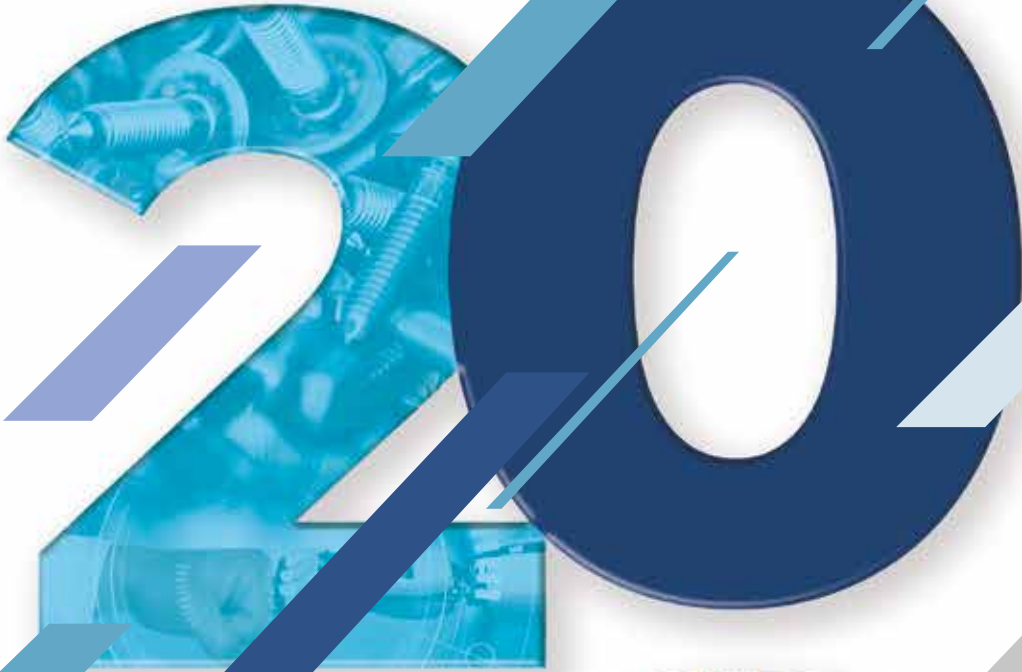
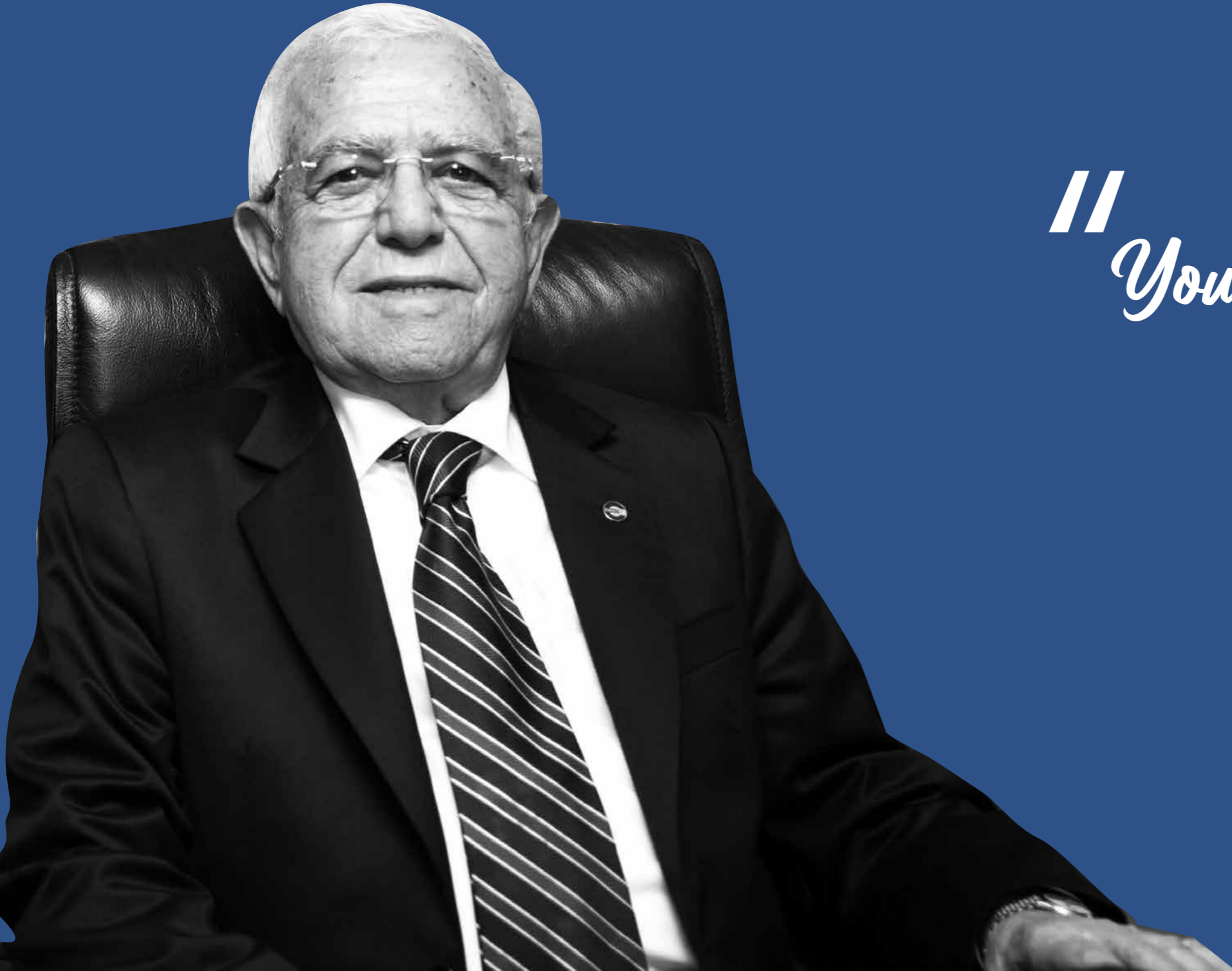


# NORM HOLDİNG A.Ş. ANNUAL REPORT

1 January 2022 - 31 December 2022





// *You shall gain the  
hearts first* //

Our Founder

*Nedim Uysal*

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# NORM HOLDING MILESTONES

<b>Milestones</b>	<b>08</b>
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# MILESTONES

Norm Holding, which began its journey in 1973 with a double-stroke machine, has transformed into a visionary company today, competing globally, maintaining its commitment to quality, and thriving through technological advancements and a history filled with achievements and awards.

As a leading player in the fastener industry, Norm Holding has achieved its status as Turkey's foremost organization through its production capacity, quality, and innovative human resources perspective built upon its core values, as well as its continually evolving technology.

Norm Holding operates in both national and international markets with over 4,000 employees, encompassing a total of 23 companies, 5 of which are located abroad, and 18 production facilities. The company is active in various sectors, including automotive, both main and ancillary, spare parts, appliances, electronics, technology, furniture, construction, and machinery. Norm Holding has expanded its export reach to more than 50 countries.

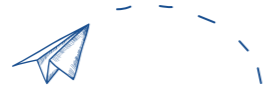


**1973**  
Norm Civata was founded, and production started.

**1977**  
Beginning of nuts production.

**1982**  
Standart Civata Marketing Company was founded.

**1994**  
The first export was made following the move into a new production facility in AOSB.



**1996**  
Nuts production started as a separate production facility under Norm Somun.

**1998**  
The plating facility was established under the brand of Uysal Machinery.

**2001**  
Norm Bursa Marketing was founded in Bursa, the heart of the auto industry.

**2002**  
Best Kale Civata Marketing Company joined the group in Istanbul, the heart of the Turkish market.



**2003**  
Norm Art was founded.

**2006**  
Die production facility was established under the brand Nedu Kalip and production started.

**2007**  
Izmir Norm Vocational was founded in Izmir Ataturk Organized Industrial Zone

**2011**  
The R&D Center was founded with the participation of 62 engineers.

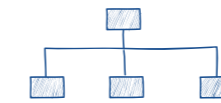


**2012**  
Norm Salihli Manufacturing Facility was established.  
Norm GmbH began providing service.

**2014**  
MS Vida was founded.  
AOSB Nedim Uysal Anatolian Technical High School was opened.

**2017**  
All brands were gathered under the name of Norm Holding.

**2018**  
FastenersCo America was founded.  
Norm Academy was founded.



**2019**  
ST Trading started operating in Poland.  
Normie, who is our coworker in charge of Robotic Process Automation, was born.

**2020**  
Norm Romania was founded.

**2021**  
Norm Sustainability Committee Norm Additive and Norm Digital started operating.

**2022**  
Norm Forging was founded.  
Nordes was founded.

## MISSION

To be a global solution partner that creates values for its partners, always trusted and preferred.

## VISION

To be a global company pursuing excellence together with our employees.

### Norm Holding – Vision 2025

FINANCIAL BUSINESS OUTCOMES	SUSTAINABLE PROFITABLE GROWTH	COST MANAGEMENT AND RESOURCE EFFICIENCY	
	CUSTOMER (PARTNER) VALUE PROPOSITION		
CUSTOMER / PARTNER	BUSINESS PARTNERS	SOCIETY	
	BRAND AWARENESS AND IMAGE	CORPORATE REPUTATION AND SOCIAL INFLUENCE	
PROCESSES (FOCUS AREAS)	MARKET- AND CUSTOMER-ORIENTED	R&D AND INNOVATION	OPERATIONAL EXCELLENCE
	SUSTAINABILITY		
INTANGIBLE ASSETS	HUMAN RESOURCE AND COMPETENCY	CORPORATE CULTURE AND ORGANIZATIONAL EXPERIENCE	IT AND INFORMATION GAIN TECHNOLOGY AND DIGITAL TRANSFORMATION



## NORM HOLDING AT A GLANCE



# BOARD OF DIRECTORS

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# CHAIRPERSON'S STATEMENT

## Distinguished Shareholders,

In the aftermath of the far-reaching effects of the Covid-19 pandemic, the projected global recovery scheduled for 2022 faced a significant setback due to the outbreak of the Russia-Ukraine conflict. The societal and psychological impact of this war has had profound implications for humanity, concurrently introducing a fresh set of challenges for the global economy. Just as endeavors were commencing to address the pandemic's aftermath, the rapid escalation of this conflict abruptly disrupted the planned restoration efforts for the world economy.

### Consequences of the war

Foremost, there is growing alarm surrounding energy and food security. In parallel, commodity prices are probing new historic highs on the global stage. We have witnessed an unprecedented upsurge in international raw material prices in recent years, contributing to an expanded perception of global risks. This surge in risk premiums has instigated a shift towards safer investment avenues and exerted upward pressure on global inflation. Notably, precious metal and food prices have surged, and energy prices have reached unprecedented levels.

Amidst the worldwide grip of the Covid-19 pandemic, the heightened demand for shipping containers precipitated a scarcity within this sector. The concomitant increase in oil prices and container shortages led to an upswing in international freight costs, fundamentally reshaping dynamics within Supply Chain Management. Global business actors encountered challenges in achieving seamless integration of essential business processes and formulating strategies and business models that could effectively ensure customer satisfaction. As part of their risk management strategies, European buyers began showing a preference for producer firms in neighboring countries rather than China and the Far East in their commercial partnerships.

### Inflation and Growth Challenges

In 2022, as the repercussions of the pandemic

continued to intensify, they ushered not only us but also the global economy into a period of economic deceleration and heightened concern over the climate crisis. The pinnacle of global inflation witnessed in 2022 is poised to decelerate in 2023, primarily attributed to diminished demand and burgeoning stockpiles. Nevertheless, it is anticipated that elevated inflation will persist until 2024.

Turning our attention to the Turkish economy, the OECD anticipates a reduction in our economic growth rate to approximately 3 percent in 2023. Consequently, 2023 will necessitate vigilant monitoring of purchasing power dynamics, while the management of production costs and competition will demand meticulous attention and strategic oversight.

### Profitability Problems

In the global economic landscape, characterized by mounting concerns of an impending recession, central banks have responded by adopting more stringent monetary policies and instituting interest rate hikes to combat surging inflation rates. Meanwhile, in Turkey, the necessity for robust macro-prudential measures has arisen due to elevated inflation levels and a growing current account deficit, resulting from expansionary monetary policies intended to stimulate employment and economic growth. In this context, the challenge of expanding production in Turkey while adhering to economically viable standards has intensified, presenting a demanding environment for Turkish manufacturers and exporters. It is worth noting that these trade and tariff disputes have had both direct and indirect repercussions on Turkey and Norm Holding products.

Despite the pricing difficulties stemming from cost escalations within the automotive sector, Norm Holding has consistently prioritized customer satisfaction and the well-being of its workforce. We are pleased to report that, even amidst these challenging circumstances, we have successfully

maintained seamless order processing and production operations.

### Norm Holding Continues its Investments on the Path to Globalization

We began our journey of institutionalization in 2016, and in 2017, with the establishment of Norm Holding and the transition of all 9 of our companies to the SAP program, preferred by automotive companies simultaneously. In 2019, we have reaped the benefits of managing all integrated operations through a single program, reflected in the quality of our services. During this period, we have continued our international investments, achieving our growth targets.

To share our technological expertise with external clients, we founded Norm Digital. Additionally, in the field of additive manufacturing, we anticipate Norm Additive becoming a sector leader in the short term. Norm Forging is making strides in hot forming, and we have ventured into the food sector with Nordes, marking a new industry leap for us. We remain committed to making rational and pioneering investments in various fields.

We all are working together for a sustainable future.

At Norm Holding, our commitment to our family, team, and environment has enabled us to learn valuable lessons from every challenge we have faced until today. These experiences have strengthened us, propelled us one step further, and empowered us to shape the future together. Our focus remains not only on the future of our company but also on sustainable tomorrows. Just as always, this year we will strive to meet our needs in a manner compatible with our resources. Norm Holding, in collaboration with all its stakeholders, will continue its journey with confidence, taking the necessary measures to pursue excellence and become a global company that seeks the required perfection.

As we celebrate our 50th proud year, alongside a century of our Republic, I am already excited about the joy of growing together.

I would like to extend my gratitude to all my colleagues and valued business partners who have played a role in successfully navigating the challenging times we have recently experienced.

**Fatih UYSAL**  
Chairperson





# CEO LETTER

## Dear Business Partners and Colleagues,

In the year 2022, amid heightened expectations for a return to normalcy following the global pandemic, we faced a series of global challenges. Within three years of the Covid-19 outbreak, issues within production and supply chains, along with a significant surge in commodity prices driven by the Russia-Ukraine conflict, resulted in unprecedented and widespread inflationary pressures. Amid this era of rapidly evolving global economic policies, central banks worldwide adopted tight monetary policies and raised interest rates.

The automotive sector also bore the brunt of this economic contraction, impacting nearly all industries on a global scale. In addition to the escalating costs of energy and raw materials, disruptions in the supply chain were aggravated by a shortage of semiconductor chips.

In Turkey, grappling with the task of maintaining price stability amidst both global and domestic factors, inflation reached alarming levels. In response, economic authorities pursued growth-oriented policies to counteract adverse changes in current account balances.

Meanwhile, Norm Holding remained steadfast in its commitment to sustainable growth throughout 2022. We strategically invested in various sectors and expanded our existing areas of operation. Norm Forging expanded our presence in the hot forging industry, while Nordes companies ventured into the food sector. These initiatives increased the Norm Holding family to 23 affiliated companies and expanded our workforce to 4,000 employees. Despite the challenging global landscape, we successfully increased our consolidated turnover to €466 million, marking a remarkable 33% growth compared to 2021. Our prudent financial management enabled us to maintain a robust balance sheet structure, resulting in an A+ credit rating from JCR Credit Rating Agency for our affiliated companies.

With pride in our distinction as Turkey's 203rd company in terms of R&D investments, we are delighted to announce our inclusion on the ISO 500 and Second 500 lists alongside our brands, Norm Fasteners and Norm Coating. These brands collectively comprise four distinct companies situated in Izmir and Salihli. As we approach the milestone of our 50th anniversary in 2023, our unwavering commitment to sustainable

growth remains steadfast, and we are dedicated to upholding our strategy of sectoral differentiation while upholding the highest standards of quality.

Since our establishment, Norm Holding has consistently championed a "People First" approach, recognizing our employees as our most vital assets. In the year 2023, we will continue to foster an environment conducive to the development and recognition of our workforce's capabilities. Our dedication to a fair and equitable work environment applies uniformly to all our employees, spanning all operational sectors. Through sustained dedication, empathy, and unwavering commitment, we will ensure the perpetuation of "employee loyalty" and continue to be a trusted "employer of choice".

In alignment with our people-centric ethos, we will bolster and refine our sustainability initiatives in collaboration with our stakeholders. We will persist in our path of environmental responsibility and societal enrichment without deviation.

In 2021, the establishment of the Sustainability Committee within Norm Holding and its affiliated companies took on the responsibility of driving sustainability efforts. In 2023, this committee will unwaveringly advance its mission without interruption.

Norm Holding is proud to announce our recognition with the "TAİDER Kuzey Yıldızı Award" and the "Silver Award" from Ecovadis, acknowledging our commitment and achievements in this field. Following our successful experience of sustainable excellence in 2022, we are dedicated to the continued execution of our new projects in alignment with well-defined action plans. Additionally, we are committed to providing comprehensive training to foster the widespread adoption of sustainability practices within the Norm Holding corporate culture.

In line with our "Value-Driven Work" ethos for 2023, we have formulated strategic initiatives aimed at the comprehensive management of sustainability across our supply chain. These initiatives also encompass the assessment and enhancement of sustainability practices among our valued suppliers. Our steadfast commitment to becoming a global leader is exemplified through the continued implementation of our "Responsible Procurement Policy".

Under the oversight of the Sustainability Committee,

our specialized working groups, including "R&D and Innovation", "Environment", "Digital Transformation", "People and Society", and "Corporate Governance", will persistently refine and amplify our action plans. Norm Holding's vision extends beyond the mere utilization of technology; we aspire to set industry trends by advancing automation and spearheading digital transformation in our production processes.

Our strategic objective has been to drive the adoption of "Enterprise Risk Management" within Norm Holding and its subsidiary companies, commencing in 2021, with the overarching aim of fostering a more sustainable corporate framework by 2023.

Since our establishment in 2017, Norm Holding has consistently expanded its strategic approach to sectoral diversification through a variety of investments. Our efforts towards institutionalization, initiated during the consolidation process, gained momentum in 2022 and are poised to maintain the same level of determination and vigor in 2023. We firmly believe that through impartial assessments, we will continuously progress in the domain of sound governance, steadfastly committed to the pursuit of ongoing enhancements.

We take great pride in the successful execution of our projects initiated since 2017, as well as our unwavering dedication to sustainability and institutionalization, irrespective of economic considerations, resulting in gratifying returns. We approach 2023 with a sense of assurance, anticipating yet another year of achievement and productivity.

Norm Holding has meticulously structured all its strategic plans and organizational frameworks to sustain its evolution as an innovative, industry-leading, socially responsible, and environmentally conscious brand in the upcoming period.

I extend my heartfelt appreciation and respect to our esteemed colleagues and business partners who have played an instrumental role in guiding us through this challenging period, both within our nation and on the global stage.

**Nedim UYSAL**  
CEO - Vice Chairperson



# BOARD OF DIRECTORS STRUCTURE

The regulations regarding the Board of Directors are determined in the articles of association, and the company affairs of Norm Holding and its subsidiaries are carried out by the Board of Directors. The first Board of Directors member who is not a company partner joined in the year 2020, and in the years 2021 and 2023, other non-partner members have also joined the Board of Directors.

Board of Directors meetings are conducted with the participation of six Board of Directors members, along with a Board of Directors Consultant and three senior executives. This expanded format allows for efficient and constructive contributions, facilitating the rapid and rational decision-making process.

First, Last Name	Position	Term of Office	Executive/Shareholder	Committees	Other Duties
Mehmet Fatih UYSAL 1	Chairperson	April 22, 2021- April 15, 2024	Non-executive, Shareholder	-	BoD Chair and Member in companies inside & outside the Holding
Nedim UYSAL 2	CEO-Vice Chairperson	April 22, 2021- April 15, 2024	Executive, Shareholder	Investment Committee	BoD Chair and Member in companies inside & outside the Holding
Duygu UYSAL SİMROOĞLU 3	Member	April 22, 2021- April 15, 2024	Non-executive, Shareholder	Sustainability Committee	-
Muhittin BİLGET 4	Member	April 22, 2021- April 15, 2024	Non-executive, Non-shareholder	Audit Committee, Corporate Governance Committee, Early Detection of Risk Committee, Investment Committee	BoD Member in companies inside & outside the Holding
Ceyhun ARAZ 5	Member	April 22, 2021- April 15, 2024	Non-executive, Non-shareholder	Audit Committee, Corporate Governance Committee, Sustainability Committee, Investment Committee	BoD Member in companies inside & outside the Holding
Mustafa DOĞRUSOY 6	Member	February 27, 2023 -April 15 2024	Non-executive, Independent, Non-shareholder	Corporate Governance Committee, Early Detection of Risk Committee, Sustainability Committee	BoD Member in companies inside & outside the Holding
Erkut ULUDAĞ 7	Advisor	-	Advisor	Early Detection of Risk Committee, Investment Committee	-



# BOARD OF DIRECTORS

## Mehmet Fatih Uysal

### Chairperson

Fatih Uysal graduated from Dokuz Eylül University, Faculty of Economics and Administrative Sciences, Department of Business Administration in 1983, and started his professional career in 1982 as General Director in STD, one of Norm Holding companies. Becoming Deputy Chairperson of the Board of Directors in 1995 in Norm Civata company, Fatih UYSAL has been continuing his career as Chairperson of the Board of Directors of Norm Holding since 2013. Uysal, who became the Vice Chairman of the Board of

Directors at Norm Fasteners Civata in 1995, continues his duty as the Chairman of the Board of Directors of Norm Holding as of 2013. Uysal serves as a Board Member at TAYSAD, BESİAD, and Aegean Exporters' Associations; İzmir AOSB Vice Chair, Coordination Board Member at İBB İzmir Economic Development Board, Executive Board Member at Turkish Education Foundation; Member of Parliament in the Union of Chambers and Commodity Exchanges of Türkiye and a member of ESİAD and EĞİAD.

 Mehmet Fatih Uysal

## Nedim Uysal

### CEO – Vice Chairperson

Nedim Uysal, who graduated from Izmir American College, received his bachelor's degree from the Department of Economics at Michigan State University. Uysal, who did an internship in different business units of Norm Fasteners Civata company

since his middle school years, started his professional career in Norm Holding right after graduating from the university. Nedim Uysal currently serves as CEO and Deputy Chair of the Board of Directors at Norm Holding.

 Nedim Uysal

## Duygu Uysal Simrooğlu

### Member of Board of Directors - Sustainability Committee President

After graduating from Izmir American College in 2010, Duygu Uysal Simrooğlu completed her undergraduate education in the Department of Theater, Literature, and Arts at New York University. Since 2018, she has continued her education in contemporary dance and has been professionally involved in various dance genres and visual arts. In September 2023, as part of the İKSEV Izmir European

Jazz Festival, she will take on the role of producer and artistic director for the Feminen dance project, choreographed by Cansu Ergin. Currently, Simrooğlu holds the position of a Board Member at Norm Holding and serves as the Chair of the Sustainability Committee, leading the company's sustainability initiatives.

 Duygu Simrooğlu

## Muhittin Bilget

### Member of Board of Directors

Graduating from the Faculty of Political Sciences at Ankara University, Muhittin Bilget received a master's degree in economics at Vanderbilt University in the USA. Having worked as TR Prime Ministry Bank Examiner and Vice Chair of Bank Examiners Board between 1979 and 1993, he served as Economy and Commercial Counsellor in Turkish Embassy in Ottawa Canada between 1993 and 1995, which was his last civil service. Having been working as a senior

manager in the private sector since 1996, Muhittin Bilget possesses a Certified Public Accountant and Independent Auditor license. He currently performs as Deputy Chairman of the Board of Directors of Salihli Organized Industry Zone, a member of the İzmir Economy and Development Coordination Board, an Independent Member of the Board of Directors of Mistral GYO A.Ş., and Chairman of Roundtable for Economy, Revenue and Finance.

## Ceyhun Araz

### Member of Board of Directors

Ceyhun Araz received both bachelor's and master's degrees in industrial engineering at Dokuz Eylül University. He then obtained his Ph.D. degree in Supply Chain Management from the same university. In 2010, he received the title of Associate Professor and established the Department of Industrial Engineering at Manisa Celal Bayar University. Having more than

40 articles and 1.500 citations, Ceyhun Araz was appointed associate professor in the field of Industrial Engineering in 2018. Serving as a board member in various industrial and technology companies, he has been working in Norm Holding since 2015.

 Ceyhun Araz

## Mustafa Doğrusoy

### Member of Board of Directors

After completing his undergraduate studies at Yıldız Technical University's Faculty of Engineering, Mustafa Doğrusoy pursued concurrent postgraduate studies in Business Administration at Istanbul University's Faculty of Business and Computer Engineering at Yıldız Technical University. As a strategy and investment consultant, he provides advisory services to companies on various aspects, including management, organization, strategic planning, institutionalization, and corporate culture

development. Doğrusoy also serves as a guest lecturer in postgraduate and doctoral programs at universities. He currently holds a position as an Advisory Board Member at a Foundation university. He was a board member of the Turkey Corporate Governance Association from 2015 to 2019. Since 2012, in compliance with Capital Markets regulations, he has been serving as an Independent Board Member in multiple publicly traded companies. He has been associated with Norm Holding since 2020.

 Mustafa S. Doğrusoy

## Erkut Uludağ

### Board Advisor

Erkut Uludağ, graduated from Kadıköy Anatolian High School, and subsequently earned his bachelor's degree in civil engineering from Istanbul Technical University. He furthered his education by obtaining a master's degree in civil engineering and an MBA in Business from the University of Michigan. His professional career began in 1993 in the automotive sector in the United States. From 1997 to 2004, he worked at the Chicago office of the global consulting firm Kearney, where he provided consulting services to global companies on operational and cost

improvement, mergers, strategy development, and sectoral investments for private equity funds. From 2004 to 2012, he served as a managing partner at Roland Berger, a strategic consulting firm. In 2013, Erkut Uludağ established EU Corporate Consulting, a consulting firm specializing in mergers and acquisitions, mergers, and strategic development. He holds positions on the board of directors of various industrial companies. Since 2018, Erkut Uludağ has served as a Board Advisor to Norm Holding.

 Erkut Uludağ

# NORM HOLDING CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

Although Norm Holding's shares are not publicly traded, it aims to comply with the Communiqué on Corporate Governance Principles II-17.1 issued by the Capital Markets Board of Turkey in accordance with Capital Markets Law No. 6322, which is currently in effect. While not classified as a publicly traded company, it continues to work to comply with high corporate governance standards. It is committed to maintaining and improving compliance with these principles, as part of its corporate culture, with a global perspective and a local governance approach.

Norm Holding continuously enhances its corporate governance practices, encompassing managerial, technical, and legal infrastructure, to contribute to its corporate culture and align with good governance practices. Norm Holding adheres not only to the corporate governance principles established by our country's regulatory authorities but also follows the OECD Corporate Governance Principles, both on a national and global scale.

As of the preparation of this report in 2023, Norm Holding, in accordance with the requirements of compliance with the Corporate Governance Principles, has implemented the following policies as examples of good governance practices:

- Internal Directive of the Board of Directors
- General Assembly Internal Directive
- Working Principles of the Board of Directors
- Working Principles of the Executive Board
- Working Principles of the Audit Committee
- Corporate Governance Committee Working

## Principles

- Working Principles of the Early Detection of Risk Committee
- Working Principles of the Sustainability Committee
- Working Principles of Salary and Nomination Committee
- Investment Committee Working Principles
- Working Principles of the Financial Affairs and Finance Committee
- Pricing Committee (Fasteners) Working Principles
- Working Principles of the Digital Transformation Committee
- Business Development Committee Working Principles
- Corporate Governance Policies
  - Donation and Aid Policy
  - Information Security Policy
  - Disclosure Policy
  - Environment Policy
  - Conflict of Interest Policy
  - Energy Policy
  - Ethical Working Rules
  - Ethical Code of Conduct Operations Policy
  - Intellectual and Industrial Property Policy
  - Gift and Hospitality Policy
  - Notice and Notification Policy
  - Human Rights Policy
  - Occupational Health and Safety Policy
  - Quality Policy
  - Dividend Distribution Policy
  - Personal Data Protection Management System Policy
  - Shareholders Policy

- Anti-Bribery and Anti-Corruption Policy
- Responsible Procurement Policy
- Social Media Policy
- Compensation Policy
- Commercial Information and Confidentiality Policy
- Women on Board of Directors Policy
- Remuneration Policy of Board Members and Senior Executives
- Personal Data Protection Law Information Statement

## Norm Holding Board of Directors Activities

The activities and performance of the Norm Holding Board of Directors are assessed on an annual basis, and the results are transparently reviewed by the Board.

The roles of the Chair of the Board of Directors and the CEO are carried out by different individuals. Within the Board of Directors, 40% of the members are not business partners in 2022 while the percentage of non-shareholder members has been updated to 50% as of March 2023.

Members of the Board of Directors may hold other duties outside the company, considering the contribution they make to the company affairs. Their business experiences and expertise contribute to strengthening the structure of the company's Board of Directors. The competency matrix scores of the Board of Directors are regularly monitored.

At the beginning of 2022, the Board of Directors set its goals and, at the end of the year, prepared a Board of Directors productivity report, which was presented to shareholders. In 2022, eleven Board of Directors meetings were held.

The Board of Directors General Secretary's Office distributes the meeting agenda and related briefing documents to the Board members before the meeting. Meeting decisions and follow-up notes are presented to all Board stakeholders. In 2022, Board members achieved a 100% attendance rate at Board meetings.

The Board of Directors monitored the operational and

financial performance goals it set at the beginning of 2022 and evaluated them at the Board meeting on March 1, 2023. The results were communicated to shareholders.

The Board of Directors closely monitors the performance of the Executive Board. According to the Scorecard criteria established at the beginning of 2022, the current status was monitored quarterly, and it was determined that operational and financial goals were achieved by the end of the year.

Signature authorities have been prepared in detail based on titles in the internal regulations of the Board of Directors prepared in accordance with Turkish Commercial Code Article 367 and Article 371/7. The signature circular is prepared in detail based on names.

"Directors and Officers Liability Insurance" is in place for Company Board members and senior executives.

Board members are authorized, as per Turkish Commercial Code Article 395, to transact business with the company on behalf of themselves or others without obtaining permission from the General Assembly.

Additionally, Board members can serve on the Boards of Directors of the company's subsidiaries.



