

# SMARTİKS

## SUSTAINABILITY REPORT 2023



# Implementing UN Global Compact Principles for Smartiks Yazılım Anonim Sirketi

**2023**

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## Message from the CEO and Statement in Support of UNGC

Dear Stakeholders,

Smartiks Yazılım A.S. was established in 2006 to generate effective business solutions and to render software development and consultancy services to its customers with its expert staff by using the highest technology components.

Smartiks acts with the vision of offering the truest solution within the shortest time. Smartiks, which offers service by always giving particular importance to productivity and service quality in its works to be mentioned with quality, consistently empowers and improves its staff with the understanding that its most important resource is human. Our company, which has shaped its rooted software traditions with a modern understanding according to today's technology and fast production needs with its international collaborations, has taken its place among leading technology development companies in the sector in a short time.

Our company, which has carried out many national and international projects on Customer Relationship Management Systems, Business Intelligence, e-Commerce applications, and Mobile applications successfully, also foresees emerging sectoral needs with its visionary approach and thereby, adds new products and services to its portfolio.

Continuing to grow with the projects that it has completed and each of which is shown as a reference in its sector, Smartiks has adopted the principle of strategic business partnership by offering complete support to its customers not only to meet the needs but also to foresee future innovations and new needs that may arise. Smartiks has strengthened its expertise in the advanced use of technology and consultancy for incorporating solutions with the products and solution partnerships it has developed since its establishment, ensures high-level customer satisfaction with its solutions and thereby, turns its experience into a success.

As Smartiks, we aimed to follow the economic, environmental, and social developments of our company as well as the opportunities and risks arising from these developments along with our financial indicators. To leave a sustainable world to future generations and serve as a model in this regard, we have undertaken to transparently share our environmental, social, and corporate activities with our shareholders.

***I am glad to declare our company's, Smartiks Yazılım A.S., commitment and the continuity of our support to the 10 principles of the United Nations Global Compact which are globally accepted under the main titles of Human Rights, Working Conditions, Environment and Anti-Corruption. Within this scope, we aimed to review our vision, mission and core values and explain our actions to integrate these principles into our business strategy, culture, and daily activities in our sustainability report 2023. Furthermore, we undertake to share this information with all our stakeholders by using our primary communication channels.***

Hope to share the pride and happiness of many successes in line with our goals in the upcoming period.

Sincerely,

Mr. Cihan Bilgin  
Chairman/CEO, Smartiks Yazılım A.S.

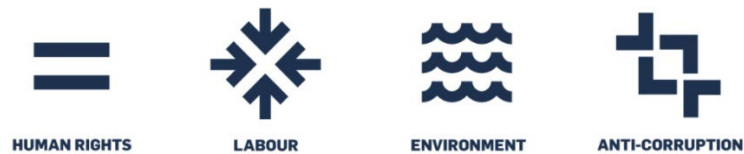


## Our Approach to the 10 Principles

On 03.11.2020, the company signed the UN Global Compact which is the biggest corporate sustainability initiative of the world and is based on ten universal principles in **human rights, working standards, environment, and anti-corruption**. In this sense, we are proud to be a part of the global movement of sustainable companies and stakeholders.

The company's UNGC Company Card and the Engagement Letter can be found by the link below: <https://www.unglobalcompact.org/what-is-gc/participants/141907-Smartiks-Yaz-l-m-A->

The report serves as a statement of progress in accordance with the United Nations Global Compact (UNGC) to which we are a signatory since 2020. Smartiks COP refers to the 10 principles of UNGC concerning human rights, working standards, environment, anti-corruption and summarizes the support and maintenance performance for these principles. All the information shared in the report intends to increase the awareness of all the shareholders, create value and integrate the principles of sustainability to all the business processes.



**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and

**Principle 2:** make sure that they are not complicit in human rights abuses.

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

**Principle 4:** the elimination of all forms of forced and compulsory labour;

**Principle 5:** the effective abolition of child labour; and

**Principle 6:** the elimination of discrimination in respect of employment and occupation.

**Principle 7:** Businesses should support a precautionary approach to environmental challenges;

**Principle 8:** undertake initiatives to promote greater environmental responsibility;

**Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

## The UN Sustainable Development Goals (SDG)

Smartiks adopts UN Sustainable Development Goals (SDG) and implements the sustainability strategy according to the global targets in this regard. Evaluating the strategy based on the “protect, empower, improve and comply” concept under the light of SDGs, Smartiks contributes to the development targets of certain categories with the company's activities. The official website of the United Nations SDG is [www.un.org/sustainabledevelopment](http://www.un.org/sustainabledevelopment)



The report analyses the development and targets of sustainability under four categories which are

