

Welcome to your CDP Water Security Questionnaire 2023

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

ASELSAN is the face of technology in Türkiye for decades and an inspiration for the manufacture of electrical /electronic equipment since its establishment in 1975.

ASELSAN's vision is being a national technology company that maintains its sustainable growth by creating value in the global market; preferred due to its competitiveness, trusted as a strategic partner, and caring for the environment and people.

Today ASELSAN is a world class brand in expanding systematically into the local and global markets, with more than 10,000 employees. ASELSAN has become a high technology, multi-product defense electronics company by introducing state-of-the-art equipment and systems solutions for both military and professional applications in 3 continents over 84 countries.

ASELSAN is a technology provider not only for the military but for the life and the environment. Beside defense technologies, ASELSAN has a wide range of scope in the technology areas such as public safety, transportation, health, energy and automation systems, communication and high-end agricultural technologies. In addition to contributions to the national technological needs in line with the mission, ASELSAN also creates value for its customers and partners with its exports.

ASELSAN operates under five business sectors:

- Communications and Information Technologies Business Sector (HBT): Tactical Radios, Tactical Area Communication Systems, Avionic, Satellite and Naval Communication Systems, Public Safety Communication Systems
- Radar, Electronic Warfare Business Sector (REHIS): Radar Systems, Electronic Warfare Self Protection Systems, Electronic Warfare Intelligence and Attack Programs
- Defense Systems Technologies Business Sector (SST): Weapon Systems, Command Control (C4ISR) Systems, Naval Combat Systems, Air and Missile Defense
- Microelectronics, Guidance & Electro-Optics Business Sector (MGEO): Electro-Optic Systems, Guidance & Unmanned Systems, Avionic Systems, Microelectronics
- Transportation, Security, Energy, Automation & Healthcare Systems Business Sector: Transportation Systems, Security Systems, Traffic and Automation Systems, Energy Systems, Homeland Security Systems, Healthcare Systems (UGES).

ASELSAN maintains engineering operations in Ankara, production and engineering operations in Macunköy, Akyurt ,Gölbaşı and Temelli. Headquarters are located in Ankara Macunköy. Some management offices are located in Istanbul Teknopark.

The Macunköy Facility was established over a total area of 186,848 m2. ASELSAN's headquarters are located in Macunköy Facility as well as Communications and Information Technologies Business Sector and Defense System Technologies Business Sector and Transportation, Security Energy Automation and Healthcare Business Sector. The Akyurt Facility was established on a total area of 635,309 m2. The Microelectronics Guidance and Electro-Optic Business Sector is located in the ASELSAN Akyurt Facility. The Gölbaşı Facility was established in the Gölbaşı district of Ankara, and houses production plants for radar and electronic warfare systems for land, air, sea, space and unmanned platforms. This Facility was established on a total area of 665,802 m2. Teknokent (ODTU- Titanium) offices and Akyurt 2 facility were included in the boundaries in 2020. In the reporting year, Temelli offices were included into the boundaries.

Decreasing carbon emission is the most important strategic goal for ASELSAN. We were entitled to receive the bronze award in 2022 with our "Climate Change Management" at the UK-based The Green Awards, which is shown among the most prestigious competitions by environmental authorities all over the world. Likewise, our climate change management was awarded the silver award from the USA-based The Stevie Awards.

The GHG reporting boundaries mapping was achieved in 2021. In April 2022, ISO 14064:2018 GHG Management Systems transition was carried out successfully.

In line with our country's 2053 net zero emission target and green development policy; studies and councils are organized in order to determine short, medium and long-term sector targets, to contribute to the legislation to be developed on climate change, to determine the policies for the sectors and responsible institutions, and to create a road-map that includes the priority actions of the institutions. ASELSAN takes an active role in this study, where a road-map for Türkiye's climate change will be drawn. In work-groups as a representative of their own workspace, the company works in partnership with the Ministry.

As a result of corporate governance rating activities carried out by an independent rating agency, SAHA in 2022, ASELSAN revised its score to 9.34 on 09.12.2022.

ASELSAN made 8,142 million TRY of external R&D expenditures in 2022 that 207 Patent Applications were made and 63 Registration Certificates were obtained.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

| | Start date | End date |
|----------------|-----------------|-------------------|
| Reporting year | January 1, 2022 | December 31, 2022 |

W0.3

(W0.3) Select the countries/areas in which you operate.

Turkey

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

TRY

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

| Indicate whether you are able to provide a unique identifier for your organization. | Provide your unique identifier |
|---|--------------------------------|
| Yes, an ISIN code | TREASLS00018 |
| Yes, a Ticker symbol | ASELS |

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

| | Direct use importance rating | Indirect use importance rating | Please explain |
|---|------------------------------|--------------------------------|--|
| Sufficient amounts of good quality freshwater available for use | Important | Important | Access to sufficient volumes and good quality water is required in direct or indirect operations, the operations are not water intensive. The direct use of water in our facilities' offices, laboratories, printed circuit board manufacturing area, cafeteria services and green areas covers operational and maintenance activities for cooling, heating, |

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| | | | <p>laboratory tests and cleaning/ hygiene purposes. In the short term, reducing water usage during these services is in our business plans. For current conditions, the efficient use of water has importance for indirect activities performed by our suppliers. Due to our risk assessments, the water efficiency is in their concern base on water management principles. So, there is a need to understand the relevant water aspects and volumetric data for indirect uses. The water related data collection process from our supply chain is in place, and it is in the improvement phase.</p> <p>Reducing water usage by monitoring water quantity and quality is always in our concern during our activities. In the short term ISO 14046 certification process will be included in our business plan.</p> |
| Sufficient amounts of recycled, brackish and/or produced water available for use | Important | Important | <p>For our facilities reducing water stress risk and ensuring adequate water for all needs are important. For current conditions, there is no any urgent need for recycled or produced water both for direct and indirect use. But the company has been started to collect rain water. In the med-term; quality and quantity of water may be affected by pollution or salinity, which may increase the need for recycled water.</p> <p>For this reason, we prefer to use water efficiently in our activities. In the med- term, the recovery of wastewater through water management will be in our activity plan. For this purpose, the feasibility work for the recycle/reuse of the waste water has a great importance in the domestic treatment plants. The efficiency monitoring of the treatment plants is always in place.</p> |

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

| | % of sites/facilities/operations | Frequency of measurement | Method of measurement | Please explain |
|-----------------------------------|----------------------------------|--------------------------|------------------------|---|
| Water withdrawals – total volumes | 100% | Daily | Direct measurement and | 100% of the organization's facilities are regularly |

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|---------------------------------------|------|-------|---|---|
| | | | <p>monitoring. The data is always collected from facilities's master counter meters.</p> | <p>measured for each of the defined aspects; 8% of it represents various offices located in İstanbul and in Ankara Campuses that fall outside of our control boundary. The main facilities: Macunköy, Akyurt(I&II), Gölbaşı and Temelli are into our control boundaries. In all facilities & offices 100% of water used is withdrawn from municipal supply system; ASKI (Ankara Municipality Waterworks) & ISKI (İstanbul Municipality Waterworks). The water taken by tanker as 3 rd party, is used for irrigation purposes, in case of any requirement. Total Volumes are cross-checked by bills. The data is entered monthly into a corporate database, to evaluate consumption trends and reduction target.</p> |
| Water withdrawals – volumes by source | 100% | Daily | <p>Direct measurement and monitoring. The data is always collected from facilities's master</p> | <p>100% of the organization's facilities are regularly measured for each of the defined aspects; 8% of it represents various offices located in İstanbul and in Ankara Campuses that fall outside of our</p> |

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| | | | counter meters. | control boundary. The main facilities: Macunköy, Akyurt(I&II), Gölbaşı and Temelli are into our control boundaries. Water is important for our activities and we measure water withdrawals by their sources. In all facilities and offices nearly 100% of water used is withdrawn from municipal supply system; ASKI & ISKI. The data is entered monthly into a corporate database, to evaluate consumption trends and reduction target. |
| Water withdrawals quality | 100% | Daily | The quality of water could be regularly accessed through the corporate website of ASKI & ISKI. We can monitor the quality of water from their system. As a cross check of quality, the clean water is sampled and monitored periodically in our facilities, in the context | 100% of the organization's facilities are regularly (at least annually) measured and monitored for each of the defined aspects; 8% of it represents various offices located in İstanbul and in Ankara Campuses that fall outside of our control boundary. The main facilities: Macunköy,Akyurt(I&II), Gölbaşı and Temelli are into our control boundaries. Ankara Municipal Waterworks Directorate reports and monitors the water quality in daily periods. The quality of water |

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| | | | of WASH services. | could be regularly accessed through their official website. We can monitor the quality of water from their system. In our activities, the municipal water is used for all facilities and offices. The daily and monthly controlled parameters are: pH,turbidity, total hardness, SS, color, free chlorine, M-Alkalinity, PAlkalinity, Fe, Al, NH4, Cd, NO3, NO2, Cl2, Cl, SO4, Cr, Mn, Ni, Cu, O2, F, Zn, Coliform Bacteria. |
| Water discharges – total volumes | 76-99 | Daily | Direct Measurement ASELSAN measures by flow-meters, monitors and reports total volume of water discharges with the discharge parameter values . | 100% of the organization's facilities are regularly monitored for each of the defined aspects; 8% of it represents various offices located in İstanbul and in Ankara Campuses that fall outside of our control boundary. The main facilities: Macunköy, Akyurt(I&II),Gölbaşı and Temelli are into our control boundaries where total volumes of water discharges are monitored. The data is entered monthly into a corporate database, to evaluate consumption |

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| | | | | trends and reduction targets. |
| Water discharges – volumes by destination | 76-99 | Daily | Direct Measurement The measurement is done by flow-meters, monitoring and reporting of total volume of water discharges by destination is done by measuring discharge parameter values internally. | 100% of the organization's facilities are regularly monitored for each of the defined aspects; 8% of it represents various offices located in İstanbul and in Ankara Campuses that fall outside of our control boundary. In Gölbaşı Facility the domestic waste water is first treated in the biologic treatment plant then discharged into the dry creek bed by monitoring with flow-meter. In Macunköy Facility the industrial waste water is first treated in the chemical treatment plant then discharged to sewer system. The discharge volume by destination is monitored by legal authority. The data is entered monthly into a corporate database, to evaluate consumption trends and reduction targets |
| Water discharges – volumes by treatment method | 76-99 | Daily | Direct Measurement ASELSAN measures by flow-meters, monitors and reports total volume of | 100% of the organization's facilities are regularly measured and monitored for each of the defined aspects; 8% of it represents various offices located |

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| | | | water by treatment method with the discharge parameter values | <p>in İstanbul and in Ankara Campuses that fall outside of our control boundary. The main facilities: Macunköy, Akyurt(I&II), Gölbaşı and Temelli are into our control boundaries where discharged water volumes by treatment method and quality parameters are monitored internally by ASELSAN and externally by the legal authority.</p> <p>In Gölbaşı Facility, the domestic waste water is first treated in the biologic treatment plant then discharged into the dry creek bed.</p> <p>In Macunköy Facility, the domestic waste water is discharged to sewer system.</p> <p>The volumes by treatment are entered monthly into a corporate database, to evaluate consumption trends and reduction targets. The efficiency monitoring of the treatment plants is always in place.</p> |
| Water discharge quality – by standard effluent parameters | 76-99 | Daily | We monitor water discharge quality by standard effluent parameters at facility level. | 100% of the organization's facilities are regularly measured and monitored for each of the defined aspects; 8% of it represents various offices located |

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| | | | | <p>in İstanbul and in Ankara Campuses that fall outside of our control boundary. The main facilities: Macunköy, Akyurt(I&II), Gölbaşı and Temelli are into our control boundaries where standard effluent parameters are internally and externally monitored: The parameters are internally and externally monitored base on WPCR Table :19 COD,SS, pH,Oil & Grease, Fe, Pb, Ni, Cr, Cu, Zn, Al for Macunköy chemical treatment plant COD, BOD, SS, pH for Gölbaşı biological treatment plant. The Akyurt's water is discharged directly into the sewer system where ASKI, the local authority takes regular samples to control the discharge. Plant effluents are always monitored and verified by an accredited external company and the results are always reported to the Legal Authority (ASKI). The efficiency monitoring of the treatment plants is always in place.</p> |
| Water discharge | 76-99 | Daily | We monitor water | 100% of the organization's facilities |