# BOARD OF DIRECTORS COMMITTEES

## Board of Directors Committees

### Audit Committee

### Corporate Governance Committee

### Early Detection of Risk Committee

### Sustainability Committee

### Remuneration and Nomination Committee

### Investment Committee

Norm Holding has established Board Committees to ensure the efficient fulfillment of the Board of Directors' duties and responsibilities. As Norm Holding is not a publicly traded company, it is not subject to capital market regulations. However, as part of its corporate governance strategy, Norm Holding aims to comply with the regulations of the Capital Markets Board, which include corporate governance principles, and the relevant laws, as well as good governance practices and company governance codes, within the boundaries set by the Board of Directors.

In line with the above-mentioned scope, Norm Holding has established the following Committees: Audit Committee, Corporate Governance Committee, Early Detection of Risk Committee, Sustainability Committee, Compensation and Nomination Committee, and Investment Committee.

The working principles of all Committees have been documented to align with global best practices in corporate governance. The frequency of regular meetings for the Committees is determined at the beginning of each year. Meetings can be increased, or extraordinary meetings can be held according

to the decision of the Committee, based on the effectiveness of the work and the agenda density deemed necessary. The Committee Chairman prepares the meeting agenda, and Committee members can submit topics they wish to include in the agenda to the Committee Chairman. The agenda is distributed to members by Norm Holding's General Secretary's Office. Committee work is documented and recorded. Reports containing the results of the meetings are presented to the Board of Directors. At the end of each year, Committees prepare activity reports on their work. The Committee's duties and working principles document is reviewed, and any points requiring updates are submitted to the approval of the Norm Holding Board of Directors.

In Committees, if deemed necessary, non-board members of Norm Holding executives and experts who are not affiliated with Norm Holding but have expertise in the relevant field may temporarily participate. Furthermore, Committees have the flexibility to invite Norm Holding company employees, representatives of affiliated individuals or organizations, and experts in the field to their meetings to gather their knowledge and opinions.

Additionally, Committees have the authority to seek professional consultancy, utilize independent expert opinions, conduct special examinations in managerial matters, and appoint experts as consultants in these examinations if necessary. The fees for consultancy services within this scope are covered by the company. Norm Holding's Board of Directors provides all necessary resources and support for Committees to fulfill their duties.

Norm Holding Board Committees have held periodic meetings. Committee reports have been prepared, and the Board of Directors has been informed on relevant issues. Committees have submitted their annual activity reports to the Board of Directors for information and approval. Under the

oversight of Norm Holding's Board of Directors, the Audit Committee held 6 meetings, the Corporate Governance Committee held 5 meetings, the Sustainability Committee held 25 meetings, and the Early Detection of Risk Committee held 3 meetings. Meeting agendas and notes have been regularly reported.

Committees operate within their respective powers and responsibilities and provide recommendations on matters they consider necessary. The ultimate decision and responsibility always rest with Norm Holding's Board of Directors. Committee work and responsibilities do not diminish the legal duties and responsibilities of Norm Holding's Board of Directors under the Turkish Commercial Code.

## Audit Committee

Audit Committee		
First, Last Name	Position in Committee	Role in Norm Holding
Muhittin Bilget	Chair	Board of Director Member
Ceyhun Araz	Member	Board of Director Member
Mustafa Doğrusoy	Member	Board of Director Member
Beste Demir	Member	General Secretary of the Board of Directors and Legal Counsel

The Audit Committee of Norm Holding is responsible for overseeing the functioning and adequacy of accounting, financial reporting, and internal control systems, as well as the internal and external audit processes of Norm Holding and its subsidiary companies.

The Audit Committee monitors the compliance of Norm Holding and its subsidiary companies with the Corporate Governance Principles of the Capital Markets Board, Turkish Commercial Code, Public Oversight, Accounting and Auditing Standards Authority, Turkish Auditing Standards Authority, Turkish Accounting Standards, and other relevant regulations. It ensures alignment with corporate governance from a management perspective and provides recommendations to the Board of Directors for improvement initiatives when necessary. Additionally, the Audit Committee is involved in the selection of an independent audit firm to audit the financial statements and other financial information. It oversees the process by preparing relevant contracts, initiating the independent audit process, and coordinating the work of the independent audit firm at each stage. The Audit Committee communicates the findings and opinions of the

independent audit firm to the Board of Directors in written form. The responsibilities of the Audit Committee are as follows:

- To prepare and conduct an internal audit and internal control system activities for Norm Holding and its subsidiary companies and work on their effectiveness and sufficiency.
- To identify and address any issues that limit or obstruct the work of internal auditors and take preventive measures.
- To take necessary measures to ensure transparency in internal audit and maintain the independence and impartiality of internal audit activities.

The Audit Committee monitors whether Norm Holding and its subsidiary companies conduct their financial and accounting transactions in compliance with regulations and internal regulations. In that regard, the committee establishes rules to ensure that regulations are not violated.

The Audit Committee establishes rules to ensure compliance with regulations in related-party transactions, such as transfer pricing. The committee implements matters that are in accordance with the Norm Holding Management Code and have been

approved by the Norm Holding Board of Directors in the financial and accounting processes of Norm Holding and its subsidiary companies.

The Audit Committee plays a crucial role in maintaining financial transparency, compliance with regulations, and the effectiveness of internal control systems within Norm Holding and its subsidiaries.

The Audit Committee is responsible for monitoring compliance with the Capital Markets Board's Corporate Governance Communiqué II-17.1 and Articles 397-406 in the Supervision section and Articles 407-451 in the General Assembly section of Turkish Commercial Code No. 6102. It plays a leading role on behalf of the Norm Holding Board of Directors in resolving and reaching a solution to financial and fiscal disputes that may arise between Norm Holding, its affiliated companies, and shareholders. The Committee provides support to the executives of Norm Holding and its affiliated companies in the preparation of financial reports. It checks whether the information in the financial report is accurate and consistent with the information available to the Committee. It first examines the report from the Independent Audit firm and then presents it to the boards of directors of Norm Holding and its affiliated companies.

#### Corporate Governance Committee

Corporate Governance Committee		
First, Last Name	Position in Committee	Role in Norm Holding
Mustafa Doğrusoy	Chair	Board of Director Member
Muhittin Bilget	Member	Board of Director Member
Ceyhun Araz	Member	Board of Director Member
Filiz Ergin	Member	Executive Board Member / Human Resource Director
Bengisu Ertem	Member	Strategy and Business Development Specialist

Norm Holding has established the Corporate Governance Committee with the purpose of ensuring the efficient fulfillment of the duties and responsibilities of the Norm Holding Board of Directors. The committee is responsible for monitoring the compliance of Norm Holding and its subsidiary companies with the Capital Markets Board's Corporate Governance Principles, Turkish Commercial Code, and other relevant legislation, making corrective actions when necessary.

The Committee conducts regular evaluations and oversight of the structure, efficiency, and performance of the financial and fiscal departments of Norm Holding and its affiliated companies. When necessary, it provides improvement recommendations to the Norm Holding Board of Directors. The Committee meets at least once every two months. The number of meetings can be increased based on the effectiveness of the work and the agenda's workload, as determined by the Committee's decision. In the Audit Committee meetings, reports presented by the internal audit are reviewed, and findings are monitored based on their risk level.

Additionally, communication with the Independent Audit Firm is monitored, and their reports and work are tracked. Corporate Risk Management activities are also being advanced. In 2022, Corporate Risk Management was initiated in three of the Group's companies, and it will be expanded to other group companies in 2023. In 2022, six committee meetings were held, and the Norm Holding Board of Directors was informed about committee activities every quarter. The Audit Committee presented its activity report for the year 2022 to the Norm Holding Board of Directors on March 1, 2023, and it was accepted and recorded by the Board of Directors.

Additionally, the Corporate Governance Committee plays an active role in implementing practices aimed at enhancing company performance and reviewing the systems and processes established or to be established by subsidiary companies. The committee also makes recommendations to the Board of Directors regarding the establishment of committees within the company and coordinates the

implementation of approved committees.

The committee's duties and responsibilities are as follows:

- Investigating the implementation of Corporate Governance Principles and, if not implemented, identifying the reasons for non-compliance, as well as detecting any conflicts of interest or adverse consequences arising from non-compliance.
- Providing recommendations to the Norm Holding Board of Directors for improving corporate governance practices.
- Implementing practices that align with Norm Holding's management codes, which are in line with corporate governance best practices and approved by the Norm Holding Board of Directors.

The Committee monitors compliance with the Capital Markets Board's Corporate Governance Communiqué II-17.1, the Turkish Commercial Code Articles 359-396 related to the Board of Directors, and Articles 407-451 related to the General Assembly for all Norm Holding companies. It plays a leading role on behalf of the Board of Directors in ensuring effective communication between Norm Holding and its subsidiary companies and in resolving and reaching solutions for any disputes that may arise among shareholders.

The Committee actively contributes to the implementation of management practices aimed at improving the performance of Norm Holding and its subsidiary companies. It ensures the healthy functioning of the infrastructure related to these practices, its understanding and adoption by employees, and its support by management. The Committee also provides support to Norm Holding and its subsidiary companies' executives in preparing the activity report, verifying the accuracy and consistency of the information contained in the report based on its own knowledge.

The Committee conducts regular evaluations and oversight of the structure and efficiency of the boards of directors of Norm Holding and its subsidiary companies. It works on performance evaluations, career planning, and public disclosure. In this context, it determines the principles and practices and monitors their implementation, presenting them to the Norm Holding Board of Directors.

The Committee oversees whether the managerial activities of Norm Holding and its subsidiary



companies are carried out in compliance with the relevant legislation and internal regulations. In the event of non-compliance, it determines the rules to be applied.

The Committee convenes at least once every two months. Meeting frequency can be increased based on committee decisions, taking into account the effectiveness of the work and the density of the agenda.

The Corporate Governance Committee made significant contributions in the year 2021 to the establishment of committees and the preparation of their working principles within Norm Holding. It monitored the operation and meetings of all committees, providing support to all committees on Corporate Governance matters.

The Committee contributed to the preparation of the Norm Holding 2022 Activity Report. It supported the Sustainability Committee and Norm Holding Executive Board in preparing the 2022 Sustainability Report.

The Committee prepared the Norm Holding 2022 Board of Directors' Goals document and presented it to the Norm Holding Board of Directors for information and approval.

The Committee prepared the criteria for the Norm Holding 2022 Board of Directors' Performance Evaluation, conducted the evaluation based on the criteria filled out by board members and participants, and presented the results to the Board of Directors.

The Committee prepared the Norm Holding 2022 Board of Directors Efficiency Report and presented it to the Board of Directors.

The Committee supported the Norm Holding Executive Board in the Balanced Scorecard study.

Norm Holding actively participated in the TAİDER Northern Star Sustainability Program for Family Businesses and was awarded the prestigious "Northern Star" award, achieving the highest score as a result of the process conducted by the Executive Board.

The Corporate Governance Rating Studies process was closely monitored in collaboration with Saha Corporate Governance and Credit Rating Services Inc., culminating in a report with a rating of 9.04 on December 16, 2022.

The Committee played a pivotal role in preparing the Performance Evaluation criteria for the Executive Board and ensuring the evaluation of Executive Board members and participants.

Additionally, the Committee provided support to the Norm Holding Executive Board in the separation of roles between the Board of Directors and the Executive Board, the determination of meeting topics, and the frequency of meetings.

Norm Holding has also established a timeline for the company's governance performance measurements and application processes for the year 2023 and beyond.

In the year 2022, the Committee conducted a total of 5 committee meetings, with regular updates provided to the Board of Directors regarding committee activities.

The Corporate Governance Committee submitted its activity report for the year 2022 to the Norm Holding Board of Directors on March 1, 2023. The report was accepted and ratified by the Board of Directors.

### Early Detection of Risk Committee

Early Detection of Risk Committee		
First, Last Name	Position in Committee	Role in Norm Holding
Erkut Uludağ	Chair	Board Advisor
Muhittin Bilget	Member	Board of Directors Member
Mustafa Doğrusoy	Member	Board of Directors Member
Tevfik Gani Erpulat	Member	Board of Directors Member
Mahmut Öztürk	Member	Head of Industry Group
Caner Melek	Member	Head of Trade Group

The Corporate Risk Management Committee was established with the aim of implementing necessary methods and practices for Corporate Risk Management within Norm Holding and its affiliated companies.

Its duties and responsibilities are as follows:

- Establishing systems for prioritizing and controlling the efforts related to Risk Management within Norm Holding and its affiliated companies.
- Providing recommendations to the Board of Directors on ensuring the effective functioning of risk management, understanding and acceptance of risk management by employees, and active support from the management.
- Identifying and categorizing risks to be monitored in Norm Holding and its affiliated companies under the following categories: Financial Risks, Strategic Risks, Operational Risks, and External Environmental Risks.
- Facilitating the formation of Risk Teams within the framework of Corporate Risk Management.
- Monitoring the Risk Map within the established system.
- Conducting regular evaluations of Corporate Risk Management within Norm Holding and its affiliated companies and providing improvement recommendations to the Norm Holding Board of Directors.

The Early Detection of Risk Committee is responsible for ensuring compliance with the Capital Markets Board's Corporate Governance Communique II-17.1

and Turkish Commercial Code Articles 207, 378, 398, 625.

The committee monitors whether Risk Management within Norm Holding and its affiliated companies is conducted in accordance with the relevant regulations and internal company rules. In case of any violations of these regulations, the committee establishes the applicable rules.

The committee meets at least once every three months, with the frequency of meetings subject to committee decisions based on the effectiveness of their work and the urgency of the agenda.

The Committee Chairman sets the meeting agenda, which is then distributed to the members by Norm Holding General Secretariat office. The committee's activities are documented in writing and kept on record. Reports containing the meeting outcomes are presented to the Board of Directors.

The Early Warning of Risk Committee has monitored risks within four main categories and tracked these risks in line with economic and sectoral developments.

In 2022, three committee meetings were held, and the Board of Directors was regularly informed about the committee's activities each quarter. The committee presented its activity report for 2022 to the Norm Holding Board of Directors on March 1, 2023, and it has been accepted and recorded by the Board of Directors.

## Sustainability Committee

Sustainability Committee		
First, Last Name	Position in Committee	Role in Norm Holding
Duygu Uysal Simrooğlu	Chair	Board of Director Member
Ceyhun Araz	Member	Board of Director Member
Mustafa Doğrusoy	Member	Board of Director Member

The Sustainability Committee has been established to monitor Norm Holding and its affiliated companies' compliance with the Capital Markets Board Corporate Governance Principles, Turkish Commercial Code, and other relevant legislation, as well as the United Nations Sustainable Development Goals. It aims to provide recommendations to the Board of Directors for improvement initiatives when necessary. Additionally, the committee plays an active role in ensuring that the strategies and objectives of Norm Holding and its affiliated companies are achieved more efficiently by utilizing company resources and national resources.

The committee takes the lead in addressing the future of Norm Holding and its affiliated companies from various dimensions, including economic, environmental, social, and cultural aspects, as well as human and material resources. It advocates for a holistic approach to the company's future, emphasizing the importance of proper planning.

The committee's duties and responsibilities are as follows:

- To conduct work on United Nations Sustainable Development Goals in the areas of "Transition to a Low-Carbon Economy and Efficiency," "Environmental Protection, Waste, and Recycling," "Sustainable Industry and Circular Economy," "Sustainable Agriculture and Access to Food," "Social Inclusion and Inclusivity," and "Sustainable Finance and Risk Management" for Norm Holding and its affiliated companies.
- To prepare and update control procedures related to processes and activities in these areas.
- To determine communication practices related to sustainability.

Along with the responsibilities presented above,

the Sustainability Committee conducts research to explore the possibility of Norm Holding and its affiliated companies becoming members of local and international Civil Society Organizations engaged in sustainability initiatives. The committee presents its recommendations to the Board of Directors.

The committee also defines, and updates control procedures related to processes and activities in these sustainability areas. It is responsible for establishing action plans based on the United Nations Sustainable Development Goals (UN SDGs) to ensure the effectiveness of sustainability efforts within Norm Holding and its affiliated companies.

The Sustainability Committee plays an active role in communicating Norm Holding's sustainability policies, objectives, and practices to its employees and works to ensure that sustainability topics are integrated into the company's culture. It coordinates communication and engagement efforts to foster the adoption of sustainability policies among all stakeholders.

To ensure the effectiveness of its efforts, the committee informs the Board of Directors about actions to be taken in line with the UN SDGs and establishes sub-working groups or teams within Norm Holding to carry out these actions. These working groups consist of individuals with expertise and knowledge in sustainability matters. They are responsible for executing tasks related to sustainability, as directed by the committee, and delivering regular progress reports.

The committee actively monitors developments in local and international Civil Society Organizations related to sustainability, even those of which

Norm Holding is not a member. It assesses these developments to identify potential benefits for Norm Holding and its affiliated companies, presenting relevant findings and recommendations to the Board of Directors.

The Sustainability Committee conducts regular evaluations and provides improvement suggestions regarding sustainability initiatives within Norm Holding and its affiliated companies. It ensures that these initiatives align with Norm Holding's sustainability policies and expectations.

The committee holds meetings at least once a month, with meeting frequency subject to the effectiveness of ongoing efforts and the intensity of agenda items.

The Sustainability Committee has been at the forefront of ensuring effective and results-oriented sustainability efforts within Norm Holding and its affiliated companies. It has set sustainability goals,

established working groups, and closely monitors developments in each department.

The committee has also prepared and shared Norm Holding's first Sustainability Report with the public. Furthermore, Norm Holding has applied for membership in the UN Global Compact Network Turkey to further contribute to sustainability initiatives.

In 2022, a total of 25 committee meetings were held, with regular quarterly briefings provided to the Board of Directors regarding the committee's activities. The Sustainability Committee presented its activity report for the year 2021 to the Norm Holding Board of Directors on March 1, 2023. The report was accepted and approved by the Board of Directors, thereby formalizing the outcomes and decisions related to the committee's efforts.



## Remuneration and Nomination Committee

Remuneration and Nomination Committee		
First, Last Name	Position in Committee	Role in Norm Holding
Nedim Uysal	Chair	CEO - Vice Chairperson
Mahmut Öztürk	Member	Member of Executive Board / Head of Industry Group
Caner Melek	Member	Member of Executive Board / Head of Trade Group
Filiz Ergin	Member	Member of Executive Board / Director of Human Resources

The Compensation and Nomination Committee, established within Norm Holding and operating as a Sub-Committee under the Corporate Governance Committee, is responsible for conducting work in accordance with the company's compensation policy, identifying, selecting, and proposing senior-level executives and managerial responsibilities in the company.

Its duties and responsibilities are outlined as follows:

- On behalf of the Corporate Governance Committee, the Compensation and Nomination Committee convenes at least twice a year, in October-December, and at any other necessary times to effectively carry out its responsibilities. During these meetings, the committee identifies, selects, and proposes senior-level executives and managerial responsibilities in Norm Holding companies.
- Before the appointment of senior-level executives and managerial responsibilities at the manager level and above, the committee seeks the opinion

of the Board of Directors. The committee may be called for an extraordinary meeting based on the CEO's recommendation. Meeting agendas are determined by the Human Resources Director and the Board Secretary, and meeting notifications and agendas are communicated by the Board Secretary.

Coordination of the topics to be brought to the committee, follow-up on the implementation of decisions made, preparation of meeting minutes, and reporting are carried out under the supervision and control of the Human Resources Director by the Board Secretary. Meeting agendas, notes, and work records are kept and submitted to the Corporate Governance Committee.

Committee decisions are made unanimously. If unanimity cannot be reached, the reasons and opinions are presented to the Corporate Governance Committee.

## Investment Committee

Investment Committee		
First, Last Name	Position in Committee	Role in Norm Holding
Nedim Uysal	Chair	CEO - Vice Chairperson
Muhittin Bilget	Member	Board of Directors Member
Erkut Uludağ	Member	Board Advisor
Mahmut Öztürk	Member	Member of Executive Board / Head of Industry Group
Kumru Tınaz	Member	Member of Executive Board / Director of Accounting and Finance

The Investment and Strategy Committee, established within Norm Holding and its affiliated companies, serves the purpose of examining and making recommendations to the Board of Directors regarding the development of existing operations, investment-related matters such as machinery, equipment, and renovations, as well as new investments of all scales while ensuring compliance with all relevant regulations, researching and proposing financing models, including incentives and grants.

The committee's responsibilities and tasks are defined as follows:

- Create investment programs for the company, making necessary revisions based on internal and external developments.
- Oversee the functionality of the system that monitors performance metrics.
- Monitor global and regional economic, social, and political developments.
- Assess the impact of these developments on current activities and provide recommendations to the Board of Directors to improve the company's

competitive strategies and revise accordingly.

The Committee convenes at least once every three months. The frequency of meetings can be increased based on the effectiveness of its work and the perceived intensity of the agenda, as determined by the Committee. It evaluates proposals for any type of investment put forth by the Executive Board of Norm Holding and its affiliated companies.

Internal analyses are conducted to assess the company's strengths and weaknesses, while external analyses are performed to identify opportunities and threats and are then followed by the committee.

The Committee oversees the execution of strategies and projects that have been approved by the Board of Directors.

The committee evaluates significant legal developments that could potentially impact investments and their effects on current operations.

# CORPORATE GOVERNANCE

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# INTERNAL CONTROL SYSTEM, INTERNAL AUDIT, AND CORPORATE RISK MANAGEMENT

The Internal Control activities established within Norm Holding aim to provide independent and objective assurance regarding the effectiveness and efficiency of operations, the reliability of financial data and reporting, and compliance with regulations. The effectiveness of Internal Control activities is assessed by Norm Holding's Internal Audit Department, as assigned by the Audit Committee. The Internal Audit Department evaluates the management and control structures of Norm Holding and its affiliated companies based on risk analyses, periodically reporting findings and action recommendations to the Audit Committee. Each finding is subject to risk assessment, allowing the Committee and process owners to prioritize actions. During the risk assessment phase, auditors consider the impact and likelihood of the risks. In this context, natural risk levels, existing control activities, and residual risk levels are determined. Our Risk Management approach enables early identification of risks that could jeopardize the company's existence, growth, and continuity, leading to the implementation of necessary precautions and the central management of risks that have been identified. Additionally, when deemed necessary, notifications are made at the Board of Directors level.

To integrate risk analyses into business processes, the Corporate Risk Management Project was conducted in 2022, focusing on Norm Tooling, Norm Fasteners Nuts and STD companies. Within the project scope, the identification of risks for operational processes and the establishment of a control environment to prevent or mitigate the likelihood and impact of these risks were targeted. The Internal Audit unit played a consultative role, and project presentations were made to the Audit Committee by Business Unit Directors in December 2022. The project identified risks for operational processes and established a control environment to prevent or mitigate the likelihood and impact of these risks. The project aimed to disseminate Risk Management and Internal Control activities within the organization, increase

risk awareness, create a common risk perception, and ensure traceability. Norm Holding, in conjunction with the project's expansion to other affiliated companies in 2023, aims to comprehensively manage its risks in all processes by identifying potential events that may disrupt operations, conducting root cause analyses, evaluating effects/results, and planning necessary actions in a centralized structure.

To ensure the sustainability of the work conducted in the project and to establish corporate memory, a web-based Corporate Risk Management System was established in 2022. The Corporate Risk Management System is an integrated system that operates in conjunction with all company processes defined within the Integrated Management System (QDMS) used by Norm Holding. It is used to create and monitor risk records for the processes defined in QDMS. The relevant risk records are recorded in the Corporate Risk Management System, allowing for systematic monitoring and reporting. After risk assessments, action plans and their follow-up processes are also managed through the Corporate Risk Management System.

Projects have been initiated for other companies planned to be included in the expansion, and the "action planning" and "action follow-up" stages of the project are ongoing.

# SHAREHOLDERS

In accordance with Corporate Governance Principles, Norm Holding and its affiliated companies are responsible for monitoring the relationships with shareholders, ensuring communication and information sharing among the Boards of Directors, and fulfilling shareholders' information requests in a complete manner. These responsibilities are carried out by the Office of the Secretary General.

The Office of the Secretary-General maintains secure and up-to-date records related to shareholders. It ensures that the General Assembly meetings are conducted in accordance with legislation, the articles of association, and the General Assembly Internal Directive, prepares the General Assembly Information

Document for the benefit of shareholders, and carries out the tasks of archiving minutes, voting results, and the attendance list under the supervision of the Corporate Governance Committee.

The Office of the Secretary General conveys shareholders' requests, suggestions, and opinions regarding the preparation of Activity and Sustainability Reports to the relevant departments. It communicates with Legal Departments when necessary to ensure that shareholders' transactions comply with legislation, the articles of association, and corporate documents.

# GENERAL ASSEMBLY

General Assembly activities are conducted in accordance with the Turkish Commercial Code, the regulations of the Ministry of Commerce, and the Norm Holding General Assembly Internal Directive. The General Assembly Information Document is prepared, and detailed information regarding all agenda items is communicated to shareholders.

During the preparation of the agenda, written requests from shareholders regarding items they want to include in the agenda are considered by the Office of the Secretary General, which is responsible for managing the relationships with shareholders. In cases where the Board of Directors does not accept shareholders' agenda proposals, the rejected proposals and the reasons for rejection are announced at the general assembly meeting. There was no such development during the Ordinary General Assembly held in 2021 when the activities of 2021 were discussed.

Throughout the General Assembly, agenda items that have been detailed in the General Assembly Information Document are presented to shareholders in a neutral, transparent, and comprehensible manner. Shareholders are provided with an opportunity to express their opinions and ask questions under equal conditions, thereby creating a healthy discussion environment. Shareholders are given equal opportunities to express their opinions and ask questions. If a question is not related to the agenda or if it is too comprehensive to be answered

immediately, the question is answered in writing by the unit responsible for shareholder relations within a maximum of 15 business days.

During the Ordinary General Assembly held in 2021, there were no additional information requests or questions from shareholders.

The company prepares a policy regarding donations and aid, submitting it for approval at the General Assembly. In accordance with the policy approved by the General Assembly, information is provided to shareholders in a separate agenda item during the General Assembly meeting about the total amount and beneficiaries of all donations and aids made during the period, as well as any changes in the policy. Norm Holding's Donation and Aid Policy is available on the [www.normholding.com](http://www.normholding.com) website.

Board Members, responsible authorities in charge of preparing financial statements, and independent auditors attend the General Assembly meetings to provide necessary information and answer questions related to agenda items. The General Assembly is held under the supervision of the representative of the Ministry of Commerce.

In the year 2022, the company organized one Ordinary General Assembly meeting. This meeting was held on 03 October 2022 at the company headquarters in accordance with the applicable legislation, the Company's Articles of Association, and other internal

regulations. The Ordinary General Assembly meeting where the activities of 2021 were discussed was attended by shareholders representing the entire capital of the company.

A majority of shareholders exercised their voting rights by providing direct proxies, while members of the Board of Directors, independent auditors, and other company officials attended the meeting in person. The General Assembly agenda items were formulated in a manner that was clear and did not allow for different interpretations.

### General Assembly Voting Rights and Dividend Distribution

There are no affiliated companies or other legal entities among Norm Holding shareholders. The Company's Articles of Association grant shareholders the right to appoint representatives or grant proxies to vote on their behalf. There are no provisions that could hinder these rights.

The capital is composed of Class A and Class B shares. Class A shares have privileges in nominating members to the Board of Directors and in profit distribution.

## CODE OF ETHICS

In Norm Holding companies, our ethical rules, which must be followed to establish respectful, honest, and responsible working relationships among employees and between institutions, and to create a working environment with industrial peace, are defined in "The Norm Holding Code of Ethics".

The purpose of the Norm Holding Code of Ethics is to provide information on ethical rules that must be adhered to, the responsibilities of employees in this regard, and what should be done in situations that are not in compliance with ethical rules.

The Norm Holding Code of Ethics is supported by the ethical understanding defined within the Operations Policy; Conflict of Interest Policy, Gift and Hospitality Policy, Reporting and Disclosure Policy, and Anti-Bribery and Corruption Policy.

Under the heading of Human Rights, Respect for Personal Rights, Discrimination and Harassment, Child Labor Prohibition, Forced Labor, Modern Slavery, and Human Trafficking Prohibition are defined. Under the Environment heading, Emissions, Water Usage, Waste Management and Recycling, Chemical and Hazardous Substance Management, Legal Compliance, and Resource Utilization are determined.

Furthermore, we have Ethical Behavior Rules for various matters such as Occupational Health and Safety, Anti-Corruption and Anti-Bribery, Fair Competition, Conflict of Interest, Information Security, Customer Satisfaction and Product Safety, and Protection of Brand Image.

## ETHICS HOTLINE AND ETHICS COMMITTEE

In the Ethical Working Rules Operations Policy, an "Ethics Committee" has been established to consult whether the work done is ethical or to apply in case of encountering a situation that is considered unethical. The Ethics Committee is responsible for guiding the employees to act in accordance with the ethical rules and for overseeing the investigation and conclusion of the issue when the violation of the ethical rules is reported.

There is an "Ethics Hotline", which is managed by an

independent service provider, to report the activities that are thought to violate the Code of Ethics. The notices are reported via e-mail (normholding@etikhat.com.tr) or phone (444 3845).

The further information regarding the working principles of the Ethics Hotline is presented in the Ethics Working Rules Operations Policy.

Norm Holding Code of Ethics is available on the website: [www.normholding.com](http://www.normholding.com)

Norm Holding Ethics Committee		
First, Last Name	Position in Committee	Role in Norm Holding
Mustafa Doğrusoy	Chair	Member of Board of Directors
Duygu Uysal Simrooğlu	Vice Chair	Member of Board of Directors
Mahmut Öztürk	Member	Member of Executive Board / Head of Industry Group
Caner Melek	Member	Member of Executive Board / Head of Trade Group
Kumru Tınaz	Member	Member of Executive Board / Director of Accounting and Finance
Filiz Ergin	Member	Member of Executive Board / Director of Human Resources
Yıldız Seher Üçer	Committee Secretary	Internal Audit Manager

## HUMAN RIGHTS COMMITTEE

Norm Holding has established the Norm Holding Human Rights Policy with the aim of demonstrating its respect for human rights and the value it places on its employees, and to provide a human rights-focused approach in all relationships with stakeholders by creating a modern and dignified working environment. The Norm Holding Human Rights Policy is also an integral part of the Norm Holding Code of Conduct Operations Policy.

This policy has been prepared based on the Universal Declaration of Human Rights, the United Nations (UN) Global Compact, the UN Convention on the Rights of the Child, Fundamental ILO Conventions, the OECD Guidelines for Multinational Enterprises,

the UN Business and Human Rights Framework, and national laws.

The Norm Holding Human Rights Policy serves as a guide for all employees, individuals in relationships of procurement of goods or services, suppliers, business partners, institutions, and organizations in all countries where Norm Holding and its subsidiaries operate. Norm Holding also expects its suppliers and business partners to implement these principles, encourages them to do so, and requests that they adopt similar policies in their own operations.