- **PROTECT: ENVIRONMENT**
- **EMPOWER: HUMAN RIGHTS & LABOUR**
- **COMPLY & IMPROVE: ANTI-CORRUPTION, CORPORATE GOVERNANCE, STEAKHOLDERS & INTERNATIONAL STANDARDS AND INITIATIVES**
- **PERFORMANCE EVALUATION AND GOALS FOR THE NEXT PERIOD**

### About Smartiks

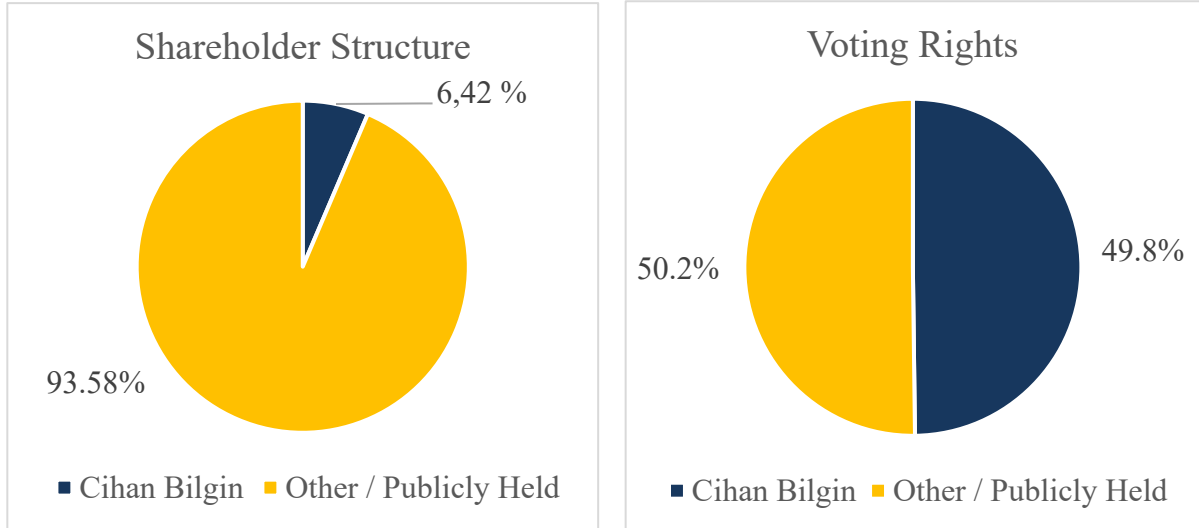
Smartiks was established in 2006 to generate effective business solutions for its customers by using high technology components and to render software development and consultancy services with its expert staff. Smartiks, which has successfully carried out many national and international projects in the fields of **Customer Relationship Management Systems, Business Intelligence, e-Commerce applications, and Mobile applications** it has focused, also foresees emerging sectoral needs with its visionary approach and thereby, adds new products and services to its portfolio. Smartiks, which has strengthened its expertise in the advanced use of technology and consultancy in corporate solutions, with the products and solution partnerships it has developed since its establishment, provides a high level of customer satisfaction with its solutions and turns its knowledge into a success. Smartiks Yazılım A.S. has been listed in the Technology Index and Information Technology Index of Borsa Istanbul since 10.05.2019. As of the end of 2023, our company's Share Rate in Actual Circulation is 93.33%. Since 2019, the company has been following the Capital Market Regulations and it continues its activities per the legislation, including corporate governance structures, financial reporting processes and transparency principles.



#### Our Offices

Headquarters	Kozyatağı Branch	Dubai Branch	USA Branch
Yıldız Technical University Davutpaşa Campus Technopark D2 Blok No: Z06 Esenler / Istanbul	Sahrayıcedit Mh. Halk Sk. Kayalar İş Merkezi No:39/A Kadıköy – İstanbul	Dubai Internet City, Building Number 12 Office 207-208 Dubai UAE	5201 Great America Pkwy Suite 320, Santa Clara, CA 95054, USA

## Shareholding and Management Structure



## Board of Directors

As of 31.12.2023, Smartiks Software Board of Directors is as follows.

Board Member	Title
Cihan Bilgin	Chairman of the Board
Mustafa Bahçuvan	Vice-Chairman of the Board
Baha Tosun	Board Member
Nazan Kaya	Independent Board Member
Murad Kayacan	Independent Board Member

## Solutions:

### CRM (Customer Relationship Management)

Customer relationship management is an approach to managing a company's interaction with current and potential customers. It includes revealing customer expectations, analyzing processes, selecting the most suitable products for the project and making technical arrangements in the corporate transformation process of customers. Sales Force Automation, After Sales Service Automation, Marketing Management, Loyalty Management, Digital Content Management, Digital Service Solutions, Call Center Solutions are some of the solutions offered for consultancy.

