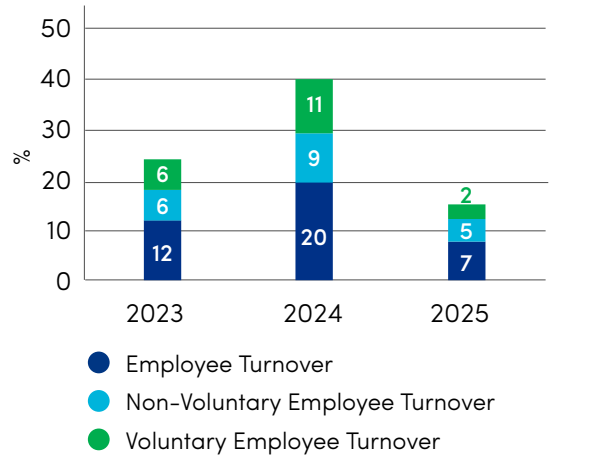



**Figure 34:** Employee Turnover

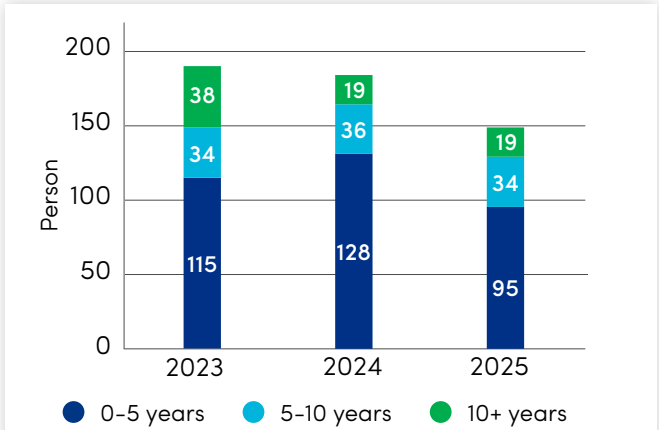



**Figure 35:** Employee Seniority Breakdown

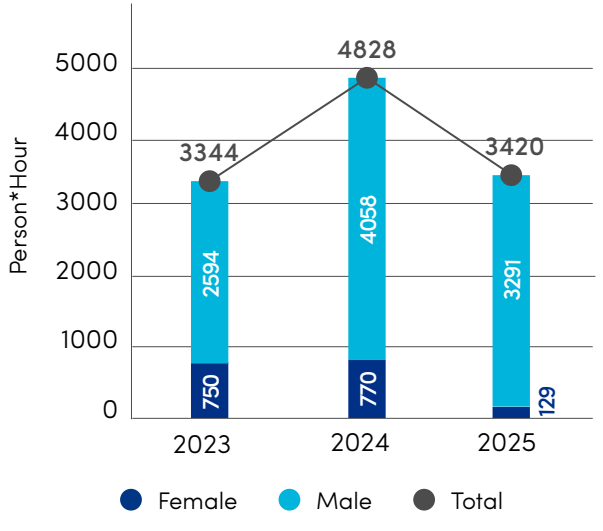



**Figure 36:** Total Employee Trainings

# Equal Opportunity and Inclusion

Equal opportunity, diversity and inclusion are fundamental values of our corporate culture. We manage our human resources practices—from recruitment and career development to training, performance evaluation, remuneration and promotion—using objective, transparent and equitable criteria. We are committed to creating an inclusive working environment in which everyone has equal access to opportunities and individual differences are valued.

**Equal opportunities are the foundation of a strong corporate culture.**

We believe that diverse knowledge, experience and perspectives strengthen our organisational development. In line with this understanding, we adopt a zero-tolerance approach to discrimination, harassment, workplace bullying and all forms of mistreatment. Through our policies, procedures and ethics reporting mechanisms, we support a safe and respectful working environment.

We manage our remuneration and benefits practices based on the nature of each role, level of responsibility, competencies, experience, performance and the provisions of collective bargaining agreements. We do not discriminate on the basis of gender in our remuneration processes; salary levels are determined according to objective criteria such as the scope of the role, length of service, experience and level of responsibility. In 2025, the difference between the median salaries of female and male white-collar employees was approximately 4%, while the difference between their average salaries was approximately 6%. These differences were primarily attributable to organisational structure, the distribution of roles and differences in length of service.

We support women's participation in the workforce and their career development. Over the past five years, the proportion of women in revenue-generating positions has steadily increased, reaching 15% in 2025. Looking ahead, we aim to further strengthen equal opportunity by continuing to support women's career development.