The Norm Holding Human Rights Policy is available on the website: [www.normholding.com](http://www.normholding.com).

## DIVIDEND POLICY

Norm Holding and its affiliated companies have established the Dividend Policy to determine the standards, principles, and rules that must be followed regarding profit distribution and the allocation of reserve funds under the Turkish Commercial Code and the Articles of Association.

Regarding Dividend Policy, the Board of Directors prepares the dividend distribution proposal for the General Assembly within the framework of the Turkish Commercial Code, the Articles of Association, Tax Legislation, and other relevant regulations. During the General Assembly Meeting, decisions are made regarding whether and how profits will be distributed and the timing of such distribution. All required notifications are made in accordance with legal deadlines.

The company adheres to the Turkish Commercial Code and Capital Market Regulations regarding profit distribution and the allocation of reserve funds. The profit distribution policy seeks to balance the interests of shareholders and the interests of the company. The timing and method of payment of the distributed profit are determined by the General Assembly upon the proposal of the Board of Directors. The company's net annual profit is calculated in accordance with the current legislation after deducting all kinds of expenses from the revenues determined at the end of the financial period, and after deducting the amounts to be paid and reserved by the company, as well as the taxes that the company is obliged to pay.

The Norm Holding Dividend Policy is available on the website: [www.normholding.com](http://www.normholding.com).

## COMPENSATION POLICY

Norm Holding and its affiliated companies have established a Compensation Policy to determine the standards, principles, and rules required for compensation payment processes. The compensation policy for Norm Holding and its affiliated company employees is based on the provisions of Article 14 of the current Labor Law No. 4857 and the former Labor Law No. 1475. In the event of any changes in Labor Law No. 4857 or relevant legislation, the provisions

of the applicable law and relevant regulations will be implemented.

The regulations regarding Severance Pay and Pay in Lieu of Notice are based on the regulations of Labor Law No. 4857.

The Norm Holding Compensation Policy is available on the website: [www.normholding.com](http://www.normholding.com).

## STAKEHOLDERS POLICY

Norm Holding and its affiliated companies have created a Stakeholders Policy to define the principles and procedures for protecting the rights of stakeholders.

Stakeholders include Norm Holding shareholders, employees, customers, suppliers, public institutions, intermediary institutions and organizations, potential investors, various civil society organizations, and other individuals, institutions, or interest groups related to

Norm Holding's activities.

### Protection of Stakeholders' Rights by Norm Holding

To the extent possible, relationships between stakeholders and Norm Holding and its affiliated companies are regulated by written contracts. The company ensures the protection of stakeholders' rights established by relevant legislation and mutual agreements in its transactions and activities.



In cases where stakeholders' rights are not regulated by legislation or contracts, stakeholders' interests are protected within the framework of good faith principles, considering the rights, capabilities, and reputation of Norm Holding and its affiliated companies.

In the event of conflicts of interest among stakeholders or when a stakeholder belongs to multiple interest groups, a balanced policy is pursued as much as possible to protect the rights, with the aim of independently protecting each right while considering the rights, resources, and reputation of Norm Holding and its affiliated companies.

### Stakeholder Information Policy at Norm Holding

Norm Holding and its affiliated companies adhere to the principles of equality, accuracy, impartiality, and timeliness in informing shareholders and stakeholders. In this context, it is essential that announcements and disclosures are made in a timely, accurate, complete, understandable, and easily accessible manner, considering the rights and interests of Norm Holding and its affiliated companies. Norm Holding strives to create a structure that ensures stakeholders have access to timely and complete information in line with the principles of public disclosure and transparency.

Stakeholders are informed through special situation disclosures, general assembly information, annual activity and sustainability reports, and the company's website. Evaluation and information

meetings, conducted within the framework of open communication, provide employees with information about the company's goals and activities. In addition, external communication is available on the corporate website, while internal communication is facilitated through the corporate portal accessible to all employees.

The Board of Directors, Corporate Governance Committee and the General Secretariat Office of the Board of Directors are responsible for informing stakeholders at Norm Holding.

### Involvement of Stakeholders in Decision-Making at Norm Holding

There is no provision in the company's articles of association for the participation of stakeholders in the company's management at Norm Holding. However, to ensure that the rights of other stakeholders are equally protected, the Board of Directors includes non-shareholder and independent members in its decision-making process.

The active involvement of employees in decision-making processes is ensured through an "employee satisfaction survey" system. The results of the survey, conducted every two years to gather employees' opinions, are evaluated in action committees, and feasible suggestions are taken into account when determining company policies.

To support the innovative and creative aspects of employees, there is a "Suggestion System" platform

on the QDMS system where improvement-oriented suggestions are systematically evaluated, and the owners of accepted suggestions are rewarded to ensure the effectiveness of the system.

In weekly communication meetings, the views of senior managers are obtained and evaluated regarding company decisions. Meetings are held with customers, suppliers, potential and existing investors, and various other stakeholders.

#### Norm Holding's Relationship with Customers and Suppliers

Norm Holding places importance on customer satisfaction in marketing and selling its products and services and takes necessary precautions. Within the scope of customer satisfaction, it is essential to meet the demands related to the products and services purchased by the customer promptly and in full. Efforts are made to inform customers promptly about

any possible delays. Norm Holding and its affiliated companies have set improving product quality as a goal to meet and exceed customer expectations under their quality policy. Norm Holding considers the quality system as the foundation of its operations, ensuring that everyone within the organization works harmoniously towards the same goal. Confidential customer and supplier information is protected. Norm Holding has taken necessary measures to establish good relations between customers and suppliers, free from unfair advantage, and to ensure compliance with the terms of the agreements between the parties. This sensitivity has been communicated to all employees, creating a culture of shared corporate awareness.

The Norm Holding Stakeholders Policy is available on the website: [www.normholding.com](http://www.normholding.com).

## NORM HOLDING DISCLOSURE POLICY

Norm Holding has established an Information Policy under the authority of the Board of Directors with the responsibility of the Board of Directors to ensure the timely, accurate, and complete transfer of any non-confidential information to its partners, all stakeholders, employees, and the public. The responsibility for overseeing and monitoring all matters related to public disclosure lies with the managers responsible for financial management and reporting, as well as the Corporate Communication Department. These authorized individuals work closely with the Corporate Governance Committee and the Board of Directors to fulfill their duties.

Announcements and disclosures made on behalf of Norm Holding are carried out by the Chairperson of the Board of Directors, Board Members, CEO, Industry Group President, Trade Group President, Sales Director, Chief Financial Officer, and/or Corporate

Communications Manager, excluding forms, statements, and reports signed in accordance with the signature circular.

As for communication tools, special situation disclosures, financial statements and footnotes, independent audit reports and activity reports, announcements made through the Turkish Trade Registry Gazette and daily newspapers, statements regarding news and rumors about Norm Holding, information meetings and presentations, Norm Holding websites, and print and digital media channels are used for disclosure purposes. The content of these disclosure methods is specified in the Information Policy.

Norm Holding's Information Policy is available on the website: [www.normholding.com](http://www.normholding.com).

## INFORMATION PROVIDED ON THE CORPORATE WEBSITE

- Mission, Vision, and Values
- Corporate Governance Compliance Report
- Corporate Governance Rating Report
- Information Society Services including Articles of Association, Trade Registry Information, Auditor Information, General Assembly Information
- Board of Directors Members
- Ownership Structure
- General Assembly Internal Directive
- Board of Directors Internal Directive
- Board of Directors Committees, Structure, and Operating Principles
- Audit Committee
- Corporate Governance Committee
- Early Detection of Risk Committee
- Sustainability Committee
- Compensation and Nomination Committee
- Corporate Governance Policies
  - Donation and Aid Policy
  - Information Security Policy
  - Information Policy
- Environmental Policy
- Conflict of Interest Policy
- Energy Policy
- Code of Ethics
- Code of Ethics Operations Policy
- Gift and Entertainment Policy
- Human Rights Policy
- Occupational Health and Safety Policy
- Quality Policy
- Profit Distribution Policy
- Personal Data Protection Management System Policy
- Stakeholders Policy
- Anti-Corruption and Anti-Bribery Policy
- Responsible Procurement Policy
- Compensation Policy
- Board of Directors and Top Management Compensation Policy
- Personal Data Protection Law Disclosure Statement

## DISCLOSURES IN COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

There have been no changes in Norm Holding's capital and ownership structure during the reporting period.

Norm Holding's Articles of Association have remained unchanged during the reporting period.

During the Ordinary General Assembly meeting held on October 3, 2022, in which 2021 activities were discussed, it was approved that the Board of Directors Members acted in accordance with Article 395 and Article 396 of the Turkish Commercial Code in their activities.

Norm Holding ensures that in cases where shareholders with management control, members of the board of directors, managers with administrative responsibilities, their spouses, and second-degree relatives, or partnerships or affiliates may engage in significant transactions that could lead to a conflict of interest or engage in commercial activities of the same nature as the company or its subsidiaries, the General Assembly is informed. During the Ordinary General Assembly meeting held on October 3, 2022, no such situation occurred.

Norm Holding also confirms that in 2021, no competitive transactions or transactions within the

scope of the Competition Restriction took place by the members of the Board of Directors on behalf of the company or others, as per the authorization granted by the General Assembly.

During the Ordinary General Assembly meeting held on October 3, 2022, in which 2021 activities were discussed, information regarding payments made to Board of Directors Members and Senior Executives under the Remuneration Policy was provided to shareholders.

Any Extraordinary General Assembly was not held during the period from January 1, 2022, to December 31, 2022.

Norm Holding does not have any direct or indirect subsidiaries. Norm Holding companies have shareholders who hold shares in Norm Holding.

In accordance with the decision of the Audit Committee dated October 20, 2022, and the recommendation to the Board of Directors, PwC Independent Auditing and Certified Public Accountancy Inc. was selected as the auditor for the fiscal year 2022. This decision

was unanimously approved by the shareholders during the Ordinary General Assembly meeting held on October 3, 2022.

Within the period from January 1, 2022, to December 31, 2022:

There have been no instances where PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., the firm responsible for conducting independent audits of our company, refrained from expressing an opinion, issued a qualified opinion, or withheld their signature.

There are currently no legal proceedings against our company that could potentially impact our financial position or operations.

There have been no legal actions taken against our Board Members or employees due to non-compliance with legal regulations, and no administrative or judicial sanctions have been imposed.

Neither the company nor our Board Members have faced any administrative or judicial sanctions due to

non-compliance with legal regulations.

There have been no significant legislative changes that would substantially affect our company's operations.

We do not have any mutual holdings where the direct participation rate exceeds 5%.

Norm Holding protects the rights of stakeholders as regulated by legislation and mutual agreements within the framework of our Stakeholders Policy in its transactions and operations. There have been no complaints or legal actions filed by stakeholders against our company, in alignment with our Stakeholders Policy.

We have not procured any advisory services from PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. or any of its personnel, ensuring the absence of conflicts of interest both through contractual agreements and internal working arrangements.

We have received credit rating services from JCR

Avrasya Derecelendirme A.Ş. without any conflicts of interest or disputes, adhering rigorously to contractual agreements and internal working procedures.

We maintain strict confidentiality regarding customer and supplier information, safeguarding it as a trade secret. Investment.

Norm Holding does not avail itself of investment advisory services.





## INDEPENDENT AUDITOR'S REPORT

Norm Holding A.S. General Assembly

### A. Independent Audit of Consolidated Financial Statements

#### 1. Opinion

We have audited the consolidated financial statement of Norm Holding A.Ş. (the "Company") and its affiliates (together will be referred to as the "Group"), which comprise the consolidated statement of financial position as of December 31, 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS"s).

#### 2. Basis for Opinion

We conducted our audit in accordance with Independent Auditing Standards (IASs) which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under these standards are described in detail in the "Independent Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We declare that we are independent of the Group in accordance with the Code of Ethics for Independent Auditors (including Independence Standards) ("Code of Ethics") issued by POA and the ethical requirements that are relevant to our audit of the consolidated financial statements in accordance with the Code of Ethics in regulations issued by POA that are relevant to our audit of the consolidated financial statements. Other ethical responsibilities under the Code of Ethics and legislation have also been fulfilled by us. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of the most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on those matters.

Key audit matters	How the issue is addressed in the audit
<b>Recoverability of trade receivables (See Note 6)</b>	
<p>As of December 31, 2022, trade receivables from third parties amounting to TRY 2,462,837,671 have a significant amount in the consolidated financial statements.</p> <p>While evaluating the recoverability of the trade receivables, the Group management takes into consideration the guarantees received from the customers, past collection performances, creditworthiness information, maturity analysis, and disputes, or lawsuits related to the receivables. As a result of all these evaluations, the determination of doubtful receivables and the determination of the provision amounts for these receivables include the assumptions and estimates of the management. On the other hand, these estimates are highly sensitive to expected future market conditions.</p> <p>For these reasons, we have identified the recoverability of these receivables as a key audit matter.</p>	<p>The following procedures have been applied for the audit of the recoverability of trade receivables:</p> <ul style="list-style-type: none"> <li>• The Group's receivables monitoring and credit risk management policy, including credit limit orientation, is understood and evaluated.</li> <li>• Trade receivable balances from third parties are tested by sending a sample verification letter.</li> <li>• The aging of trade receivable balances from third parties is tested on a sample basis.</li> <li>• Collections made in the subsequent period were tested through sampling.</li> <li>• Collateral received from customers was tested through sampling.</li> <li>• It has been investigated whether there are any disputes or lawsuits regarding the collection of trade receivable balances from third parties and written assessments have been received from legal counsels regarding ongoing lawsuits.</li> <li>• Within the framework of the discussions with the Group management, the aforementioned basic assumptions and judgments that constitute the basis for impairment calculations have been evaluated.</li> <li>• We assessed the appropriateness and adequacy of the disclosures in the notes to the consolidated financial statements regarding the recoverability of trade receivables from third parties in accordance with TFRS.</li> </ul>



#### 4. Management's and Senior Management's Responsibilities for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with TFRSs and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material inaccuracies arising from misrepresentation or mistake.

The management is responsible for evaluating the Group's ability to maintain continuity when preparing the consolidated financial statements, explaining matters related to continuity when necessary, and using the principle of business continuity unless it has the intention or obligation to liquidate the Group or terminate the commercial activity.

#### 5- Independent Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

In an independent audit, we, the independent auditors, have the following responsibilities:

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. A reasonable assurance given as a result of an independent audit conducted in accordance with the IAS is a high level of assurance, but it does not guarantee that a significant error that exists will always be detected. Inaccuracies may be due to misrepresentations or mistakes. Inaccuracies are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with IASs, we exercise professional cognizance and maintain professional skepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of failing to detect a material inaccuracy due to misrepresentation is higher than the risk of failing to detect a material inaccuracy due to mistake, as misrepresentation may involve collusion, dishonesty, willful neglect, misstatement, or a breach of internal control.
- We assess internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We assess the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material

uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained by the date of the independent auditor's report. However, future events or circumstances may terminate the continuity of the Group.

- We evaluate the general presentation of consolidated financial statements, their structure, and content, and whether the underlying transactions and events that form the basis of these statements are reflected in a manner that achieves fair representation including disclosures of consolidated financial statements.
- In order to give an opinion on the consolidated financial statement, sufficient and appropriate audit evidence about the financial information of the entities or business segments within the Group, is being achieved. We are responsible for the direction, supervision, and execution of the group audit. We are also solely responsible for the audit opinion we have given.
- Among other things, we inform those responsible for senior management of the planned scope and timing of the independent audit and the significant audit findings, including the significant internal control deficiencies that we identified during the audit.
- From the matters communicated to those charged with governance, we determine those matters that were of most significance in our audit of the consolidated financial statements of the current period, and are therefore key audit matters. In cases where the legislation does not allow the matter to be disclosed to the public, or in quite exceptional cases where it is reasonably expected that the negative consequences of disclosing the matter to the public would exceed the public interest that public disclosure would bring, we may decide not to report the relevant matter in our independent auditor's report.

#### B. Other Liabilities Arising from Legislation

1. In accordance with paragraph 4 of Article 402 of the Turkish Commercial Code No. 6102 ("TCC"), nothing has come to our attention that may cause us to believe that the Company's bookkeeping activities for the period January 1 - December 31, 2022 are not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.
2. Pursuant to subparagraph 4 of Article 402 of the TTK, the Board of Directors provided us with the necessary explanations and submitted the required documents for the audit.

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

Mehmet Karakurt SMMM  
Responsible Auditor

Istanbul, 8 August 2023





## BAĞIMSIZ DENETÇİ RAPORU

Norm Holding A.Ş. Genel Kurulu'na

### A. Konsolide Finansal Tabloların Bağımsız Denetimi

#### 1. Görüş

Norm Holding A.Ş.'nin ("Şirket") ve bağlı ortaklıklarının (hep birlikte "Grup" olarak anılacaktır) 31 Aralık 2022 tarihli konsolide finansal durum tablosu ile aynı tarihte sona eren hesap dönemine ait; konsolide kar veya zarar ve diğer kapsamlı gelir tablosu, konsolide özkaynaklar değişim tablosu ve konsolide nakit akış tablosu ile önemli muhasebe politikalarının özeti de dâhil olmak üzere konsolide finansal tablo dipnotlarından oluşan konsolide finansal tablolarını denetlemiş bulunuyoruz.

Görüşümüze göre, ilişikteki konsolide finansal tablolar Grup'un 31 Aralık 2022 tarihi itibarıyla konsolide finansal durumunu ve aynı tarihte sona eren hesap dönemine ait konsolide finansal performansını ve konsolide nakit akışlarını Türkiye Finansal Raporlama Standartları'na ("TFRS'lere") uygun olarak tüm önemli yönleriyle gerçeğe uygun bir biçimde sunmaktadır.

#### 2. Görüşün Dayanağı

Yaptığımız bağımsız denetim, Kamu Gözetimi, Muhasebe ve Denetim Standartları Kurumu ("KGK") tarafından yayımlanan Türkiye Denetim Standartları'nın bir parçası olan Bağımsız Denetim Standartları'na ("BDS'lere") uygun olarak yürütülmüştür. Bu standartlar kapsamındaki sorumluluklarımız, raporumuzun "Bağımsız Denetçinin Konsolide Finansal Tabloların Bağımsız Denetimine İlişkin Sorumlulukları" bölümünde ayrıntılı bir şekilde açıklanmıştır. KGK tarafından yayımlanan Bağımsız Denetçiler için Etik Kurallar (Bağımsızlık Standartları Dahil) ("Etik Kurallar") ile konsolide finansal tabloların bağımsız denetimiyle ilgili mevzuatta yer alan etik hükümlere uygun olarak Grup'tan bağımsız olduğumuzu beyan ederiz. Etik Kurallar ve mevzuat kapsamındaki etkiye ilişkin diğer sorumluluklar da tarafımızca yerine getirilmiştir. Bağımsız denetim sırasında elde ettiğimiz bağımsız denetim kanıtlarının, görüşümüzün oluşturulması için yeterli ve uygun bir dayanak oluşturduğuna inanıyoruz.

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.  
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T: +90 212 326 6060, F: +90 212 326 6050, [www.pwc.com.tr](http://www.pwc.com.tr) Mersis Numarası: 0-1460-0224-0500015

### 3. Kilit Denetim Konuları

Kilit denetim konuları, mesleki muhakememize göre cari döneme ait konsolide finansal tabloların bağımsız denetiminde en çok önem arz eden konulardır. Kilit denetim konuları, bir bütün olarak konsolide finansal tabloların bağımsız denetimi çerçevesinde ve konsolide finansal tablolara ilişkin görüşümüzün oluşturulmasında ele alınmış olup, bu konular hakkında ayrı bir görüş bildirmiyoruz.

Kilit denetim konuları	Denetimde konunun nasıl ele alındığı
<p><b>Ticari alacakların geri kazanılabilirliği (Bakınız Dipnot 6)</b></p> <p>31 Aralık 2022 tarihi itibarıyla 2.462.837.671 TL tutarında ilişkil olmayan taraflardan ticari alacaklar konsolide finansal tablolarda önemli bir büyüklüğe sahiptir.</p> <p>Grup yönetimi, söz konusu ticari alacakların geri kazanılabilirliğinin değerlendirilmesini yaparken müşterilerden alınan teminatlar, geçmiş tahsilat performansları, kredibilite bilgileri, vade analizleri, alacaklara ilişkin anlaşmazlık veya davaları dikkate almaktadır. Tüm bu değerlendirmeler sonucunda şüpheli alacakların tespiti ile bu alacaklar için ayrılan karşılık tutarlarının belirlenmesi yönetimin varsayım ve tahminlerini içermektedir. Öte yandan, kullanılan bu tahminler gelecekte beklenen piyasa koşullarına oldukça duyarlıdır.</p> <p>Bu sebeplerle söz konusu alacakların geri kazanılabilirliği tarafımızca kilit denetim konusu olarak belirlenmiştir.</p>	<p>Ticari alacakların geri kazanılabilirliğinin denetimine ilişkin aşağıdaki prosedürler uygulanmıştır:</p> <ul style="list-style-type: none"> <li>Grup'un kredi limit yönetimi dahil olmak üzere alacak takibi ve kredi risk yönetimi politikası anlaşılmalı ve değerlendirilmiştir.</li> <li>İlişkili olmayan taraflardan ticari alacak bakiyeleri örneklem yoluyla doğrulama mektupları gönderilerek test edilmiştir.</li> <li>İlişkili olmayan taraflardan ticari alacak bakiyelerinin yaşlandırılması örneklem yoluyla test edilmiştir.</li> <li>Mütekip dönemde yapılan tahsilatlar örneklem yoluyla test edilmiştir.</li> <li>Müşterilerden alınan teminatlar örneklem yoluyla test edilmiştir.</li> <li>İlişkili olmayan taraflardan ticari alacak bakiyelerinin tahsilatına ilişkin herhangi bir anlaşmazlık veya dava olup olmadığı araştırılmış ve bu konuda müşavirlerimizden devam eden davalara yönelik yazılı değerlendirmeleri alınmıştır.</li> <li>Grup yönetimi ile yapılan görüşmeler çerçevesinde değer düşüklüğü hesaplamalarına baz teşkil eden yukarıda bahsedilen temel varsayım ve varsayımlar değerlendirilmiştir.</li> <li>İlişkili olmayan taraflardan ticari alacakların geri kazanılabilirliğine ilişkin konsolide finansal tablo dipnotlarında yer alan açıklamaların TFRS'ye göre uygunluğu ve yeterliliği değerlendirilmiştir.</li> </ul>

Kilit denetim konuları	Denetimde konunun nasıl ele alındığı
<p><b>Arazi ve arsalar, binalar, yeraltı ve yerüstü düzenleri ile makine, tesis ve cihazların gerçeğe uygun değer tespiti (Bakınız Dipnotlar 2.6 ve 9)</b></p> <p>Grup, konsolide finansal tablolarında TMS 16 "Maddi Duran Varlıklar" standardının ilgili hükümlerine göre, arazi ve arsalar, binalar, yeraltı ve yerüstü düzenleri ile makine, tesis ve cihazların gerçeğe uygun değerleri üzerinden taşınmaktadır.</p> <p>Grup yönetimi tarafından atanan bağımsız profesyonel değerlendirme kuruluşunun 31 Aralık 2022 tarihi itibarıyla yaptığı değerlendirmeler sonucunda arazi ve arsalar, binalar, yeraltı ve yerüstü düzenleri ile makine, tesis ve cihazların taşınan değerlerindeki toplam değer artışı vergi öncesi 3.494.887.252 TL olup, 31 Aralık 2022 tarihi itibarıyla söz konusu varlıkların toplam taşınan değerleri 5.752.504.266 TL'dir.</p> <p>31 Aralık 2022 tarihi itibarıyla arazi ve arsalar, binalar, yeraltı ve yerüstü düzenleri ile makine, tesis ve cihazların toplam değerinin Grup'un varlıklarında önemli bir paya sahip olması ve uygulanan değerlendirme tekniklerinin önemli tahmin ve varsayımlar içermesi sebebiyle, söz konusu varlıkların gerçeğe uygun değer tespiti tarafımızca kilit denetim konusu olarak değerlendirilmiştir.</p>	<p>Denetim çalışmalarımızda arazi ve arsalar, binalar, yeraltı ve yerüstü düzenleri ile makine, tesis ve cihazlar için yapılan değerlendirme çalışmaları ile ilgili olarak aşağıdaki denetim prosedürleri uygulanmıştır:</p> <ul style="list-style-type: none"> <li>Grup yönetimi tarafından atanan bağımsız profesyonel değerlendirme kuruluşunun yetkinliği, yeterliliği ve bağımsızlığı ilgili denetim standartları uyarınca değerlendirilmiştir.</li> <li>Arsalar, binalar, yeraltı ve yerüstü düzenleri ile makine, tesis ve cihazların tamamının değerlendirilme tabii tutulup tutulmadığı, muhasebe kayıtlarıyla değerlendirme raporları karşılaştırılarak kontrol edilmiştir.</li> <li>Grup yönetimi tarafından atanan bağımsız profesyonel değerlendirme kuruluşunun kullandığı verilerin tutarlılığı, Grup'un kayıtları ile örneklemeye dayalı olarak gerçekleştirilen eşleştirme çalışması ile kontrol edilmiştir.</li> <li>Grup yönetiminin ve Grup yönetimi tarafından atanan bağımsız profesyonel değerlendirme kuruluşunun kullandığı varsayım ve yöntemlerin değerlendirilmesi amacıyla, "BDS 620 Uzman Çalışmalarının Kullanılması" standardında yer alan hükümler gereğince örneklem yoluyla seçilen değerlendirme raporlarının incelenmesi için dış uzman dahil edilmiştir.</li> <li>Söz konusu varlıkların gerçeğe uygun değerlerine ilişkin konsolide finansal tablo dipnotlarında yer alan açıklamaların ilgili muhasebe standartlarına göre uygunluğu ve yeterliliği değerlendirilmiştir.</li> </ul>



#### 4. Yönetimin ve Üst Yönetimden Sorumlu Olanların Konsolide Finansal Tablolara İlişkin Sorumlulukları

Grup yönetimi; konsolide finansal tabloların TFRS'lere uygun olarak hazırlanmasından, gerçeğe uygun bir biçimde sunumundan ve hata veya hile kaynaklı önemli yanlışlık içermeyecek şekilde hazırlanması için gerekli gördüğü iç kontrolden sorumludur.

Konsolide finansal tabloları hazırlarken yönetim; Grup'un sürekliliğini devam ettirme kabiliyetinin değerlendirilmesinden, gerektiğinde süreklilikle ilgili hususları açıklamaktan ve Grup'u tasfiye etme ya da ticari faaliyeti sona erdirmeye niyeti ya da mecburiyeti bulunmadığı sürece işletmenin sürekliliği esasını kullanmaktan sorumludur.

Üst yönetimden sorumlu olanlar, Grup'un finansal raporlama sürecinin gözetiminden sorumludur.

#### 5. Bağımsız Denetçinin Konsolide Finansal Tabloların Bağımsız Denetimine İlişkin Sorumlulukları

Bir bağımsız denetimde, biz bağımsız denetçilerin sorumlulukları şunlardır:

Amacımız, bir bütün olarak finansal tabloların hata veya hile kaynaklı önemli yanlışlık içerip içermediğine ilişkin makul güvence elde etmek ve görüşümüzü içeren bir bağımsız denetçi raporu düzenlemektir. BDS'lere uygun olarak yürütülen bir bağımsız denetim sonucunda verilen makul güvence; yüksek bir güvence seviyesidir ancak, var olan önemli bir yanlışlığın her zaman tespit edileceğini garanti etmez. Yanlışlıklar hata veya hile kaynaklı olabilir. Yanlışlıkların, tek başına veya toplu olarak, finansal tablo kullanıcılarının bu konsolide tablolara istinaden alacakları ekonomik kararları etkilemesi makul ölçüde bekleniyorsa bu yanlışlıklar önemli olarak kabul edilir.

BDS'lere uygun olarak yürütülen bağımsız denetimin gereği olarak, bağımsız denetim boyunca mesleki muhakememizi kullanmakta ve meslekî şüpheçiliğimizi sürdürmekteyiz. Tarafımızca ayrıca:

- Konsolide finansal tablolardaki hata veya hile kaynaklı "önemli yanlışlık" riskleri belirlenmekte ve değerlendirilmekte; bu risklere karşılık veren denetim prosedürleri tasarlanmakta ve uygulanmakta ve görüşümüze dayanak teşkil edecek yeterli ve uygun denetim kanıtı elde edilmektedir. Hile; muvazaa, sahtekârlık, kasıtlı ihmal, gerçeğe aykırı beyan veya iç kontrol ihlali fiillerini içerebildiğinden, hile kaynaklı önemli bir yanlışlığı tespit edememe riski, hata kaynaklı önemli bir yanlışlığı tespit edememe riskinden yüksektir.



- Grup'un iç kontrolünün etkinliğine ilişkin bir görüş bildirmek amacıyla değil ama duruma uygun denetim prosedürlerini tasarlamak amacıyla denetimle ilgili iç kontrol değerlendirilmektedir.
- Yönetim tarafından kullanılan muhasebe politikalarının uygunluğu ile yapılan muhasebe tahminleri ile ilgili açıklamaların makul olup olmadığı değerlendirilmektedir.
- Elde edilen denetim kanıtlarına dayanarak Grup'un sürekliliğini devam ettirme kabiliyetine ilişkin ciddi şüphe oluşturabilecek olay veya şartlarla ilgili önemli bir belirsizliğin mevcut olup olmadığı hakkında ve yönetimin işletmenin sürekliliği esasını kullanmasının uygunluğu hakkında sonuca varılmaktadır. Önemli bir belirsizliğin mevcut olduğu sonucuna varmamız hâlinde, raporumuzda, finansal tablolardaki ilgili açıklamalara dikkat çekmemiz ya da bu açıklamaların yetersiz olması durumunda olumlu görüş dışında bir görüş vermemiz gerekmektedir. Vardığımız sonuçlar, bağımsız denetçi raporu tarihine kadar elde edilen denetim kanıtlarına dayanmaktadır. Bununla birlikte, gelecekteki olay veya şartlar Grup'un sürekliliğini sona erdirebilir.
- Konsolide finansal tabloların açıklamaları dâhil olmak üzere, genel sunumu, yapısı ve içeriği ile bu tabloların, temelini oluşturan işlem ve olayları gerçeğe uygun sunumu sağlayacak şekilde yansıtıp yansıtmadığı değerlendirilmektedir.
- Konsolide finansal tablolar hakkında görüş vermek amacıyla, Grup içerisindeki işletmelere veya faaliyet bölümlerine ilişkin finansal bilgiler hakkında yeterli ve uygun denetim kanıtı elde edilmektedir. Grup denetiminin yönlendirilmesinden, gözetiminden ve yürütülmesinden sorumluyuz. Verdiğimiz denetim görüşünden de tek başımıza sorumluyuz.