### Business Intelligence (BI)

It is about the data-based decision support steps that customers need in digital transformation processes. Solutions include rapid needs analysis, data migration, reference architecture recommendations, industry-specific enterprise data modeling, (Inmon/Kimball/Hybrid), establishment of corporate data warehouse, powerful visual reporting with new generation business intelligence tools, self-service BI, transfer of historical data, Big Data includes services such as ensuring that IOT data is available for strategic decisions.

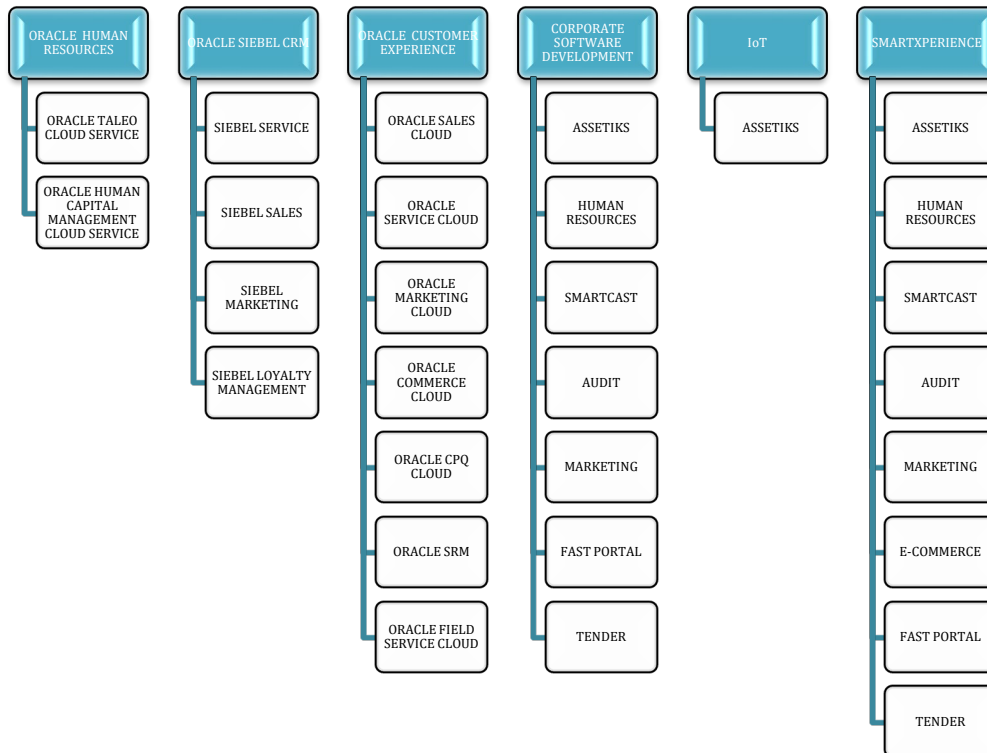
### Data Science

It includes providing advanced analytics solutions using the relational and non-relational data of companies. It aims to ensure the dissemination of algorithms built using R and Python languages on on-Premises, Microsoft Azure and AWS platforms and to support end-to-end architectural installations. Project competencies Time series forecasting, Customer segmentation (clustering), Product and campaign usage forecasting (matrix factorization, deep learning), Failure forecasting (classification, decision tree), Predictive maintenance, Customer life Calculation of the value (customer lifetime value) and Anomaly detection.

### Data Security

Data provides a critical foundation for all operations of an organization. Safely protecting and using this foundation is central to its security strategy. In the era of digital transformation, technologies that are included in both our daily lives and the business world bring many benefits with them, but also pose risks that should be taken seriously, especially in terms of data security. When it comes to digital security, one of the most emphasized points is the differences between corporate information and individual user information and privacy/security threats against them. The simplest and most important way to ensure that this information in electronic media is not stolen or read by people who want to use it for malicious purposes is data masking and encryption. The encryption method, which is used by both individual users and large companies, is widely used to protect the confidentiality of user information sent between the browser and the server on the internet.

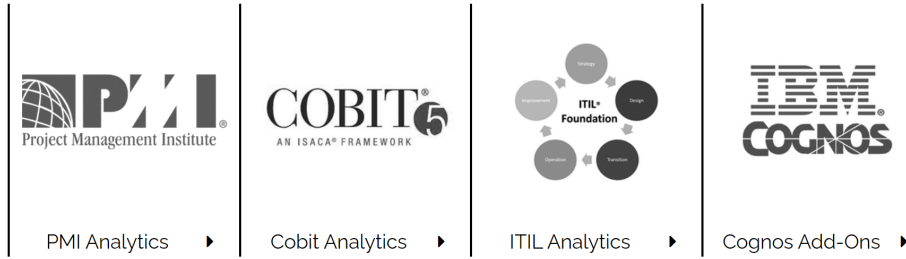
In addition to these services, Smartiks Yazılım A.Ş also provides services in **Analysis and Process Management, Software Solutions, HR Solution and Outsourcing.**