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| <p>quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)</p> | | | <p>discharge quality by standard effluent parameters at the site level using lab testing.</p> | <p>are regularly measured and monitored for each of the defined aspects; 8% of it represents various offices located in İstanbul and in Ankara Campuses that fall outside of our control boundary. The main facilities: Macunköy, Akyurt(I&II), Gölbaşı and Temelli are into our control boundaries where standard effluent parameters are internally and externally monitored referenced by Water Pollution Control Regulation Table :19 COD,SS, pH,Oil & Grease, Fe, Pb, Ni, Cr, Cu, Zn, Al for Macunköy chemical treatment plant COD, BOD, SS, pH for Gölbaşı biological treatment plant. The Akyurt's water is discharged directly into the sewer system where ASKI, the local authority takes regular samples to control the discharge. Plant effluents are always monitored and verified by an accredited external company and the results are always reported to the Legal Authority (ASKI). The efficiency monitoring of</p> |
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| | | | | the treatment plants is always in place. |
| Water discharge quality – temperature | Not monitored | | | It is at ambient temperature level; this is not a relevant metric for ASELSAN. |
| Water consumption – total volume | 100% | Daily | Direct measurement by flow-meters. | In all facilities and offices, water consumption 100% measured as total volume to assess consumption trends and reduction targets. In our reporting the term “water consumption” refers to “water withdrawal” which is defined as “the sum of all water drawn into the boundaries of the organization from all sources and not discharged to the same source as destination |
| Water recycled/reused | Less than 1% | Continuously | Direct measurement and monitoring | ASELSAN has office and R&D base activities. The cafeteria base activities could bring some future burdens in case of any scarcity in urban/ municipal water supply. In case of the occurrence of this risk, ASELSAN is able to collect rainwater and the wastewater of the cooling towers in the facilities for irrigation purpose. For the time being the amount of recycled water is less than 1%. |

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| The provision of fully-functioning, safely managed WASH services to all workers | 100% | Daily | At existing facilities WASH services are measured and monitored 100% to ensure the fully-functioning | The Corporate Responsibility requirements are fully clear to provide a fully-functioning, safely managed WASH services to all workers at 100% of our facilities. At existing facilities WASH services are measured and monitored 100% to ensure the fully-functioning |
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W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

| | Volume (megaliters/year) | Comparison with previous reporting year | Primary reason for comparison with previous reporting year | Five-year forecast | Primary reason for forecast | Please explain |
|-------------------|--------------------------|---|--|--------------------|---------------------------------|---|
| Total withdrawals | 575.6 | Much higher | Facility expansion | Higher | Increase/decrease in efficiency | The reason of change is the facility base new expansion activities in Gölbaşı and Temelli locations. Gölbaşı Facilities Stage 2 Project has been designed with a total construction area of approximately |

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| | | | | | | <p>52,633 m2. With the Temelli located new offices and the Gölbaşı facilities the number of FTE reached to 9935 with 5% increase compared to previous year. The data is entered monthly into a corporate database, to evaluate consumption trends and reduction targets for the purpose to understand the overall scale of our impact to environment. Water management process and water withdrawal values are publicly available in our Sustainability Report (In the Report water withdrawal is referred to as water consumption). The water</p> |
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| | | | | | | <p>withdrawals increased from 464.63 (2021) to 575.60 mega-liters in 2022.</p> <p>Thresholds for comparison: Year-to-year changes of less than 5% were considered as "about the same". Year-to-year changes between 5% and 15 % were considered as "higher"/"lower". Year-to-year changes over 15% were considered as "much higher"/"much lower"</p> |
| Total discharges | 575.6 | Much higher | Facility expansion | Much higher | Increase/decrease in efficiency | <p>The reason of change is the facility base new expansion activities in Gölbaşı and Temelli locations. Gölbaşı Facilities Stage 2 Project has been designed with a total construction</p> |

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| | | | | | | <p>area of approximately 52,633 m2. With the Temelli located new offices and the Gölbaşı facilities, the number of FTE reached to 9935 with 5% increase compared to previous year. The data is entered monthly into a corporate database, to evaluate consumption trends and reduction targets for the purpose to understand the overall scale of our impact to environment. Water management process and water withdrawal values are publicly available in our Sustainability Report (In the Report water withdrawal is referred to as water</p> |
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|-------------------|-------|-------------|--------------------|-------------|---------------------------------|--|
| | | | | | | <p>consumption). The water total discharge increased from 464.63 (2021) to 575.60 mega-liters in 2022. Thresholds for comparison: Year-to-year changes of less than 5% were considered as "about the same". Year-to-year changes between 5% and 15 % were considered as "higher"/"lower". Year-to-year changes over 15% were considered as "much higher"/"much lower</p> |
| Total consumption | 575.6 | Much higher | Facility expansion | Much higher | Increase/decrease in efficiency | <p>The reason of change is the facility base new expansion activities in Gölbaşı and Temelli locations. Gölbaşı Facilities Stage 2 Project has been designed</p> |

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| | | | | | | <p>with a total construction area of approximately 52,633 m2. With the Temelli located new offices and the Gölbaşı facilities the number of FTE reached to 9935 with 5% increase compared to previous year. The data is entered monthly into a corporate database, to evaluate consumption trends and reduction targets for the purpose to understand the overall scale of our impact to environment. Water management process and water withdrawal values are publicly available in our Sustainability Report (In the Report water withdrawal is</p> |
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| | | | | | | referred to as water consumption) The total consumption increased from 464.63 (2021) to 575.60 mega-liters in 2022. Thresholds for comparison: Year-to-year changes of less than 5% were considered as "about the same". Year-to-year changes between 5% and 15 % were considered as "higher"/"lower". Year-to-year changes over 15% were considered as "much higher"/"much lower |
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W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

| Withdrawals are from areas with | % withdrawn from areas with | Comparison with previous reporting year | Primary reason for comparison with previous | Five-year forecast | Primary reason for forecast | Identification tool | Please explain |
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|---------------------------------|-----------------------------|---|---|--------------------|-----------------------------|---------------------|----------------|

| | water stress | water stress | | reporting year | | | | |
|-------|--------------|--------------|-------------|--------------------|-------------|---------------------------------|--------------|--|
| Row 1 | Yes | 100% | Much higher | Facility expansion | Much higher | Increase/decrease in efficiency | WRI Aqueduct | WRI Aqueduct "Global Water Risk Mapping Atlas" enables to map future water risks. It is a recommended tool by TCFD. In addition to this tool, by using the results and country wide knowledge such as; General Directorate of State Hydraulic Works- DSI and ASKI Information from their official WEB page we can conclude that all of our facilities are located in water stressed areas. Türkiye is water stress country according to annual volume of |

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| | | | | | | | | <p>water available per capita. Standards and water risks are being studied also for all main facilities located in Kızılırmak basin which is a water stress basin area. The reason of change is the facility base new expansion activities in Gölbaşı and Temelli locations. Gölbaşı Facilities Stage 2 Project has been designed with a total construction area of approximately 52,633 m². With the Temelli located new offices and the Gölbaşı facilities the number of FTE reached to 9935 with 5% increase</p> |
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| | | | | | | | | <p>compared to previous year. Thresholds for comparison: Year-to-year changes of less than 5% were considered as "about the same". Year-to-year changes between 5% and 15 % were considered as "higher"/"lower". Year-to-year changes over 15% were considered as "much higher"/"much lower"</p> |
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W1.2h

(W1.2h) Provide total water withdrawal data by source.

| | Relevance | Volume (megaliters/year) | Comparison with previous reporting year | Primary reason for comparison with previous reporting year | Please explain |
|--|-----------|--------------------------|---|--|---|
| Fresh surface water, including rainwater, water from wetlands, rivers, and lakes | Relevant | 21.98 | Much higher | Increase/decrease in efficiency | ASELSAN do not use fresh surface water in operational activities. In 2021& 2022 |

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|---------------------------------|--------------|-------|------------|---------------------------------|---|
| | | | | | <p>rain water was collected and then used for irrigation purpose. Municipal water is withdrawn from the water supply network for all other adequate use. Thresholds for comparison: Year-to-year changes of less than 5% were considered as "about the same". Year-to-year changes between 5% and 15 % were considered as "higher"/"lower". Year-to-year changes over 15% were considered as "much higher"/"much lower"</p> |
| Brackish surface water/Seawater | Not relevant | | | | <p>ASELSAN do not use Brackish surface water/Seawater in the activities. Municipal water is withdrawn from the water supply network.</p> |
| Groundwater – renewable | Relevant | 20.76 | Much lower | Increase/decrease in efficiency | <p>ASELSAN prefers to use as low quantity</p> |

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| | | | | | <p>as possible Groundwater – renewable in its activities. In Akyurt facility this type of water source was used in 2022. Thresholds for comparison: Year-to-year changes of less than 5% were considered as "about the same". Year- to-year changes between 5% and 15 % were considered as "higher"/"lower" . Year-to-year changes over 15% were considered as "much higher"/"much lower</p> |
| Groundwater – non-renewable | Not relevant | | | | <p>ASELSAN do not use Groundwater – non- renewable in the activities. Municipal water is withdrawn from the water supply network.</p> |
| Produced/Entraine d water | Not relevant | | | | <p>ASELSAN do not use produced water in the activities. Municipal water is withdrawn</p> |

| | | | | | from the water supply network |
|---------------------|----------|-------|-------------|---------------------------------|---|
| Third party sources | Relevant | 575.6 | Much higher | Increase/decrease in efficiency | <p>Previous year's third party sources' quantity was 432.96, the reporting year's is 575.60 mega liters</p> <p>Thresholds for comparison: Year-to-year changes of less than 5% were considered as "about the same". Year-to-year changes between 5% and 15 % were considered as "higher"/"lower". Year-to-year changes over 15% were considered as "much higher"/"much lower"</p> |

W1.2i

(W1.2i) Provide total water discharge data by destination.

| | Relevance | Volume (megaliters/year) | Comparison with previous reporting year | Primary reason for comparison with previous reporting year | Please explain |
|---------------------|-----------|--------------------------|---|--|---|
| Fresh surface water | Relevant | 175.03 | Much higher | Facility expansion | In Gölbaşı Facility the domestic waste water is first treated |

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| | | | | | <p>in the biologic treatment plant then discharged into the dry creek bed.</p> <p>FTE figure increased in the reporting year due to expansion activity.</p> <p>The discharge volume by destination is measured and monitored by legal authority</p> <p>Year-to-year changes over 15% were considered as "much higher"/"much lower"</p> |
| Brackish surface water/seawater | Not relevant | | | | There is no discharge into brackish surface/sea water. |
| Groundwater | Not relevant | | | | There is no discharge into ground water |
| Third-party destinations | Relevant | 379.82 | Higher | Facility expansion | <p>It is discharged into municipal sewer system</p> <p>The volume is higher than the previous year's as a result of the expansion that FTE figure has been increased relatively.</p> <p>Year-to-year changes between 5% and 15 % were considered as "higher"/"lower".</p> <p>Year-to-year changes over 15% were considered as</p> |

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| | | | | | "much higher"/"much lower" |
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W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

| | Relevance of treatment level to discharge | Volume (megaliters/year) | Comparison of treated volume with previous reporting year | Primary reason for comparison with previous reporting year | % of your sites/facilities/operations this volume applies to | Please explain |
|---------------------|---|--------------------------|---|--|--|---|
| Tertiary treatment | Not relevant | | | | | There is no any tertiary treatment in ASELSAN. |
| Secondary treatment | Relevant | 381.11 | Much higher | Increase/decrease in efficiency | 71-80 | This is the sum of Macunköy and Gölbaşı waste water discharge after secondary treatment. In Macunköy there is chemical treatment plant where treated water is discharged into municipal sewage system. In Gölbaşı after domestic treatment the water is |

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| | | | | | | <p>discharged into the dry creek bed under the control and permits of ASKI. It is controlled internally by ASELSAN ,in daily periods, and monthly by ASKI</p> <p>In all facilities and offices, the chemical or other contaminated liquids generated from laboratories are collected in special storage tanks and disposed as hazardous waste in line with regulation. The efficiency measurement of the treatment plants is always fulfilled. Year-to-year changes between 5% and 15 % were</p> |
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| | | | | | | considered as "higher"/"lower". Year-to-year changes over 15% were considered as "much higher"/"much lower" |
| Primary treatment only | Not relevant | | | | | There is no primary treatment |
| Discharge to the natural environment without treatment | Not relevant | | | | | There is no discharge to the natural environment without treatment |
| Discharge to a third party without treatment | Relevant | 137.43 | About the same | Increase/decrease in business activity | 1-10 | The Akyurt's waste water is discharged directly into the sewer system where ASKI, the local authority takes regular samples to control the discharge. Plant effluents are regularly monitored and verified by an accredited external |