Diğer hususların yanı sıra, denetim sırasında tespit ettiğimiz önemli iç kontrol eksiklikleri dâhil olmak üzere, bağımsız denetimin planlanan kapsamı ve zamanlaması ile önemli denetim bulgularını üst yönetimden sorumlu olanlara bildirmekteyiz.

Üst yönetimden sorumlu olanlara bildirilen konular arasından, cari döneme ait konsolide finansal tabloların bağımsız denetiminde en çok önem arz eden konuları yani kilit denetim konularını belirlemekteyiz. Mevzuatın konunun kamuya açıklanmasına izin vermediği durumlarda veya konuyu kamuya açıklamanın doğuracağı olumsuz sonuçların, kamuya açıklamanın doğuracağı kamu yararını aşacağına makul şekilde beklendiği oldukça istisnai durumlarda, ilgili hususun bağımsız denetçi raporumuzda bildirilmemesine karar verebiliriz.

#### B. Mevzuattan Kaynaklanan Diğer Yükümlülükler

- 6102 sayılı Türk Ticaret Kanunu'nun ("TTK") 402. Maddesi'nin dördüncü fıkrası uyarınca, Şirket'in 1 Ocak - 31 Aralık 2022 hesap döneminde defter tutma düzeninin, kanun ile Şirket esas sözleşmesinin finansal raporlamaya ilişkin hükümlerine uygun olmadığına dair önemli bir hususa rastlanmamıştır.
- TTK'nın 402. Maddesi'nin dördüncü fıkrası uyarınca, Yönetim Kurulu tarafımıza denetim kapsamında istenen açıklamaları yapmış ve istenen belgeleri vermiştir.

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.



İstanbul, 8 Ağustos 2023

# SIGNIFICANT DEVELOPMENTS DURING THE REPORTING PERIOD AND BEYOND

## Norm Holding's Corporate Governance Rating Was Determined as 9.04

The Corporate Governance Rating of Norm Holding and its subsidiaries was determined as 9.04 out of 10 based on the analysis conducted by Saha Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş., which determines the corporate governance rating of companies with the license of the Capital Markets Board.

With this report, in terms of its board structure and functioning, Norm Holding:

- Demonstrates compliance with the CMB Corporate Governance Principles and has implemented all policies and measures accordingly.
- Operates its management and internal control mechanisms effectively.
- Detects and manages all corporate governance risks.

Proudly acknowledges that it excels in public disclosure and transparency activities. Norm Holding extends its gratitude to all stakeholders who contributed to this success.



## Norm Holding Receives Second Place in RDCONF R&D and Innovation Awards

Norm Holding has been awarded second place in the "Steel Construction and Manufacturing" sector at the "2022 RDCONF R&D and Innovation Awards" organized with the support of ARGEMİP for its work titled "Performance of Mechanical Strength and Torque Studies for Weight Reduction in Norm One Way Patented Product."



## Another Award for Normie

Norm Holding's dynamic software robot, Normie, received an Honorable Mention in the Awwwards Awards through user and jury votes for its website normie.ai.



## Awards for Norm Coating and Norm Tooling from EBSO

Norm Holding is delighted and proud to share that it has received awards from the Aegean Region Chamber of Industry (EBSO) at the "Successful

Industrial Enterprises Awards Ceremony," which is organized annually. Norm Coating received the "First Place in Production and Investment" award for its activities covering the years 2019-2020, while Norm Tooling received the "Highest Investment" award.



## "Volunteer of the Year" Award for Norm Holding Honorary Chairman Nedim Uysal

Norm Holding Honorary Chairman Nedim Uysal was honored with the "Volunteer of the Year" award at the 14th annual "Izmir's Best" Awards Ceremony organized by Karşıyaka Life Magazine. This award recognizes his support for education, and Norm Holding is proud to contribute to education in various fields and provide assistance to the young people who represent the future.



### Awards for Norm Coating and Norm Fasteners from OSBÜK

The results of the "OSB Stars Survey," which is conducted annually by the Organization of Industrial Zones (OSBÜK) and included 82 industrial zones from 38 provinces, have been announced. Companies ranking in the top 10 in 12 different categories were presented with plaques.

As a result of the survey, Norm Coating ranked 2nd

in the category of "Companies with the Highest Increase in Female Employment" and 9th in the category of "Companies with the Highest Increase in Employment". Norm Fasteners also secured the 10th position in the latter category.

Norm Holding is committed to supporting women's participation in the workforce and is delighted to contribute to employment opportunities.



### Norm Fasteners Awarded Silver by EcoVadis

Norm Fasteners has been awarded the silver medal by EcoVadis, an organization that analyzes the sustainability performance of over 50,000 companies based on certified evidence and ranks all companies accordingly. Norm Fasteners earned its place in the top 25% of all evaluated companies in the 2022 EcoVadis results.

Norm Holding aims to continue its successful sustainability efforts in the future through its investments and improved business processes.



### Deloitte "Best Managed Companies" Award

The "Best Managed Companies" program, conducted by Deloitte Private in 45 countries and examining companies in four main categories: strategy, capabilities and innovation, culture and commitment, governance, and financials, has announced its 2022 Turkey winners. Norm Holding, working towards building a sustainable future with a shared vision embraced by all its companies and stakeholders, has earned its place among Turkey's Best Managed Companies.



### Norm Digital and SAP Turkey Partnership

Norm Digital has entered a partnership with SAP Turkey to support the installation, development, and consultancy for end-to-end ERP systems in companies. By combining its strong technical infrastructure with SAP Turkey's expertise, Norm Digital aims to introduce SAP products such as SAP

S/4HANA, SAP S/4HANA Cloud (Public/Private), SAP CX, SAP HXM, SAP IBP, and SAP Business Technology Platform (BTP) to its customers. Norm Digital aims to become a trusted partner in ERP and digital transformation for businesses.



# EXECUTIVE BOARD

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# EXECUTIVE BOARD



**Nedim Uysal**  
CEO - Vice Chairperson



**Mahmut Öztürk**  
Head of Industry Group



**Caner Melek**  
Head of Trade Group



**Kumru Tınaz**  
Director of Accounting and Finance

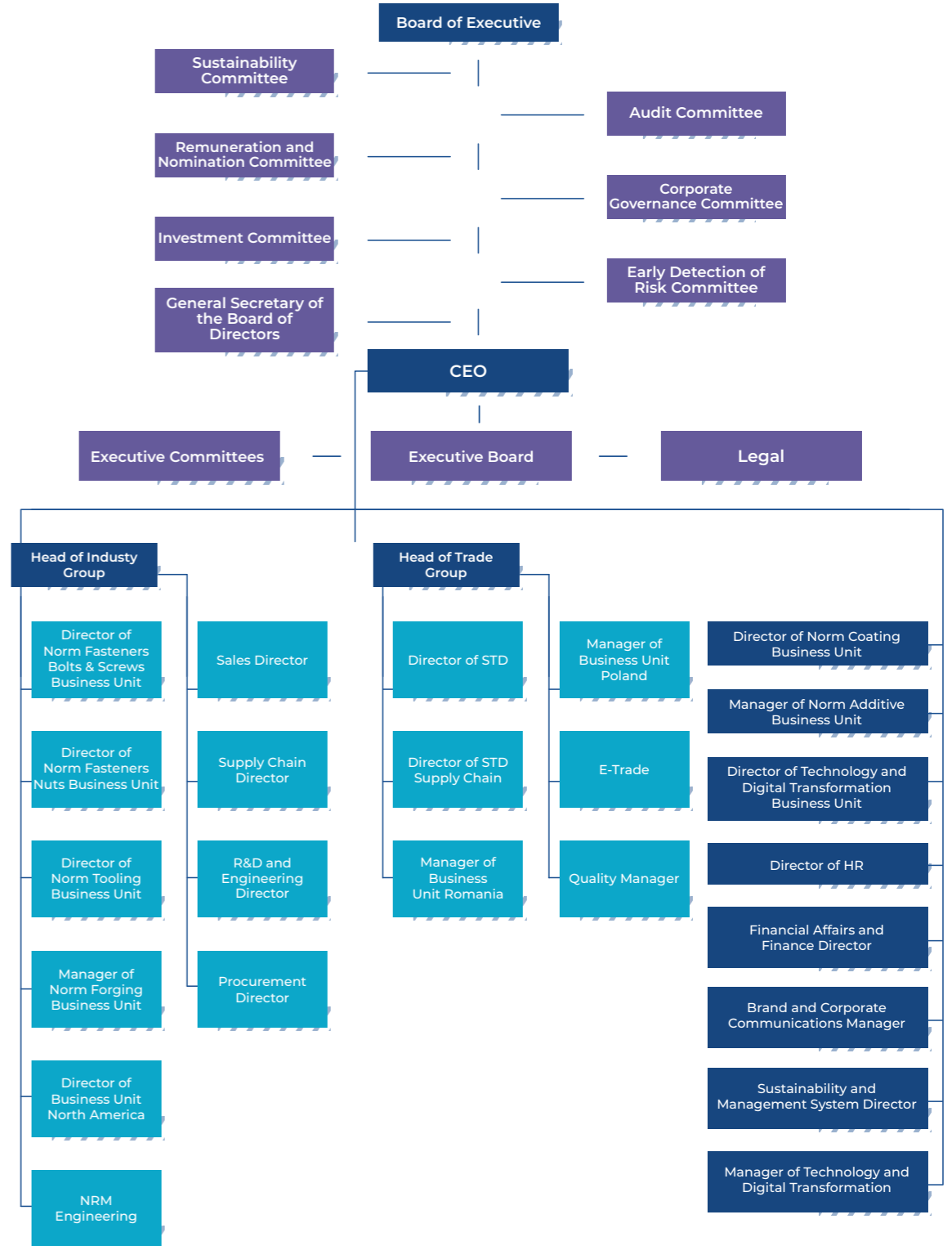


**Filiz Ergin**  
Director of Human Resources



**Erkan Yeniçare**  
Director of Technology and Digital Transformation

- Executive Board Committee
- Financial Affairs and Finance Committee
- Business Development Committee
- Pricing (Fasteners) Committee
- Digital Transformation Committee



Norm Holding has established Executive Board Committees to ensure the healthy fulfillment of the Executive Board's duties and responsibilities. Since Norm Holding is not a publicly traded company, it is not subject to capital market regulations. However, as part of its corporate governance strategy, Norm Holding aims to comply with the regulations and directives prepared based on the Capital Markets Law, which includes corporate governance principles, and good corporate governance practices within the limits determined by the Board of Directors.

To ensure the Executive Board's duties and responsibilities are carried out effectively, Executive Board Committees have been formed, including the Financial Affairs and Finance Committee, Business Development Committee, Pricing (Fasteners) Committee, and Digital Transformation Committee.

The documents outlining the duties and responsibilities of the Executive Board have been made available to Norm Shareholders. However, these documents are not published on the company's website. The working principles and duties of all committees have been documented. Our company aims to be among the companies that implement good corporate governance practices both in our country and globally. Committee assignments are made by considering the knowledge, experience, and expertise of potential members.

The regular meeting frequencies of committees are determined at the beginning of the year. Meetings can be increased, or extraordinary meetings can be held according to committee decisions, depending on the efficiency of the work and the agenda density deemed necessary. Committee members can suggest items to be included in the meeting agenda to the Committee Chairman. The agenda is distributed to the members by the Norm Holding General Secretariat Office.

Committee work is documented and recorded. Reports containing the meeting results are presented to the Executive Board, and those deemed appropriate are brought to the attention of the Board of Directors. At the end of each year, committees prepare an activity report on their work. The Committee's document on duties and working principles is reviewed, and points requiring updates are presented to the approval of the Norm Holding Board of Directors.

In committees, if necessary, Norm Holding managers who are not members of the Board of Directors and experts who are not employed within Norm Holding but are specialists in their fields may temporarily participate. In addition, committees could invite Norm Holding employees, representatives of related parties, or individuals and organizations specialized in the field to their meetings to obtain their knowledge and opinions.

Furthermore, committees have the possibility to seek external professional consultancy on matters deemed necessary for their activities, benefit from independent expert opinions, conduct special examinations on managerial issues, and appoint experts as consultants. The fees for consultancy services received within this scope are covered by the company.

Norm Holding's Executive Board ensures that all necessary resources and support are provided for the committees to fulfill their duties. Committees act within their authority and responsibilities and provide recommendations on matters they deem necessary. The final decision and responsibility always belong to Norm Holding's Executive Board. The work and responsibilities of the committees do not eliminate the duties and responsibilities arising from the Turkish Commercial Code of Norm Holding's Board of Directors.

#### **Financial Affairs and Finance Committee**

The Financial Affairs and Finance Committee was established within Norm Holding to closely monitor the activities in the sectors where Norm Holding and its subsidiaries operate. The committee aims to provide information to the Executive Board, when necessary, about financial status, tax legislation, overdue risky receivables, intercompany debt-credit

follow-up, and the evaluation of credit processes. It is tasked with conducting financial assessments in line with the objectives set by the Executive Board, monitoring legislation related to ongoing projects and investments, assessing the legal status, taking measures against national and international financial risks, evaluating overdue risky receivables, and reviewing the status of intercompany debt-credit, among other responsibilities. The committee prepares the necessary analyses and evaluations and communicates its opinions to the Executive Board in writing.

The working principles of the Financial Affairs and Finance Committee have been submitted to the Norm Holding Executive Board. They were approved by the Norm Holding Executive Board on April 22, 2022, and presented to the Norm Holding Board of Directors for approval.

#### **Business Development Committee**

The Business Development Committee was established within Norm Holding to closely monitor business development activities in different sectors where Norm Holding and its subsidiaries operate, or where potential opportunities exist. The committee's aim is to provide information to the Executive Board, when necessary, about business development opportunities that align with the strategies set by the Board. It is tasked with researching business development opportunities, evaluating their impact on operations, financial aspects, legal status, and alignment with strategic priorities. The committee prepares the necessary analyses and evaluations and communicates its opinions to the Executive Board in writing.

The working principles of the Business Development Committee have been submitted to the Norm Holding Executive Board. They were approved by the Norm Holding Executive Board on April 22, 2022, and presented to the Norm Holding Board of Directors for approval.

#### **Pricing (Fasteners) Committee**

The Pricing (Fasteners) Committee was established within Norm Holding to closely monitor activities in the fasteners sector, where Norm Holding and its subsidiaries operate. The committee focuses on sales, the impact on the supply chain, raw material prices, macroeconomic factors, and pricing levels. It

aims to provide information to the Executive Board when necessary. The committee is tasked with conducting detailed analyses and evaluations on topics such as breaking down sales data in terms of monthly and quarterly budget comparisons, monitoring order backlog, commodity prices, developments in the national and international automotive sector, currency fluctuations, changes in energy prices, regulatory changes affecting pricing, and the evaluation of existing pricing strategies. The committee prepares the necessary analyses and evaluations and communicates its opinions to the Executive Board in writing.

The working principles of the Pricing (Fasteners) Committee have been submitted to the Norm Holding Executive Board. They were approved by the Norm Holding Executive Board on April 22, 2022, and presented to the Norm Holding Board of Directors for approval.

#### **Digital Transformation Committee**

The Digital Transformation Committee was established within Norm Holding to closely monitor the application of digitalization to processes, products, and assets in the sectors where Norm Holding and its subsidiaries operate. The aim is to develop the business model by increasing efficiency and customer value, managing risks, and identifying opportunities to create new revenue through digitalization. The committee is tasked with conducting detailed analyses and evaluations on topics such as digital factories, energy monitoring, digitalization of department-specific processes, increasing digital literacy, streamlining office processes, and data management in alignment with the goals set by the Executive Board. The committee prepares the necessary analyses and evaluations and communicates its opinions to the Executive Board in writing.

The working principles of the Digital Transformation Committee have been submitted to the Norm Holding Executive Board. They were approved by the Norm Holding Executive Board on April 22, 2022, and presented to the Norm Holding Board of Directors for approval.





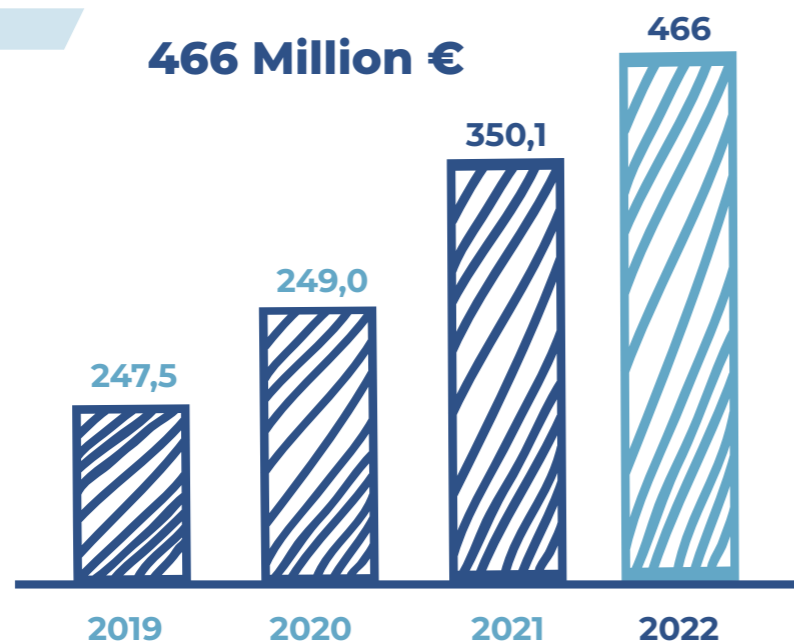
# PERFORMANCE 2022

## CONSOLIDATED

### Net Sales

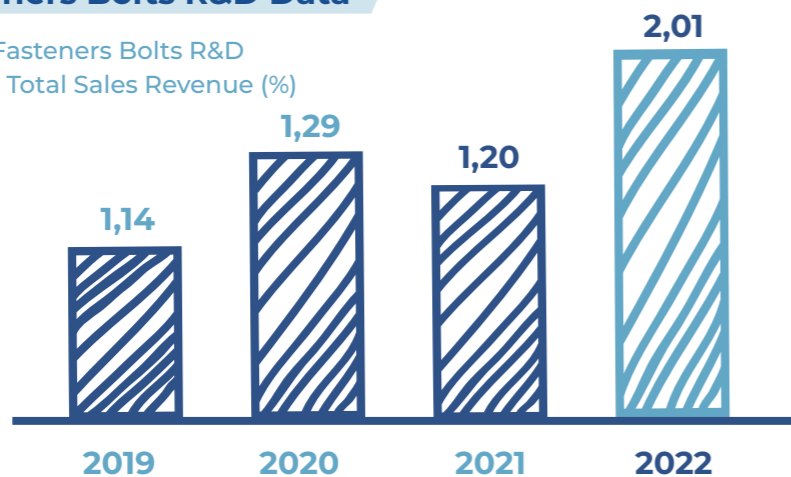
Million €

**466 Million €**



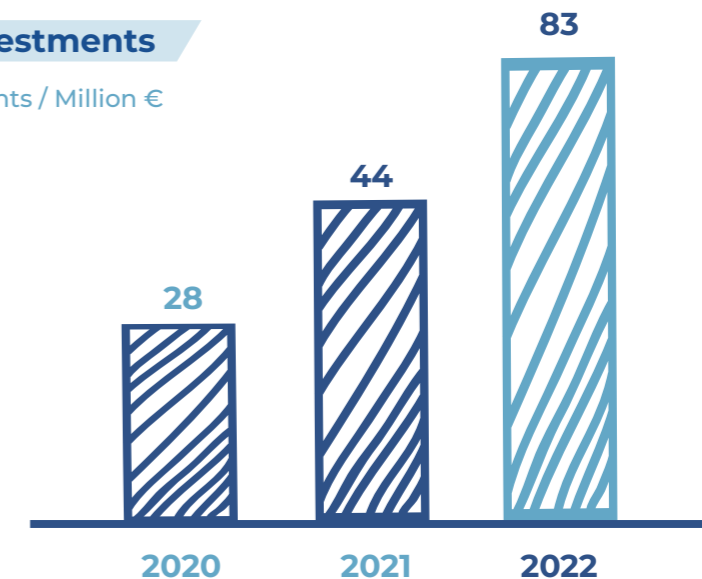
### Norm Fasteners Bolts R&D Data

Share of Norm Fasteners Bolts R&D Expenditures in Total Sales Revenue (%)



### Consolidated Investments

Consolidated Investments / Million €



The credit rating of Norm Fasteners performed by JCR is

**A+**

on Long-Term National Scale



Norm Fasteners Bolts Long-Term National Institution JCR Credit Rating: A+

Norm Fasteners Nuts Long-Term National Institution JCR Credit Rating: A+

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# HEAD OF INDUSTRY GROUP'S MESSAGE

## Dear Stakeholders,

Over the course of the past two years, our world has borne witness to unprecedented transformations in human history, characterized by profound and swift alterations. As these alterations unfold, predictability wanes, and an era of heightened uncertainty prevails. It becomes paramount to meticulously scrutinize these evolving conditions and take deliberate measures to acclimate and thrive within this dynamic landscape.

Within the initial quarter of this year, the enduring effects of the pandemic continued to reverberate across the global economy. Concurrently, geopolitical tensions involving Russia-Ukraine, the US-China, Turkey-Greece, and China-Taiwan cast significant strain upon the global economic fabric. Inflationary pressures soared to levels unseen in decades on a worldwide scale. Simultaneously, tightening financial conditions, disruptions in energy supply chains, and a diminishing purchasing power among individuals impeded economic growth in numerous nations, particularly across Europe. The steadfast pursuit of a zero-case COVID-19 policy by China, coupled with Europe's recession and energy crisis, sent ripples through the global economic sphere. Against this backdrop of global events, our nation embarked upon the year beset by economic and political challenges.

At Norm Holding, we take immense pride in our ability to sustain employment and productivity throughout the tumultuous pandemic period of 2021, owing to our swift adaptation to remote work and unwavering financial discipline. In 2022, as we surmounted unanticipated crises, we continued our uninterrupted production, driven by the same disciplined ethos and unwavering dedication. I extend my heartfelt gratitude to all our colleagues and stakeholders who,

in concert, have persevered tirelessly during this trying period, ardently contributing their expertise, and demonstrating remarkable adaptability in advancing Norm Holding.

While the repercussions of the pandemic were keenly felt in both 2020 and 2021, the year 2022 marked a notable resurgence in demand for our products and services. In 2021, the proportion of exports in our overall sales stood at 46%, but in 2022, this figure surged to 51%. The persistent indirect consequences of the pandemic, the automotive industry's chip crisis, the Russia-Ukraine conflict, which had ramifications for energy supply, coupled with fluctuations in customer demand, collectively shaped 2022 as a year in which we closed with a tonnage exceeding that of 2021 by more than 1%.

Throughout 2022, our steadfast commitment to judicious resource allocation, effective budgetary discipline, and a financial management strategy oriented toward savings resulted in an impressive 28% growth in revenue within our fasteners group—the cornerstone of our holding.

In September 2021, we embarked on a pivotal 10-year partnership with Ford Otosan, solidifying this collaboration through Turkey's most extensive supply agreement and earning the esteemed distinction of being the first domestic entity in Turkey to attain the "FSP" (Full-Service Provider) designation. Building upon this milestone, our agenda for 2022 includes the imminent launch of the "Ford V710" project within the framework of our FSP (Full-Service Provider) business model by year-end. In addition, following the inauguration of our warehouse in Gölcük, we aspire to further expand our footprint within the FSP business model through novel initiatives catering to the needs of TOGG.

As part of our foreign investments, we aim to complete the rough construction of our ongoing US production facility by the end of 2023 and start production by the end of 2024. From there, we will meet the demands of our current customers such as John Deere, as well as address new potential customers in the strategically targeted US market.

With our newly established company, Norm Forging, in the field of hot forging, we have started producing larger and longer fasteners. With the new machines to be commissioned at Norm Forging and the jobs we will acquire; we aim to grow in exports as well.

At Norm Tooling, we plan to increase our share in the mold business outside of Norm Holding affiliated companies with a 35% growth in 2023 compared to 2022. Additionally, we aim to provide services to the automotive and aviation industries in metalworking.

In 2023, one of our most important focus areas will be Occupational Health and Safety (OHS). On the road to the "zero workplace accidents" goal, we aim for a 15% reduction in workplace accidents in 2023 compared to 2022 and support the process with the necessary training, automation, artificial intelligence, and IoT applications.

As the Industrial Group, we have set our goals for the new year and have action plans in line with them. I would like to thank all our colleagues and stakeholders who have contributed to this successful year.

**Mahmut ÖZTÜRK**  
Endüstri Grup Başkanı



# FASTENERS

## NORM FASTENERS BOLT-SCREW

**In 2022, pilot applications aimed at increasing productivity in production were launched and investments continued successfully for Norm Fasteners Bolts - Screws.**

Norm Fasteners Bolts - Screws, which has the highest production capacity throughout Norm Holding, operates in a total of 3 different production facilities, consisting of two bolt and one screw production facility. Norm Fasteners Bolts - Screws primarily supplies standard and special fasteners to the automotive industry and its suppliers in its production facilities located in İzmir and Salihli. All production facilities operate at maximum capacity, aiming to meet customer demands with a philosophy of on-time, quality production. In 2022, Norm Fasteners Bolts - Screws achieved a total production tonnage of approximately 110,000 tons.

### 2022 Activities

#### Digitalization

Norm Fasteners Bolts - Screws continues to generate projects and make investments to adapt to the digitalized world and technology. The "Paperless Factory Project," initiated as a pilot application in 2021, transitioned to the expansion phase in 2022. Within this scope, all the necessary forms for production, such as production tracking forms, maintenance forms, technical drawings, and work orders, have been transferred to digital platforms. With this system implemented via tablets, real-time access to engineering and production data, productivity details, maintenance requests, and the QDMS document and suggestion system is possible.

In 2022, another important component of the digital transformation project, the "Data Collection Study," was implemented on selected machines.

Parameters that are crucial for each stage of production were identified, and infrastructure work with PLC and sensors to collect data on these parameters was completed as a pilot application. Norm Fasteners Bolts - Screws aims to complete the "Data Collection Study" project in 2023, continuing to increase efficiency in production operations.

In 2022, Norm Fasteners Bolts - Screws also continued its machine investments as part of capacity expansion and modernization efforts.

#### Production Data

Norm Fasteners Bolt-Screw successfully achieved a production tonnage of approximately 110,000 tons in 2022, representing a 4% increase compared to the previous year, with the goal of meeting customer demands through high-quality and efficient production activities.

When analyzing the sales tonnage, it is observed that 56% of the sales are domestic, while 44% are exports. The export share in sales tonnage has increased by 7% compared to 2021.

#### Sustainability

Sustainability efforts, which are among Norm Holding's strategic objectives, showed their impact in 2022. The "Paperless Factory Project," initiated as a pilot application in the previous year, and the "Data Collection Study," implemented on selected machines in the current year, have made progress in the direction of using natural resources efficiently and minimally as part of the established program.

# NORM FASTENERS NUTS

**Norm Fasteners Nutss, with a commitment to becoming an industry leader in Turkey and ranking high in Europe and the world, continues its operations successfully.**

Operating primarily in the Izmir and Salihli production facilities, which supply standard and special fasteners to the automotive industry and its ancillary industries, Norm Fasteners Nuts factories have taken the lead in Turkey in the production of a wide range of similar products, including DIN 985 and DIN 982 Nylon Insert Nutss, DIN 929 and DIN 928 Weld Nutss, DIN 980/V, DIN EN ISO 7042, and other types of prevailing torque nutss, DIN 6923, DIN EN ISO 1661 flange nutss, DIN 6926 DIN EN ISO 1663 flange nylon insert nutss, DIN 21670 flange weld nutss, rivet nutss, DIN 934, DIN 936 hex nutss, special weld nutss used in the automotive industry, and special collars used in the automotive industry.

Norm Fasteners Nuts increased its annual production capacity to over 50,000 tons in the Izmir production facility in 2022.

For Norm Fasteners Nuts, 2022 was a year in which planned investments were realized. Layout arrangements and modernization work continue to be planned for the Izmir Nuts plant.

## 2022 Activities

### Digitalization

Norm Fasteners Nuts's "Paperless Factory Project," which was rolled out in 2022, involves transferring all forms required for production, such as production tracking forms, maintenance forms, technical drawings, and work orders, to digital platforms.

Through the Ocea'N interface used on tablets, engineers and production teams can have real-time access to engineering and production data,

detailed productivity information, maintenance requests, and the QDMS document and suggestion system.

SPC record graphs monitored on SAP screens have been integrated into the interface with real-time visuals.

Development work continues in collaboration with Norm Digital teams based on the needs identified by the production teams.

### Production Data

Norm Fasteners Nuts completed the year 2022 with approximately 40,000 tons of production, thanks to its investments and efficiency improvement efforts. Of the total production, 22,000 tons were produced in Salihli, and 18,000 tons were produced in the Izmir production facility.

### Sustainability

Norm Fasteners Nuts continued its work in line with sustainability strategic goals in 2022.

The nuts business unit, through its GES projects, covered an average of 17% of the energy consumption of the production facilities in 2022.

In the Izmir facility, modernization with the sandblasting surface cleaning technique aims to significantly reduce chemical waste. Completion of the facility installation is planned for the last quarter of 2023.

### Operational Excellence

Norm Fasteners Nuts successfully continued its

To reduce water consumption, the water-cooling systems of heat treatment furnaces have started to be converted into air-cooled systems. Hybrid systems were preferred in the invested heat treatment furnaces to reduce natural gas consumption per ton. Automation efforts were also prioritized to reduce electricity consumption.

Norm Fasteners Bolts - Screws remains committed to its principle of being a company that respects people and the environment, shaping its business practices within this framework, and adding value to society. These efforts will continue unabated in 2023.

### Operational Excellence

Norm Fasteners Bolt-Screw continued its activities in 2022 with the goal of enhancing customer satisfaction and competitiveness through the Kaizen method, which is closely followed in its factories. The Kaizen method, driven by suggestions from all employees, resulted in the acceptance of a total of 1,004 employee suggestions in three different locations in 2022. To further encourage the participation of blue-collar workers in continuous improvement activities, their suggestions and Kaizen contributions were integrated into the

performance management system, and point calculations were included in performance evaluations.

Norm Fasteners Civata - Vida's production facilities benefit from the Doruk Production Management System (MES - Manufacturing Execution System), which allows for clear identification of areas for improvement.

Within the scope of operational excellence initiatives, priority was given to Robotic Process Automation (RPA) efforts in collaboration with Norm Digital.