## Our 100% Affiliate: Compello Bilgi Teknolojisi Hizmetleri ve Tic. A.S.

Smartiks Yazılım A.S, in line with its growth strategy and investment decisions on 27.09.2019, acquired all shares (100%) of the software company, “Compello Bilgi Teknolojisi Hizmetleri ve Ticaret A.S.” which was established as **big data and business intelligence-oriented** in 2012; and has successfully presented the high-value-added products that it has developed with its strong R&D infrastructure, to its customers in the countries such as England, USA, Australia, and Switzerland as well as Turkey; has worked with companies such as Barclays Bank in London, Nestle in Switzerland and Bendigo Bank in Australia for its product named “Project & Portfolio Intelligence”; and has also made a contribution to the national economy by adding artificial intelligence products to its innovative product family thanks to its on-site R&D center certificate and various TUBITAK incentives.



The purpose and subject of the Company are to install all kinds of technical, electronic, mechanical, and telecommunication infrastructure and user units and surrounding devices required to produce and distribute all kinds of information, computer software, internet services, and mobile services electronically, and to have them installed and ensure their installations; it engages in the production, domestic and foreign trade, maintenance, repair and assembly, marketing, sale, lease, provision of necessary services, storage, transportation, promotion and trade of these devices and necessary programs and/or software.

## History and Awards

### 2006

- Established in 2006 to render software development and consultancy services.

### 2014

- Yıldız Technical University Technopark Office was opened.

### 2017

- Dubai Office was opened to meet the demands for Smartiks solutions in the Middle East region more quickly and effectively.
- We were awarded the 'Cloud Transformation Partner of the Year 2017' by Oracle.

### 2018

- The United States Branch was opened.
- Smartiks was awarded the "FY18 Central Asia & Turkey Partner of the Year (HCM Cloud)" and "FY18 Central Asia & Turkey Partner of the Year (Customer Advocacy)" by Oracle for its successful project and business partnership in 2017-2018.

### 2019

- Our company was offered to the public and became listed company in Borsa Istanbul on May 09, 2019.
- In line with its growth strategy and investment decisions, on September 27, 2019, it acquired all shares of "Compello Bilgi Teknolojisi Hizmetleri ve Ticaret A.S.", a software company that was established as big data and business intelligence-oriented in 2012.
- We were deemed worthy of the 'Financial Transformation Business Partner of the Year' award at the 2019 Microsoft Business Partners Summit with 3 projects that we designed for Vakıf Participation Bank.

### 2020

- It was accepted as a signatory company to the United Nations Global Compact.
- It concluded the Business Partnership Agreement for "Data Governance and Data Security" with SecuPi Security Solutions, Ltd which is headquartered abroad.

### 2021

- Our product "Smartforecast (Statistical Forecasting Application)" on product and location-based estimation of sales / costs in a time period using statistical algorithms has been developed.
- 5-Year Major Supplier agreement with Microsoft and India-based Applicate IT Solutions Pvt Ltd. A 1-Year Business Partnership Agreement was signed.
- Smartiks Software took its place in the list of "Turkey's 250 Companies with the Highest R&D Expenditures" organized by Turkishtime Economy and Business Culture Portal on 23.06.2021, with a total R&D investment of 11.360.184 TL in 2020. (<https://turkishtimedergi.com/arge250>)

## 2022

- Our company vision, mission and core values were renewed and Smart Bee transformation process was initiated in line with strategic goals to be achieved.
- By implementing Smart Bee Transformation Project, our company provided education and career opportunities to university students and new graduates within the scope of the Smart Student Young Talent 2022 program.