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|--|--|--|--|--|--|--|
| | | | | | | <p>company and the results are always reported to the Legal Authority (ASKI). In all facilities and offices the chemical or other contaminated liquids generated from laboratories are collected in special storage tanks and disposed as hazardous waste in line with the regulation. Thresholds for comparison: Year-to-year changes of less than 5% were considered as "about the same". Year-to-year changes between 5% and 15 % were considered as "higher"/"lower". Year-to-year</p> |
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| | | | | | | changes over 15% were considered as "much higher"/"much lower" |
| Other | Not relevant | | | | | There is no any other water discharged. |

W1.2k

(W1.2k) Provide details of your organization’s emissions of nitrates, phosphates, pesticides, and other priority substances to water in the reporting year.

| | Emissions to water in the reporting year (metric tonnes) | Category(ies) of substances included | List the specific substances included | Please explain |
|-------|--|---|---|---|
| Row 1 | 575.6 | Priority substances listed under the EU Water Framework Directive | <p>Emissions originating from processes and domestic activities are measured on a voluntary basis in the context of internal measurements, although there is no obligation, they are periodically monitored by an accredited lab.</p> <p>According to the list of priority substances in the field of water policy in Annex X of the Directive 2013/39/EU; Ni, Cd, Cr, Hg parameters are monitored by the Company according to Water Pollution Control Regulation. These metals are harmful to aquatic life and potentially hazardous in combined and elemental forms.</p> <p>They are highly soluble in the aquatic environments and therefore they can be absorbed easily by living organisms. Once</p> | <p>The pollutants are emitted from process activity such as metal surface treatments in different divisions of the company. The waste water is treated first in the chemical treatment plant, second in the domestic treatment plant and directed to municipal network. ,</p> <p>There is no any discharge to land or water eco-systems There is no any impact to vulnerable communities or water stressed areas.</p> <p>The analyse results are always under the legal limit.</p> <p>ASELSAN monitors its performance with 3 phase</p> |

| | | | | |
|--|--|--|--|--|
| | | | <p>the heavy metals enter the food chain, they may end up accumulating in the human body. Since most heavy metals are widely applied in industries, exposure and contamination of the workers and residents near such facilities is likely to occur.</p> | <p>control limits. 1-Legal limit 2- Critical limit 3-ASELSAN's limit If the results are over ASELSAN's limit the preventive activity is started by related department If the incident occurs 3 times a year the chemical treatment process is revised.</p> |
|--|--|--|--|--|

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

| | Revenue | Total water withdrawal volume (megaliters) | Total water withdrawal efficiency | Anticipated forward trend |
|-------|----------------|--|-----------------------------------|---|
| Row 1 | 35,281,676,606 | 575.6 | 61,295,477.0778318 | <p>ASELSAN will continue its expansion activities in terms of operations and office use in the coming years. Efficiency in water use is one of the priority issues during the progress of these studies. Behavioral change and infrastructure renovation with flow-meter installations will continue. In the med- term, the recovery of wastewater through water management will be in our activity plan. The feasibility work for the recycle/reuse of the treated water has a great importance.</p> |

W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

| Products contain hazardous substances | Comment |
|---------------------------------------|---------|
| | |

| | | |
|----------|----|--|
| Row 1 | No | ASELSAN is tracking this subject. The use of hazardous substances is tracked in the context of procurement and HSE activities with reference of related procedures and international directives/lists. Transition away from sourcing/using hazardous substances in the products is in the concern of the company. The risk assessment process works and the responsibilities for implementing the resulting actions to reduce the risk so far as is reasonably practicable. |
|----------|----|--|

W1.5

(W1.5) Do you engage with your value chain on water-related issues?

| | Engagement |
|--|------------|
| Suppliers | Yes |
| Other value chain partners (e.g., customers) | Yes |

W1.5a

(W1.5a) Do you assess your suppliers according to their impact on water security?

Row 1

Assessment of supplier impact

No, we do not currently assess the impact of our suppliers, but we plan to do so within the next two years

Please explain

This engagement will be assessed in the context of water use and waste water discharge.

W1.5b

(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization's purchasing process?

| | Suppliers have to meet specific water-related requirements |
|-------|--|
| Row 1 | Yes, water-related requirements are included in our supplier contracts |

W1.5c

(W1.5c) Provide details of the water-related requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Water-related requirement

Complying with going beyond water-related regulatory requirements

Mechanisms for monitoring compliance with this water-related requirement

- Certification
- Community-based monitoring
- Fines and penalties
- Grievance mechanism/Whistleblowing hotline
- Off-site third-party audit
- Supplier scorecard or rating

Response to supplier non-compliance with this water-related requirement

Exclude

Comment

Within the scope of the purchasing processes, data collection on climate and water related issues has been continuing, from the suppliers who have a direct impact on ASELSAN.

ASELSAN's Water Policy was announced to all suppliers in 2020.

Through Water Policy, ASELSAN takes on responsibilities on awareness-raising of its suppliers and other stakeholders as well as its operations. First of all, we monitor the compliance of our suppliers with the quality and operational standards through comprehensive audits. Site Assessment audits were performed only for 51-75% of our suppliers.

The Supplier Identification and Evaluation Questionnaire continued to be participated with suppliers for collecting data on water use and wastewater management system. Comments and/or demands of ASELSAN's Supply Chain Management from the suppliers:

- To obtain ISO 14001 certification and to reduce the consumption of electricity / water / natural gas etc.

W1.5d

(W1.5d) Provide details of any other water-related supplier engagement activity.

Type of engagement

Incentivization

Details of engagement

Other, please specify

Incentivizing for improved water management and stewardship

% of suppliers by number

51-75

Rationale for your engagement

Within the scope of the purchasing processes, data collection on climate and water related issues has been continuing, from the suppliers who have a direct impact on

ASELSAN .

ASELSAN's Water Policy was announced to all suppliers in 2020.

In 2022, we continued to share the latest environmental and climate related information with our suppliers. In the reporting year, we continued to inform and train our suppliers about climate change and its impacts. Site visits have been completed for main subsidiary suppliers. The importance of data gathering about water use and energy consumption was shared with them. We encourage them to implement these initiatives in their own activities and to share the responsibility of environmental impact further down the supply chain.

Impact of the engagement and measures of success

Supplier risk assessment studies have started as of August 2020, and the companies have been subject to risk assessments.

Within the scope of supplier risks, the targets are:

* High Risk Critical Supplier Ratio: 0% *High Risk Supplier Ratio <1%

Our suppliers need to improve their water related consumption figures every year in order to continue to keep their approval. Water& climate related questions are added into environmental management questionnaire and our suppliers are monitored and scored according to their replies.

In the reporting year main subsidiary suppliers have been visited.

In order to appreciate the efforts of the suppliers, who have made extraordinary contributions to current activities, business continuity and success, we started to evaluate the suppliers within the scope of their excellence in 3 different categories, in the context of Supplier Award Program.

1) SUPPLIER EXCELLENCE AWARD

It covers suppliers who contribute greatly to ASELSAN's activities and success by providing organizational excellence in all managerial, operational, social and environmental practices.

2) SUPPLIER NATIONALIZATION AWARD

It covers suppliers who provide backlog support to ASELSAN's nationalization efforts.

3) SUPPLIER SUSTAINABILITY AWARD

ASELSAN includes suppliers who have achieved backlog success in environmental and social sustainability practices, which are highly valued. With the reward system, it is aimed to encourage suppliers to improve their processes and reduce sustainability risks. ASELSAN, also provides financial support to its suppliers. Sub-industry companies that have been approved within the scope of this application and whose cooperation has been continuing for a certain period of time, can only get an additional guarantee, guarantor, etc., by contacting the banks within the scope of the relevant system with the orders.

Comment

Some examples from Environment and Climate Change Related Questionnaire:

Environmental Management

- Do you have any studies / management system related to Environmental Management and policies and targets within this scope? - Do you have any products / activities that you think pose a risk for the environment? If yes, please provide information about the

products and activities and the works you carry out in this context

-Do you have any work to reduce consumption on wastes, energy, water?

W1.5e

(W1.5e) Provide details of any water-related engagement activity with customers or other value chain partners.

Type of stakeholder

Customers

Type of engagement

Innovation & collaboration

Details of engagement

Collaborate with stakeholders on innovations to reduce water impacts in products and services

Engage with stakeholders to advocate for policy or regulatory change

Encourage stakeholders to work collaboratively with other users in their river basins toward sustainable water management

Rationale for your engagement

ASELSAN prioritizes engagement with its employees and the communities where its activities are performed. Many employee volunteers are also engaged in our community-based efforts to conserve water and promote responsible water stewardship. By engaging with employees, we engage company's water conservation goal and strategy within each employee's daily works.

We prove our commitment to the human right, to water and the provision of WASH services to all by engaging with local communities near the main facilities.

In the reporting year videos on climate/ water related issues to all delegations and employees of the value chain was prepared and after the approval of the management it was started to be used before site visits. ISO 50001 Energy Management Systems and Climate/Water related impacts on-line training continued for all employees.

Impact of the engagement and measures of success

In order to monitor, monitor and control Smart City applications in a central structure, and to use them in city planning studies.

URUK Smart City Monitoring and Management System development studies continued.

Within the scope of the Van Water Management System Project signed with Van Municipality,

water management system installation in the designated pilot area completed, the system has been successfully commissioned.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

| | Water-related regulatory violations | Comment |
|-------|-------------------------------------|--|
| Row 1 | No | Within the scope of Environmental Management Information System and Electronic Document Management System, all information about the environment and other external articles are shared with the management and they are detailed within the scope of the management review of the 14001 standard. |

W3. Procedures

W3.1

(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

| | Identification and classification of potential water pollutants | How potential water pollutants are identified and classified |
|-------|---|--|
| Row 1 | Yes, we identify and classify our potential water pollutants | Al, SS, Cu, Zn, Fe, KOI, Pb, Ni, pH, T-Cr, Oil & Grease, Hg, Total P, TKN, Cd, Cr parameters are measured in Macunköy chemical waste water treatment plant by applying neutralization and settlement methods. It is monitored within the scope of the ASKİ's waste water discharge into sewerage network regulation. The third-party accredited laboratory verification is periodically realized for these parameters according to following methods: EPA 200.7, TS EN 872, SN 5220 B, SN 5220 D, TS EN ISO 17294-1-2, TS EN ISO 15587-1, TS EN ISO 15587-2, SM 3030 C, SM 3030 D, SM 3030 E, SM 3030 F, SM 3120 B, TS EN ISO 11885, SM 4500-P B, SM 4500-P E, SM 3500 Cr B. The treated water is directed to biological treatment plant from which the treated effluent is discharged |

| | | |
|--|--|--|
| | | <p>into municipal sewer system.</p> <p>Discharge water quality is monitored more frequently than the ASKİ based water pollution control regulation.</p> <p>While we take samples daily and weekly period , ASKİ authority's samples are taken once every three months,</p> <p>Procedures applied for these transactions:</p> <ol style="list-style-type: none">1- Water Policy2- ASELSAN Water Quality Procedure3- ISO 14001 Management Review Procedure |
|--|--|--|

W3.1a

(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Water pollutant category

Other, please specify

Aluminium, Copper, Zinc, Iron, Plumb, Nickel, Chromium, Cadmium , Oil & Grease, Mercury.

Description of water pollutant and potential impacts

Aluminium, Copper, Zinc, Iron, Plumb, Nickel, Chromium, Cadmium , Oil & Grease, Mercury etc which are used in our processes, are water pollutants and have potential impacts on water bodies.

Because of the non-biodegradability of inorganic pollutants, they may persist longer in the aqueous systems and cause further deterioration on the water quality. The aquatic environment can be affected by chemical pollution both in the short- and long- term, and therefore both acute and chronic effects. In order to ensure that the aquatic environment and human health are adequately protected, allowable concentrations are measured and monitored regularly to protect water receiving channel and then river, against short-term exposure. Zinc has a dominant effect among the trace metals. It is measured and monitored with other inorganic contaminants, in the company's laboratories and also accredited laboratories.

The annual average value is established at a level, providing protection against long-term exposure.

It is not detected any potential impact on ecosystems or populations about these pollutants so far.

Value chain stage

Direct operations

Actions and procedures to minimize adverse impacts

Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience

Beyond compliance with regulatory requirements
Implementation of integrated solid waste management systems
Industrial and chemical accidents prevention, preparedness, and response
Provision of best practice instructions on product use
Reduction or phase out of hazardous substances
Requirement for suppliers to comply with regulatory requirements
Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements
Upgrading of process equipment/methods

Please explain

We try to produce by reducing these pollutants as much as possible in our processes by minimizing the waste produced. The chemicals used according to the product standard are substituted with those that are legally permitted.