### 2023 Targets

Norm Fasteners Bolt-Screw aims to prioritize quality and efficiency-focused efforts in 2023 with its existing machinery. Efforts to integrate new production technologies into current manufacturing processes through automation and digitization will continue. In the field of planning, the deployment of the SAP IBP/PPDS module in 2022 aimed to optimize end-to-end capacity and production plans.



# RESEARCH AND DEVELOPMENT (R&D)

**Norm Fasteners ranks 203rd among Turkey's companies that invest the most in R&D.**

In 2022, Norm Fasteners continued its R&D investments without slowing down, developing alternative designs for the most important technological trends in the fasteners industry and increasing its competitiveness day by day. The R&D Center, composed of engineers and researchers with expertise in various disciplines, many of whom hold doctorate and master's degrees in their fields, as well as technicians, is working on projects in various fields. Thanks to its strong R&D infrastructure, the company has developed numerous innovative solutions.

## 2022 Developments

**A Mobile Application Developed for Image Processing and Artificial Intelligence-Based Fastener Identification in 2022.**

Norm Fasteners R&D Center, which makes it a fundamental principle to develop projects that keep up with the requirements of the era, has developed a mobile application that predicts which standards the bolts were produced according to using a mobile phone camera. This application allows standard estimation with instant photos taken from different angles through image processing and artificial intelligence tools.

## HexLight® - Lightweight Fastener

Norm Fasteners continued its weight reduction efforts within the scope of R&D activities carried out to meet sectoral expectations and needs in 2022. Within this context, national patent applications for three products developed under the HexLight® brand were registered in 2022. The

activities in its Kaizen-followed factories in 2022 with the aim of increasing customer satisfaction and competitiveness. Through the Kaizen method, which operates with suggestions from all employees, a total of 917 employee suggestions were accepted in 2 locations in 2022. To support the participation of blue-collar workers in continuous improvement activities, suggestions and Kaizen participation were integrated into the performance management system in 2022, and point calculations were included in performance evaluation activities.

The Doruk Manufacturing Execution System (MES) used in Norm Fasteners Nuts production facilities has been implemented in the İzmir nuts thread cutting process.

In the scope of operational excellence efforts, priority has been given to Robotic Process Automation (RPA) with Norm Digital.

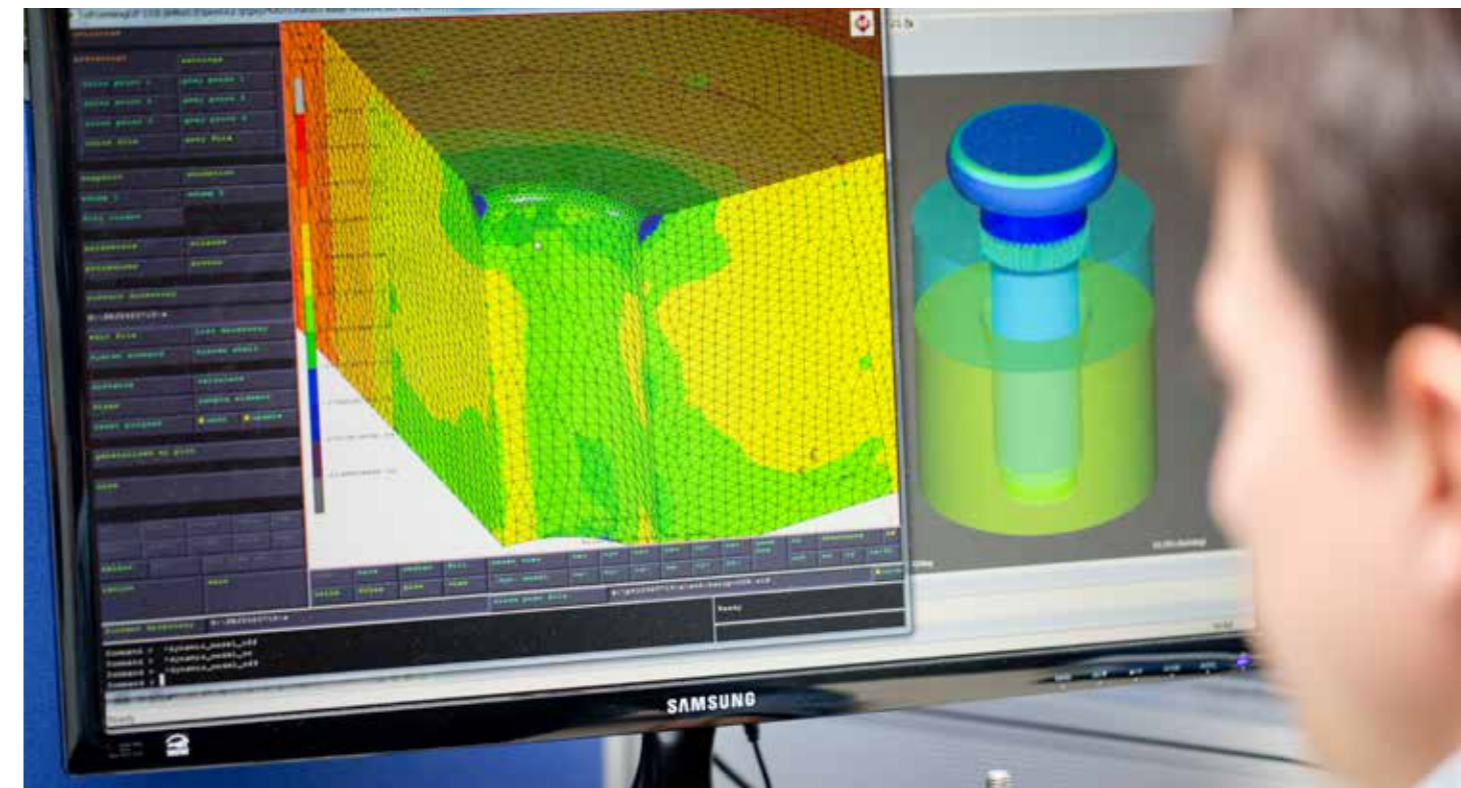
## 2023 Targets

Norm Fasteners Nuts aims to continue its efforts in automation and digitalization in 2023, integrating new production technologies into existing manufacturing processes.

With the implementation of the SAP IBP module in 2022, the optimization of end-to-end capacity and production plans for 2023 is a top priority. Furthermore, with the implementation of the SAP PPDS module in the cold forming process, the focus is on achieving more efficient production planning, considering customer deadlines and productivity.

For the İzmir Nuts facility, work has begun on setting up the raw material preparation and shot blasting line.

In the Salihli Nuts facility, the construction of the second-stage production facility is ongoing. Upon completion of the second-stage production facility, work continues the inter-facility product transport project using the AGV smart transport system.



patent application for Italy was registered in 2021, and the patent application process in Germany is still ongoing. As part of the commercialization efforts for HexLight®, discussions with Ford began in early 2022, and within the framework of the project, a total of 8 different codes of HexLight® bolts, M16 and M18, successfully completed Ford's internal tests and durability vehicle field tests. Licensing negotiations are ongoing for HexLight® products to receive a "W" code for use in all Ford factories globally. Under the licensing agreement, permission for different manufacturers to produce HexLight® is also being considered.

#### **Production of Ultra-High Strength Fasteners**

The strength class 12.9, defined by ISO 898-1, is the highest fastener strength class, but it remains an area open to development in light of today's industry needs and expectations. As a result of the R&D efforts in this regard, production recipes for strength classes 14.8 and 14.9 have been developed, and prototype production of fasteners with strength classes 16.9 and 17.9 has been carried out.

Within these studies, various materials and heat treatment methods have been tested, resulting in fasteners with the targeted ultra-high strength and high toughness values.

#### **Stainless Steel Bolt Production Trials are Continuously Progressing**

The rise of electric vehicles in the industry, the need for structures to withstand harsh corrosive environments, and the growing demand for stainless steel fasteners in the industry have led to increased efforts in this area. Norm Fasteners R&D Center has continued its work relentlessly in response to the industry's increasing demand for stainless steel fasteners. In this context, new materials and technological advancements have been closely monitored, and successful trials have been conducted for A2-70 quality hex and socket head bolts.

With the knowledge and experience gained from these trials, experiments with A2-80 have commenced. This will allow for the inclusion of

stainless-steel fasteners produced using the cold-forming method in the product portfolio. Thanks to the knowledge and experience Norm Fasteners R&D Center has built up in the field of stainless steel, the goal is to reduce foreign dependence, meet the country's needs and expectations, and contribute to the national economy by offering competitive products in international markets.

#### **Three-Lobe Self-Tapping Fasteners with Tapered Shaft Angle (Taper Trilobular) Product Group**

The use of self-tapping fasteners with specific features, such as three-lobe self-tapping fasteners with a tapered shaft angle, has become more widespread in the automotive industry with the increasing focus on electric vehicles. In response to the demands of OEM companies it supplies, Norm Fasteners has conducted sample production of special taper trilobular fasteners with a tapered shaft angle.

#### **TEYDEB 1509 – EUREKA SMART International Project Successfully Completed**

Norm Fasteners continued its production trials in 2022 within the scope of the international EUREKA SMART project initiated in 2018 with its Spanish and Swedish partners, in line with the tasks in the work packages. As part of the project, the machining of WC-Co and 1.3343 steel materials with cutting edges was carried out on the CNC lathe machine in the workshop, resulting in increased tool life, improved surface roughness values of the processed workpieces, reduced processing times, and overall increased production efficiency. Project will continue in 2023.

#### **TÜBİTAK 1505 Project Completed**

The TÜBİTAK 1505 project is an initiative aimed at contributing to the commercialization of knowledge and technology accumulated in universities/public research centers and institutes by transforming them into products or processes aligned with the needs of SMEs or large-scale organizations in the industry. Within the scope of



this project, the goal was to develop an abrasive paste for enhancing efficiency in the final surface treatment by eliminating grinding and polishing processes in mold production and utilizing AFM (Abrasive Flow Machining). In the year 2022, extrusion tests and field trials were conducted for molds produced using the developed paste, leading to the optimization of process parameters, thereby concluding the project. As a result of the project, suitable abrasive types for mold materials with different WC-Co ratios, as well as suitable abrasive flow machining parameters for the targeted surface roughness values, were determined. The collaborative study conducted in partnership with Prof. Dr. Ömer Eyercioğlu at Gaziantep University concluded with the final presentation of the TÜBİTAK 1505 project.

#### **A Leading Automotive Company in Turkey Chooses NORMSELFTM**

Led by Norm Fasteners' R&D and Engineering teams, one of Turkey's leading automotive companies opted for NORMSELFTM, a product with 22 references and a patent application made during the 2022 operational period, providing cost advantages. Norm Fasteners takes pride in the preference for its innovative products and aims to contribute with its uniquely designed products in projects with reputable automotive manufacturers both domestically and internationally.

#### **Norm Fasteners R&D Center Received Second Prize at the 2022 RDCONF R&D and Innovation Awards**

Norm Fasteners R&D Center, with the support of ARGEMİP, participated in the "RDConf 2022 - International Conference on Design, Research and Development" conference held on December 14-16,

2022. Their study titled "Mechanical Strength and Torque Studies for Weight Reduction in Norm One Way Patented Product" earned them the second prize in the "R&D and Innovation Awards" in the "Steel Structure and Production" sector.

Norm Fasteners R&D Center, which was awarded first place at the IZTEK R&D and Technology Awards, also received the special award in the Hewlett Packard Enterprise Achievement Category at the final of the TÜSİAD SD2 Program, where they participated with a project developed in collaboration with Kalybe.AI.

#### **Conferences Attended in 2022**

Norm Fasteners R&D Center participated in several conferences in 2022 to increase cumulative knowledge guiding their work and to present the outcomes of their work in the academic ecosystem. Through their participation in these conferences, they aimed to strengthen connections that would enhance university-industry collaboration and increase awareness of Norm Fasteners' technology production capabilities. In 2022, Norm Fasteners R&D Center attended 8 congresses held in 4 different countries with 9 different studies.

#### **Visits Under Norm Fasteners R&D Center Collaboration**

##### **ZF Lemförder Visit**

The Norm Fasteners R&D team visited the facility of ZF, a supplier of axle components, located in Çiğli AOSB. During this visit, discussions revolved around R&D Center projects, execution processes, and activities carried out under the Ministry of Industry and Technology. Potential areas for collaboration in projects and simulation studies were also explored. The visit provided an opportunity to thoroughly examine the equipment in the Test and Application Center located on the campus.

##### **Dönmez Debriyaj Visit**

A visit was made to the facility of Dönmez Debriyaj, an automotive supplier, located in the Bağyurdu OSB region. During this visit, discussions focused on mutual best practice examples and potential technical areas and projects for collaboration.

##### **Atlas Copco Visit**

Another visit within the framework of collaborations was made to the Istanbul Tuzla campus of Atlas Copco, a global leader in electric drills. During this visit, Atlas Copco provided technical training to the Norm Fasteners R&D Center team regarding the Atlas Copco brand drills used within the center. The assembly performance of the products was physically experienced at the Application Center, and an agreement was reached for the Norm Fasteners R&D Center to provide technical training on fasteners to Atlas Copco employees, concluding the visit.

#### **2021 R&D Center Article and Presentation Booklet**

Norm Fasteners R&D Center published and shared the "Norm Fasteners R&D Center Articles and Presentations" in 2022. This booklet contains articles and presentations on various topics, including the loosening of bolted connections, the effect of corrosion on fatigue behavior, cold forging process operation and optimization, material model prediction using artificial neural network models, damage analyses, the impact of coating types on mold life, and lightweight fastener design, which were published in leading journals and conferences in the industry and academia throughout 2021.





# INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS ACTIVITIES

## Intellectual and Industrial Property Rights Policy

With the aim of sustainably increasing its intellectual capital, which is one of the most critical sources of competitiveness in the industry, Norm Holding has adopted a "Culture of Intellectual and Industrial Property Rights" within the scope of its short-term, medium-term, and long-term strategic objectives. In the 2022 operational period, a detailed and comprehensive Intellectual and Industrial Property Rights Policy has been established within Norm Holding. The goal is to ensure the continuity of innovation realized through creative ideas, innovations, and products generated by human resources, which are the foundation of intellectual capital.

Within the scope of the Intellectual and Industrial Property Rights Policy:

- Principles and rights and responsibilities related to the protection of intellectual and/or industrial property rights in case of the creation of any new idea or product that may generate such rights.
- Procedures and principles for ensuring that the obligations defined for IIPR are carried out in compliance with current laws and regulations, and for managing the related processes.
- Details of the legal and operational processes related to IIPR.
- Systems of rewards and incentives that comply with the law and regulations to encourage employees to generate innovative solutions.
- Rights and responsibilities concerning the identification, protection as IIPR, and management of inventions and other creative products resulting from collaborations with individuals and legal entities.
- Matters related to the fair sharing of economic benefits derived from the commercialization

of IIPR among the parties involved.

To systematically implement the processes described in the IIPR Policy throughout Norm Holding and all its affiliated companies, the following interconnected entities have been established:

- Intellectual and Industrial Property Rights Unit: This unit includes representatives from Norm Holding and its affiliated companies, and it is responsible for conducting IIPR activities and managing operational processes related to IIPR.
- Intellectual and Industrial Property Rights Evaluation Committee: Comprised of senior management executives, this committee oversees the work of the IIPR Unit and makes critical decisions regarding the IIPR portfolio in alignment with the company's strategies.

### FSMH Policy Internalization Activities in Norm Holding

Following the complementation of the IIPR Policy, efforts were made to internalize the policy within Norm Holding and its affiliated companies. Workshops and meetings were organized to inform and educate employees about the content, purpose, and implementation of the policy, as well as strategies related to IIPR, patent research, utilizing patents in product designs, and invention disclosure processes. Here are some of the key events related to the internalization of the IIPR Policy:

- September 20, 2022: IIPR Policy Information & Awareness Presentation for Directors & Managers
- October 14-18, 2022: IIPR Policy Information & Awareness Presentation for Holding

Employees

- October 17, 2022: Intellectual Rights Unit Kick-Off Meeting
  - Functioning Mechanism & Responsibilities of the FHB Unit
  - Overall IIPR Processes and Expected Contributions from FHB Members
  - Roadmap for Internalization and Awareness Activities

These meetings and activities are set to continue throughout the year 2023.

### Norm Fasteners achieved success in patent applications in 2022 with the registration of 5 patents.

#### HexLight®

Innovative HexLight® products, developed as lightweight, environmentally friendly, next-generation fasteners, had three national patent applications (numbers 2017/20113, 2018/05456, and 2018/06513) registered by the Turkish Patent and Trademark Office in 2022.

#### FASTINORM™

This product, which features a special serrated head design resistant to rotation and loosening for welding-free contact with sheet metal, was initially registered as a non-examined patent in Turkey in 2013. However, its protection period has been extended to 20 years from the application date by obtaining an examined patent (Application No: 2011/08124).

### Patent Application for Special Bolt and Bolt Socket Design (Joint Application with CMS)

Norm Fasteners, in collaboration with CMS, has been granted a patent for a high-torque and innovative special bolt and bolt socket design. This design, developed as a result of a joint TEYDEB project conducted with CMS to determine the resistance of wheel-bolt connections to loosening under vibration, has been registered under the patent application number 2019/06920 with the Turkish Patent and Trademark Office. This innovative bolt and bolt socket design demonstrates Norm Fasteners' commitment to developing cutting-edge solutions in the field of fastening technology.

Three new patent applications were added to the FSMH in 2022.

### NORMSELF™ Patent Application

A patent application has been made for the NORMSELF product, which has a special end-form design that prevents assembly problems caused by the axial misalignment of fasteners. The patent application is currently under review.

### A Connection Element Recognition System and Method Patent Application

This patent application is related to the "Image Processing and Artificial Intelligence-Based Fastener Identification Mobile Application," which won the Hewlett Packard Enterprise Special Award in the TÜSİAD SD2 Program's final and received the 1st prize in the İZTEK R&D and Technology Awards. This is the first software patent application from the R&D Center. (Application No: 2022/021731)

### Self-Tapping External Threaded Fastener Patent Application

This patent application relates to an externally threaded fastener with a four-lobed structure on the shaft, designed to eliminate the need for special tappings to create the desired thread form on the shaft in the production of lobular structured shaft fasteners. (Application No: 2022/021646)

## NORM FASTENERS AMERICA

**In 2022, despite the prevailing global challenges, Norm Fasteners America pursued its growth trend, unwaveringly committed to its objective of increasing market share through amplified investments.**

Norm Fasteners America serves as the principal hub for sales, logistics, and engineering activities within the United States. Its establishment dates back to the year 2018 when it was founded in Lansing, Michigan, the state's capital, operating under the name Norm Fasteners Co. Subsequently, in 2019, the company underwent a relocation to Dimondale, where its operations have since been steadfastly maintained. The scope of Norm Fasteners America extends to encompass the comprehensive provision of services, including warehousing, engineering, and post-sales support, primarily dedicated to fasteners. These services are tailored to meet the diverse needs of the automotive and agricultural machinery industries, spanning both their core and ancillary sectors.

In the year 2022, Norm Fasteners America continued its meticulously planned trajectory for strategic expansion, with an unwavering commitment to enhancing customer satisfaction. Impressively, the company experienced a nearly twofold increase in revenue, underscoring its consistent and robust growth trajectory compared to the preceding fiscal year. The majority of sales transactions were conducted with manufacturers operating within the industrial and agricultural machinery sectors, alongside noteworthy clientele in the burgeoning electric vehicle manufacturing industry.

Furthermore, in a strategic move to broaden its operational reach in 2022, Norm Fasteners America extended its presence by inaugurating Norm Fasteners Canada. Located strategically in Toronto,

the heart of Canada's commercial landscape, Norm Fasteners Canada now functions as a hub for sales and logistics operations. It provides a comprehensive suite of services encompassing fastener supply, warehousing, and sales, with a pronounced emphasis on serving a diverse array of industry verticals, with the automotive sector occupying a pivotal position in its operational ambit.

Norm Fasteners America completed a total of four digitization projects in 2022, which included one warehouse digitization project and three Robotic Process Automation (RPA) projects. These initiatives resulted in enhanced logistics efficiency through the RPA-assisted monitoring of customer orders.

In 2023, Norm Fasteners America aims to deepen its relationships with existing customers through differentiated services and engineering support, while also expanding its market share in the electric vehicle manufacturing industry. Norm Fasteners America also aims to commence construction activities for its manufacturing facility. The facility, which will be established on a 33,000 square meter area, is planned to commence its first bolt production by the end of 2024. Norm Fasteners America will continue its warehouse investments in the upcoming period in order to respond more swiftly to increasing capacity and customer demands.

## NORM FASTENERS GERMANY

**Norm Fasteners Germany has made customer satisfaction its top priority, and in return, it achieved an "A Performance Rating" from all of its clients in the year 2022.**

Founded in 2012 under the name Norm Schraubenhandel Export und Import GmbH in Spaichingen, a city in the Baden-Württemberg state of Germany, Norm Fasteners Germany relocated to its current operational center in Krefeld in 2016.

Since 2019, operating under the name Norm Fasteners GmbH, Norm Fasteners Germany has been providing fastener procurement and storage services to the primary and ancillary sectors of the automotive industry. Its logistics center boasts a capacity of 5,544 pallets.

In 2022, Norm Fasteners Germany increased its revenue by 50% compared to the previous year, with the majority of sales directed towards automotive primary and ancillary industry firms.

Continuing its investments in 2022, Norm Fasteners Germany completed Phase 1 of SAP transition,

integrating with ancillary industry companies. Collaborative RPA projects with "Normie" yielded operational efficiency. Key achievements include streamlined reporting, transactions in customer portals, and the transfer of manual orders to SAP, marking significant milestones in completed RPA projects.

Norm Fasteners Germany has increased its warehouse capacity by 41% through warehouse optimization, layout planning, and shelving investments, thereby making warehouse workflows more efficient.

Prioritizing customer satisfaction in its operations and being rewarded with an "A Performance Rating" from all of its clients in 2022, Norm Fasteners Germany will continue its activities with a growth-oriented approach in the upcoming period, without compromising on this principle.



## NORM FORGING

**Norm Forging, established with a commitment to staying updated with cutting-edge technology, has completed its strategic planning with a vision to become a strong and leading company in its field.**

Founded in September 2021, Norm Forging operates in the field of hot forging die design and part production, as well as mold simulation studies, serving a wide range of industries including automotive, mining, defense, energy, agriculture, tractors, trucks, and heavy machinery. The company is in Salihli, Manisa Organized Industrial Zone, and operates within a 4,500 m<sup>2</sup> closed area.

After investments in press lines of 800, 1000, 1600, and 2,500 tons in its founding year, Norm Forging started production of hot forging dies and bolts (M30 - M64 x 500mm) in 2022. The company plans to reach a production capacity of 20,000 tons within five years.

With its commitment to staying abreast of the latest technology trends in the hot forging industry, Norm Forging has completed its strategic planning for 2023 with a vision to become a strong and leading company in its field.

Norm Forging conducts the entire hot forging and heat treatment process in-house, including mold design and production. The company's goal is to provide services to customers in various sectors, including automotive primary and ancillary industries, construction, energy, agriculture, and more.

# HOT FORGING



# INDUSTRY GROUP AT A GLANCE

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 PRODUCTION FACILITIES  
 İZMİR-SALİHLİ-SAKARYA

**13**  
 LOGISTIC AND SALES CENTER  
 POLAND, ROMANIA, GERMANY, CANADA, USA, FRANCE, TÜRKİYE

**5**  
 PERMANENT APPLICATION OFFICES  
 GERMANY, USA, CHINA, UNITED KINGDOM, TÜRKİYE



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# HEAD OF TRADE GROUP'S MESSAGE

## Dear Business Partners and Stakeholders,

The COVID-19 pandemic, which began at the end of 2019 and turned into a global health crisis in March 2020, has had a profound impact on the world, leading to economic contractions on a global scale. The pandemic disrupted production and logistics lines from Europe to Asia, Africa to America. After two years of significant losses, measures taken to combat the pandemic and the development of vaccines gave hope that 2022 would be a year of economic recovery for the world. However, just as the wounds caused by the pandemic were beginning to heal, the ongoing conflict between Russia and Ukraine brought new challenges to global supply chains. This event, of course, had tragic consequences for human life.

In the wake of these challenging developments in recent years, STD, as a significant player in the global market, has been navigating through uncertainties such as macroeconomic fluctuations, recession expectations, geopolitical and diplomatic risks, and political uncertainties. However, even in this environment of unpredictability, we, as the "Norm Holding Trade Group," have continued to surpass our goals through our determination, self-confidence, and work discipline. We will continue to share our short and medium-term roadmap, which we have implemented with the experiences and dedicated contributions of our employees, with all our stakeholders, as we do every year.

In 2022, our revenue increased by 25% compared to the previous year, and our exports grew by 77%.

In 2022, as STD, we conducted exports from our Turkish warehouses to 38 countries and from our ST Trading warehouse to 22 countries. In addition to serving our automotive customers in Norm Fasteners Romania, we expanded our product range and ventured into different sectors. With our capacity reaching 45,000 pallets and nearly 25,000 product varieties, we are increasing accessibility and expanding our distribution network day by day to continue providing our services.

Since our establishment, while bolts, nuts, screws, washers, dowels, plugs, and stainless fasteners have formed the main groups in our sales strategy, in the last five years, we have added high-growth product categories such as power tools, plaster nets, mosquito nets, drawer slides, hinges, gas pistons, door hydraulics, locks, gloves, tapes, drill bits, meters, and brush seals to these groups.

In the fourth year of selling "Stanley Black & Decker" branded power tools, which we started in 2019, we ranked among the top 3 dealers in Turkey. Our journey to diversify our product range in addition to the main groups led to the introduction of new products in 2022, including welding machines, air blowers, bottle jacks, and pallet jacks. Leveraging our product diversification expertise gained from fasteners, we secured the distribution agreement for "Awelco" welding machines, an Italian brand, adding another global brand to our network. With effective marketing strategies and our extensive product range, we successfully maintained profitability in 2022.

By enriching our product variety, we started introducing machining parts, sheet metal processing parts, assembled manufacturing, rails, hinges, door handles, tapes, and standard and customized parts produced through hot and cold forging methods to the market in 2022, within our affiliated facilities. With diversified manufacturing methods and our growing capacity, our goal was to increase our market share, particularly in the construction, agriculture, occupational safety, energy, and furniture sectors, among many others. In addition, in 2023, we aim to become the supplier and solution partner for consumer companies, covering all their needs from A to Z. In line with our short-term strategic plans, we will continue to expand our product and customer base by increasing the number of warehouses and facilities we serve domestically and internationally while maintaining our sectoral expansion.

Since its establishment, STD has taken a leading position in the industry and has become a pioneer in the sector. We have earned the "Authorized Economic Operator Certificate" (AEO) nationwide in Turkey in 2022, demonstrating our commitment to transparency and responsibility in all our operations. This certificate is an international status that provides ease and privileges in customs procedures to reliable companies that fulfill customs obligations and other requirements. We are the 585th company to receive the "Authorized Economic Operator Certificate" and the 44th company to receive the "In-House Customs Clearance for Export."

STD places customer satisfaction at the center of every aspect of its operations. In evaluating our 2022 services, an independent organization called "ERA Research Consultancy" conducted a customer satisfaction survey, resulting in a 99% customer satisfaction rate for our domestic customers. We consider this result highly valuable and believe in aligning ourselves with changing customer needs and expectations on a global scale while maintaining this awareness.

Thanks to the digital infrastructure support we receive from our affiliated company, Norm Digital, we have the privilege of staying up-to-date with the innovations technology offers worldwide, thereby accelerating and structuring our strategic goals on a global scale. We incorporate data analytics into all our supply chain and budget planning processes, use DDMRP to make the most efficient use of our resources, and integrate CRM into our customer management by considering our customers as our business partners. We will make our B2B portal, which we use for domestic sales, available as "Global B2B" by mid-2023. This will allow us to provide stock visibility and account tracking for all our customers, both domestically and internationally.

I would like to extend my respect and appreciation to all our stakeholders, especially the employees of STD, ST Trading, and Norm Fasteners Romania, for the value they bring and the collaboration we share on this journey.

In 2022, with the dedicated, determined, and disciplined work of my team members, we progressed towards our sustainable growth goals. I have full faith in the unwavering support of my valued colleagues, and I believe that in the coming years, we will multiply and expand our successes in line with this belief.

**Caner MELEK**  
Ticari Grup Başkanı



# STANDART CIVATA (STD)

**During global and local crises in 2022, STD solidified its position as an industry leader by expanding its product diversity and distribution network, becoming the company that provides the quickest and most accurate response to customer demands.**

Established in 1982 under the umbrella of Norm Holding, STD has maintained its vision of becoming an industry leader since its inception. With an unwavering commitment to quality, a wide range of products, and the agility to lead technological advancements, STD has become a defining force in the industry. Operating in 67 cities within Turkey, STD has adopted customer satisfaction as its fundamental principle, while considering them as its business partner.

Maintaining its status as a sector leader in both imports and exports, STD bridges a significant gap in the manufacturing industry with imports of bolts, nutss, hex bolts, hex socket cap screws, chipboard screws, gijon, flat and spring washers, dowels, stainless steel fasteners, all types of fasteners, and hardware items.

#### **2022 Activities**

In the challenging year of 2022, marked by both global and local crises, STD successfully achieved its goals by recording a 25% increase in sales compared to the previous year.

Following its strategy of expanding its distribution network, ST Trading, established with the aim of reaching new markets, contributed significantly to STD's growth by exporting to 22 countries through Poland and 38 countries from Turkey's warehouses. As a result of these efforts, STD's total exports increased by 77% compared to 2021, reaching 32 million EUR. With a capacity of up to 45,000 pallets, a constantly expanding product range, and a growing distribution network, STD has solidified its position as the industry leader, providing the quickest and most accurate responses to customer demands.

Continuing its efforts to expand into various sectors by increasing product diversity, STD served nearly 25,000 different products to industries such as energy, construction, agriculture, furniture, electronics, occupational safety, defense, transportation, automotive, appliances, machinery, and mining in 2022.

While fasteners remain the primary sales group for STD, the company has diversified its product

# MARKETING AND TRADE





range in the past five years by achieving high sales momentum in categories such as power tools, drywall meshes, mosquito nets, drawer slides, hinges, gas springs, door hydraulics, locks, gloves, tapes, drill bits, meters, and brush seals. In 2022, new additions to the product range included welding machines, inflatable wheels, bottle jacks, and pallet jacks.

STD's commitment to maintaining and improving its successful sales performance has been evident throughout the years. In 2019, the company began selling Stanley Black & Decker branded power tools, and by 2022, it had secured a place among the top three dealers for the brand in Turkey. Leveraging its expertise in fasteners, STD expanded into the hardware category by becoming the Turkish distributor for the Italian brand Awelco's welding machines, adding yet another global brand to its portfolio. Thanks to its experienced sales team, effective marketing strategies, and extensive product range, STD was able to maintain profitability in 2022.