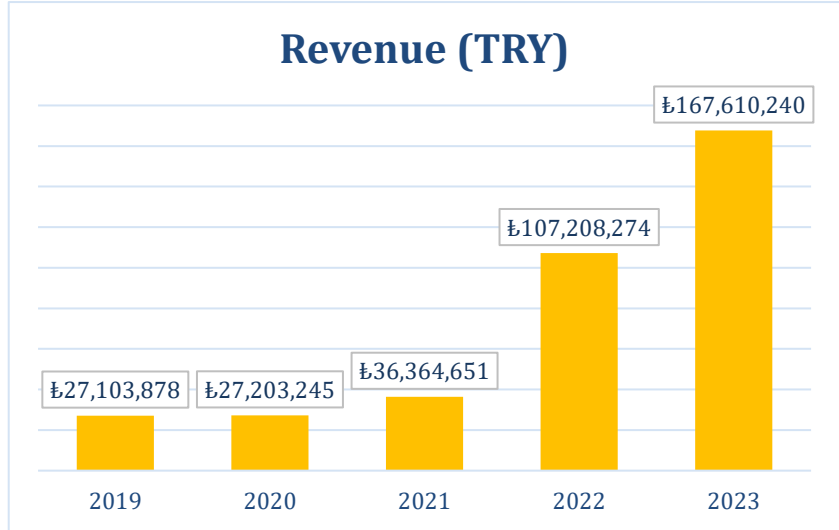
## 2023

- Istanbul Metropolitan Municipality- Business relations were developed and new tenders were procured by giving the best bids.
- A strategic business partnership was established with Koç Digital within the scope of the Digital Transformation Project.
- Our sales and marketing department has completed the training process on “Data and AI Fundamentals” with IBM and received certification.
- In order to raise awareness to developments around world and improve organizational culture R&D newsletter has started to be published every 2 weeks.
- Our invention “Resting Metabolic Rate Estimation Method” has received a patent certificate from the Turkish Patent and Trademark Office.

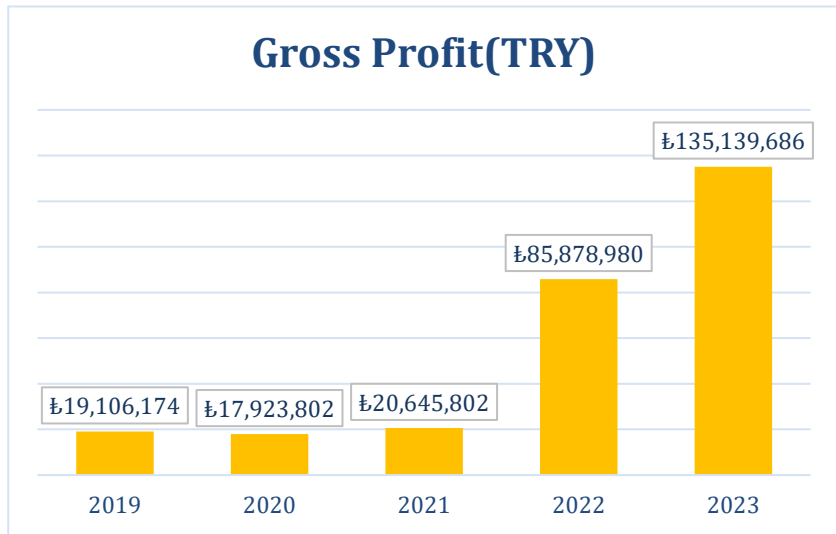
## Operational and Financial Information

In 2023, Smartiks Yazılım A.S. has made service/product sales not only in the domestic market but also overseas countries and has made new strategic business partnerships with international companies.

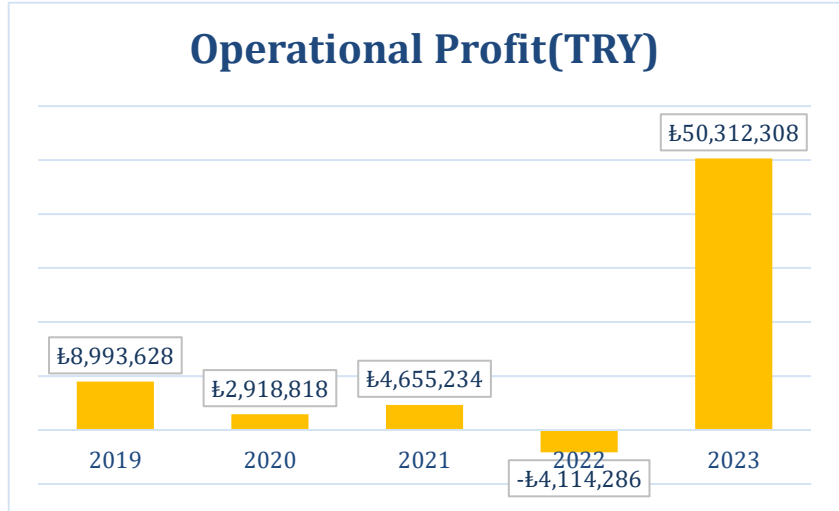
The revenue reached 167.610.240 TRY as of 31.12.2023 indicating %56,3 growth compared to last year.