We value practices that support our employees' work-life balance. In 2025, all employees who took maternity or paternity leave returned to their roles, and the vast majority remained with our company following their return. This outcome is an important indicator of employee engagement and the effectiveness of our practices supporting sustainable working lives.



Male **91%** Female **9%**

**Figure 37: Total** Workforce

During the reporting period, no substantiated reports or confirmed incidents relating to discrimination, harassment, mistreatment, violations of equal opportunity or human rights were identified. We remain committed to strengthen our inclusive workplace culture, enhance practices that support diversity and provide equal opportunities for all our employees.



# Employee Participation and Social Dialogue

Open communication and employee participation are our key management practices that support our organisational development. We believe that employees' views, suggestions and feedback contribute to our decision-making and continuous improvement processes, and we encourage their active participation through various communication channels.

We respect our employees' freedom of association and collective bargaining rights. Our blue-collar employees benefit from a collective bargaining agreement through Employee Union. Matters relating to working conditions, remuneration and social benefits are addressed through constructive dialogue with the trade union and employee representatives. As of 2025, 59% of our employees were covered by a collective bargaining agreement.

Under the collective bargaining agreement, we provide remuneration and benefits as well as long-service incentives, social assistance, educational support, childbirth, marriage and bereavement allowances, heating and holiday support, and various types of leave. We also support work-life balance by increasing annual leave entitlements based on length of service.

Employee participation is our fundamental element of occupational health and safety management. Within the scope of the ISO 45001 Occupational Health and Safety Management System, we support the identification of risks, the assessment of improvement areas and the promotion of a safe working culture through Occupational Health and Safety Committees, employee representatives and workplace feedback mechanisms.

Our ethics reporting mechanism, employee representation system and other communication channels enable employees to safely share their views, suggestions and concerns. The relevant teams evaluate the feedback received and implement measures to improve the working environment, reduce ergonomic risks, enhance equipment safety and manage processes more effectively. In this way, we strengthen our participatory management approach and enable employees to play an active role in our organisational development.





# Occupational Health and Safety

The health and safety of our employees are among our highest priorities. To provide a safe and healthy working environment, we systematically manage our occupational health and safety practices within the scope of the ISO 45001 Occupational Health and Safety Management System. We take a preventive approach, prioritising the control of risks at source, increased employee participation and the promotion of a strong safety culture throughout our organisation.

> **A culture of workplace safety is our shared responsibility**

We continuously review our workplaces through risk assessments, site observations, hazard reports, near-miss analyses and corrective actions. These practices enable us to identify areas for improvement at an early stage, implement the necessary measures promptly and continuously improve our occupational health and safety performance.

We regard occupational health and safety culture not merely as a legal obligation, but as a shared responsibility of all employees and an integral part of our sustainable success.

## Safe and Ergonomic Working Environment

During the reporting period, we continued to invest in technical improvements and automation to create safer, healthier and more ergonomic working environments. . In line with our occupational health and safety approach, we prioritise eliminating risks at source wherever possible and reducing the physical demands placed on employees before relying on personal protective equipment.

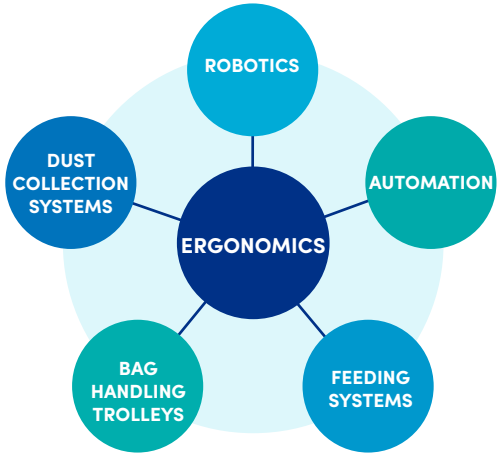



**Figure 38:** Key Ergonomic Activities

In this context, we integrated robotic systems into stations that previously required manual labour in the crushing process. By automating feeding units, we significantly reduced operations requiring manual intervention.

Over the same reporting period, we achieved the ergonomics targets outlined in our 2023 Sustainability Report. By introducing wheeled bag-handling equipment in our production areas, we reduced manual handling activities, lowered the physical demands placed on our employees and further improved ergonomic working conditions.

To enhance workplace safety, we upgraded the dust collection systems in our production areas, completed investments in climate control systems and reviewed our equipment to implement the necessary improvements for stronger emergency preparedness. We also created dedicated storage areas to ensure that emergency equipment is stored safely and systematically.