In 2022, STD also introduced parts manufactured using various methods, including metal machining, sheet metal processing, modular manufacturing, and hot forging, produced within Norm Holding's facilities.

Moreover, STD achieved significant milestones in customs compliance. The company received the YYS (Authorized Obligation Certificate) in 2022,

becoming the 585th company in Turkey to obtain this certification. Additionally, it received the "Customs Clearance at the Exporter's Premises" certification, making it the 44th company to do so. These certifications reflect STD's commitment to efficient customs procedures and its role as a reliable partner for customers and international trade.

ERA Research Consultancy, an independent research organization, conducted a survey evaluating STD's services for the year 2022, which resulted in a remarkable "Domestic Customer Satisfaction Rate" of 99%.

#### **2023 Targets**

In 2023, STD, with its diversified manufacturing methods and increased capacity, aims to expand its market share in various sectors, including construction, agriculture, occupational safety, energy, and furniture. It will continue to expand its product range and strive to be the primary supplier and solution partner for consumer companies in all their needs.

Supported by its digital infrastructure, STD aligns its strategic goals with the aim of making its B2B portal, currently used for domestic sales, available as a Global B2B platform by mid-2023. This initiative is intended to provide stock visibility for all customers' domestic and international warehouses and facilitate the tracking of related accounts.

# ST TRADING

**ST Trading, having had a successful year in 2022, expanded its team and increased the number of countries it exports to in the European market, reaching a total of 22 countries.**

Operating within the sales and marketing domain under the umbrella of Norm Holding, ST Trading was founded in Poznan, Poland, in 2019. With a 2,500 m<sup>2</sup> indoor space and a capacity of 4,250 pallets, ST Trading provides its customers with a wide range of products, including those manufactured within Norm Holding, as well as high-quality and competitive products from various suppliers. In line with its goal of sectoral expansion, ST Trading also has a dedicated local sales team in Poland to support customers in the agriculture, automotive, construction, furniture, and PVC industries in the sale of fasteners.

#### **2022 Activities**

ST Trading, exporting to 22 countries, primarily including Italy, Greece, and Austria, leveraged its geographical advantages and had a successful year in 2022, increasing its revenue by approximately 50% compared to the previous year.

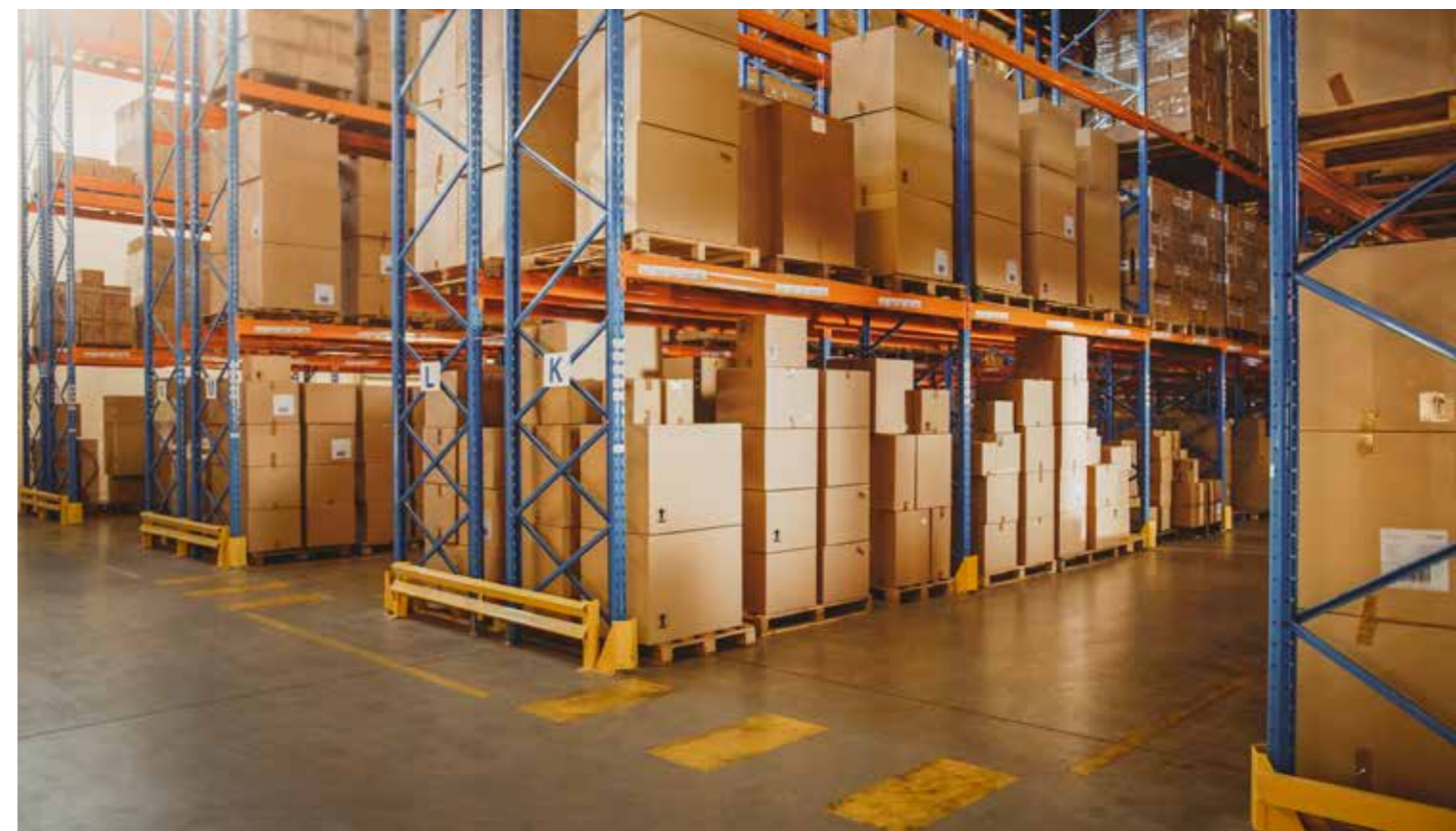
In 2022, ST Trading also completed its ISO 9001 and ISO 14001 certifications.

#### **2023 Targets**

In 2023, ST Trading aims to expand its online sales platform to serve its customers in the European market, a platform it has been using since 2020.

To enhance its ability to respond to customer demands, ST Trading plans to deepen its presence in sectors such as renewable energy (particularly solar panels), agriculture, and automotive, with the goal of increasing its product variety from 2,500 items to around 10,000.

ST Trading intends to broaden its customer portfolio by offering daily shipments to various European countries and providing boutique sales with customized packaging and labeling capabilities.





# MUBIKO

**mubiko.com, having completed its infrastructure preparations and operating under the assurance of Norm Holding, offers a delightful e-commerce experience. In 2022, the site expanded its product range and increased its marketing activities with a focus on acquiring new customers.**

**mubiko.com** is an e-commerce website established under the umbrella of Norm Holding. The site started its infrastructure preparations in 2021 and was launched in 2022. Without a physical store, **mubiko.com**, an online shopping site, operates with the assurance of Norm Holding to deliver products in different categories quickly and seamlessly to its customers, providing them with a smile-inducing e-commerce experience.

## 2022 Activities

In January 2022, the SAP order module was implemented, and shortly thereafter, the first launch was held in Izmir. **mubiko.com** concluded its first year of operation with a turnover of 1.2 million TL.

Subsequently, the Mubiano brand was registered for Mubiano shoes, which cater to those who closely follow fashion and prioritize foot health in their designs. The women's sports shoe product line of Mubiano, designed and produced in Izmir, was initially made available for sale on **mubiko.com**, followed by leading online marketplaces such as Trendyol and Hepsiburada. In the second half of the year, these shoes started to meet customers in various retail stores.

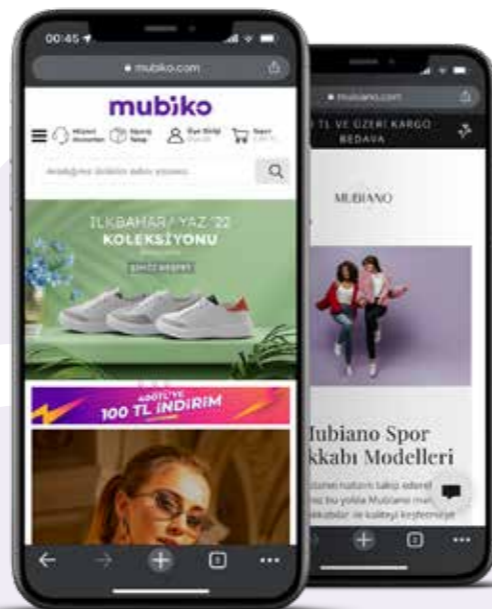
Vision shoots were conducted for the creation prepared under the Mubiano brand in 2022, and the interest in the brand was quite satisfying.

## 2023 Targets

Among the 2023 plans for the Mubiano brand are:

- Offering competitive prices for brand sustainability and ensuring the highest level of customer satisfaction.
- Conducting efforts to become a preferred brand among female customers in both sports shoes and winter boot categories.
- Expanding the supplier network to offer innovative and unique products to both male and female customers.
- Developing collections in the handbag category for the female customer group.

The ultimate goal of all these efforts is to increase the visibility of the Mubiano brand to reach a larger customer base.



# NORM FASTENERS ROMANIA

**Norm Fasteners Romania, established in 2019, commenced its operations in 2020 in the city of Ilfov, with a 2,450-square-meter logistics center. This logistics center serves customers with a capacity of 5,000 pallets.**



Norm Fasteners Romania aims to provide on-site services with high-quality products to customers in various sectors, including automotive, construction, energy, furniture, appliances, machinery, and agriculture.

## 2022 Activities

Norm Fasteners Romania has managed to increase its revenue by 90% compared to the previous year.

In terms of environmental sustainability, they have implemented waste management procedures, a recycling system, and waste reduction in collaboration with the Financiar Recycling company. In the field of management sustainability, they have received consultancy services for waste management system operations for the Ministry of Environment, compliance with Romanian environmental laws, and environmental

impact procedures from the Geoffan company. They have also worked on accounting compliance, labor law compliance, and wage compliance with Finexpert company. Additionally, they have focused on occupational safety regulations, regular occupational safety training, and mandatory reporting for the Ministry of Labor with the assistance of the Exclusive Work Ethics company.

## 2023 Targets

In 2023, Norm Fasteners Romania plans to launch its digital B2B platform, which it began developing in 2022.

Continuing its efforts to increase market share, Norm Fasteners Romania aims to expand its product range and pursue a competitive sales policy to drive growth.

# TRADE GROUP AT A GLANCE



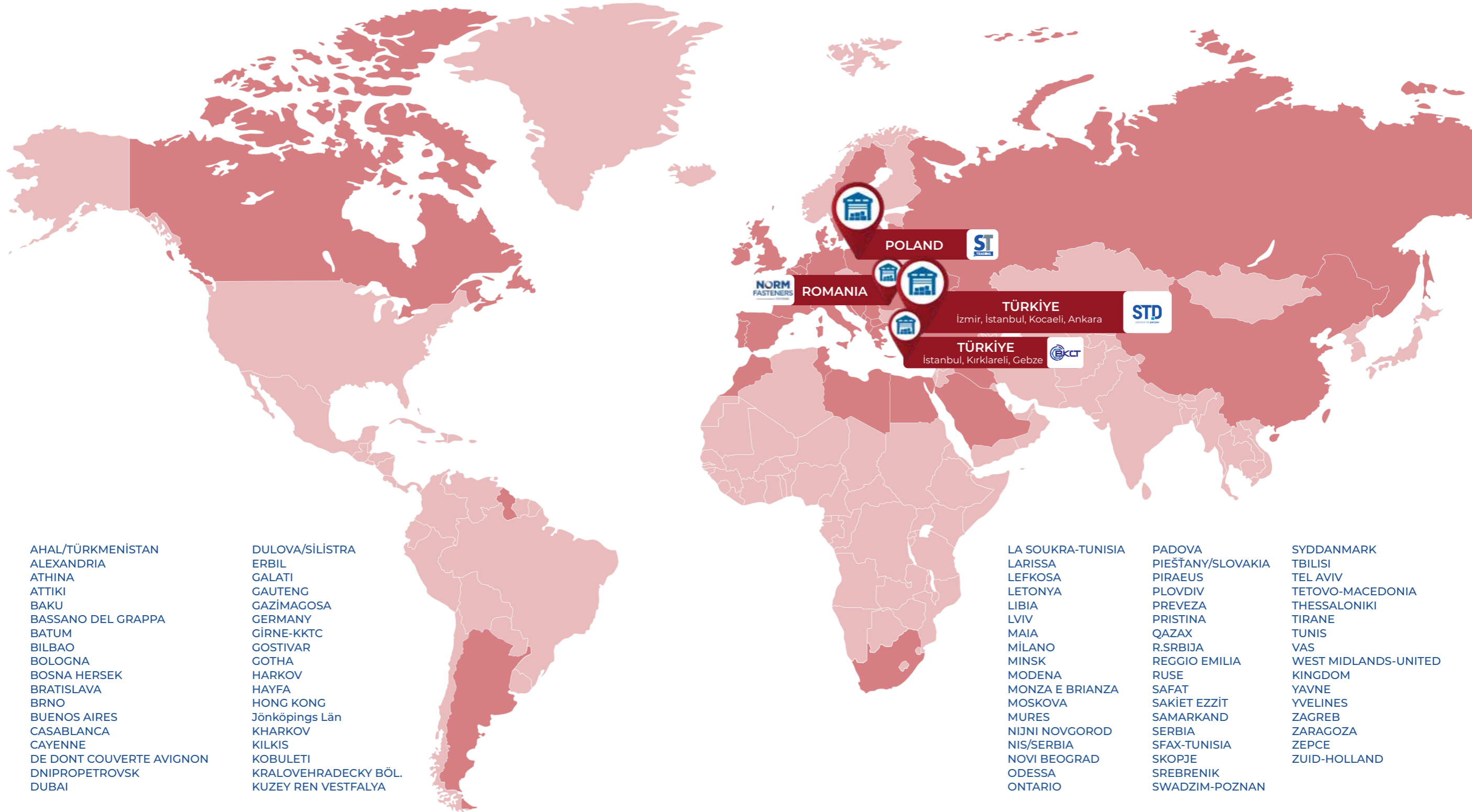
7

LOGISTIC CENTER  
(Poland, Romania, Türkiye)



87

EXPORT POINTS



AHAL/TÜRKMENİSTAN  
ALEXANDRIA  
ATHINA  
ATTIKI  
BAKU  
BASSANO DEL GRAPPA  
BATUM  
BILBAO  
BOLOGNA  
BOSNA HERSEK  
BRATISLAVA  
BRNO  
BUENOS AIRES  
CASABLANCA  
CAYENNE  
DE DONT COUVERTE AVIGNON  
DNIPROPETROVSK  
DUBAI

DULOVA/SİLİSTRA  
ERBIL  
GALATI  
GAUTENG  
GAZİMAGOSA  
GERMANY  
GİRNE-KKTC  
GOSTIVAR  
GOTHA  
HARKOV  
HAYFA  
HONG KONG  
Jönköpings Län  
KHARKOV  
KILKIS  
KOBULETI  
KRALOVEHRADECKY BÖL.  
KUZEY REN VESTFALYA

LA SOUKRA-TUNISIA  
LARISSA  
LEFKOSA  
LETONYA  
LIBIA  
LVIV  
MAIA  
MILANO  
MINSK  
MODENA  
MONZA E BRIANZA  
MOSKOVA  
MURES  
NIJNI NOVGOROD  
NIS/SERBIA  
NOVI BEOGRAD  
ODESSA  
ONTARIO

PADOVA  
PIEŠTANY/SLOVAKIA  
PIRAEUS  
PLOVDIV  
PREVEZA  
PRISTINA  
QAZAX  
R.SRBİJA  
REGGIO EMILIA  
RUSE  
SAFAT  
SAKİET EZZİT  
SAMARKAND  
SERBIA  
SFAX-TUNISIA  
SKOPJE  
SREBRENİK  
SWADZIM-POZNAN

SYDDANMARK  
TBILISI  
TEL AVIV  
TETOVO-MACEDONIA  
THESSALONIKI  
TIRANE  
TUNIS  
VAS  
WEST MIDLANDS-UNITED  
KINGDOM  
YAVNE  
YVELINES  
ZAGREB  
ZARAGOZA  
ZEPCE  
ZUID-HOLLAND

# NORM COATING

**Norm Coating, with its goal of becoming the largest coating company in Turkey and Europe by 2027, continues its investments and market research efforts.**

Established in 1998, Norm Coating operates in the field of coating fasteners used in various sectors, including the automotive industry, white goods, construction, machinery, furniture, aviation, biomechanics, and railway, within a total area of 32,310 m<sup>2</sup> open and 58,160 m<sup>2</sup> closed production space across 6 factories.

Norm Coating has integrated state-of-the-art production technology in its Dörken MKS, Magni, and NOF (Geomet) licensed coating facilities, as well as the deburring and packaging facilities it acquired in 2020. With a focus on customer satisfaction and sustainability, Norm Coating continues its operations successfully.

## **2022 Activities and Investments**

Norm Coating has taken a step closer to its goal of becoming the largest coating company in Turkey and Europe by 2027, with a focus on new facility investments.

In 2022, Norm Coating, which has 24 years of experience in coating fasteners such as bolts, nuts, and screws, as well as product sorting and packaging, began setting up the Izmir wet paint and dust paint facility and the Sakarya hanging zinc-nickel facility with the aim of providing services to companies outside of the Norm Holding.

Norm Coating continued its factory investments, machinery, and equipment modernization efforts in 2022 with the goal of increasing the percentage

# CHEMISTRY





of non-Holding customers.

The coating factory in Sakarya 1st Organized Industrial Zone / Arifiye, covering 13,000 m<sup>2</sup> of indoor space within an 18,000 m<sup>2</sup> open area, has been put into operation.

The washing and sandblasting lines have been revised and installed in Salihli, increasing coating capacity with investments in dip-spin lamellar coating, alkaline zinc coating, Tuflok facility, and locked paint facility.

Norm Coating, with its vision of continuous improvement, began the establishment of its R&D and Design centers in 2022 as part of its ongoing efforts.

#### Digitalization

Norm Coating continued its efforts to adapt to the rapidly changing and evolving world by implementing projects that support its digital development in 2022.

As part of productivity improvement efforts, the groundwork was laid for a project involving the digitalization and storage of all data in digital

format.

The Ocea'N Digitalization Project for production processes was initiated, and the infrastructure for collecting and reporting data from SAP, Doruk Automation, and manual entries in the production lines into a single system was prepared.

#### Sustainability

Norm Coating, with a commitment to its principles of people, environment, and sustainable growth, continues its operations in line with its strategic priorities and goals.

As part of its sustainability efforts within the Environmental department established in 2021, Norm Coating has implemented and certified ISO 45001 Occupational Health and Safety Management System, ISO 14001 Environmental Management System, and ISO 50001 Energy Management System.

In 2022, the Salihli facilities generated 1,000,000 kW/year of solar energy, and the heating system was upgraded to utilize waste heat from the ovens to heat the factory's indoor spaces.

Norm Coating ranked 2nd in the 'Company with the Highest Increase in Female Employment' category and 9th in the 'Company with the Highest Increase in Employment' category in the 'OSB Stars Research' conducted by the Organized Industrial Zones Upper Body in 2022.

Norm Coating established the Norm Coating Academy in 2022 with the aim of sharing its knowledge and experience in coating technologies with all stakeholders. The academy will provide both theoretical and practical training, contributing to the industry's development through knowledge sharing.

#### Current Markets and Sectoral Strategies

Norm Coating intensified its efforts in 2022 to increase its market share in the domestic market and expand its presence in international markets through new markets and customer research.

In alignment with Norm Holding's and its affiliated companies' growth abroad and the goal of increasing export share through geographical

expansion, Norm Coating has started providing coating services in Bulgaria and Romania.

While meeting the coating needs of companies within the Norm Holding group, Norm Coating continues its capacity expansion efforts to broaden its customer base beyond the holding.

#### 2023 Targets

Norm Coating aims to establish a strong presence in the European market by primarily expanding its customer base outside of Norm Holding.

In 2023, with new technology and machinery investments, the company targets a 36% increase in total revenue for the year.

The installation works for the coating facility in the Salihli plant and the zinc facility in the Izmir facility have been completed.

Norm Coating continues its investments in 2023, aiming to maintain its position as one of the most important players in the industry.



# NORM TOOLING

**Norm Tooling, continuing its sectoral expansion in line with its strategic goals, is maintaining its investments without slowing down.**

Founded in 2003, Norm Tooling started its activities in mold production for fasteners and machining of special parts in 2006. Aimed at providing high-quality, cost-effective, and just-in-time (JIT) services, Norm Tooling specializes in machining and cold forging die production, supported by state-of-the-art production technologies, a modern and comprehensive machinery park, and a well-trained workforce.

#### **2022 Activities and Investments**

To meet the increased customer demand in 2022, Norm Tooling made investments in machinery and equipment with various processing capabilities to increase production capacity and product diversity. In 2022, Norm Tooling experienced a 30% increase in revenue compared to the previous year, reflecting the positive impact of these investments.

Norm Tooling renewed its machinery park in the machining department, resulting in a 30% increase in capacity with the introduction of domestic CNC machines.

To effectively manage production operations, ensure traceability, and improve production output, the MES (Manufacturing Execution System) system was implemented. Norm Tooling continues to lead the industry as the first factory to implement the MES system specifically for mold production facilities.

In line with Norm Tooling's strategic goals, certification processes have been planned to provide services to the aviation sector.

# TOOLING AND SHEET METAL





### Sheet Forming

The Sheet Forming department, which started its operations within Norm Tooling in 2018, provides sheet metal forming services to various industries, including the automotive primary and secondary industries and machinery industry. It is located in a 1,500 square meter closed area in Salihli.

The production line includes 14 eccentric presses ranging from 100 to 250 tons, ironing presses for product straightening, centrifuges for removing burrs from products, and sorting machines for 100% quality control.

While the Sheet Metal Forming Department primarily meets the washer needs for the group, the investment in machinery in this area has increased production capacity by 35%, and the production of sheet metal parts other than washers has been realized. With the ability to produce washers up to 8 mm x 100 mm in size and weldable, as well as assemblable sheet metal parts up to 1000 mm x 350 mm in size, it has an annual production capacity of 4,000 tons (400 million pieces). This has increased the rate of meeting in-house group needs and has contributed to the continued growth of external customers.

### Digitalization and Operational Excellence

In 2022, Norm Tooling identified digitalization and operational excellence as its top priority

focus areas and planned its projects accordingly. A Digitalization Committee was established, consisting of representatives from various departments. In 2022, the committee completed the RPA (Robotic Process Automation) Project and implemented the QDMS (Quality Document Management System). The work on defining standard processes and transitioning to a Dashboard reporting system was also completed. These efforts have enabled the organization to take quick actions, analyze data, build corporate memory, and ensure the sustainability of its operations.

Norm Tooling aims to become a leading company in digital transformation in the areas of SAP, reporting, RPA, and Industry 4.0 by the year 2025. With a belief in the validity of healthy growth through the contributions and commitment of its employees, Norm Tooling has established an Idea Management System platform to enhance internal innovation.

Norm Tooling continues its 5S activities to improve productivity in production and maintain an organized work environment. Throughout the year, the company conducts department-specific 5S audits in each quarter, identifies actions after audits, and ensures the sustainability of these activities.

### Sustainability

Norm Tooling, with its community and environmentally friendly brand approach, continued its investment and initiatives in line with sustainability in 2022. To enhance operational efficiency, the Corporate Risk Management Project was initiated in 2022, identifying potential risks and action plans.

In the heat treatment department, a natural lighting system was introduced, allowing daylight to illuminate the environment, thus preventing carbon emissions with zero energy consumption.

Repetitive operations were automated using RPA (Robotic Process Automation).

Prioritizing equal opportunities, Norm Tooling increased the number of female operator employees by 10% in 2022.

Regular in-house training sessions continued to enhance the development and professional competence of all employees.

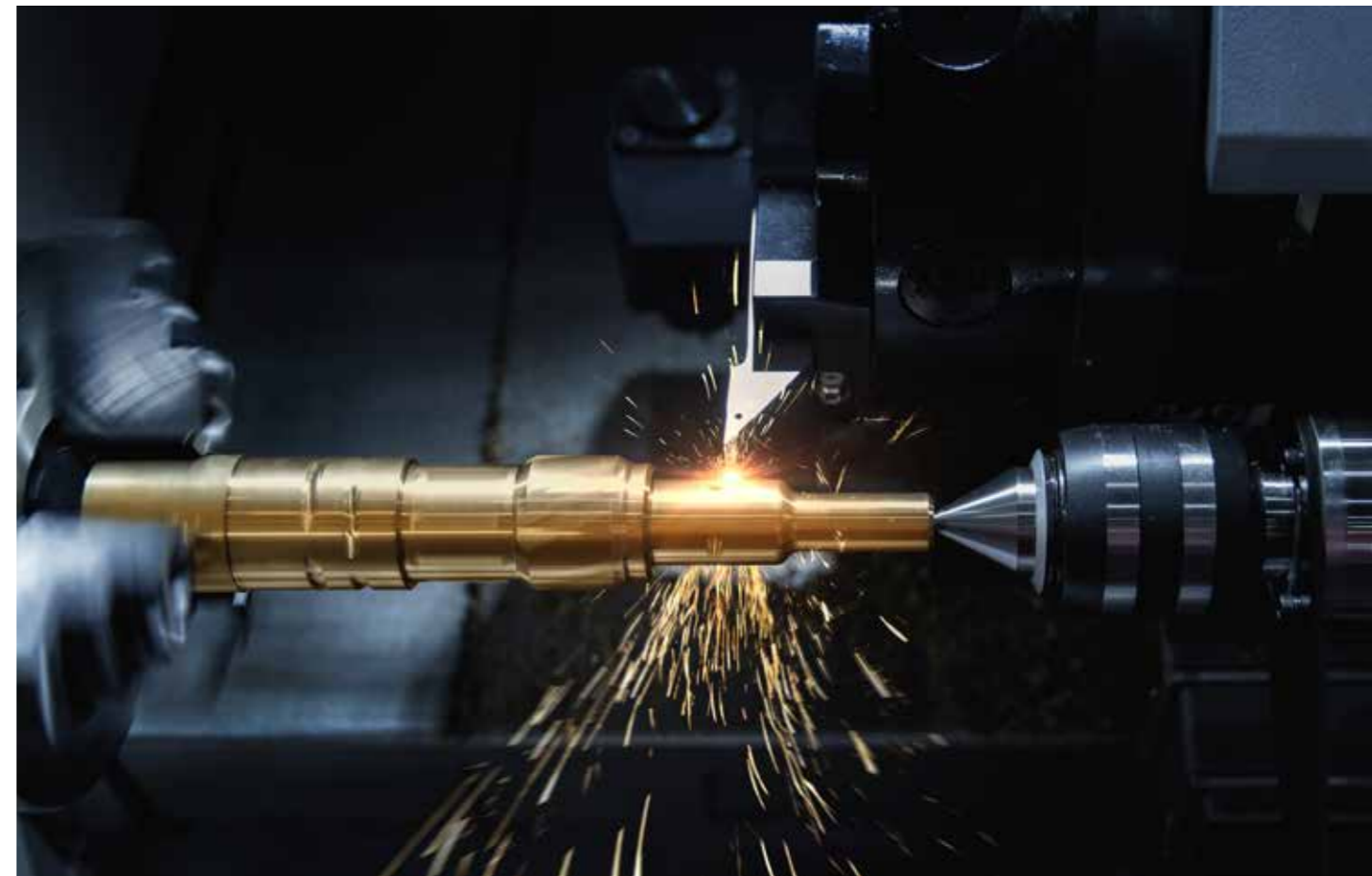
Norm Tooling, which adopts the principle of "people first," conducted regular risk analyses as part of its occupational health and safety efforts in 2022, implementing necessary regulations and improvements promptly.

### 2023 Targets

Norm Tooling, with its increased capacity through investments and continuously improved technological infrastructure, is shaping plans to expand its market share beyond the holding. The company aims to particularly increase the share of exports in its sales.

In line with its sectoral expansion goals, Norm Tooling aims to increase its customer base in the automotive sector by obtaining the IATF 16949 certificate in 2023 and to carry out sales in the aviation sector by obtaining the AS9100 certificate.

Norm Tooling has initiated the necessary legal processes to establish a Research and Development Center to increase its competitiveness and achieve sustainable growth goals.



# NORM ADDITIVE

**Norm Holding, with its traditional engineering capabilities in manufacturing, has ventured into additive manufacturing with Norm Additive, aiming to lead in every sector of its industry.**

Norm Additive was established in October 2021 as a new entity within Norm Holding, focusing on additive manufacturing technologies. The company's products are tailored to customer demands and range from final products to prototypes. Norm Additive utilizes advanced additive manufacturing methods for both metal and plastic components to provide solutions to customer requirements.

The company's main goal is to design and manufacture high-tech industrial products without dependence on foreign sources and with local resources and manpower. Taking an early step into the field of additive manufacturing, considering the future of production technology, and gaining technical expertise in this manufacturing method to establish a strong presence in the market is the primary objective.

In 2022, investments were made to establish metal additive manufacturing systems, a secondary processing workshop, a heat treatment line, surface cleaning lines, and a polymer additive manufacturing system. Engineering capabilities are enhanced with the use of 3D CAD modeling, generative design software, additive manufacturing process software, and project management software. Through a partnership with GE Additive, the company continues printer sales, spare parts, and raw material sales, as well as service operations. The 3D FSP system, established to provide services in technologies and materials not covered by the production portfolio, offers services from approved suppliers.

Norm Additive had an opportunity to actively



collaborate with numerous customers in 2022. The customers served encompass additive manufacturing, research, machinery manufacturing, medical, aerospace, aviation, and automotive sectors.

#### **Current Markets and Sectoral Strategies**

Norm Additive caters to markets through two main areas of activity: service bureau operations that provide production and design services, and sales partnerships that involve printer, spare parts, and raw material sales.

Considering the offers and sales, the existing markets that Norm Additive operates in include machinery manufacturing, automotive, spare parts, additive manufacturing, medical, electronics, R&D prototypes, and aerospace sectors, among others.

# ADDITIVE MANUFACTURING



Norm Additive's industry strategy focuses on providing end-to-end services to its customers while emphasizing sustainability, innovation, minimal waste, value-added production, and a positive environmental impact. Given that additive manufacturing is still a relatively new technology, Norm Additive actively works to increase awareness of the technology through regular training sessions for customer design groups and positions itself as a solution partner for various sectors.