Sector specific discharge treatment procedure is revised once a year and its compliance with new requirements is fulfilled.

The analyse results are always under the legal limit. ASELSAN monitors its performance with 3 phases control limits.

- 1- Legal limit
- 2- Critical limit
- 3- ASELSAN's limit

If the results are over ASELSAN's limit the preventive activity is started by related dept.

If the incident occurs 3 times a year the chemical treatment process is revised. If the system is insufficient, upgrading of methods or process equipment is always applied.

Chemical accidents prevention is in place, the related procedures (hazardous wastes & toxic water) are implemented by related department. The requirement for suppliers to comply with related regulatory limits is in place.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage

Direct operations

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment

More than once a year

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market
Enterprise risk management
International methodologies and standards
Databases

Tools and methods used

WRI Aqueduct
Enterprise Risk Management
ISO 31000 Risk Management Standard
Environmental Impact Assessment
Life Cycle Assessment
IPCC Climate Change Projections
ISO 14001 Environmental Management Standard

Contextual issues considered

Water availability at a basin/catchment level
Water quality at a basin/catchment level
Stakeholder conflicts concerning water resources at a basin/catchment level
Implications of water on your key commodities/raw materials
Water regulatory frameworks
Status of ecosystems and habitats
Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Customers
Employees
Investors
Local communities
NGOs
Regulators
Suppliers
Water utilities at a local level
Other water users at the basin/catchment level

Comment

We develop projects in order to reduce and recycle the amount of water we use as part of water management.

Water related risk assessments are embedded in HSE documentation system which is revised as the part of enterprise risk management framework

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market
Enterprise risk management
International methodologies and standards
Databases

Tools and methods used

WRI Aqueduct
ISO 31000 Risk Management Standard
IPCC Climate Change Projections
ISO 14001 Environmental Management Standard
Regional government databases

Contextual issues considered

Water availability at a basin/catchment level
Water quality at a basin/catchment level
Stakeholder conflicts concerning water resources at a basin/catchment level
Implications of water on your key commodities/raw materials
Water regulatory frameworks
Status of ecosystems and habitats
Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Customers
Employees
Investors
Local communities
NGOs

Regulators
Suppliers
Water utilities at a local level
Other water users at the basin/catchment level

Comment

The critical suppliers were asked to report water management through the questionnaire. These suppliers are selected based on the water intensive activities. Critical suppliers undergo environmental audits. Necessary tools and methods are always used to evaluate the related risks

Value chain stage

Other stages of the value chain

Coverage

Partial

Risk assessment procedure

Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market
Enterprise risk management
International methodologies and standards
Databases

Tools and methods used

WRI Aqueduct
ISO 31000 Risk Management Standard
IPCC Climate Change Projections

Contextual issues considered

Water availability at a basin/catchment level
Water regulatory frameworks
Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Customers
Employees
Investors
Local communities

NGOs
Regulators
Suppliers
Water utilities at a local level

Comment

It will be fully in the concern of the company in the next 10 years. We engage with our customers in various ways including information sharing about our water policy, water performance and water management approach. Identifying and knowing the global and local risks related with water will be very effective in explaining the functions and efficiency of the products that we will produce in the med-term. For this purpose, it is very important for our business to fully identify the risks at the customer scale. We share with them the knowledge that our products will solve their water-related problems in the near future.

W3.3b

(W3.3b) Describe your organization’s process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

| | Rationale for approach to risk assessment | Explanation of contextual issues considered | Explanation of stakeholders considered | Decision-making process for risk response |
|-------|---|--|--|--|
| Row 1 | ASELSAN's Enterprise Risk Management Policy aims to ensure that appropriate actions are taken against all uncertainties that threaten the corporate existence of the Company. At ASELSAN, the information produced within the scope of risk management activities is integrated into decision mechanisms. "Top-down" and "bottom-up" approaches are applied together in Enterprise Risk | At both company and asset levels, water related risks include, changes in weather conditions, water related laws and regulations, global competitiveness, changing customer needs and suppliers' profile, potential threats of national security and employee related issues. The water related risks at the company level are assessed by the Sustainability Committee. Risks associated with water are often coupled with water consumption and water quality activity | The tools used comply well to the relevant water issues of the value chain, including their global coverage, range of water risk types covered, and ability to monetize risk. Our water assessment occurs annually and looks out past six years at water impacts. ASELSAN will continue to analyze and evaluates its risks and opportunities related to the stakeholder's needs and expectations. The needs and expectations of our customers, employees, investors, local | When the relative significance of water related risks is determined by the strategic decision makers, after a comparable structured review, they are itemized as implementation plan within the scope of ISO 14001:2015 for a detailed assessment and planning. The risks are first analysed at the facility and activity level as compliance risks, project risks, operational risks, management and adaptation risks. These are assessed |

| | | | |
|--|--|---|---|
| <p>Management studies, risks that may affect ASELSAN's achievement of its goals are identified, evaluated, monitored and reported together with the risk reactions and the measures to be taken. At ASELSAN, The Enterprise Risk Management process is regularly reviewed and improved</p> | <p>and are subject to our Risk & Opportunity Evaluation Process. The Sustainability Committee is responsible of setting targets to reduce the impact of identified risks and making performance reviews to assess whether the targets are met. Sustainability Committee and the Early Detection and Management of Risk Committee review and finalize all water related risk analysis and present the critical risks that are assessed to be of "Very High" importance to the Board of Directors according to the scoring methodology defined below. They also present a report to Board of Directors about the financial and operational measures that need to be taken by ASELSAN to prevent the occurrence of the identified risks. The Board of Directors decides which measures shall be applied and the evaluations are then reported to the Early Detection and Management of Risk Committee (EDMR) to</p> | <p>communities, NGOs, regulators, suppliers, water utilities at a local level, other water users at the basin/catchment level are always included in our risk assessment. The methods of engagement for each stakeholder will be improved. Selected contextual issues are always included in our water risk assessment.</p> | <p>according to the methodology given as process(es) for managing water related risks. The identified risks are then classified to be; very low, low, medium, high and very high (critical). The results of the evaluation are reported to the EC, which in turn makes decisions. ASELSAN's overall risk management objective is to reduce controllable risk impacts and minimize the impact of the ones that cannot be controlled. We analyse short, med & long-term R&Os having the potential of substantive strategic and financial impact on the organization. Environmental risks that have a significant financial or strategic impact (i.e rated "very high" and have an EBITDA impact of over TL 2,650 M are reported to the EDMR Committee every two months, which is then sent to the ASELSAN Board of Directors. According to final score the risks are prioritized from Very Low to Critical. If the assessment result is</p> |
|--|--|---|---|

| | | | | |
|--|--|---------------------------------------|--|---|
| | | be monitored and brought into action. | | Critical the company establishes a response plan and implements the response and regular monitoring. The responsible who identifies first the risk, tracks the actions. |
|--|--|---------------------------------------|--|---|

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, both in direct operations and the rest of our value chain

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

Substantive financial and strategic impact represents a circumstance when significant effects disrupt the way we do business. We detected that our facilities are located in water stress areas. Water availability and quality would pose some risks in the med-term, in the region where we operate. We are committing to take water responsibly in our internal operations and engage with related communities of our value chain.

In deciding which facilities and which basins are in the concern of ASELSAN, we used physical risk analysis using WRI Aqueduct as well as internal knowledge of our facilities and local watersheds. The high-risk facilities are detected and specified.

The Company defines substantive financial impact on the business if the resulting deviation from planned earnings exceeds 2,650 million TRY when identifying or assessing climate and water related risks. Production/activity shut-off, deviation from planned revenue, labor force interruption, severe weather events, etc. or other emerging regulatory water related issues are the main evaluation items. All improvement actions with emergency drills are in place and in a developing phase especially after 2019 weather events. The operating facilities listed as “substantive” have a high stress or risk and have production or support production that would exceed the 2,650 million TRY threshold. For this reason, in coming years we will share our practices in water use reduction activities of our main and support suppliers. For the purpose to reduce our common environmental footprint, we started to help them to set targets. In our Supplier risk assessment questionnaire, there are environment related questions guiding them to make improvements in water and energy related actions. We will introduce an easy methodology to determine their water/climate related risks by themselves, the supplier risk assessment of ASELSAN will be improved with specified measurements of success by this way.

For suppliers which have water intensive operations in water stressed areas we will recommend them to participate in CDP Supply Chain Water Program. With the data supplied from these surveys the actions will be started and the strategic impacts on the company will be detected in a perceptible way.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

| | Total number of facilities exposed to water risk | % company-wide facilities this represents | Comment |
|-------|--|---|---|
| Row 1 | 4 | 76-99 | The % represents main facilities under the control boundary. The remaining part represents offices in İstanbul and in various universities of Ankara. |

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

Turkey
Kizilirmak

Number of facilities exposed to water risk

4

% company-wide facilities this represents

76-99

% company's total global revenue that could be affected

91-99

Comment

The 4 main facilities have the potential to be affected from Kızılırmak river basin risks.

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

Turkey
Kizilirmak

Type of risk & Primary risk driver

Acute physical
Flood (coastal, fluvial, pluvial, groundwater)

Primary potential impact

Disruption to workforce management and planning

Company-specific description

According to WEF 's The Global Risks Report; Climate change is still the greatest threat facing the world in the decades to come. The related risks dominate the top ten major risks list in both impact and likelihood. Extreme weather events, climate action failure and human-led environmental damage are the environmental risks stated in the report. According to our analysis on WRI, Water Risk Atlas Tool (annual temporal resolution /physical risk quantity and country rankings), Kızılırmak river basin, like all of other river basins in Türkiye, appear to be exposed high risk of severe weather events such as flooding. ASELSAN's facilities may be affected by this risk. Flooding damage could interrupt the business continuity in our facilities, it also may pose a threat to the health of our employees. Major or minor damages could result with impacts on company assets.

Timeframe

1-3 years

Magnitude of potential impact

Medium-high

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

150,776,396

Potential financial impact figure - maximum (currency)

753,881,979

Explanation of financial impact

The financial impact of this risk depends on the magnitude and frequency of the events. Financial impact provided here is determined min 1 day/ max 5 days business

interruption risk assumption. The financial impact figure is calculated based on sales or delivery figure of the impacted day. The financial implication of a daily shut-off due to supplier activity disruption would not exceed 150,776,396 TRY.

Calculation for 1 day: Calculation:(Revenues) 35,281,676,606 /234 (working days in 2022) = 150,776,396 (TRY)

Calculation for 5 days: 753,881,979 (TRY)

Primary response to risk

Improve maintenance of infrastructure

Description of response

ASELSAN's Business Continuity Management Plan covers all of the following items in case of natural disaster or significant hazard: 1-Ensuring continuity in the activities 2- Fulfilling legal obligations, 3-Minimizing financial losses, 4-Providing employee security 5- Safeguarding of information assets.

Cost of response

4,140,000

Explanation of cost of response

Those risks are managed through our insurance process. The business interruption insurance is in place, it is updated annually according to the size of the incidents. Also, we develop flood emergency plans in all of our facilities. The cost is related with insurance premium value, covering only physical risk driver.

Country/Area & River basin

Turkey
Kizilirmak

Type of risk & Primary risk driver

Regulatory
Higher water prices

Primary potential impact

Increased operating costs

Company-specific description

ASELSAN's water withdrawal depends 100% on Municipal Supply System. According to our analysis on WRI, Water Risk Atlas Tool (annual temporal resolution /physical risk quantity and quality), referring the water stress in the river basin of Kızılırmak and also by taking into account high operational costs of water quality management in the Municipal Supply System, our operational expenditure could be adversely affected as a result of higher water consumption. In the long term this risk may pose some burdens for Printed Circuit Board Manufacturing Area where is the most water intensive unit of Macunköy Facility. In this unit there are pools where water is treated for specific purposes.

With the system implemented to reduce water use, 22 tons of water per day was saved from being wastewater, and resources were used more efficiently.

Timeframe

4-6 years

Magnitude of potential impact

Medium

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

8,073,766

Potential financial impact figure - maximum (currency)

35,256,282

Explanation of financial impact

Currently the water price is 39.75 TL/m³, in case of 10% increase for both when we consider tariff and water consumption, the calculation of the cost for 9 years later is: 236 (m³) * 93.728 (TRY)*365 (days)= 8,073,766 TRY.

The worst case where there is an increase of 40% in the water tariff is: 236 (m³) * 409 (TRY)* 365 (days)= 35,256,282 TRY

In the scale of the worst case the potential financial impact will be high.