In the coming period, we will continue to expand automation applications, pursue ergonomics-focused investments and reinforce our culture of workplace safety through technical improvements.

## Employee Participation and OHS Culture

The active participation of our employees plays a key role in strengthening our occupational health and safety culture. We therefore regard our employees not merely as participants in our practices, but as key stakeholders who contribute to improving the safety of our working environment. We incorporate their views and suggestions into our occupational health and safety management system through hazard reports, near-miss records, workplace observations and corrective actions.

> **Our safety culture is strengthened through the active participation of our employees**

Based on employee feedback, we implement a wide range of improvements relating to equipment safety, ergonomics, workplace organisation, forklift traffic, dust and noise control, ventilation systems, machine guards and production processes. This enables us to identify potential risks at an early stage and respond promptly to unsafe conditions.

We conduct root cause analyses of occupational accidents and near-miss incidents, share the findings with the relevant teams and implement the necessary preventive and corrective actions. Through these practices, we benefit from our employees' knowledge and experience. We also promote a strong culture of prevention and continuous learning throughout our organisation.

## OHS Organisation and Performance

Occupational health and safety is managed through a multidisciplinary organisational structure and an effective governance approach. A full-time occupational safety specialist, occupational physician and occupational health nurse work at our site. Occupational accidents, near-miss incidents, hazard reports and improvement initiatives are periodically evaluated. The findings are shared with senior management and discussed during Management Review Meetings, where further actions are planned.

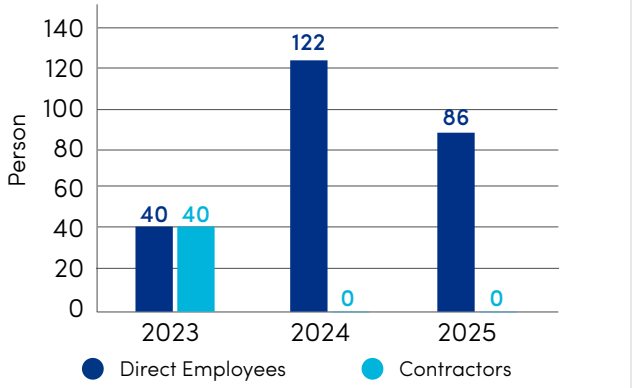



**Figure 39:** Number of Occupational Health and Safety Training Participants



As of 2025, a total of 15 members served on 6 occupational health and safety boards and committees, with employee representatives actively contributing to their work. During the same period, we provided 86 employees with a total of 1,032 person*hours of occupational health and safety training. Health surveillance activities are conducted by our occupational physician and occupational health nurse, while periodic health examinations are performed in accordance with applicable legislation. No work-related fatalities or cases of occupational disease occurred during the reporting period.

## We enhance workplace safety through continuous improvement

In 2025, our injury rate was 34.44, while our lost day rate was 2.18. We achieved an progress in the lost day rate, which had increased due to the impact of occupational accidents that occurred in the previous year. To improve our performance, we remain focused on to implement engineering solutions, ergonomics projects, initiatives that encourage employee participation and awareness training, while pursuing efforts to prevent risks before they arise.

We monitor our occupational health and safety performance comprehensively through internal and external audits, employee reports, customer feedback, process performance indicators and workplace observations. We assess identified non-conformities through root cause analyses, plan the necessary corrective and preventive actions and verify their effectiveness. In line with our continuous improvement approach, we remain committed to strengthening our safety culture, managing risks proactively and progressing towards our goal of zero occupational accidents.

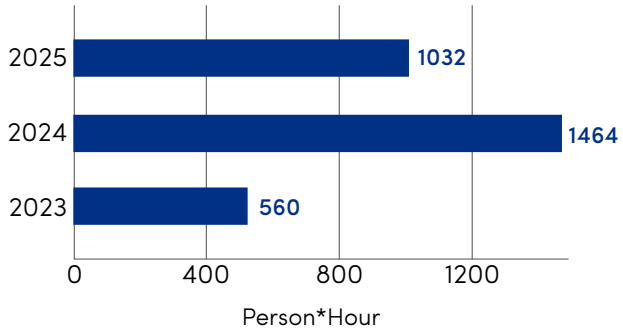
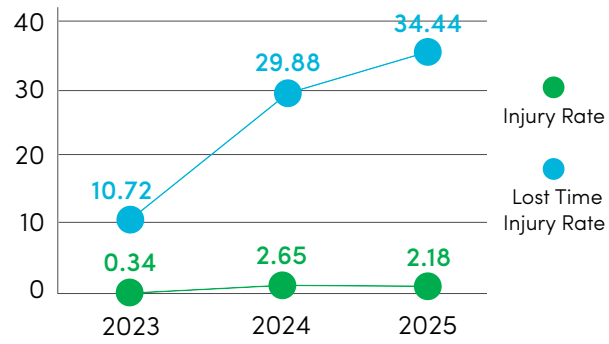