Engineering work conducted in the field with customers helps identify potential parts and allows for improvement efforts. This includes producing parts for projects and monitoring customer-side applications.

Norm Additive aims to consolidate primary manufacturing technologies in-house to provide end-to-end services. It also collaborates with various suppliers worldwide for materials and subsequent processes, thus enabling them to offer customers a one-stop solution across all areas of additive manufacturing. To achieve this goal, materials with high demand, such as aluminum and stainless steel, are maintained in-house.

### Digitalization

Norm Additive made significant progress in the field of digitalization in 2022, working on four different software and calculation algorithms to achieve results.

The first software allows detailed cost calculations for metal PBF (Powder Bed Fusion), polymer FDM (Fused Deposition Modeling), and MJF (Multi Jet Fusion) processes.

The second software is material selective. Many OEMs and manufacturers use a wide range of materials in their products and parts. An underlying decision-making algorithm selects the most suitable alternative production material based on the mechanical and thermal variables required by the customer.

The third software calculates energy performance variables used in additive manufacturing design processes and makes decisions based on the best energy consumption perspective.

The last software is a production risk determiner. In additive manufacturing, the success of production is critically dependent on the geometric variables of the designed part and its placement within the machine production table.

### Sustainability

One of the most significant advantages of additive manufacturing is the minimal waste that it generates. In the production area, the dust collection filters have been installed at the end of the ventilation systems to collect dust particles that may spread from the polymer machine and sandblasting lines. These filters are replaced depending on the production capacity. In 2022, there was no generation of filter waste.

### 2023 Targets

Following its investments in metal and polymer systems in 2022, Norm Additive has planned its 2023 goals with the aim of expanding its service portfolio by including various technologies on its development roadmap.

Fabrication and engineering goals include:

- Incorporating Fused Deposition Modeling (FDM) technology into polymer production.
- Producing parts in polymer materials with dimensions of up to 500 mm in the X-Y-Z axes.
- Developing the capability to manufacture parts from advanced plastics like PEEK, PEKK, and ULTEM, as well as PA12 engineering plastics.

- Acquiring the capability to produce composite materials with carbon fiber reinforcement.
- Developing the capability to paint plastic parts.
- Gaining expertise in reverse engineering practices.
- Acquiring quality control expertise and providing it to customers.





# NORM DIGITAL

Norm Digital, established within Norm Holding in 2021, continues to provide solutions based on universal technological values.

Norm Digital operates as a strong department within Norm Holding, one of the first 10 companies in Turkey to use RPA (Robotic Process Automation). In 2021, it transitioned into a separate company. With the goal of transferring its strong knowledge and experience externally, Norm Digital has established its organization and defined its methods with a vision of becoming a global company.

In 2022, Norm Digital expanded its services to external customers in addition to Norm Holding and its affiliated companies. During this period, it increased its workforce by more than fourfold and entered the market rapidly with 26 customers from 15 different sectors and 7 business partners.

## 2022 Activities

### Partnerships, Investments, and Corporate Communication Projects:

- A strategic business plan and audit process for SAP sales and service partnership have been initiated, and official SAP Partnership has been obtained.
- Initiatives for partnerships with Microsoft and Amazon have been launched.
- Commercial and legal groundwork for mutual product sales has been initiated through a partnership with the Peoplise company.
- Norm Holding, under the leadership of Norm Digital, made an investment in the Kuika software company.
- A presentation and networking event involving approximately 100 shareholders and top-level executives was organized in Izmir

# TECHNOLOGY





transformation support and implementations. For small-scale companies, work is in progress for Public Cloud ERP transformation and consulting services, as well as SAP CX Commerce Cloud services to meet B2B needs.

In the field of Data Analytics & RPA, the aim is to expand the network, especially with financial, insurance, and banking clients. Leveraging experience in manufacturing companies, efforts are being made to provide services in the E-Commerce sector.

**Completed Projects in 2022**

**A) Ocea'N – Digital Factory – Paperless Factory**

Unlike traditional production tracking systems, simply collecting machine data on the production floor and gathering results at the end of a job no longer meets today's needs. Detecting and preventing errors while work is in progress or before it occurs, collecting and interpreting data, and making data accessible can give businesses a competitive edge. Norm Digital's Ocea'N - Digital Factory - Paperless Factory project aims to:

- Reduce costs and errors with Artificial Intelligence and increase productivity.
- Democratize data.
- Establish a Big Data infrastructure.
- Enable on-site real-time intervention.
- Save time and paper.
- Utilize the SaaS application through the Computing Cloud method for the "From Application to Product" journey.
- Implement measures to reduce paper consumption in production facilities and transition to a digital factory.

The project involves creating a production tracking system that incorporates artificial intelligence and forecasting, storing valuable data in big data technology-compatible infrastructure.

**VINTER – A Recruitment Portal with Cloud Based Artificial Intelligence Solution**

In this project that utilizes a video interview system, candidates will record video responses to prepared questions within the system. What sets it apart from other solutions is the opportunity

- in collaboration with the partner company Bulutistan.
- Norm Digital secured its first sponsorship as the technology-focused design stand at the Supply Chain Conference organized by TAYSAD.
- Participation in national and international technology fairs and participation efforts have been initiated.
- Norm Digital participated as the main sponsor in the World Automotive Conference.
- As part of sustainability efforts, participation in the activities of the Kentimiz İzmir Association was carried out.
- At the IDC European Data and Intelligence Xchange event organized by IDC in Spain, Yağız Furtun, the RPA Manager of Norm Digital, participated as a speaker in the "Creating and Maintaining a Data Culture" panel.
- Erkan Yeniçare, the General Manager of Norm Digital, has taken part as a speaker and moderator in various conferences, panels, and webinars.
- Participation was made in the panel titled "Skills of the Digital Age" organized as part of the "European Union Information Centers Network Project Opening Meeting," which is financed by the European Union and coordinated by TOBB.

- Participation was made in the event "ESİAD Digital Transformation: The Future of Business" in the panel titled "How to Motivate the Board of Directors and the Team?"
- A presentation titled "Robotic Applications in Business Perspective" was delivered at the webinar "The Impact of Robotic Applications on Good Governance."
- Participation was made in the CXO Technology Summit.

**Current Markets and Sectorial Strategy**

Norm Digital is continuing its expansion strategy in Turkey with a focus on the Aegean Region. With a vision of becoming a global company, market and industry research is ongoing in Germany, Poland, Romania, and the USA.

In the software field, the priority is to integrate artificial intelligence-supported solutions into the product and service portfolio, with a focus on the automotive sector. Efforts to expand into various sectors are ongoing.

In the SAP Consulting domain, services are planned to be provided for medium and large-scale manufacturing companies in sectors such as automotive, FMCG, production, technology, and energy, primarily focusing on Private Cloud ERP



it provides to HR departments to manage both CV applications and video interviews under the same program framework, using speech analysis algorithms. Speech analysis algorithms can extract transcripts from the video questions candidates answer and present them as searchable texts to HR departments. The goal is to enable HR departments to access videos related to specific keywords and optimize their decision-making processes.

With its extensive scope and technological infrastructure, the Vinter - Cloud-Based Artificial Intelligence Recruitment Portal stands out from similar solutions. It aims to achieve transparent, reliable, and end-to-end recruitment process management. The portal allows HR departments to save time and facilitates more objective and faster recruitment processes, ultimately optimizing their recruitment management.

#### Field Employee Performance Management System

This project allows for the automatic collection of data from different managers and different systems into a single system, with approval mechanisms that are transparent and free from manual

intervention. The aim is to create a performance system in which errors are minimized, and where coordination between companies or departments is efficiently maintained.

Customizability of performance measurement data allows different companies to determine measurement values according to their own processes. This flexibility enables data sources to be tailored to individual needs. With this project, the goal is to eliminate the need for paper in all stages from data collection to the completion of approval processes. This leads to time savings for all involved, ensures data accuracy, enables reporting, and promotes transparency throughout the entire process, including those who evaluate and approve.

#### N'DigiCard: The Digital Business Card

Our project aims to allow business professionals to create and share their corporate identities with other professionals without the need for any materials or items other than mobile devices. The mobile Digital Business Card application eliminates the use of materials such as paper

or PVC typically required for physical business cards, contributing to resource efficiency and sustainability. In the developed mobile application, business professionals can instantly edit their business cards within the constraints set by the application and share them digitally. The Digital Business Card application provides the opportunity to set up multiple business card profiles and share any of them as needed.

#### Data Analytics and Robotic Process Automation

Norm Digital is implementing its processes with Kofax, UiPath, and Power BI partner applications, conducting research on various RPA applications, and technological developments within the scope of RPA & Hyperautomation activities.

In collaboration with Microsoft, Norm Holding initiated the Revolutio'N program for the development and training of its internal customers. This training program, which allows internal users to design and report their own processes without the need for a developer, was implemented in 2022. By the end of 2022, approximately 110 RPA processes had been put into use, and about 30 processes previously carried out by humans were now managed by Normie.

Norm Digital provides businesses with the most effective results through its dynamic software robot, Normie, freeing employees from repetitive tasks and allowing them to focus on more creative work. "Normie reached 13,500 hours of work in 2022." Norm Holding, with Normie, gained an additional 6,500 hours of workforce per month in the growing organization, reducing report generation time and achieving a 60% cost advantage.

#### Data Analytics

Norm Digital conducted efforts in 2022 related to its existing business intelligence tool and data flow. The primary goal was to reduce the cost and time associated with report generation. As a result of the selection made, Microsoft Power BI, a user-friendly platform that allows everyone to create their own reports, was chosen. The transition to Power BI began alongside the transformation of the company's top management reports,

and usage and support efforts have continued to expand. With the transition to Power BI, business intelligence licenses have decreased by 60%. Additionally, employees were provided with a personalized tool that they can work with according to their permissions and preferences.



# NRM ENGINEERING

In the European market, NRM Engineering has successfully continued its efforts in 2022 with the primary goal of becoming a recognized firm in the field of automation systems, starting with optical measurement quality control devices.

NRM Engineering primarily operates in a 5,000 m<sup>2</sup> area, and its activities are closely aligned with the growth in the fasteners sector. They specialize in robot applications required for automation control systems, artificial vision testing and measurement equipment, one-to-one product control systems, high-pressure aluminum casting lubrication robots, delta, scara, six-axis, and other robotic applications, robotic welding systems, assembly tools, and machine applications.

#### 2022 Activities

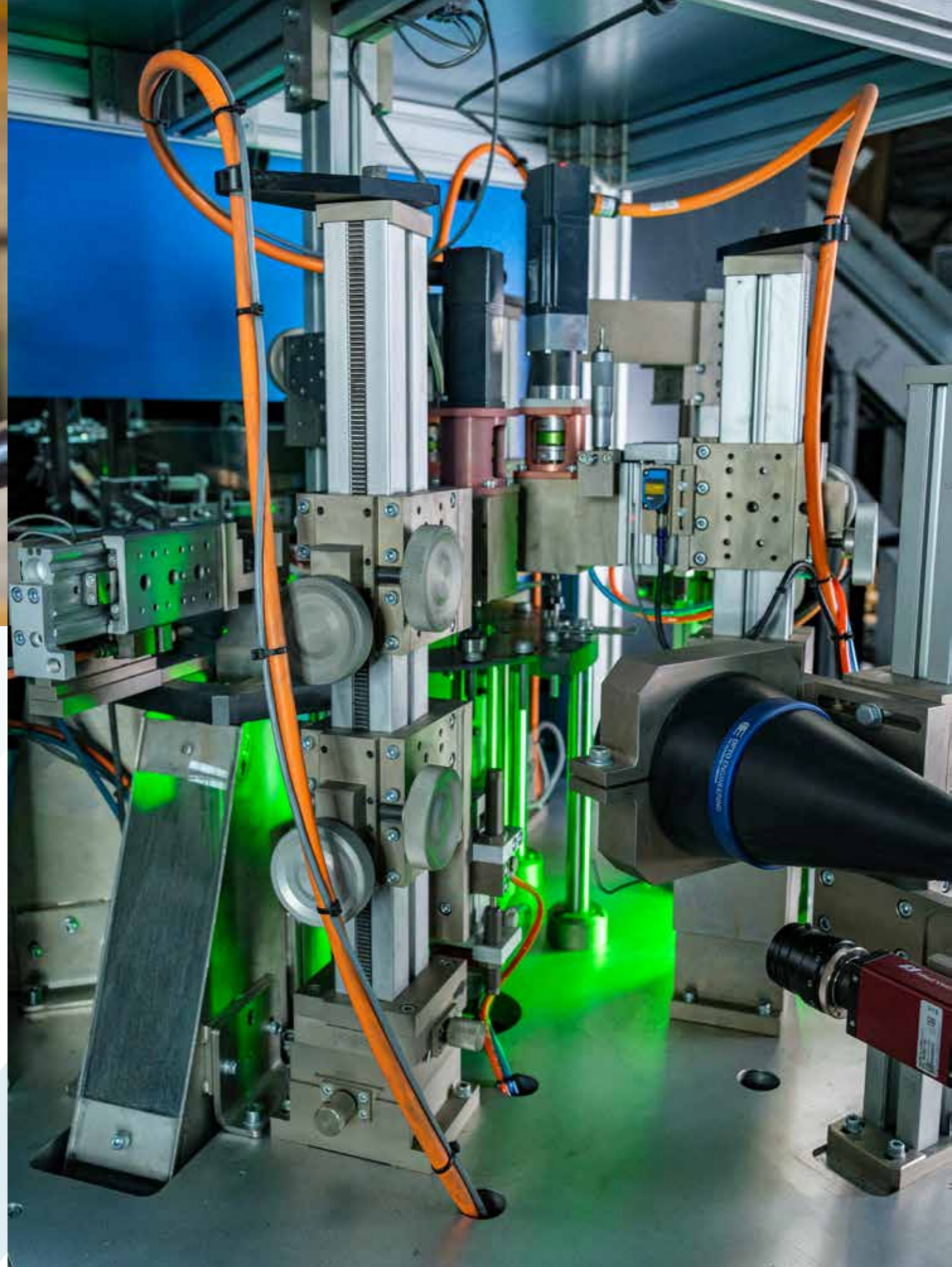
In 2022, NRM Engineering primarily focused on expanding its product range and standardizing its 100% product control machines for the fasteners sector. The following developments took place in

line with these priorities:

- Continued development of optical quality control machines and initiation of new software projects.
- Completion of standardization for the Wolf Optic Inspection Machine and Leopard Bolt Quality Control Machine.
- Renewal of software for the Wolf Optic Inspection Machine.
- Production and standardization of new light systems to enhance error detection sensitivity for Wolf and Leopard.
- Initiation of work on a screw quality control machine.
- Expansion into mold manufacturing for the automotive sector, adding sheet metal molds

# MACHINE AND AUTOMATION





to the existing capabilities such as cutting, bending, and forming molds, previously used for various industries.

- Development of optical machines for the glass part manufacturing sector, which requires high production capacity and one-to-one product control, alongside active usage of optical quality control equipment.

NRM Engineering, which primarily serves Norm Holding subsidiaries, continues its discussions with numerous manufacturing companies in the industry as part of its goal to expand its scope of activities.

#### **Digitalization and Investments**

NRM Engineering is currently working on a system renewal based on Industry 4.0 that will integrate with its existing Canias ERP system, enhance machine efficiency, and allow real-time monitoring of operations. The aim of this renewal is to digitize all workflow processes and enable real-time tracking of products and tasks.

In the upcoming period, NRM Engineering has set its key goals as expanding into foreign markets, particularly the European market, reducing Norm Holding's share in total sales to 30%, and ensuring complete customer satisfaction. In this context, NRM Engineering continues to participate in domestic and international trade fairs to strengthen customer relationships, enhance its post-sales network, increase product diversity, and work with all departments to maintain its primary focus on customer satisfaction.

# NORDES

Nordes Food Industry and Trade Inc., in partnership with Sardes Food Industry and Agricultural Products Trade Import Export Ltd. Şti., began operating on August 12, 2022.

Nordes aims to offer preserved forms of fruits such as strawberries, cherries, sour cherries, plums, grapes, mandarins, grapefruits, and oranges, as well as asparagus, in canned and glass jars to markets including but not limited to EU countries, all of Europe, Japan, Australia, South Korea, and the United States.

Construction of the Nordes factory building began on June 22, 2022, in the Salihli Organized Industrial Zone, with an expected completion date of August 2023.

The Company, where predominantly female employees will be involved, aims to commence production in the third quarter of 2023.

As NORDES GIDA SANAYİ VE TİCARET ANONİM ŞİRKETİ, the brand registration has been approved by the Turkish Patent and Trademark Office and is protected.

# FOOD



# HUMAN RESOURCES

Norm Holding, employees' happiness is the ultimate gain and has been continuously elevating its Human Resources Department to provide a fair and transparent working environment.

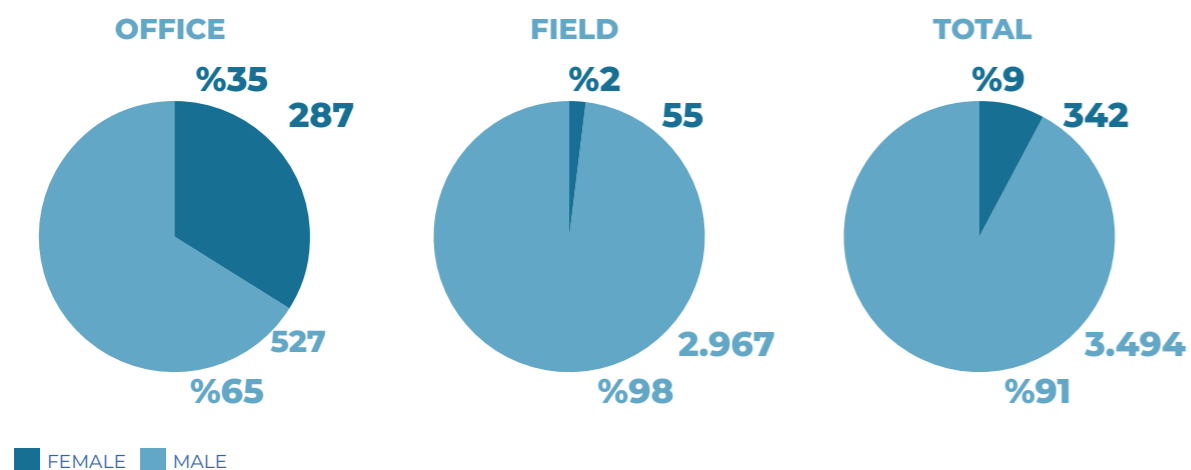
## On the Human Resources

Norm Holding, in line with evolving business methods, revises its current needs schedule while considering the needs of its human resources and develops its strategy accordingly. Norm Holding's working principle focuses on organizing human resources processes on a more qualitative basis day by day, without losing sight of the priority of continuous improvement.

Considering employee psychology, behavior, and needs, Norm Holding follows the processes of adapting the individual to the job and aligning the job with the individual considering contemporary requirements in the context of sectoral transformation. Norm Holding understands protecting employee needs and interests reveals the potential for quality work. In this direction, Norm Holding ensures that employees add value to both the company and themselves.

Norm Holding creates its roadmap with the guidance of technological developments and carries out human resources activities with applications that provide high added value to all stakeholders in the increasingly digitized world day by day.

## The Structure of Organization - Employee Demographics



Generation	Percentage
Generation X	11,0%
Generation Y	80,2%
Generation Z	8,6%
Generation BB	0,2%
<b>Total</b>	<b>100,0%</b>

Age Range	White Collar	Blue Collar	Intern	Total
18-25	82	862	22	966
26-31	263	870	1	1134
32-40	292	870	0	1162
41-50	138	378	0	516
51+	39	42	0	81
<b>Total</b>	<b>814</b>	<b>3022</b>	<b>23</b>	<b>3859</b>

## Norm Holding Human Resources Policy

Norm Holding prioritizes its human values by focusing on its work policy, placing them ahead of corporate interests. The return on this thought process, which places the individual at the center, results in absolute peace and success. Norm Holding, which sets out with the motto "People first," aims to provide the healthiest and most productive environment for its employees to improve their existing talents and creative processes. The importance of organizing, structuring, and rewarding the abilities of employees is well understood by the company. In this process, Norm Holding supports its current employees with development programs and provides internship opportunities for job candidates, both short-term and long-term. The performance power of Norm Holding's employees, their speed in taking initiative, and their crisis management processes are gaining momentum every day in line with this awareness.

Norm Holding offers its work policy, built on a fair ground, to all its employees in all areas of activity with equal care. The management strategy, which makes it a principle to listen to all ideas, suggestions, and opinions of its employees, pursues an inclusive

policy.

## Talent and Competency Management

### Career Planning, Promotion and Backup Process

Norm Holding continues to evolve its talent management processes and organizational strategies in line with the future of work. The company focuses on the following key strategies: identification and acquisition, development and retention, attention, and succession planning. In this context, the Career Planning and Promotion and Succession Planning processes were restructured in 2022 to align with the evolving needs of the business. Norm Holding places a strong emphasis on involving employees in managing all aspects of business development. The company recognizes that an individual's workforce, potential, talent, competencies, and continuity dynamics are foundational to this collaboration.

### Potential Determination Process

Norm Holding's approach to career planning includes the use of objective inventories and assessment center practices to identify employees' potential. After the assessments, the strengths

and areas for improvement are communicated to employees through one-on-one discussions. Both parties collaboratively plan development actions to be tracked throughout the year. In 2022, a total of 415 employees participated in the potential identification process.

#### Talent Management Process

Norm Holding's Talent Management Process is designed to identify and nurture talented employees who can contribute to the company's strategic goals. Employees are assessed based on their performance and potential throughout the year and are placed on the "Performance-Potential Matrix" accordingly. Depending on their positions on the matrix, various actions are taken to support their development.

In addition to individual development, Norm Holding also focuses on succession planning to ensure a sustainable organization. Backup candidates are identified for all management roles, preparing them for future positions. Contingency plans are in place to ensure business continuity in case of any need. Objective criteria are used to evaluate all employees, and the process is conducted transparently.

#### Development Activities

Norm Holding places great emphasis on the skill development processes of its employees, recognizing that system and technology alone do not constitute a competitive advantage in the

industry. In line with this commitment, the Holding is dedicated to strengthening and enhancing the competencies and skills that are of paramount importance in sectoral activities, based on their level of significance. Norm Holding strives to provide its employees with the tools for personal and professional development, equipping them with the competencies and skills necessary for both the present and the future. In the year 2022, a total of 60,328 hours of training were conducted across various educational categories.

#### Educations and Trainings

##### Sustainability Training

In 2022, Norm Holding conducted online "Basic Sustainability Training" to contribute to sustainability goals, enhance employee knowledge, and improve competence in the field. For 2023, the company plans to continue offering online awareness training sessions through its online training platform.

##### Digitalization Strategy and Digital Literacy Training

Norm Holding aims to enable its managers to embrace technological transformation in the changing competitive landscape due to globalization. This includes integrating their teams into digitalization efforts.

##### Revolutio'N Project Training

The Revolutio'N Project focuses on helping employees acquire new skills and use them for data analysis and the creation of dynamic and up-to-date reports. In 2022, "Basic and Advanced Power BI Training" was provided as part of this comprehensive training process. The company plans to continue this initiative in 2023 with RPA (Robotic Process Automation) training

##### Ethics Training

All Norm Holding employees receive training on the "Code of Ethics Procedure" and the "Ethics Hotline" to ensure a culture of respect, honesty, and responsible business relationships. Refreshment training is planned for 2023.

##### Apprenticeship Development Program

For apprentice students, development activities are



planned to support their growth beyond the Ministry of Education (MEB) curriculum. This program also involves the students' families and teachers, expanding the scope of collective development. It includes personal development training, technical training, seminars, project work, technical and cultural trips for students, personal development training, technical training, seminars, and technical trips for teachers, and awareness seminars and parent meetings for students' families.

##### "Sahanın Gücü, Norm'un Gücü" Project

This project, which has been ongoing since 2018, focuses on developing first-level managers by allowing the field to manage itself. Field and team leader candidates receive training in Team Management, Communication, and Relationship Management.

##### Technical and Vocational Training

Norm Holding employees continue to receive technical and vocational training in their respective fields to enhance their skills.

##### Master & Ph.D. & Certificate Programs & Language Educations

Norm Holding supports employees in their individual development by raising awareness of the value it will bring to the organization. This support includes programs for pursuing master's degrees, doctorates, or professional certification programs, as well as improving foreign language skills.

##### Candidate Selection and Leader Development Model

##### Hiring Process

Norm Holding aims to attract high-potential and qualified professionals to the organization through candidate experience-focused, next-generation digital recruitment practices in today's dynamic and competitive business environment.

All recruitment systems and processes were reviewed to conduct the recruitment process end-to-end through digital platforms, and a new-generation recruitment concept was prepared in 2022.

Norm Holding, guided by a human-centric approach, strives to provide a robust experience to all candidates. In line with this commitment, the "Candidate Experience Survey" was introduced in 2022 to gather feedback from candidates about the recruitment processes. The feedback data at every stage contributes to our innovative and effective understanding of the recruitment process.

Results from specially tailored tests and inventory assessments, designed exclusively for Norm Holding, are evaluated in light of current scientific methodologies in the recruitment processes. These applications provide an objective outcome, ranging from the selection of the right position for the right candidate within Norm Holding to the assessment of sustainability in the selection process.







Existing talents are evaluated for open positions using the "Kariyerine Yön Ver" internal job posting system, which enhances the selection process for both candidates and employers. In 2022, 38 internal job postings were published, offering 24 office employees the opportunity for career advancement through internal rotation and enabling them to increase their knowledge and experience.

#### **DigiConnect Online Development Program**

The DigiConnect program, where young talents collaborate with professionals to develop projects and generate new ideas, and where they gain experience in the business world through online learning and development opportunities, has been running since 2020 in two sessions, summer and winter. In 2022, a total of 13 students participated in the program. Those who complete the program are given priority consideration for new graduate programs and open positions within Norm Holding companies.

#### **Youth Talent Acquisition Program**

Norm Holding's young talent acquisition programs include the "DigiConnect Online Development Program," "N'Talent, SAP Academy," high school and university summer and long-term internship programs. Through these programs, young talents have the opportunity to explore their potential, develop their skills, and chart their career paths in various functions within the company. The aim is to ensure the sustainability of human resources

by bringing in highly talented individuals to Norm Holding.

#### **N'Talent Program**

In 2022, the N'Talent Program was launched, allowing 3rd and 4th-year university students or master's degree candidates to gain work experience by working part-time for 2-4 days a week while also being supported through project work and online/classroom development programs under the guidance of mentors. In 2022, 10 young talents participated in the program, and 3 of them joined the organization as full-time employees after successfully completing the program.

#### **The "You Are the Leader" Leadership Development Program**

The new phase of the "Leadership Development Program" began at the end of 2022, aiming to strengthen the leadership skills and strategies of managers who effectively lead their work and human resources and embody the corporate values. Employees who are new to leadership roles participate in the "Leadership Development Program," while those who have previously participated in the program join the "Strategic Leadership Program." A total of 114 managers joined the new phase of the program.

In 2022, the Leadership Development Program was awarded the Silver Prize in the "Best Leadership Development Programs" category at the 2022

Brandon Hall Group Human Resources Excellence Awards. The program utilizes a hybrid training model that encompasses all learning methods from end to end, supporting the development process of managers through one-on-one coaching sessions. In addition to individual coaching, group coaching sessions, digital learning platforms, 360-degree feedback reports, and feedback discussions enrich the development journey. Content is updated annually in alignment with the organization's strategies and objectives.

#### **NorMentor Mentoring Program**

The NorMentor Program, which has been implemented since 2019, aims to help Norm Holding achieve its strategies and goals by leveraging the knowledge and experience of today's managers to develop our employees. The process is based on voluntarism. Managers at the director level and above can apply to be mentors, while senior experts and lower-level employees can apply to be mentees and participate in the process.

In the program that started in 2021 and was completed in 2022, a total of 245 meetings were held, involving 31 mentors and 35 mentees. Special content training sessions were organized for mentees and mentors, and interim assessments were conducted to monitor the program. Program

participants reported that they had improved their questioning and active listening techniques, increased their awareness, and started thinking more about different experiences.

#### **SAP Academy**

The program designed for university or graduate talent aspiring to build a career in the SAP world was launched in 2022 with the participation of 7 young talents. Participants worked as team members in the Norm Digital SAP Module Consultancy departments during their one-year on-the-job training. They also continued their journey of personal and professional development through mentorship programs, project experience, training sessions, and visionary discussions.

#### **Norm Intern Program**

Norm Holding offers internship opportunities as part of the Norm Internship Program for vocational high school students, as well as university students in their 3rd and 4th years or graduate students during the summer and long-term periods. The internship programs aim to provide young talents with the opportunity to work with expert teams within Norm Holding companies, allowing them to explore their areas of interest, enhance their skills, gain experience in project management, and experience the working world. In 2022, 29 high school students





and 53 university students participated in the program. Students who successfully complete the Norm internship program are given priority consideration for new graduate programs and open roles within Norm Holding companies.

#### **Performance Management System**

Norm Holding recognizes that corporate success is closely tied to individual success, and as such, it ensures the participation of all employees in the Performance Management System. After the process, employee performance is evaluated with the aim of increasing individual success.

Norm Holding aims to evaluate the performance of office employees in a fair, transparent, systematic, and measurable manner. To achieve this goal, employees began working with the OKR (Objectives and Key Results) methodology in 2021, which focuses on continuous improvement.

In 2022, the Performance Management System was carried out based on the company's strategic goal schedule through "face-to-face or online meetings between employees and managers" and "year-end performance reviews."

For field employees, the Performance Management System aims to establish a collective and more agile work environment, with continuous improvement

as its focus. During the year-end performance evaluation, employees are assessed through a fair and objective filter, and the relationship between the outcomes of the Performance Management System and talent management is established.

#### **Corporate Culture**

##### **Development Coaches**

The Development Coaching initiative is a project that has been realized through collaboration between the Human Resources department and employees involved in projects within the department. Development Coaches, selected on a voluntary basis, become competent in "Learning and Development Methods" through training. After this training, they actively participate in the preparation and monitoring of "Individual Development Plans" for their team members' career journeys. A team of 40 Development Coaches and the Human Resources team worked together to complete their first term in 2022.

The "Learning and Development Methods Training," conducted with the guidance of a consulting firm, consists of 2 sessions, and covers topics such as "Learning, Learning Styles, Learning Tools, Identifying Development Areas, and Preparing Individual Development Plans." Those who completed the training were included in workshop activities and evaluated by shadow coaches,

ensuring their development was completed with feedback.