Primary response to risk

Increase investment in new technology

Description of response

ASELSAN'S goal is to reduce water consumption, by taking into account the worst case,a reverse osmosis system was planned for this unit. The printed circuit works 24 hours a day, 7 days a week. In other words, it is worked 365 days a year (excluding holidays and public holidays).It produces 22 tons of water per day: 22*365= 8030 m³ of water per year.

Daily water used in the old system: 52.56 tons/day

Pure water available in the old system: 21.6 tons/day

Daily water used in the new system: 69.3 tons/day

Pure water obtainable in the new system: 37.44 tons/day

Water required to produce 37.44 tons/day of pure water per day with the old system: 91.1 tons/day

Water savings: 91.1-69.3 = 21.8 tons/day of water saved

Pure water production efficiency in the old system: 41.1%

Pure water efficiency in the new system: 54%
Waste ratio in the old system: 1
Waste rate in the new system: 0.6
Waste water efficiency increased by 40%.
This means a savings of 3.6% in Macunköy as a whole.

Cost of response

79,800

Explanation of cost of response

ASELSAN'S goal is to reduce water consumption, by taking into account the worst case, an investment was planned for this unit. With the reverse osmosis system implemented in the reporting year; 22 tons of water per day was saved from being wastewater, and resources were used more efficiently. Cost of response: 4816\$ Average currency : 1\$=16.57 TRY

Country/Area & River basin

Turkey
Kizilirmak

Type of risk & Primary risk driver

Acute physical
Drought

Primary potential impact

Disruption to workforce management and planning

Company-specific description

According to WEF 's The Global Risks Report 2021; Climate change is still the greatest threat facing the world in the decades to come. The related risks dominate the top ten major risks list in both impact and likelihood. Extreme weather events, climate action failure and human-led environmental damage, drought are the environmental risks stated in the report. We use the WRI Aqueduct Country Rankings/Drought Risk tool to detect risks related to severe weather events/ drought affecting the region.

Water is an important indicator of the impact of climate change. In many regions contaminated water sources cause water availability problem. In some regions, drought is intensifying water stress by negatively impacting people's health and productivity. Employees health conditions could be affected from drought. The damage could interrupt the business continuity in our operations. Examples of drought impacts on society include anxiety or depression about economic losses, conflicts when there is not enough water, reduced incomes, fewer recreational activities, higher incidents of heat stroke, and even loss of human life.

According to Aqueduct Water Risk Atlas; Ankara Region is located in an area which is exposed to the drought-risk (medium-high 0.6-0.8). There is always a potential impact of the drought on the employee attendance to the company in case of the occurrence of

the problem. A different situation arises where the water crisis results in problems with attendance.

Timeframe

1-3 years

Magnitude of potential impact

Medium-high

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

150,776,396

Potential financial impact figure - maximum (currency)

753,881,979

Explanation of financial impact

1 to 5 days shut down was assessed in this risk driver

Calculation for 1 day: Calculation:(Revenues) 35,281,676,606 /234 (working days in 2022) = 150,776,396 (TRY)

Calculation for 5 days: 753,881,979 (TRY)

Primary response to risk

Amend the Business Continuity Plan

Description of response

With regard to an employee attendance, there are various measures companies can take. Some practical examples include engaging with employees to establish what plans each employee has made to ensure that he/she has adequate water in the household, providing employees with water at the workplace, adjusting working hours, implementing new rules on how to communicate in certain situations, etc.

Cost of response

4,140,000

Explanation of cost of response

ASELSAN's Business Continuity Management Plan covers all of the following items in case of natural disaster or significant hazard: 1-Ensuring continuity in the activities 2-Fulfilling legal obligations, 3-Minimizing financial losses, 4-Providing employee security 5- Safeguarding of information assets.

Those risks are managed through our insurance process. The business interruption

insurance is in place, it is updated annually according to the size of the incidents. The cost is related with insurance premium value, covering only physical risk driver.

W4.2a

(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

Turkey
Kizilirmak

Stage of value chain

Supply chain

Type of risk & Primary risk driver

Acute physical
Drought

Primary potential impact

Supply chain disruption

Company-specific description

According to WEF 's The Global Risks Report 2021; Climate change is still the greatest threat facing the world in the decades to come. The related risks dominate the top ten major risks list in both impact and likelihood. Extreme weather events, climate action failure and human-led environmental damage are the environmental risks stated in the report.

We use the WRI Aqueduct Country Rankings/Drought Risk tool to detect risks related to severe weather events/ drought affecting the supply chain. Our suppliers are located in water stress areas in Türkiye. The procurement risks appear as business interruption in case of any severe drought. The damage could interrupt the business continuity in our supply chain, In order to avoid the problems on supply chain disruption, Supply Chain Department's tasks were strengthened by the Board in 2020.

Timeframe

1-3 years

Magnitude of potential impact

High

Likelihood

Likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

The magnitude of financial impact is under evaluation.

Primary response to risk

Supplier engagement

Promote investment in infrastructure and technologies for water saving, re-use and recycling among suppliers

Description of response

After August 2020, we conducted direct risk assessments on sustainability issues our local companies and tried to support the improvement of their processes.

Hereafter these risk assessments will be fulfilled by integrating them in company-wide assessments, with the oversight of Supply Chain Management Vice President. It is planned that the risk assessment of 100% of the companies will be completed in 2023.

Cost of response

Explanation of cost of response

There is no any direct cost of response for this action.

ASELSAN, also provides financial support to its suppliers. Sub-industry companies that have been approved within the scope of this application and whose cooperation has been continuing for a certain period of time, can only get an additional guarantee, guarantor, etc, by contacting the banks within the scope of the relevant system with the orders.

ASELSAN continued to strongly support its suppliers financially in 2022, as in previous years. Accordingly, an amount exceeding USD 1 billion was transferred to its suppliers. With the Supplier Financing System, nearly 50 suppliers were provided with resources of 12 million USD through 13 banks.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Products and services

Primary water-related opportunity

Sales of new products/services

Company-specific description & strategy to realize opportunity

ASELSAN's Technology Road Map and Investment Plan is created in line with ASELSAN's Strategic Plan having detailed plans on each technology area (including climate and environment friendly and health technologies) that will be researched and developed in the next 5 years along with the required investments." The progress of this plan is monitored every year and used as a measure in corporate performance.

ASELSAN is agile to produce and to align new technologies related with environment & public health with low carbon products/services. ASELSAN aims to use its technological knowledge in the field of these systems. A new project on water management system includes the development of systems for efficient monitoring and control of the process from the source to the delivery of the water to the end user.

The main purpose of the developed solutions is to ensure energy and water efficiency. It aims to save up to 25% of energy in the management of water in our cities and to reduce the loss and leakage rates that currently exceed 50%. Main enabling technology for the purpose is Supervisory Control and Data Acquisition (SCADA).

Healthy functioning of the system is measured in terms of pressure, flow of water in the network, level of water in tanks, energy consumption in pumps and other electrical equipment. Historical trend analysis is performed on a time of day, day and season of year. Through the use of intelligent algorithms, efficiency figures above are monitored and necessary actions are taken. There is an approved document showing that the suggestions made in the Van project will increase the energy efficiency. This improvement includes the water pump motors that our software recommends replacing. In the analyzes made, it has been revealed that one of the motors works with 47% efficiency and the other with 51% efficiency. This is not the optimal operating range of the pumps and is not healthy for the motors.

Discovering this result, our SCADA software offers suggestions for replacing motors. And with this change, the energy savings will be 32.559 kWh/month. This value shows that the investment to be made for the replacement of the engines will be amortized in about 6 months. Emission avoidance= 170 ton CO₂-e/year.

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

8,986.32

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

Financial implications of these projects are evaluated. They have the potential to increase our revenue in the med-term.

The electricity saving is 748,86TRY/month according the this product

A product partnership agreement was signed with Envest, which develops SCADA units related to the subject.

ASELSAN continued to add new products to its product range previous year and receives new orders within this framework. As of the end of 2021, new contracts/orders amounting to USD 2 billion have been signed, and ASELSAN's backlog for the coming years is at the level of USD 8.5 billion.

The Product Life Cycle System, expressed as PLM (Product Lifecycle Management), which can be considered one of the milestones for ASELSAN, is the most important part of ASELSAN's digital transformation included in the ASELSAN Strategic Plan for this purpose. PLM will prepare ASELSAN for the future by providing the infrastructure for the simultaneous engineering method that enables interactive and efficient work from design to production, from program management to integrated logistics support. Within the scope of the preparations initiated in this regard, ASELSAN PLM needs were analyzed and requirements were determined.

The requirements for ASELSAN's transition to the PLM System have been determined with the participation of all sector presidencies and general management units.

Considering water network, potential financial impact is expected to be in terms of the unit cost of water supplied. By operating energy consuming equipment at a more efficient operating points and operating the water network at more suitable flow and pressure points, not only loss of water at the network will be minimized but also the energy used per liter of water to the user will be decreased. Considering the millions of liters of water supplied to cities, system will justify itself.

Type of opportunity

Products and services

Primary water-related opportunity

New R&D opportunities

Company-specific description & strategy to realize opportunity

Opportunity related with water management systems stems from climatic changes and scarcity of water resources. High costs associated with bringing water to users, especially due to energy costs is another source of opportunity. Possibilities of minimizing both energy used and water losses forms the primary sources of opportunities makes savings possible.

Each city's water network proposes its own possibilities. By careful examination of the water utilities for each city and utilization of SCADA and data science technologies forms the principal points of opportunity realization.

Integration of water related facilities like sanitation, purification, water distribution network proposes the other ways of possibilities.

By following up on all kind of technological developments pertaining to land, air, naval and aerospace platform product/system technologies, the Company not only applies technology but also designs, develops and produces product/system technologies in order to share or sell with/to national and international collaborations.

Projects are striving at maximum level in order to benefit from the technological opportunities existing in the country aiming to increase the national contribution share. For this purpose, cooperation is made with universities and various R&D organizations and importance is given to the use of local suppliers and subcontractors.

As for the projects carried out within the Group, the Research and Development incentive in compliance with the provisions of the Law on Corporate Tax numbered 5520 and Research and Development center application pursuant to the Law regarding the support of Research and Development activities numbered 5746 are being implemented together. As for non-public R&D projects, the approval of TEYDEB (Technology and Innovation Support Programs Directorate) and ARDEB (Research Support Programs Presidency) are received and supported by the institutions. Türkiye's 10th Development Plan includes multi programs on different incentives including R&D projects such as Enhancing Energy, Water Efficiency etc.

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

69,856,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

The incentive obtained consists of the incentives that are accrued in accordance with TÜBİTAK's R&D recognition letter prepared with respect to the Group's ongoing projects Current government total grants and incentives 2022 Annual Report; 69,856,000 TL. This figure represents the total grants covering also climate related ones.

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Facility reference number

Facility 1

Facility name (optional)

Macunköy Facility (Ankara)

Country/Area & River basin

Turkey
Kizilirmak

Latitude

39.96763

Longitude

32.76631

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

206.09

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

206.09

Total water discharges at this facility (megaliters/year)

206.09

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

206.09

Total water consumption at this facility (megaliters/year)

206.09

Comparison of total consumption with previous reporting year

About the same

Please explain

Water consumption increased 0.5% in this facility compared to previous year. This increase has not any substantial impact, people oriented consumption base awareness projects will continue with the withdrawal reduction improvements. In all facilities and offices, water consumption 100% measured as total volume to assess consumption trends and reduction targets. In our reporting the term "water consumption" refers to "water withdrawal" which is defined as "the sum of all water drawn into the boundaries of the organization from all sources and not discharged to the same source as destination. Thresholds for comparison: Year-to-year changes of less than 5% were considered as "about the same". Year-to-year changes between 5% and 15 % were considered as "higher"/"lower". Year-to-year changes over 15% were considered as "much higher"/"much lower"

Facility reference number

Facility 2

Facility name (optional)

Akyurt (1&2) located in ANKARA

Country/Area & River basin

Turkey

Kizilirmak

Latitude

40.08628

Longitude

33.02409

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

158.19

Comparison of total withdrawals with previous reporting year

Much higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

20.76

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

137.43

Total water discharges at this facility (megaliters/year)

158.19

Comparison of total discharges with previous reporting year

Much higher

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

137.43

Total water consumption at this facility (megaliters/year)

158.19

Comparison of total consumption with previous reporting year

Much higher

Please explain

Water consumption increased %18.2 in this facility.

During the expansion activities; The FTE figure has increased in all facilities of ASELSAN. People oriented consumption base awareness projects will continue with the withdrawal reduction improvements.

In all facilities and offices, water consumption is 100% measured as total volume to assess consumption trends and reduction targets.