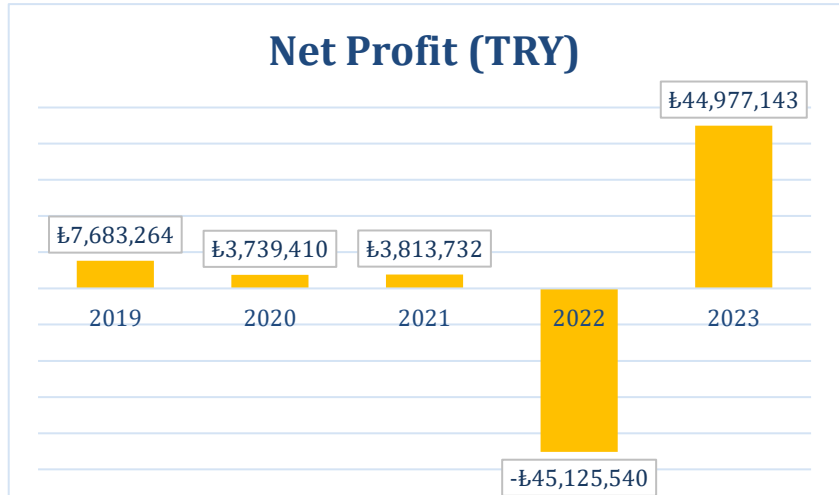
As of 31.12.2023, Gross Profit increased by 57.4% compared to the previous year and amounted to 135.139.686 TRY.



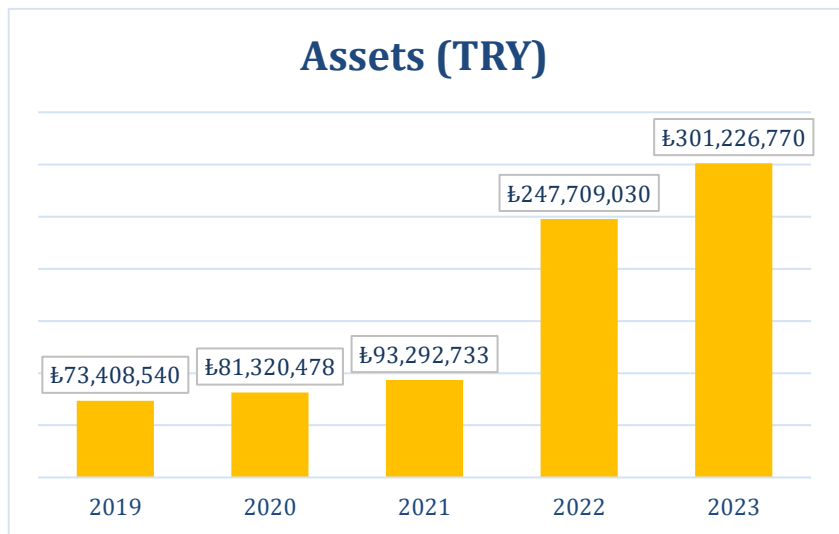
As of 31.12.2023, Main Operational Profit increased by 1322% compared to the previous year and amounted to 50.312.308 TRY.



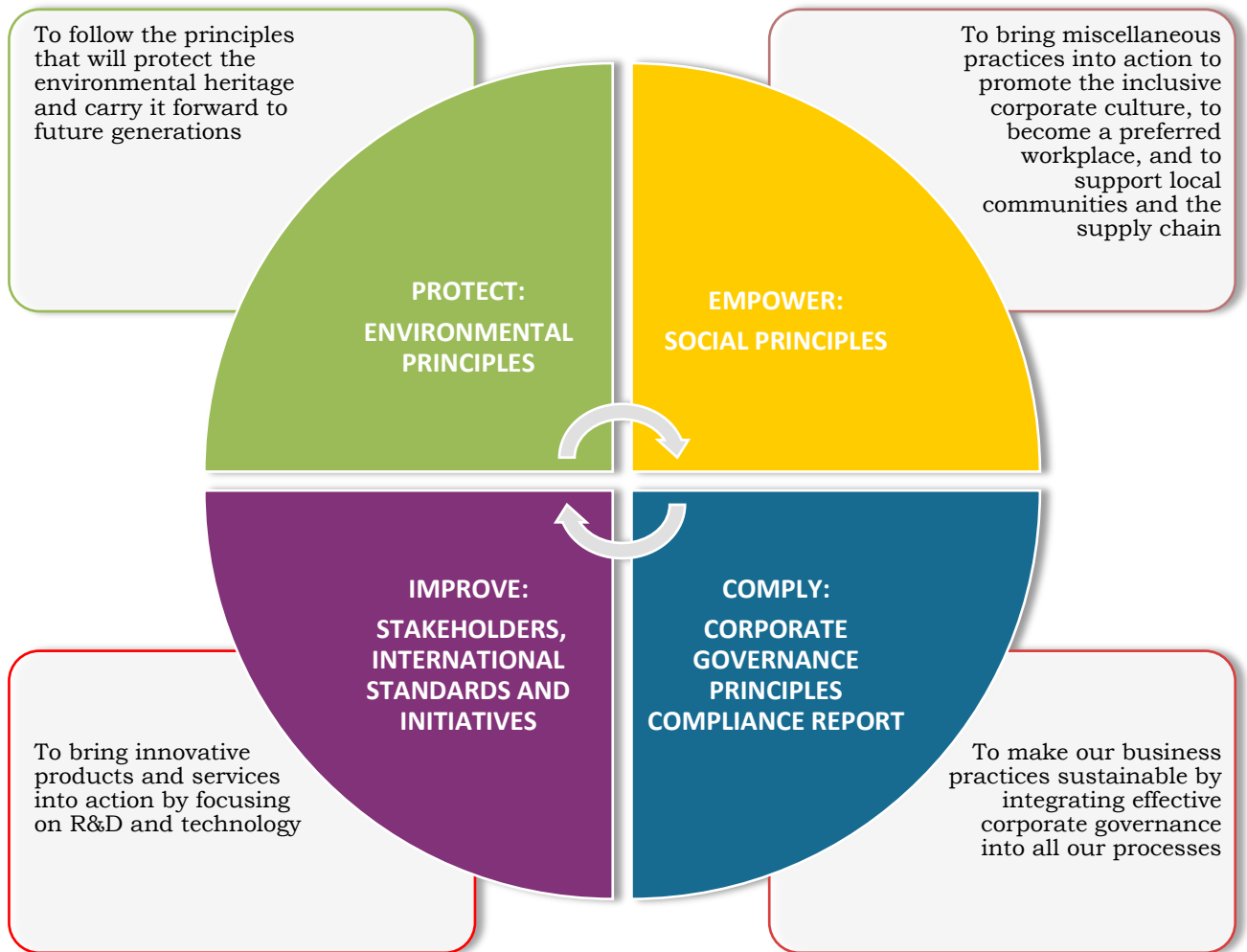
As of 31.12.2023, Net Profit increased by 199,7% compared to the previous year and amounted to 44.977.143 TRY.