##### **OKR Coaches**

Norm Holding has taken a transparent approach to involve employees in shaping the company's future goals through OKR (Objectives and Key Results) Coaches. These coaches, consisting of employees, provide support to all company members and play a guiding role in setting goals. To spread cultural transformation from end to end, the OKR Coaches team was formed at the beginning of 2022 based on applications from all departments within Norm Holding. The team's efforts aim to disseminate the company's strategy and objectives to all employees, ensuring continuous feedback and real-time performance tracking. The transition to a digital platform that allows for real-time action alignment, guided by feedback, has been completed.

Training sessions on effective OKR writing, platform usage, and one-on-one meetings were conducted with the guidance of OKR Coaches. Subsequently, OKR Coaches assisted in the cascading of objectives across departments, achieving alignment between managers and employees, and ensuring overall alignment.

Throughout the year, OKR Coaches played an active role in setting goals, conducting one-on-one meetings, and year-end performance evaluations, contributing to the strengthening of a performance-driven culture. In future performance periods, the inclusion of willing OKR Coaches in the system is planned to promote continuous improvement.

##### **Employee Engagement**

Under the leadership of the Human Resources department, Norm Holding conducts an "Employee Opinion Survey" every two years on behalf of the company by an independent research firm. This survey, which measures the employee experience, significantly accelerates the process of moving towards excellence and analyzing company performance. Norm Holding is evaluated by employees in factors such as agility, talent focus, engaged leadership, commitment, and satisfaction. After identifying the company's

strengths and areas for improvement in the survey results, the HR department reports them to senior management and then communicates them to all employees through meetings. In 2021, because of the "Employee Opinion Survey" conducted in all subsidiary companies, three companies under Norm Holding (Norm Tooling, Norm Coating, and Norm Fasteners Vida) received the "Best Workplace in Turkey Award" under the "Kincentric Turkey Best Employers Program."

In addition to the measurement process, focus group discussions are conducted to gather expectations and requests. The belief that employee engagement and satisfaction are integral to sustainable success leads to the setting of targets for leaders in the performance system, making them a priority among their responsibilities.

In 2022, as part of our sustainability efforts, an additional parental leave policy called "Legal Paternity Leave" was introduced to support equal opportunities, allowing Norm fathers to spend more time with their newborns during the early days, actively participate in the care and development of the baby, and share parenting responsibilities.

To guide mothers on working conditions during pregnancy, childbirth, and breastfeeding, as well as pre- and post-natal leave practices and legal rights, a procedure was prepared and published in 2022.

# SUSTAINABILITY MANAGEMENT

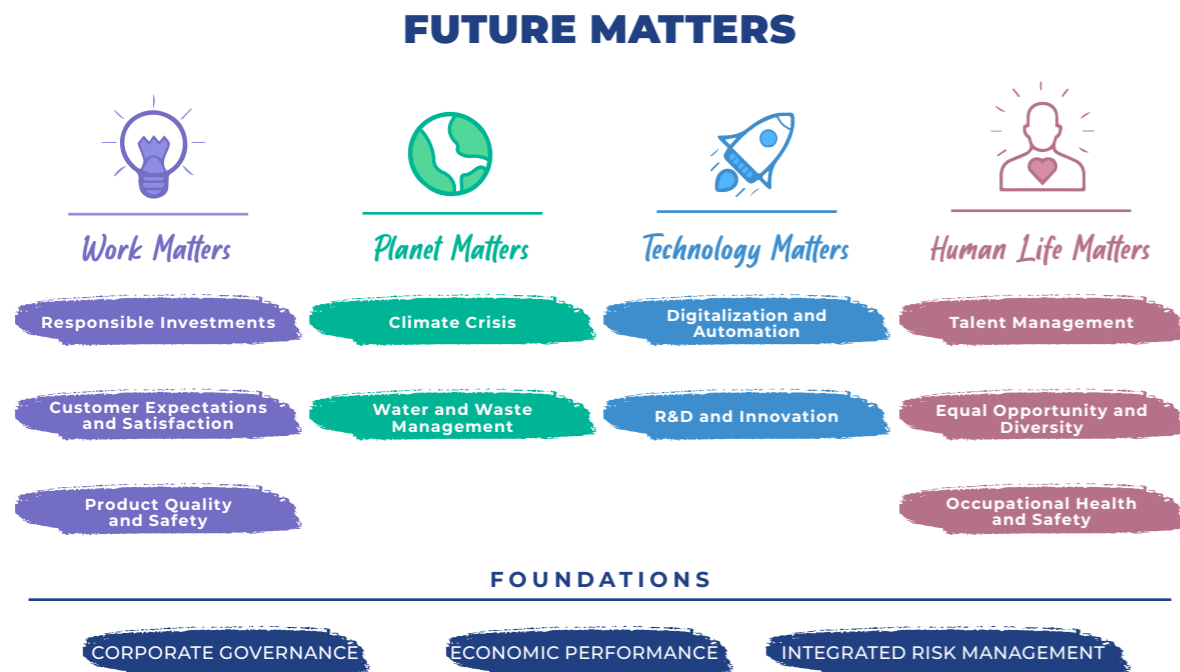
**Norm Holding reorganizes all its business practices to leave more livable world for future generations.**

**Norm Holding and Sustainability: Future Matters**

Norm Holding has built its sustainability approach under the banner of "Future Matters" based on three fundamental principles: Corporate governance, economic performance, and integrated risk management.

The company has integrated principles such as "equality," "transparency," "accountability," and "responsibility" into its core values, which are also fundamental concepts of corporate governance and ethical business practices. Norm Holding

has blended economic performance, which will enable a more equitable and inclusive platform for our common future, with a sense of responsibility towards people and the environment. They have organized this performance in a way that supports their financial goals while prioritizing climate actions to protect the planet and its resources. As a result of this organization, Norm Holding has restructured integrated risk management with a corporate perspective, managing the process in a proactive, systematic, and continuous manner.



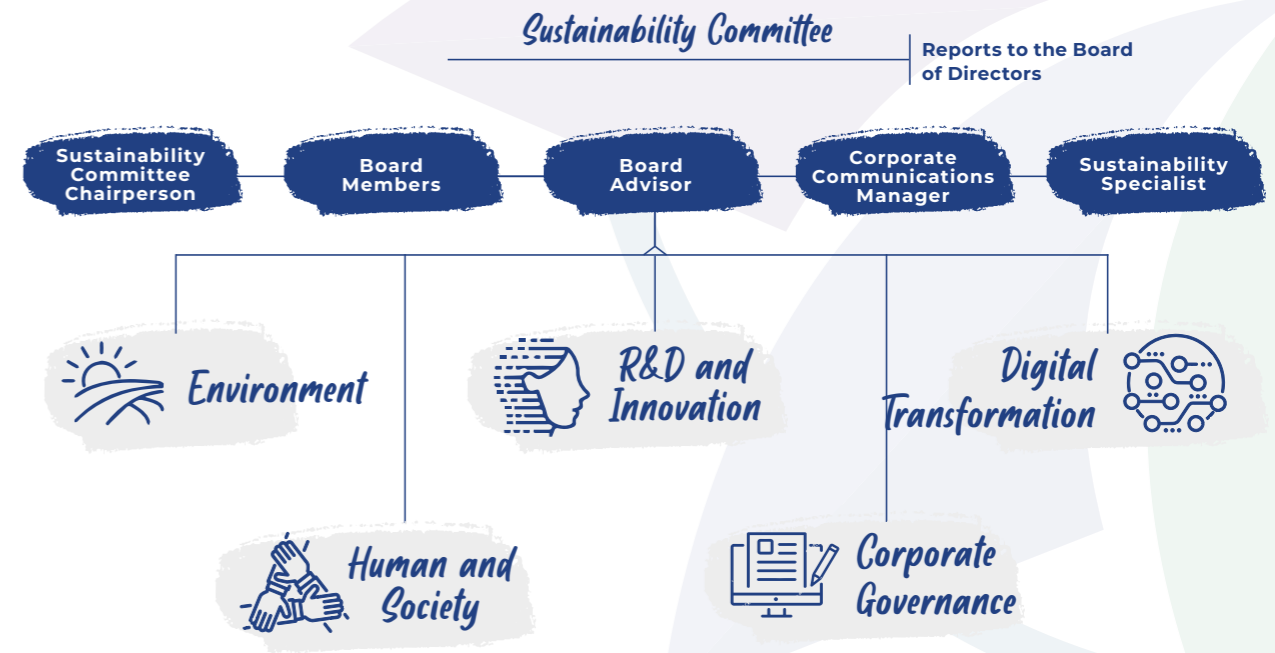
**Sustainability Management**

Norm Holding and its affiliated companies have entrusted the responsibility for sustainability efforts to the Sustainability Committee. The committee is responsible for continuously monitoring national and international developments in sustainability and being actively engaged in an ever-updated knowledge platform. Following this work, the committee identifies the areas of focus within the field of sustainability and formulates the sustainability strategy, short-term, medium-term, and long-term objectives, roadmaps, and policies. Subsequently, it measures the sustainability performance in social, environmental, economic, and governance areas and is responsible for

preparing and implementing projects to improve current performance. The committee also plans and conducts training related to the dissemination of sustainability and its integration into the Norm Holding culture.

The coordination of the Sustainability Committee is managed by a "Sustainability Specialist," and the committee includes at least 3 members selected from the Board of Directors and Board of Directors advisors. In necessary cases, non-Board of Directors members of Norm Holding executives, professional managers from relevant departments of Norm Holding and its affiliated companies, and experts in the field, although not employed by Norm Holding,

**NORM SUSTAINABILITY COMMITTEE AND SUB-WORKING GROUPS STRUCTURE**



can temporarily serve on the committee.

To enhance the effectiveness of its work, the committee has formed a working group. This group comprises 5 different departments within Norm Holding, including Research and Development (R&D) and Innovation, Environment, Digital Transformation, People and Society, and Corporate Governance. The committee oversees the focus and action plans of this group. The working groups are responsible for "submitting project proposals," "sharing the knowledge they acquire with all employees," "committing to carrying out projects and best practices after ensuring their dissemination," and "monitoring alignment between business units."

In 2022, the Sustainability Committee at Norm Holding conducted the following activities:

- The committee held 25 meetings throughout the year, and members maintained communication as needed outside of meetings.
- Norm Holding 2021 Sustainability Report was prepared.
- Carbon footprint measurements were initiated for the first time in Norm Holding and its affiliated companies, with leadership provided throughout the process.
- The CEO commitment statement for the United Nations Global Compact (UNGC) Communication on Progress (CoP) was prepared and uploaded to the UNGC website.
- The committee chairperson, Duygu UYSAL SİMROOĞLU, and committee member Ceyhan ARAZ participated in the 10th Ordinary General Assembly Meeting of UNGC Turkey.
- Participated in the UNGC Climate Ambition Accelerator program.
- Participated in the UNGC "Diversity and Inclusion Workshop."
- Norm Holding applied for the TAİDER Northern Star Program, answered questionnaires, and received the Northern Star Award after on-site evaluations by TAİDER.
- Key Performance Indicators (KPIs) were determined for Holding Sustainability Goals and sustainability performance tracking. The dissemination to business units and functions will be worked on in 2023.
- The committee chairperson participated in events such as HR Communicators, EĞİAD Sustainability Summit for the Future, Turkish Exporters Assembly, TİM Aegean Region Sustainable Export Mobilization Training Program.
- Participated as a speaker in the Supplier Panel at Ford Otosan's BIG event.
- Sharing sessions on sustainability practices were conducted with customers (e.g., Tusaş, BSH, and Ford Otosan).
- Ethical, social compliance, and environmental audits were carried out by customers including BSH, Arçelik, Ford, and ZF.
- Workgroup launches were conducted, and job descriptions and annual work plans were established. Information was transferred to the groups through workshops in November and meetings throughout December.
- A total of 8 hours of training on sustainability were provided.
- Sustainability was added to the onboarding orientation process.
- The Sustainability section was included in the Customer Satisfaction Survey.
- Special events for equality and inclusivity were organized on occasions such as International Women's Day (March 8th), Mother's Day, and Father's Day. On World Cleanup Day (September 17th

## Work Matters



Norm Holding, with its business philosophy of "Work Matters," aims to increase product safety and quality while reducing input-related emissions to support supplier development and enhance customer satisfaction. Additionally, the company seeks to achieve operational excellence and efficiency, evaluate all investments in terms of Environmental, Social, and Governance (ESG), and convey its ethical business approach to stakeholders through compliance reports with corporate governance principles.

Particularly in the automotive sector, Norm Holding is working on reducing its carbon footprint by focusing on lightweighting and fasteners, in line with the increasing trends of

electrification and vehicle lightweighting. They contribute to the global ESG efforts by supporting the extension of range in vehicles with their patented product "Hexlight," which has become a global phenomenon in the quest for "less carbon emissions."

Under the "Work Matters" business philosophy, Norm Holding has programmed sustainability management from end to end in the supply chain for 2023. They have also published their "Responsible Procurement Policy," which involves the assessment and development of suppliers in sustainability matters.

## Planet Matters

With the emergence of the ESG, the number of practices such as socially responsible investing, responsible investment funds, sustainability investment instruments, and sustainability indices has been increasing. Norm Holding, with its awareness of environmental issues and its business philosophy of "Planet Matters", is actively focusing on environmental issues.

Environmental pollution, climate change, and the threat of global warming are prompting investors to be more effective in sustainability. Norm Holding, acting with a sense of responsibility, actively participates in environmental efforts. The company is committed to actively participating in the common fight against climate change and aims to reduce its carbon footprint emissions, accelerate energy efficiency efforts, protect freshwater resources, and implement waste management more effectively.

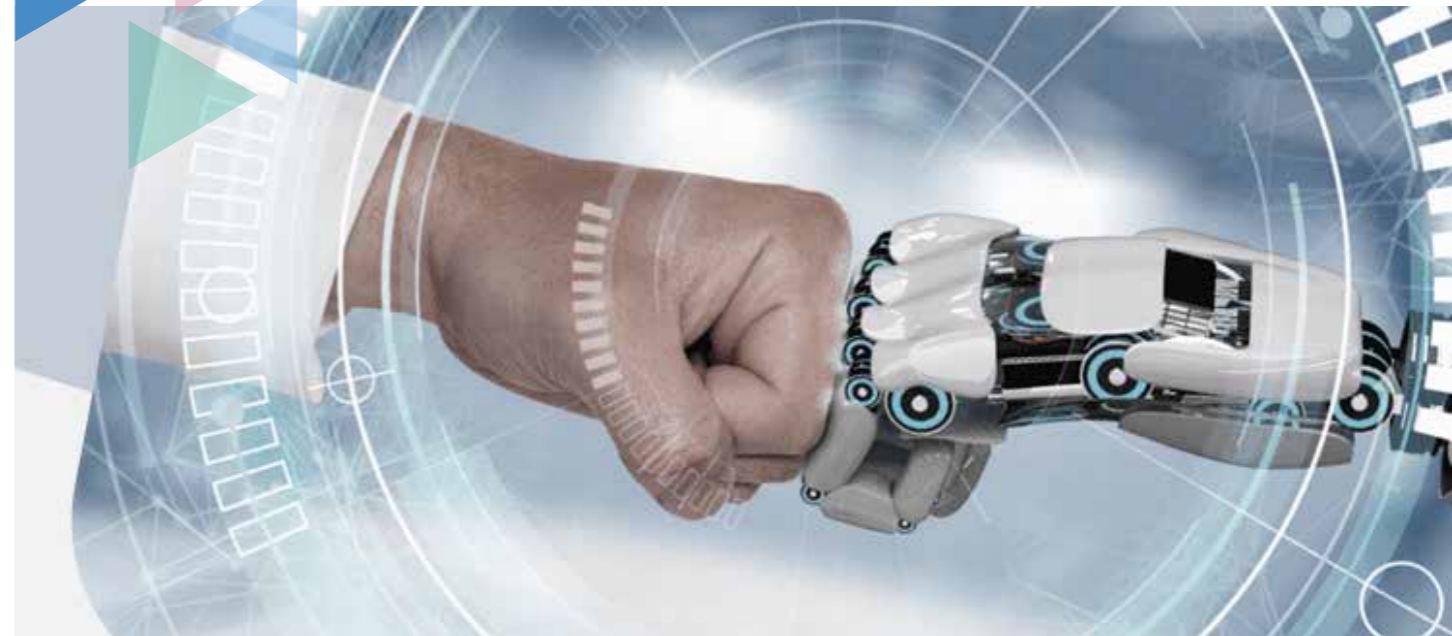
In 2022, Norm Holding invested 4 million euros in "production line renewal," "energy efficiency,"

and "renewable energy" for a "Climate-Neutral" future. With the completion of the solar energy plant investments, more than 3 million KWH of renewable energy were generated in 2022. Currently, Norm Holding has an installed capacity of 3.9 MW GES (Wind Energy Power Plant) in Izmir and Salihli. For 2023, they plan to invest in 30.6 MW GES and 7 MW RES (Renewable Energy System).

Heat recovery from waste heat and recycling of heat in the thermal process line ensure the heating of a total of 55,000 m<sup>2</sup> of space. Norm Holding conducts carbon footprint measurements, reduces emissions and fossil fuel consumption, and develops a decarbonization map based on energy efficiency. They implement waste management and strive to reduce waste at its source, adhering to the principle of "Zero Waste." The company continues its efforts to add new companies to its list of those that have acquired the "Zero Waste Certificate."



## Technology Matters



Norm Holding conducts Research and Development (R&D) and Innovation activities with a focus on the business philosophy of "Technology Matters" with the aim of enabling its stakeholders to access more efficient and durable products as a result. In line with this goal, the company aims to become a facilitator for the transition to a low-carbon economy, continuously improving and digitizing its technology to align with the global market.

Norm Holding has seen a 37% increase in the number of employees in its R&D, Innovation, and

Digitization departments in 2022 compared to the previous year, with the establishment of Norm Digital.

The company has delegated repetitive and low-value-added tasks to the RPA robot Normie, resulting in a gain of 3,500 hours of additional labor per month in 2021 and 6,500 hours per month in 2022, while reducing costs by 60%.

# Human Life Matters



Norm Holding has set the goal of achieving and documenting the "Zero Work Accidents" target in all areas of its operations and has built its "Human Life Matters" business philosophy on this foundation. The company has grounded the corporate loyalty of all its employees on an objective basis and has taken on the mission of enhancing the abilities and competencies of its employees in line with the future's needs to create an inclusive and equitable opportunity environment for everyone.

Recognizing the value that knowledge adds to individuals, Norm Holding has taken pioneering steps in the field of education by integrating it into the "Value to People" business philosophy. With the establishment of the "Private İAOSB Nedim Uysal Vocational and Technical Anatolian High School"

in 2014, the company aims to train the technical talents of the future. The education provided is expected to produce competent employees in the fields of industrial automation, electrical-electronics, and mechanical technologies, both in the Aegean Region and nationwide.

Norm Holding's activities in the education sector extend beyond this, as it has established apprentice training centers in Izmir in 2007 and Salihli in 2015 with the aim of producing qualified workforce for the industry and providing young people with vocational skills. To date, a total of 162 students have graduated from these centers, and 97 of them are currently working within the Norm Holding.

# Norm Holding 2022 Sustainability Workshop

Norm Holding convened its Board of Directors, senior executives, and sustainability ambassadors in a workshop held as part of our overarching strategy, one of our top priorities being "Sustainability." This event took place on November 22, 2022, at the Best Western Hotel, where we assessed the work we conducted in 2021 and discussed our goals for the upcoming period. The workshop, led by our Sustainability Committee and leaders, aimed to facilitate mutual understanding among working groups and make sustainability more comprehensible and internalized by employees.

approach and objectives. Following this, a workshop was conducted where each working group prioritized one action for the company to focus on in the upcoming year. Each action was voted on by all participants. Approximately 100 people participated in our workshop, which made a significant contribution to our sustainability ambassadors' ownership of the holding's goals. Additionally, the top management and our ambassadors had the opportunity to present their projects during this event.

During the workshop, a presentation was delivered to our employees to share our company's sustainability



# OCCUPATIONAL HEALTH AND SAFETY / ENVIRONMENT MANAGEMENT / QUALITY MANAGEMENT SYSTEM

## On the Occupational Health and Safety Management Approach

Norm Holding is conducting work towards achieving its goal of zero workplace accidents by not only complying with legal regulations but also by adopting it as part of its corporate culture. The principle of "Safety First" ensures that the health and safety of all employees and stakeholders are a top priority.

Starting from the beginning of 2022, the Occupational Health and Safety efforts have been centralized, and in December, the "Management Systems Directorate" was established, which includes sustainability activities, to be coordinated across all companies.

To disseminate best practices within Norm Holding companies and analyze risks in multiple perspectives on the field, cross-factory visits have been systematically carried out with the participation of occupational health and safety experts and safety officers. As a result of these visits, action plans are created, identifying high-risk areas and prioritizing issues that require immediate attention to ensure that necessary actions are taken on-site.

Over the past three years, accidents that have occurred across the Holding have been examined, and detailed accident analyses have been conducted. Based on the data obtained from these analyses, the most frequently encountered types of accidents and their causes have been identified, leading to the development of a 16-point general action list. These activities from the action list are being implemented across all companies.

As part of the efforts initiated to achieve the certification of the TS 45001 "Occupational Health

and Safety Management System" within the Holding companies, the certification renewal for the Norm Fasteners Civata İzmir facility and the initial certification for the Norm Coating İzmir facilities have been completed. Certification processes for other companies will be completed in 2023.

In 2022, the accident frequency rate improved by 35% compared to the previous year, reaching 2.1, and the accident severity rate also improved by 13% compared to the previous year, resulting in a rate of 41.6.

For the year 2023, the goal for reducing accident frequency and severity has been set at 15% for all business units.

Norm Holding recognizes the significant role that education plays in increasing awareness of occupational health and safety, avoiding hazardous actions, and fostering a safety culture to achieve the goal of zero workplace accidents. Therefore, they regularly provide essential occupational health and safety, emergency response, point-specific, and instructional training both in-person and remotely. In 2022, a total of 42,654 hours of training were conducted, with 23,152 hours conducted in person and 19,502 hours conducted remotely.

To ensure the safer use of machinery and equipment in factory and warehouse areas, periodic inspections are carried out, and improvement actions are identified, followed by systematic monitoring. In 2022, a total of 2,402 machines/equipment underwent periodic inspections.

Emergency plans for scenarios such as fires, earthquakes, floods, etc., have been developed, considering factors like the geographical location of

the facilities, production methods, and the number of employees, which could impact emergency situations. A total of 1,157 hours of training were provided to emergency response teams, and 17 emergency drills were conducted at the facilities to ensure the correct implementation of emergency plans.

## On the Environment Management Approach

As of the beginning of 2022, Norm Holding established the Directorate of Management Systems and Sustainability, centralizing environmental efforts and coordinating them across all companies. The goal is to comply with local regulations coming from the Holding and achieve a zero penalty target by monitoring environmental regulations with the help of three environmental experts and a consulting firm.

To ensure compliance with regulations, internal audits are conducted annually through a consulting

firm to assess compliance in all factories. In 2022, these audits were carried out, and all production factories within the Holding submitted permit applications, Environmental Impact Assessment (ÇED) applications, waste declarations, and Environmental Management and Auditing System (GEKAP) notifications within the legal timeframes. In the 2022 reporting period, no penalties were incurred due to non-compliance with environmental regulations.

Work related to the requirements of the zero waste regulation has been completed, and efforts have been made to raise awareness about zero waste among all employees through assigned training on the online education platform.

In 2020, the documentation process was transformed into QDMS. As of 2021, the transformation was completed in the factories located in İzmir and Salihli, and subsequently the required trainings were





provided.

Norm Holding has initiated the Environmental Impact Assessment (ÇED) processes for new investments with three separate files covering different processes. Inspections have been completed, and ÇED opinions have been obtained. The ÇED processes for GES Tarlası investments were initiated in 2022 and are still ongoing.

Among Norm Holding's factories subject to environmental permits for emissions, all facilities have measured values for parameters such as "CO, SO<sub>2</sub>, NO<sub>x</sub>, TOC, VOC" below the legal emission limits based on accredited laboratory-emission analysis reports conducted within the stipulated legal timeframes.

Sustainability efforts, carbon footprint studies, and the widespread implementation of "ISO 14001" and "ISO 50001" management systems across all companies are among the goals in environmental processes. This includes efforts for energy conservation, waste minimization, and reducing the carbon footprint. In 2022, Norm Coating İzmir facilities received certification in this regard.

#### Performed activities in scope of ISO 14001 and ISO 50001 in 2022

Norm Fasteners Civata factory conducts internal audits once a year, following the audit management procedure. Audit questions have been transferred to the QDMS (Quality Document Management System), creating a digital infrastructure that

enables automatic reporting, facilitates audits, and allows for audit reporting via phone during the audit process. The goal is to expand these audits starting from the year 2023.

The effectiveness and continuity of management systems are ensured through regular audits by independent organizations with international accreditation and periodic internal system audits. In 2022, the audits were completed in our factory areas. Audits conducted in three of our factories (Norm Coating 1, Norm Coating 2, and Norm Fasteners Civata) within the scope of ISO 14001, ISO 45001, and ISO 50001 were successfully completed with zero non-compliance issues.

In compliance with local regulations, energy consumption data is transmitted to the relevant departments within the legal timeframes by personnel holding Energy Manager Certificates. To be prepared for and meet legal obligations, training initiatives have been organized to increase the number of energy managers. Following the completion of these training programs, three new energy manager certificates have been obtained by employees.

Improvement efforts have been made in the wastewater treatment system, and best practice examples within the company have been disseminated. In 2022, two new Dissolved Air Flotation (DAF) facilities were put into operation, and the wastewater treatment plant at the "Norm Coating İzmir" facility was renewed.

#### On the Quality Management Approach

In 2022, there was a 48% increase in customer audits compared to 2021, as Covid-19 cases decreased. Norm Holding hosted many domestic and international customers at its İzmir and Salihli factories during the year.

At the beginning of 2022, the Directorate of Management Systems and Sustainability was established, and internal and external audits related to management systems, sustainability, social compliance, and more were coordinated. Cross-internal audits involving the participation of internal auditors were systematically implemented with the aim of disseminating best practices within the companies and analyzing deficiencies in the field. Action plans are created based on the results of these cross-internal audits to identify high-risk areas and prioritize issues that require attention, ensuring that necessary actions are taken.

To systematically track the non-conformities identified during cross-internal audits, the QDMS action module is utilized. In 2022, a total of 294 internal audits were conducted as part of these efforts.

In 2022, a total of 19 standard audits were conducted, including CE and TSE certifications, IATF 16949, and ISO 9001 certification audits. Out of these standard audits, 18 non-conformities were identified and managed in collaboration with process owners. Additionally, 41 customer audits were carried out during the year.

In 2021, there were 6 audits (covering 11 factories) with a total of 31.5 audit days for IATF certification.

In 2022, there were 7 audits (covering 13 factories) completed in a total of 32 days. The increase in the number of factories undergoing IATF audits compared to the previous year is due to the inclusion of Norm Coating Salihli Factory.

The Quality Management System (QMS) team ensures the continuity of the quality management system by providing information to new office and field employees about standard and basic tools. Internal and external training, change management, and internal communications are regularly communicated to employees.

As of 2022, monthly productivity meetings held in factories have been consolidated and expanded on a departmental basis. This includes establishing meeting calendars, defining presentation content, and preparing presentations on time with the support of process owners.

Starting in 2020, the documentation process began to be transferred to the QDMS program. By 2021, the migration processes were completed in İzmir and Salihli factories, and training on program usage was provided to all employees. In 2022, in addition to the documentation module, the audit module and action module were used for internal audits and non-conformity management through the QDMS system.





# CONTRIBUTION TO SOCIETY

Norm Holding works to enhance the community's vision and build a brighter future by contributing to society in areas such as quality education, culture, and the arts. When determining its social investment strategies, Norm Holding focuses on common issues that align with its values and strategy, both in Turkey and globally. The company aims to amplify the value it creates by supporting social projects that benefit the regions it operates in. Norm Holding also makes investments to support local socio-economic development in the areas where it operates.

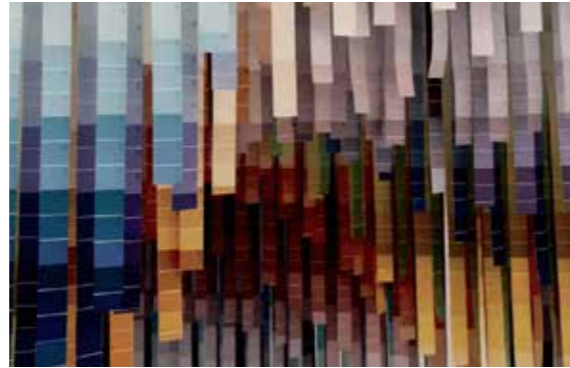


## Private İzmir Atatürk Organized Industry Region Nedim Uysal Vocational and Technical Anatolian High School

Due to the support it provided to the educational process of the school, in 2014, the name of Norm Holding Founder and Honorary Chairman Nedim Uysal was given by the İAOSB Management, and the "Private İAOSB Nedim Uysal Vocational and Technical Anatolian High School" was established. Engineering candidates who will shape industrial development study with full scholarships in technology-equipped workshops, laboratories, and fully equipped

## Norm Sanat

Norm Sanat has been operating in the Atatürk Organized Industrial Zone since 2003. Over the years, it has hosted more than 150 exhibitions, demonstrating its support and appreciation for art and artists. Norm Sanat also organizes courses for adults who wish to have an education in art and provides technical and practical training with its instructors.



classrooms for 24 people. The aim of the education provided is to train competent employees in the fields of industrial automation, electrical and electronic, and mechanical technologies, both in the Aegean Region and nationwide. Norm Holding believes that education starts from within and organizes training and seminars on gender equality, equal opportunities, and climate change in holding and affiliated companies. Thereby, they continue to contribute value to the future as a community with high social awareness.



## Norm Vocational Training Center

Norm Holding has established vocational training centers in İzmir in 2007 and Salihli in 2015 with the aim of producing qualified workforce for the industry and providing vocational skills to young people who, for various reasons, cannot continue their education. Up to now, a total of 186 students



## Supporting education together with Turkish Education Foundation

Norm Holding was one of the main supporters of the concert featuring Şevval Sam, organized by the Turkish Education Foundation (TEV), one of Turkey's most important civil society organizations in the field of education, on TEV's 55th anniversary. The



have graduated from these centers, and 109 of them continue to work within the Norm Holding. In 2022, a total of 141 students are enrolled in these centers, and their development is closely monitored. In addition to the existing curriculum, supplementary programs in technical and personal development areas are provided to contribute to their growth.



concert took place on June 22nd, Wednesday, at the Çeşme Amphitheatre and all revenue from the concert were utilized for the education of children and young people. Norm Holding takes great pride in contributing to a better education for future generations through this meaningful occasion.

**Norm Holding A.Ş.**

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