In our reporting the term "water consumption" refers to "water withdrawal" which is defined as "the sum of all water drawn into the boundaries of the organization from all sources and not discharged to the same source as destination

Thresholds for comparison: Year-to-year changes of less than 5% were considered as "about the same". Year-to-year changes between 5% and 15 % were considered as "higher"/"lower". Year-to-year changes over 15% were considered as "much higher"/"much lower

Facility reference number

Facility 3

Facility name (optional)

Gölbaşı

Country/Area & River basin

Turkey

Kizilirmak

Latitude

39.71837

Longitude

32.81612

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

175.03

Comparison of total withdrawals with previous reporting year

Much higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

21.98

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

153.05

Total water discharges at this facility (megaliters/year)

175.03

Comparison of total discharges with previous reporting year

Much higher

Discharges to fresh surface water

175.03

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

175.03

Comparison of total consumption with previous reporting year

Much higher

Please explain

Water consumption increased 34.2% in this facility after the expansion activities in 2022. During the expansion activities; The FTE figure has increased in all facilities of ASELSAN. People oriented consumption base awareness projects will continue with the withdrawal reduction improvements.

In all facilities and offices, water consumption is 100% measured as total volume to assess consumption trends and reduction targets.

In our reporting the term "water consumption" refers to "water withdrawal" which is defined as "the sum of all water drawn into the boundaries of the organization from all sources and not discharged to the same source as destination

Thresholds for comparison: Year-to-year changes of less than 5% were considered as "about the same". Year-to-year changes between 5% and 15 % were considered as "higher"/"lower". Year-to-year changes over 15% were considered as "much higher"/"much lower

Facility reference number

Facility 4

Facility name (optional)

Other campus offices located in İstanbul and Ankara

This offices water management are out of the control boundaries of ASELSAN.

The water is withdrawn from municipal supply system and discharged into municipal sewer system

Country/Area & River basin

Turkey

Other, please specify

Marmara and Kızılırmak

Latitude

1

Longitude

1

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

5.32

Comparison of total withdrawals with previous reporting year

Much lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

5.32

Total water discharges at this facility (megaliters/year)

5.32

Comparison of total discharges with previous reporting year

Much lower

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

5.32

Total water consumption at this facility (megaliters/year)

5.32

Comparison of total consumption with previous reporting year

Much lower

Please explain

100% of the organization's facilities are regularly (at least annually) measured for each of the defined aspects; 8% of it as area base, represents various offices located in İstanbul and in Ankara Campuses that fall outside of our control boundary.

The main facilities: Macunköy, Akyurt(I&II), Gölbaşı and Temelli are into our control boundaries.

People oriented consumption base awareness projects have been intensified as on line training.

In all facilities & offices 100% of water used is withdrawn from municipal supply system; ASKI (Ankara Municipality Waterworks) & ISKI (İstanbul Municipality Waterworks). Total Volumes are measured.

The data is entered monthly into a corporate database, to evaluate consumption trends and reduction target.

Thresholds for comparison: Year-to-year changes of less than 5% were considered as "about the same". Year-to-year changes between 5% and 15 % were considered as "higher"/"lower". Year-to-year changes over 15% were considered as "much higher"/"much lower"

Facility reference number

Facility 5

Facility name (optional)

Temelli in ANKARA

Country/Area & River basin

Turkey

Kizilirmak

Latitude

39.4858

Longitude

32.2256

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

30.97

Comparison of total withdrawals with previous reporting year

This is our first year of measurement

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

30.97

Total water discharges at this facility (megaliters/year)

30.97

Comparison of total discharges with previous reporting year

This is our first year of measurement

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

30.97

Total water consumption at this facility (megaliters/year)

30.97

Comparison of total consumption with previous reporting year

This is our first year of measurement

Please explain

Temelli facility is a new expansion area of ASELSAN.

W5.1a

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

% verified

76-100

Verification standard used

In the GHG verification process, water use quantity and water discharge quantity were verified in the context of scope 3 emissions accounting of ISO 14064 Standard. For all facilities and offices of ASELSAN, 100% of water uses and water discharge quantities are verified by the third party in 2021, the data was crosschecked by water bills. ISO 14046 certification process will be included in our business plan.

Water withdrawals – volume by source

% verified

76-100

Verification standard used

The total volume is always verified by third party. In 2022 the data was crosschecked by water bills, as volume by source.

Water withdrawals – quality by standard water quality parameters

% verified

76-100

Verification standard used

Ankara Municipal Waterworks Directorate reports and monitors the water quality in daily periods. The quality of water could be regularly accessed through their official website. We can monitor the quality of water from their system. In our activities, the municipal water is used for all facilities and offices. As a cross check of quality, the clean water is sampled and monitored periodically in our facilities, in the context of WASH services. ISO 14046 certification process will be included in our business plan.

Water discharges – total volumes

% verified

76-100

Verification standard used

In the GHG verification process, water use quantity and water discharge quantity were verified in the context of scope 3 emissions accounting of ISO 14064 Standard. For all facilities and offices of ASELSAN ,100% of water uses and water discharge quantities are verified by the third party in 2022, the data was crosschecked by water bills

Water discharges – volume by destination

% verified

76-100

Verification standard used

The total water volume discharged to 3rd party destination or to the surface water is under control. The total quantity was verified in the context of scope 3 emissions accounting of ISO 14064 Standard. For all facilities and offices of ASELSAN; 100% of water uses and water discharge quantities are verified by the third party in 2022, the data was crosschecked by water bills.

ISO 14046 certification process will be included in our business plan.

Water discharges – volume by final treatment level

% verified

76-100

Verification standard used

Water discharges volume by final treatment is periodically monitored by internal SCADA system.

The volume by final treatment level is verified by the third-party verification system of ASKI.

ISO 14046 certification process will be included in our business plan.

Water discharges – quality by standard water quality parameters

% verified

76-100

Verification standard used

The third party accredited laboratory verification is periodically realized .

EPA 200.7, TS EN 872, SN 5220 B, SN 5220 D, TS EN ISO 17294-1-2, TS EN ISO 15587-1, TS EN ISO 15587-2, SM 3030 C, SM 3030 D, SM 3030 E, SM 3030 F, SM 3120 B, TS EN ISO 11885, SM 4500-P B, SM 4500-P E, SM 3500 Cr B,

methods are used for different parameter such as:

Al, SS, Cu,Zn, Fe, KOI, Pb, Ni, pH, T-Cr, Oil &Grease, Hg, Total P, TKN, Cd,Cr

ISO 14046 certification process will be included in our business plan.

Water consumption – total volume

% verified

76-100

Verification standard used

In the GHG verification process, water use quantity and water discharge quantity were verified in the context of scope 3 emissions accounting of ISO 14064 Standard. For all facilities and offices of ASELSAN ,100% of water uses and water discharge quantities are verified by the third party in 2022, the data was crosschecked by water bills.

In our reporting the term “water consumption” refers to “water withdrawal” which is defined as “the sum of all water drawn into the boundaries of the organization from all sources and not discharged to the same source as destination.

ISO 14046 certification process will be included in our business plan.

W6. Governance

W6.1


(W6.1) Does your organization have a water policy?


Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

| | Scope | Content | Please explain |
|-------|--------------|---|--|
| Row 1 | Company-wide | <p>Description of the scope (including value chain stages) covered by the policy</p> <p>Description of business dependency on water</p> <p>Description of business impact on water</p> <p>Commitment to align with international frameworks, standards, and widely-recognized water initiatives</p> <p>Commitment to prevent, minimize, and control pollution</p> <p>Commitment to reduce water withdrawal and/or consumption volumes in direct operations</p> <p>Commitment to reduce water withdrawal and/or consumption volumes in supply chain</p> <p>Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace</p> <p>Commitment to safely managed Water, Sanitation and Hygiene (WASH) in local communities</p> <p>Commitment to stakeholder education and capacity building on water security</p> | <p>ASELSAN's environmental management vision focuses on continuous management of environmental impacts by evaluating energy and water efficiency in all direct and indirect operations. In this process international standards and water initiatives are our guiding tools.</p> <p>Water management is a company-wide issue and we have a policy which is available company wide and publicly.</p> <p>ASELSAN, with its sector base activities is not a water dependent company. Its business' impact on water is not significant but the company's commitment is beyond regulatory compliance.</p> <p>ASELSAN makes efforts to set up water targets and goals to improve water management. Achieving water targets by reducing use of freshwater through water efficiency initiatives, water reuse, recycling and rainwater use is important for the policy. High water risk facilities are identified by the World Resources Institute Aqueduct Water Risk Atlas.</p> <p>ASELSAN committed to align with public policy initiative such as SDGs.</p> <p>The municipal discharge parameters are measured and monitored internally in daily periods and the data is entered monthly into a corporate database to evaluate consumption trends and reduction targets. In our treatment plants, stricter company limits are setup to monitor the discharge quality and treatment efficiency. The results are monitored every day.</p> <p>The company is aware of the impacts of climate change on water access and water quality. Within the scope of water monitoring, it was started to increase the number of the flow meters between 2021-2026.</p> <p>Our stakeholders' climate and water related awareness raising activities are performed every year with the leadership of Integrated Management Systems .</p> |

| | | | |
|--|--|---|---|
| | | <p>Commitment to water stewardship and/or collective action</p> <p>Commitment to the conservation of freshwater ecosystems</p> <p>Commitments beyond regulatory compliance</p> <p>Reference to company water-related targets</p> <p>Acknowledgement of the human right to water and sanitation</p> <p>Recognition of environmental linkages, for example, due to climate change</p> | <p>As a technology company ASELSAN started to develop innovative water related products/services . For the purpose to catch technology-based project solutions, a water competition was initiated jointly with the Presidency of Republic of Türkiye.</p> <p>To become a leading sustainable technology company ASELSAN focuses on its climate change and water-related impacts very seriously and continuously updates its policies.</p> <p>ISO 14046 certification process will be included in our business plan.</p> <p>Water Policy is attached.</p> <p> ^{1, 2}</p> |
|--|--|---|---|

 ¹2021 ASELSAN Sustainability Report.pdf

 ²Water Policy.pdf

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

| Position of individual or committee | Responsibilities for water-related issues |
|-------------------------------------|--|
| Board Chair | <p>The Board Chair who has been assigned as CEO as of April 27, 2018; has a direct responsibility for climate and water related issues on behalf of the Board and EC. The CEO also has an execution responsibility in the field of social responsibility and environment.</p> <p>The board consider climate and water related issues when reviewing and guiding the business strategy aligned with the economic performance of the company. Following the Strategic Plan, the Board carry out oversight power on Sustainability Committee's Program integrated with climate and water related issues impacting economic, social and environmental performance of the company. In order to conduct its responsibilities ASELSAN's Board of Directors formed three committees:</p> <p>Audit Committee, Corporate Governance Committee, Early Detection and</p> |

| | |
|--|--|
| | <p>Management of Risk Committee. The 3rd one is comprised of three Board Members who ensure the determination of the operational, strategic, financial and other climate and water related R&Os.</p> <p>ASELSAN CDP Execution Group is working under the presidency of Corporate Management Vice President (CMVP) who is a member of Executive Board. In this group there is one representative from each sector chair, including financial affairs and strategy department. Energy and water reduction projects that will serve as a basis for setting targets are also reported to the same group. In the reporting year, the CMVP assisted the Board of Directors in fulfilling oversight of CDP related issues with the collaboration of ERM within the organization. The Climate Change Management Unit works with all facilities' leaders to drive an integrated, enterprise-wide management on climate and environment related issues including water management.</p> <p>ASELSAN who set up 2050 Climate Change Net Zero Target, started to take an active role in the workshops that will draw up Türkiye's road map on climate change related strategy.</p> |
|--|--|