As of the end of 2023, our total assets increased by 21.6% and reached 301.226.770 TRY.



Smartiks Sustainability Strategy: PROTECT – EMPOWER – IMPROVE -COMPLY





## 1-) PROTECT: ENVIRONMENT

### Corporate Sustainability Policy

Our Company's Corporate Sustainability Policy has entered into force with the Board of Directors Decision dated 30.12.2020 and numbered 2020/24. The purpose of this policy is to determine the procedures and principles regarding conducting "Environmental, Social, Corporate Governance (ESG) Studies" within the Corporate Governance Principles and Sustainability Principles Compliance Framework of the Capital Markets Board.

In the performance of sustainability activities, the Company pays attention to support the economic development to improve the life quality of the society, to follow environmentally-friendly policies in all its activities, to support various projects prepared for social and cultural purposes in this direction, to interiorize the transparency, fairness, accountability, and responsibility, which are the fundamental principles of corporate governance, and thereby, render valuable services in all areas such as education, health, barrier-free living, environment, culture, etc., to support social development in all business processes, and to encourage the efforts to raise employee awareness by taking part in social responsibility projects with its employees.

Based on environmental, social, and corporate governance, the Corporate Sustainability Policy covers the following principles;

- Continuously improve all business processes by managing the risks effectively
- Work with the zero-accident principle on occupational health and safety
- Raise company performance and production efficiency
- Ensure an open communication environment by encouraging employees to active participation
- Use energy efficiently, to protect the ecological balance and natural resources
- Raise the knowledge and social awareness of stakeholders on climate change
- Follow up a sustainable environmental management policy based on national environmental legislation, relevant environmental standards, and the best technologies in this field
- Ensure information security and business continuity in all activities
- Comply with national and international legal requirements
- Manage relations with its stakeholders in a transparent manner and common sense
- Ensure continuity in customer satisfaction
- Develop its suppliers in terms of sustainability practices
- Share sustainable environmental policy practices with the public in a transparent manner
- Submit Corporate Social Responsibility activities to its stakeholders in line with Company strategies, goals, and priorities
- Adopt the Corporate Governance Principles as the corporate culture, particularly ethical values and anti-corruption.

**Principle 7:** Businesses should support a precautionary approach to environmental challenges

**Principle 8:** Undertake initiatives to promote greater environmental responsibility

## Energy Management

The Power Consumption (kwh) of Smartiks Technopark (Head Office) and Kozyatağı Branch between 2020 and 2023 is given in detail in the tables below. An energy saving of 3% was achieved in the total amount of energy consumed in the Teknopark head office between 2020 and 2023 and an 11% of energy saving was achieved in the Kozyatağı branch between 2022 and 2023. While the gradual return to the office has begun in 2022 and 2023, our employees have been made aware of energy consumption and savings.