**Figure 40:** Occupational Health and Safety Training




[1] Injury Rate: Total Number of Injuries*1.000.000/Total Working Hours
[2] Lost Day Injury Rate: Total Number of Lost Days*1000/Total Working Days

**Figure 41:** Occupational Health and Safety Performance

| Occupational Diseases | Injury Rate | Lost Time Injury Rate | OHS Training |
|---|---|---|---|
| 0 | 34.44 | 2.18 | 1032 hours |

# CONCLUSION

For us, sustainability is not merely an approach to reducing our environmental impacts; it is a fundamental management philosophy that shapes our decision-making processes, the way we conduct business and our approach to creating long-term value.

Through this report, we aim to transparently communicate our environmental, social and governance activities during 2024 and 2025, while presenting our areas for improvement with the same openness. We regard sustainability as a journey of continuous development and value the views and expectations of our stakeholders as we seek to build on our achievements.

In the coming period, we will continue to focus on our priority areas, particularly combating climate change, the circular economy, sustainable product development, digital transformation, occupational health and safety, and employee development. By using our resources more efficiently, reducing our environmental impacts and creating lasting value for all our stakeholders, we will support our sustainable growth.

*We would like to thank our employees, customers, suppliers, business partners and all other stakeholders for their trust and support throughout this journey.*



# APPENDIX

## GRI Content Text

Elastron has reported the information cited in this GRI content index for the period from 1 January 2024 to 31 December 2025 with reference to the GRI Standards.

| GRI Standard | Disclosure | Report Section | Page |
|---|---|---|---|
| GRI 1: Foundation 2021 | GRI reporting principles | GRI Content Index | 43 |
| GRI 2: General Disclosures 2021 | 2-1 Organizational details | Elastron at a Glance | 6 |
| | 2-2 Entities included in the organization's sustainability reporting | About the Report | 3 |
| | 2-3 Reporting period, frequency and contact point | About the Report | 3 |
| | 2-6 Activities, value chain and other business relationships | Elastron at a Glance | 6 |
| | 2-7 Employees | Workplace Practices | 34 |
| | 2-9 Governance structure and composition | Board Practices | 13 |
| | 2-10 Nomination and selection of the highest governance body | Board Practices | 13 |
| | 2-11 Chair of the highest governance body | Board Practices | 13 |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | Sustainability Management | 16 |
| | 2-13 Delegation of responsibility for managing impacts | Sustainability Management | 16 |
| | 2-14 Role of the highest governance body in sustainability reporting | Sustainability Management | 16 |
| | 2-15 Conflicts of interest | Business Ethics and Legal Compliance | 15 |

# GRI Content Text

| GRI Standard | Disclosure | Report Section | Page |
|---|---|---|---|
| GRI 2: General Disclosures 2021 | 2-16 Communication of critical concerns | Business Ethics and Legal Compliance | 15 |
| | 2-17 Collective knowledge of the highest governance body | Sustainability Management | 16 |
| | 2-18 Evaluation of the performance of the highest governance body | Board Practices; 4.6 Management of Material Topics | 13-17 |
| | 2-19 Remuneration policies Remuneration Policy | Business Ethics and Legal Compliance | 15 |
| | 2-20 Process to determine remuneration Remuneration Policy | Business Ethics and Legal Compliance | 15 |
| | 2-22 Statement on sustainable development strategy | Message from The President | 4 |
| | 2-23 Policy commitments | Business Ethics and Legal Compliance | 15 |
| | 2-24 Embedding policy commitments | Business Ethics and Legal Compliance | 15 |
| | 2-25 Processes to remediate negative impacts | Business Ethics and Legal Compliance | 15 |
| | 2-26 Mechanisms for seeking advice and raising concerns | Business Ethics and Legal Compliance | 15 |
| | 2-27 Compliance with laws and regulations | Business Ethics and Legal Compliance | 15 |
| | 2-29 Approach to stakeholder engagement | Stakeholder Engagement | 18 |
| | 2-30 Collective bargaining agreements | Employee Participation and Social Dialogue | 38 |
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | Management of Material Topics | 17 |
| | 3-2 List of material topics | Management of Material Topics | 17 |
| | 3-3 Management of material topics | Management of Material Topics | 17 |