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

| | Frequency that water-related issues are a scheduled agenda item | Governance mechanisms into which water-related issues are integrated | Please explain |
|-------|---|---|--|
| Row 1 | Scheduled - all meetings | <ul style="list-style-type: none"> Monitoring implementation and performance Overseeing acquisitions, mergers, and divestitures Overseeing and guiding public policy engagement Overseeing major capital expenditures Overseeing the setting of corporate targets Providing employee incentives Reviewing and guiding annual budgets | <p>The Board reviews and guides climate and water related risk management policies as scheduled. The Corporate Management Vice President who leads the Sustainability Committee, briefs the executive committee (EC) of ASELSAN about climate and water related developments and practices by bringing the attention of the EC to social, legal and environmental R&O's that may have an impact on the Risk Management Policy of the Company. The CEO and the Board of Directors oversee policy by considering global climate and water related issues, government relations and corporate responsibility including reviewing and providing oversight of the Company's Environmental Sustainability Program. The board consider also climate and water related issues when reviewing and guiding the whole business strategy, plans, risk management policies, budget plans as well as, setting organizational performance objectives, monitoring implementation and performance, and overseeing major capital</p> |

| | | |
|--|--|---|
| | <p>Reviewing and guiding business plans</p> <p>Reviewing and guiding corporate responsibility strategy</p> <p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding risk management policies</p> <p>Reviewing and guiding strategy</p> <p>Reviewing innovation/R&D priorities</p> <p>Setting performance objectives</p> | <p>expenditures, acquisitions and divestitures. In 2022 the following decisions were carried out for addressing climate and water related risks and opportunities.</p> <p>1-Consistent decisions were made regarding the transition plan ensuring to facilitate emission reduction target by 2050. Emission and water use reduction actions which take part in the Climate Transition Plan were discussed in the Sustainability Workshop organized with the presidency of the CEO. Board-chair/ CEO and ASELSAN's Sustainability Ambassadors attended the workshops under the main topics of ESG.</p> <p>2. The coordination of energy/water reduction activities among the teams was ensured for the planning and implementation of mandatory activities for certification, including Internal Audit, External Audit, and Management Review. It was decided to continue the interactive communication with employees, and to carry out projects for sharing good practices.</p> <p>3. ASELSAN has continued to include 25 of its subsidiaries in the climate change related management system, conducted awareness-raising training on water & carbon management and included them in the inventory system.</p> <p>4. Collecting rain & drainage water from around the buildings in Macunköy and reserving it for irrigation purposes in the reservoir areas that the construction will be terminated until 2024.</p> <p>5. Initiation of infrastructure work for gray water collection at Gölbaşı facilities and completion of this work by the end of 2023. In this context, the landscape lines of the SST Building, which became operational at the end of 2022, shall be fed from the same infrastructure</p> |
|--|--|---|

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

| Board member(s) have competence on water-related issues | Criteria used to assess competence of board member(s) on water-related issues |
|---|---|
|---|---|

| | | |
|----------|-----|---|
| Row 1 | Yes | <p>In ASELSAN; the members of the board are competent in different fields.</p> <p>The criteria used to assess competence of board members is: academic background or business proficiency on climate/ energy/ environment related projects & tasks. These capabilities will ensure the company's commitment to understand and respond to risks, opportunities, and impacts within its highest decision-making body.</p> <p>The Board-Chair of ASELSAN has a competence on climate-related issues, he can fulfill any plans to address board-level competence as a whole.</p> <p>The board-chair has served as the chairman of Control and Automation Engineering Department in Yıldız Technical University, between the years 2009-2013. During his chairmanship, he has been the founder of many postgraduate programs. He served as the Türkiye Delegate of European Union 7th Framework Program Energy Field in between the years 2007-2010. He carried his duties as a Board Member of Yıldız Technical University Techno-park, BAP Coordinate, Science Application and Research Center, served as the Editor of YTU Sigma Engineering and Science Journal between 2010-2013. He also carried his duties as Yıldız Technical University Deputy Manager of the Institute of Science and Vice Rector. He has numerous national and international articles / reports, editorial editions and projects. He was elected as the Rector of the Year in 2015, 2016, 2017 and 2018 in organizations organized by different institutions due to his pioneering contributions to university-industry cooperation during his rectorate. As an electrical engineer he was actively involved in energy efficiency and energy saving methods.</p> <p>Some International Articles of the Board Chair/CEO</p> <p>1-A Nonlinear Observer Design for Fuel Cell Hydrogen Estimation</p> <p>2-An algorithm for estimation of membrane water content in PEM fuel cells (2005)</p> <p>2-A Voltage-Based Observer Design for Membrane Water Content in PEM Fuel Cells</p> |
|----------|-----|---|

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Chief Executive Officer (CEO)

Water-related responsibilities of this position

Monitoring progress against water-related corporate targets

Managing public policy engagement that may impact water security

Integrating water-related issues into business strategy

Frequency of reporting to the board on water-related issues

More frequently than quarterly

Please explain

The direct responsibility for climate change related issues such as carbon, water, biodiversity lies with Executive Committee headed by the CEO representing also the Board Chair. The CEO informs the board of directors who oversight the company performance on climate/water related issues. The Board assign strategic and program management responsibility to applicable board committees. ASELSAN's Board of Directors formed following committees to ensure the communication based integrated management of R&Os.

EDMR ensures the determination of the operational, strategic, financial and other climate /water related risks which are managed in compliance with company's enterprise risk-taking profile. Audit Committee and Enterprise Risk Management Coordination Committee are responsible to assign a risk representative who has the duties to prepare risk detection and management documents and to make the coordination of related activities which are reported to EDMR Committee.

Name of the position(s) and/or committee(s)

Other, please specify

Integrated Management Unit

Water-related responsibilities of this position

Assessing future trends in water demand

Assessing water-related risks and opportunities

Managing water-related risks and opportunities

Conducting water-related scenario analysis

Setting water-related corporate targets

Managing value chain engagement on water-related issues

Frequency of reporting to the board on water-related issues

More frequently than quarterly

Please explain

The Integrated Management Unit assesses the future trends, eco-activities. The environmental performance including climate related issues such as carbon, water, biodiversity is reported more frequently than quarterly in the Executive Committee headed by the CEO representing also the Board Chair. Following this meeting, related Strategic Departments discuss the outcomes of the company.

For the purpose to evaluate overall performance, a comprehensive Management Review for ISO 14001 Environmental Management and Energy Management System realizes. All the results covering internal audit, regulatory compliance matters, risks and opportunities, value chain engagement on water related issues and CDP performance are reported to the Senior Executives with the action plans. The Unit enables setting water related corporate targets.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

| | Provide incentives for management of water-related issues | Comment |
|-------|---|---|
| Row 1 | Yes | In ASELSAN there are incentives for certain behaviors and performances for responsible production and consumption |

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

| | Role(s) entitled to incentive | Performance indicator | Contribution of incentives to the achievement of your organization's water commitments | Please explain |
|-----------------|--|--|--|---|
| Monetary reward | Corporate executive team Chief Executive Officer (CEO) Chief Operating Officer (COO) | Reduction of water withdrawals – direct operations Reduction in water consumption volumes – direct operations Improvements in water efficiency – direct operations | Our organization is committed to reduce water withdrawals, increase water-use efficiency, reduce impact on water resources, and ameliorate sustainable water management practices across all facilities. This is included in our 10-year strategy and incorporated into senior employee objectives and incentives. The water-related targets are set at company-level and embedded in the CEO's and COO's performance contracts. A % salary bonus is given to the CEO and COO in case of any prompt achievement. These incentives encourage the senior | The time-frame of the performance indicators is linked to the achievement of targets in 10 years. The indicators are monitored yearly by HR department and performance of the CEO and COO is reviewed, evaluated on the progression towards these targets. The threshold used to indicate successful performance; and the impact of performance on the incentive is determined by company HR process. |

| | | | | |
|---------------------|---|--|---|---|
| | | | employees to perform better and to become more involved in water commitments that the water policy and strategy are impacted directly. | |
| Non-monetary reward | Corporate executive team Chief Executive Officer (CEO) Other, please specify Climate Change Unit Manager | Improvements in water efficiency – direct operations Implementation of employee awareness campaign or training program on water-related issues Implementation of water-related community project | Awareness raising of the employees on local water scarcity issues, and how to reduce impact on resources is a key indicator of our water security program. ASELSAN's Sustainability Ambassadors attend the workshops under the main topics of ESG. Monitoring and approval process of videos prepared to all delegations and employees of the value chain on climate& water related issues was completed by the Board. | In 2020 Climate Change Unit was established and its manager is responsible from the management of climate related issues such as energy, emissions and water. The manager has various environmental objectives /goals to perform during the year. Reductions, improvements, and other efficiency projects are reported to the Corporate Executive Team and to the Board. The performance is assessed as monetary and non - monetary reward. Certificate of appreciation for ASELSAN was given as non-monetary award. ASELSAN undertook the duty of jury in the project competition themed "The Future of Water" organized under the leadership of the Presidential Human Resources Office in 2021. |

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, direct engagement with policy makers

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

According to our new corporate communication strategy, all communication activities have to be approved by the Corporate Governance Vice President. Our CEO/ Board Chairman is fully aware of our general corporate strategies and our overall water and climate change strategy. The Sustainability Committee & Climate Change Management Unit carries out the coordination, reporting and monitoring processes of all climate/ water engagement activities across business divisions and external official institutions and organizations.

Engagements with regulatory water related authorities are realized and thus, consistency with the water policy and water commitments is assured.

Based on the connection of water with the climate, the requirements of the Paris Agreement, WRI Aqueduct are followed in these studies. To maintain alignment between our water policy efforts in company-wide activities, quarterly scheduled meetings are organized with the waterworks directorate to review public policy developments that may affect our facilities. These meetings enable us to identify and avoid inconsistencies and ensure alignment by calibrating these external developments and discussions with the authorities.

If there is an inconsistency between our policy and activities, depending on its nature it is remediated in unscheduled internal meetings.

ASELSAN has developed a pioneering and innovative platform to strengthen the bond with its suppliers-value chain representing the society.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

No, but we plan to do so in the next two years

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

| | Are water-related issues integrated? | Long-term time horizon (years) | Please explain |
|-------------------------------|--|--------------------------------|--|
| Long-term business objectives | Yes, water-related issues are integrated | 11-15 | Water related issues including water availability and quality with direct water use costs, flood & drought events, future water stress, are integrated in our long-term business objectives. |

| | | | |
|---|--|-------|---|
| | | | <p>Water management goals, plans, programs and investments contribute to the long-term success of these objectives.</p> <p>10–15 year time frame was selected because of infrastructure investments, transition to advanced flow meters followed with water use reduction improvement efforts and water resupply processes.</p> <p>WRI Aqueduct Risk Atlas Tool is used to help to set our 50% efficiency targets in 5 years. This tool will leverage our long-term business objectives.</p> <p>Automation systems for water management will be installed in all facilities and these infrastructures will be supported by appropriate meters.</p> <p>Projects will be developed to use the water recovered from Gray Water systems as input in various processes other than landscaping.</p> <p>Reservoir areas/warehouses will be established to increase water storage facilities.</p> <p>Device and armature replacements to support less water consumption will continue.</p> <p>Landscaping areas will be created with plants that require less water</p> <p>For 10-15 year plan, it is planned for the wastewater treatment plant to meet the process water specification with advanced filtration processes and resupply it to the production line as recycled water.</p> |
| Strategy for achieving long-term objectives | Yes, water-related issues are integrated | 11-15 | <p>Toward our facilities' budget objectives, we implement new projects and investments to reduce annual water and energy costs.</p> <p>We support smart building standards in new buildings of our facilities including water management criteria. We work on location base water scarcity and water efficiency information.</p> <p>5-Year Plan:</p> <ul style="list-style-type: none"> • While the capacity is increased with the transition to production systems, such as mSap/horizontal in-hole coating line, to enable the production of new technological cards in Printed Circuit Board production, water consumption is expected to remain constant. It is aimed to achieve approximately 50% efficiency. • The transition to mechanical meters with pulse output is planned in 2022 <p>10-15-Year Plan:</p> <ul style="list-style-type: none"> • It is planned for the wastewater of the treatment plant |

| | | | |
|--------------------|--|-------|--|
| | | | to meet the process water specification with appropriate filtration processes and resupply it to the production line. |
| Financial planning | Yes, water-related issues are integrated | 11-15 | Operational water related projects are part of our annual opex on energy and water sustainability projects. In all facilities water is part of the allocated annual budget with capital expenditure. The high-risk facilities are assessed by using WRI Aqueduct tool maps, regarding on quantity and quality of water with regulatory, financial, legal and capital risks for 15 years beyond. Then the budget allocation is fulfilled by taking into account substantial water cost risks. We have chosen 15 year time horizon to inform facilities' financial planning in the context of water-related issues. We invest in projects with an estimated 3-year payback threshold. In this way, water projects are evaluated and planned for financially alongside other facilities' investment needs and ROIs. Sustainable Water Resupply Management Plan" is in progress. Water management, water reuse, rainwater harvesting phases are started to be implemented. The expenditure and other infrastructure base financial planning have been completed. |

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

4

Anticipated forward trend for CAPEX (+/- % change)

2

Water-related OPEX (+/- % change)

5

Anticipated forward trend for OPEX (+/- % change)

1

Please explain

- *Within the scope of our water system improvement, our integration into the water monitoring system automation will continue.
- *In order to reduce personal water use, our sensor faucet conversion process is still in progress.
- *Gray water infrastructure installation was completed for social buildings in Gölbaşı Campus. The project is in progress for other new buildings. Our treatment plant improvement activities will continue.
- *A garden automatic irrigation system will be installed in Akyurt Campus.
- *The construction of a rainwater collection system for the newly constructed building in Gölbaşı Campus will continue.
- New buildings' capital expenditure will increase in the next reporting year for Gölbaşı. Due to FTE increase the OPEX will increase in the same facility.