# GRI Content Text

| GRI Standard | Disclosure | Report Section | Page |
|---|---|---|---|
| GRI 201: Economic Performance 2016 | 201-2 Financial implications and other risks and opportunities due to climate change | Corporate Risk Management and Business Continuity | 14 |
| GRI 203: Indirect Economic Impacts 2016 | 203-1 Infrastructure investments and services supported | Digital Transformation | 23 |
| | 203-2 Significant indirect economic impacts | Digital Transformation | 23 |
| GRI 204: Procurement Practices 2016 | 204-1 Proportion of spending on local suppliers | Sustainable Supply Chain Management | 26 |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | Climate Change and Energy Management | 28- 30 |
| | 302-4 Reduction of energy consumption | Climate Change and Energy Management | 28- 30 |
| GRI 303: Water and Effluents 2018 | 303-3 Water withdrawal | Water Use | 32 |
| | 303-5 Water consumption | Water Use | 32 |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | Climate Change and Energy Management | 30 |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Climate Change and Energy Management | 30 |
| | 305-4 GHG emissions intensity | Climate Change and Energy Management | 30 |
| GRI 306: Waste 2020 | 306-3 Waste generated | Waste Management | 33 |
| | 306-4 Waste diverted from disposal | Waste Management | 33 |
| | 306-5 Waste directed to disposal | Waste Management | 33 |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | Talent Management and Employee Development | 36 |
| | 401-3 Parental leave | Equal Opportunity and Inclusion | 37 |

# GRI Content Text

| GRI Standard | Disclosure | Report Section | Page |
|---|---|---|---|
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | Occupational Health and Safety | 39 |
| | 403-2 Hazard identification, risk assessment, and incident investigation | Employee Participation and OHS Culture | 40 |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | Employee Participation and OHS Culture | 40 |
| | 403-5 Worker training on occupational health and safety | OHS Organization and Performance | 40 |
| | 403-6 Promotion of worker health | OHS Organization and Performance | 40 |
| | 403-9 Work-related injuries | OHS Organization and Performance | 41 |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | Talent Management and Employee Development | 36 |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | Talent Management and Employee Development | 36 |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | Equal Opportunity and Inclusion | 37 |
| | 405-2 Ratio of basic salary and remuneration of women to men | Equal Opportunity and Inclusion | 37 |
| GRI 406: Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | Equal Opportunity and Inclusion | 37 |
| GRI 418: Customer Privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | Digital Transformation | 23 |

# SDG and GRI Alignment Matrix

Elastron's sustainability priorities have been aligned with the United Nations Sustainable Development Goals (SDGs). The goals to which the company's activities make the greatest contribution are summarised in the table below.

| SDG | Material Topic | Elastron Practices | Relevant GRI Standards |
|---|---|---|---|
| SDG 8 – Decent Work and Economic Growth | Human Resources, OHS and Talent Management | Employee development, performance management, occupational health and safety, equal opportunity and career development | 2-7, 2-30, 401, 403, 404, 405 |
| SDG 9 – Industry, Innovation and Infrastructure | R&D, Digital Transformation and Product Development | Sustainable product development, digitalisation, process improvement, innovation and automation | 2-6, 3-2, 302, 305 |
| SDG 12 – Responsible Consumption and Production | Product Life Cycle, Waste and Supply Chain | Circular economy, recycled content, waste management, product safety and traceability | 301, 302, 303, 306 |
| SDG 13 – Climate Action | Energy, Water, Emissions and Climate Risks | Energy efficiency, carbon management, water conservation, climate risk analysis and product carbon footprint studies | 302, 303, 305, 3-2 |

**SDG 8:** Safe working environment, employee development and inclusive human resources practices.
**SDG 9:** R&D, innovation, digital transformation and sustainable product development.
**SDG 12:** Circular economy, resource efficiency, waste management and responsible supply chain.
**SDG 13:** Energy efficiency, emissions reduction and management of climate change risks.

**Note:** This matrix has been prepared to summarise the relationship between Elastron's material topics and the United Nations Sustainable Development Goals. The alignment is based on the company's activities and the management approaches covered in this report.

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ENGINEERING LIFE

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