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

| | Use of scenario analysis | Comment |
|-------|--------------------------|---|
| Row 1 | Yes | <p>We use the WRI Aqueduct Tool to assess water risk for facilities within our operational control. Water risks include risks such as water stress, flood and drought risk. The climate risk assessment approach was informed by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and the Guidance for Applying Enterprise Risk Management to ESG related Risks.</p> <p>Climate-related risks are incorporated into company's Enterprise Risk Management annual process.</p> <p>For the next three years, we will help our suppliers to set targets by guiding them to make improvements in water and energy related actions by using the related tools. We will introduce an easy methodology to determine their water/climate related risks by themselves with public scenarios.</p> <p>The supplier risk assessment of ASELSAN will be improved with specified measurements of success by this way. We will have an opportunity to engage with our suppliers and plan diversification.</p> |

W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.

| | Type of scenario analysis used | Parameters, assumptions, analytical choices | Description of possible water-related outcomes | Influence on business strategy |
|-------|----------------------------------|--|--|--|
| Row 1 | Water-related Climate-related | The company identified key areas for assessment, including water related | According to the IPCC RCP 2.6 scenario analysis, the pH value of | This project is in progress phase. After the heavy |

| | | | | |
|--|----------------------|--|---|--|
| | <p>Socioeconomic</p> | <p>physical risk. The key areas were assessed for impact and preparedness across two time horizons 2030 and 2050. ASELSAN already conducts a water security risk assessment each year for its global operations using the WRI Aqueduct tool. Climate-related risks are incorporated into Enterprise Risk Management annual process.</p> <p>When assessing physical risks, specific risks have been included and their severity (temperature, precipitation, flooding, water availability/ drought were studied for all assets of the company. The last years's climate events have been assessed.</p> <p>The investment phase has been studied based on the severity of the detected risks.</p> <p>Efficiency gains/clean energy pathways incorporated into scenarios and business planning.</p> <p>In transitional risk assessments various key supply and demand-side technologies (solar PV/CSP, energy storage, bio-fuels, green hydrogen, electric vehicles, and other efficiency technologies in other key sectors including industrial and infrastructure were assessed.</p> <p>GDP rate, employment rate, and other socioeconomic variables are taken into</p> | <p>the oceans will gradually decrease and the iron content will increase. It is stated that this is almost certain. In order to prevent this case, as ASELSAN, we control our facilities water discharge on a daily, weekly and monthly basis. If the effluent parameters results are over the limits, it is redirected into the treatment plant not to the discharge channel. In this way, the treatment is ensured and the discharge is controlled. ASELSAN Macunköy campus is located close to residential areas. Therefore, the discharge of the residences and the campus is directed to the same municipal channel. In periods when it rains heavily, it may cause in the discharge channel the overflow problem.</p> | <p>flood events occurred between 2019-2022 in Ankara, ASKI stated that there is a need to revise infrastructure plans of certain areas. ASELSAN participates in relevant meetings and shares its views. In two years the investment will be completed and ASELSAN will provide necessary support to build the channel.</p> |
|--|----------------------|--|---|--|

| | | | | |
|--|--|---------------------------------------|--|--|
| | | consideration during the assessments. | | |
|--|--|---------------------------------------|--|--|

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

In the next two years we will work on the cost of water with its various dimensions.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

| | Products and/or services classified as low water impact | Definition used to classify low water impact | Please explain |
|-------|---|--|--|
| Row 1 | Yes | <p>The development of SCADA systems for efficient monitoring and control of the process from the source to the delivery of the water to the end user. ASELSAN is agile to produce and to align new technologies related with environment & public health with low carbon & water products and services. ASELSAN aims to use its technological knowledge in the field of these systems. A new project on water management system includes the development of systems for efficient monitoring and control of the process from the source to the delivery of the water to the end user.</p> <p>The main purpose of the developed solutions is to ensure energy and water efficiency.</p> <p>It aims to save up to 25% of energy in the management of water in our cities</p> | <p>There is an analysis document showing that the suggestions made in the Van project-a pilot Project for a Water Management System in a small area-will increase the energy efficiency. This improvement includes the water pump motors that our software recommends replacing. In the analyzes made, it has been revealed that one of the motors works with 47% efficiency and the other with 51% efficiency. This is not the optimal operating range of the pumps and is not healthy for the motors. Discovering this result, our SCADA software offers suggestions for replacing motors. And with this change, the energy savings will be 32.559 kWh/month. This value shows that the investment to be made for the replacement of the engines will be</p> |

| | | |
|--|---|--|
| | <p>and to reduce the loss and leakage rates that currently exceed 50%. Main enabling technology for the purpose is Supervisory Control and Data Acquisition (SCADA).</p> <p>Healthy functioning of the system is measured in terms of pressure, flow of water in the network, level of water in tanks, energy consumption in pumps and other electrical equipment.</p> <p>Historical trend analysis is performed on a time of day, day and season of year. Through the use of intelligent algorithms, efficiency figures above are monitored and necessary actions are taken.</p> | <p>amortized in about 6 months.</p> <p>Emission avoidance= 170 ton CO2e /year.</p> |
|--|---|--|

W8. Targets

W8.1

(W8.1) Do you have any water-related targets?

Yes

W8.1a

(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

| | Target set in this category | Please explain |
|--|--|--|
| Water pollution | Yes | |
| Water withdrawals | Yes | |
| Water, Sanitation, and Hygiene (WASH) services | Yes | |
| Other | No, but we plan to within the next two years | Some water originating from drinking water treatment devices and Environmental Conditions Laboratory will be collected and used in reservoirs. |

W8.1b

(W8.1b) Provide details of your water-related targets and the progress made.

Target reference number

Target 1

Category of target

Water withdrawals

Target coverage

Other, please specify

Division base strategic monitoring of water use

Quantitative metric

Other, please specify

% sites monitoring water consumption total volumes

Year target was set

2020

Base year

2020

Base year figure

40

Target year

2025

Target year figure

100

Reporting year figure

50

% of target achieved relative to base year

16.6666666667

Target status in reporting year

Underway

Please explain

2020 was the start year of the target

With the strategy we have focused in reducing our water impacts by setting reduction targets as part of our alignment with Sustainable Development Goals SDG: 6. In the Executive Committee Meeting it was decided to establish a target of a reduction in water use by 2030. The strategy and target were established by the Sustainability Committee, including Climate Change Management Unit. With this target which supports the SDG 6.3;

By 2030, our company will be a contributor to the improvement of the reduction of water quantity and indirect remediation of water quality, substantially increasing recycling and safe reuse.

Installation of energy meters in the devices that consume water was completed. In July

2021, an energy analyzer was installed in various lines. Thanks to the existing and new water meters in the coating lines, water consumption tracking is performed on a daily basis.

In 2022;

1- "Energy Efficient Design Principle", water saving infrastructures are created in all facilities. In new buildings, sources such as foundation drainage, rainwater, treatment discharge etc. are considered water sources and are predominantly used for landscape irrigation. 2-Automation systems are used in fire and hydrant lines and closed-circuit heating cooling pipelines, which operate under continuous pressure and gross section, to alarm in case of leakage. Thus, water leaks that may occur are eliminated as soon as possible, resulting in indirect water savings. 3-Water consumption used in processes is regularly monitored and efficiency/saving opportunities are evaluated. 4- In water-using device investments, consumption values are reviewed and water-saving devices are preferred. 5-Photocell faucets are used in all sinks. 6-Adiabatic humidification (fogging) systems are used to reduce water consumption in the indoor areas used as "Botanical Gardens"

Target reference number

Target 2

Category of target

Water, Sanitation and Hygiene (WASH) services

Target coverage

Company-wide (direct operations only)

Quantitative metric

Other, please specify

ISO 13811 hygiene and sanitation management system establishment target

Year target was set

2020

Base year

2020

Base year figure

0

Target year

2023

Target year figure

1

Reporting year figure

0

% of target achieved relative to base year

0

Target status in reporting year

Underway

Please explain

By spreading to every area of life, Hygiene; starting from the individual dimension, comes out as an important factor affecting the health of the community. The new type of corona-virus (COVID-2019) epidemic, which has been reported to have started in China at the end of 19, has been declared as a "pandemic" by the World Health Organization. In this context in the reporting year, ASELSAN became the first defense industry company to qualify for COVID-19 Safe Production / Safe Service Certification by fulfilling all the standards set by TSE. ISO 13811 Standard will ensure the company to be in continuous hygienic conditions, by focusing on optimum water use. Transition applications to the standard, started in 2020. The training part of the project has ended in 2021. In 2022, the Integrated Standards Unit for Integrated Management Systems was established to complete the certification by 2023. Consultancy service was received in this regard, internal audit was carried out. An external audit was scheduled for September. The standard will be integrated with Food Safety in September 2023.

Target reference number

Target 3

Category of target

Water pollution

Target coverage

Site/facility

Quantitative metric

Reduction in water discharge volumes

Year target was set

2022

Base year

2022

Base year figure

175

Target year

2030

Target year figure

100

Reporting year figure

175

% of target achieved relative to base year

0

Target status in reporting year

New

Please explain

ASELSAN builds three new buildings in Gölbaşı Facility. One building is designed for cafeteria where food will be cooked for 30.000 people. The second building is build for a new Nursery and Kinder-garden where 250 students will be educated. The third building will be a big sports complex with gym, basketball court, spinning center etc. In 2021 the gray water system integration was accomplished; the water saving will be 11,000 m3/year
All employees of ASELSAN, working at all facilities, can benefit from these buildings. Gray water system will be used in these three buildings, the target is to minimize the discharged water, and awareness raising will be fulfilled within employees using these complexes. In addition, gray water will be used for irrigation purposes in the new office building in Gölbaşı Facility. At the beginning of 2023, all buildings will be in use.

Target reference number

Target 4

Category of target

Water withdrawals

Target coverage

Site/facility

Quantitative metric

Increase in rainwater harvesting

Year target was set

2022

Base year

2022

Base year figure

21.98

Target year

2028

Target year figure

35

Reporting year figure

21.98

% of target achieved relative to base year

0

Target status in reporting year

New

Please explain

Water withdrawal will decrease as a result of rain water collection in Gölbaşı facility.
Infrastructure System works will continue until 2024.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

No, but we are actively considering verifying within the next two years

W10. Plastics

W10.1

(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

| | Plastics mapping | Please explain |
|-------|--|---|
| Row 1 | Not mapped – and we do not plan to within the next two years | We know from which processes plastics originate along the value chain. However, the mapping of this process has not yet taken place. |

W10.2

(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

| | Impact assessment | Please explain |
|-------|--|--|
| Row 1 | Not assessed – and we do not plan to within the next two years | This issue is important for ASELSAN and will be included in the agenda by taking into account awareness raising activities. Water quality regular assessment is in place. |

W10.3

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

| | Risk exposure | Please explain |
|-------|--|---|
| Row 1 | No, risks assessed, and none considered as substantive | The assessment is done continuously. This issue is integrated into risk assessment in environment category. |

W10.4

(W10.4) Do you have plastics-related targets, and if so what type?

| | Targets in place | Please explain |
|-------|---|---|
| Row 1 | No – but we plan to within the next two years | The target setting will be evaluated within the next 2 years. Completion of the plastic used in the bonding process in packaging by 2025 in the UGES Sector Presidency is in place. |

W10.5

(W10.5) Indicate whether your organization engages in the following activities.

| | Activity applies | Comment |
|--|------------------|--------------|
| Production of plastic polymers | No | not relevant |
| Production of durable plastic components | No | not relevant |
| Production / commercialization of durable plastic goods (including mixed materials) | No | not relevant |
| Production / commercialization of plastic packaging | No | not relevant |
| Production of goods packaged in plastics | No | not relevant |
| Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services) | No | not relevant |

W11. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

| | Job title | Corresponding job category |
|-------|-------------------------------------|----------------------------|
| Row 1 | Corporate Management Vice President | Board/Executive board |

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

| | I understand that my response will be shared with all requesting stakeholders | Response permission |
|---------------------------------------|---|---------------------|
| Please select your submission options | Yes | Public |

Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

No

Please confirm below

I have read and accept the applicable Terms