<b>Technopark Total Energy Consumption (KWH)</b>				
	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
JANUARY	11.991	6.918	7.720	7.951
FEBRUARY	10.163	8.638	6.627	8.216
MARCH	7.176	7.934	8.203	7.652
APRIL	4.493	10.876	4.420	6.234
MAY	4.181	6.345	5.665	6.029
JUNE	5.337	4.082	6.450	5.769
JULY	7.785	4.600	6.094	8.404
AUGUST	7.739	5.821	7.613	7.993
SEPTEMBER	6.458	6.657	6.027	6.140
OCTOBER	5.491	4.712	5.332	5.234
NOVEMBER	6.736	4.454	5.930	6.300
DECEMBER	8.437	5.149	6.822	7.512
<b>TOTAL</b>	<b>85.988</b>	<b>76.185</b>	<b>76.903</b>	<b>83.434</b>



<b>Kozyatağı Branch Total Energy Consumption (KWH)</b>		
	<b>2022</b>	<b>2023</b>
JANUARY	5.831	4.173
FEBRUARY	5.919	5.292
MARCH	6.067	4.085
APRIL	3.238	2.715
MAY	2.206	2.292
JUNE	4.166	1.709
JULY	3.693	4.597
AUGUST	4.228	4.450
SEPTEMBER	3.115	3.297
OCTOBER	2.028	2.229
NOVEMBER	2.259	2.198
DECEMBER	3.127	3.541
<b>TOTAL</b>	<b>45.877</b>	<b>40.578</b>

## Measures Taken During the Pandemic Process

Due to Covid-19 that started to be seen in our country as of March, we aspired to take all kinds of measures to protect the health of our employees and to lend assistance to them in this process. The measures that started to be taken in 2020 continued in this context in 2021 as well. Within this process,

- All our employees were provided the opportunity to work from home.
- Disinfectants were supplied to various parts in the office, and our offices were disinfected periodically.
- To ensure the safety of the employees, we made a call to our personnel who are diagnosed with Covid-19 themselves, or someone around them diagnosed with Covid-19, or show symptoms or are in the risk group, to inform our company.
- Our Human Resources Department made various disclosures and suggestions through communication channels for stress management during the pandemic process.

## Developments and Working Model After the Pandemic

Within the pandemic, transformation process in every aspect has been experienced all over the world. Our company and employees showed resilience and quickly adapted to the change. Some processes have become continuous and new working models have been adapted in our company with the effects of the pandemic. The changes adapted in 2022 and 2023 are listed below.

- Disinfection processes are regularly carried out at our company headquarter and branches.
- Flexible working model has been permanently adapted in our company.
- Three different working models as remote, hybrid and office-based work have been determined and adapted by our company post pandemic.
- The adaptation process was taken into account and returning to the office was carried out gradually for our employees.
- Our employees were given the opportunity to continue their work office based three days a week and remotely two days a week. In this way, the interaction and motivation between project teams was increased.
- With the current working model, we have reduced the one's individual carbon footprint and corporate carbon footprint left to the environment, directly and indirectly, due to the fact that our employees travel less often to the office.

## Company Practices for Reducing Paper Waste

- All applications and forms related to HR Processes (permission form, embezzlement form, purchase form, etc.) were moved to the company's online portal, thereby reducing paper usage.
- In our company's head office, recycling bins in the Technopark common area are used for paper, battery and glass recycling.
- In all legally possible platforms and contracts, e-signature is preferred instead of original handwritten signature.

## Global Goals Addressed in the COP Part 1 - PROTECT: ENVIRONMENT

**3** GOOD HEALTH  
AND WELL-BEING



**12** RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



**13** CLIMATE  
ACTION



## 2-) EMPOWER: HUMAN RIGHTS & LABOUR

Smartiks acts faithfully to human rights and ethical values in the organization and implementation of all recruitment and working processes. It provides its employees the opportunity to improve themselves equally, in line with their qualifications and demands. Acting within the framework of universal human rights in all its business processes, Smartiks does not discriminate on language, religion, race, ethnic origin, political opinion, or gender in its relations with any of its stakeholders, including its employees, suppliers, and customers.

Our company respects the Universal Declaration of Human Rights and the International Labor Organization (ILO) Conventions and Recommendations. It conducts its activities with the awareness of its duty and responsibility to enhance these values and improve the quality of life within the framework of common human values.

Our Company's Human Resources Policy aims to make Smartiks Yazılım A.Ş. a preferred company by creating a competent organization consisting of highly committed employees. In line with this purpose, it is based on the principle of continuous improvement in the following main strategic priorities:

- Providing equal opportunities to people on equal terms in recruitment, training and development, remuneration and career planning
- Equal treatment of employees in matters of development and promotion; Creating development policies and plans for employees to increase their knowledge, skills and experience
- Institutional development of key organizational competencies that will increase competitiveness
- Promoting high engagement and performance
- Building a common corporate culture that can hold differences together and benefit from this richness

In this sense, Smartiks has aimed to develop an inclusive workplace strategy sensitive to equality between women and men and to take all actions to develop and implement internal policies that will prevent all kinds of inequality both during and after the recruitment processes.

**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights.

**Principle 2:** Make sure that they are not complicit in human rights.

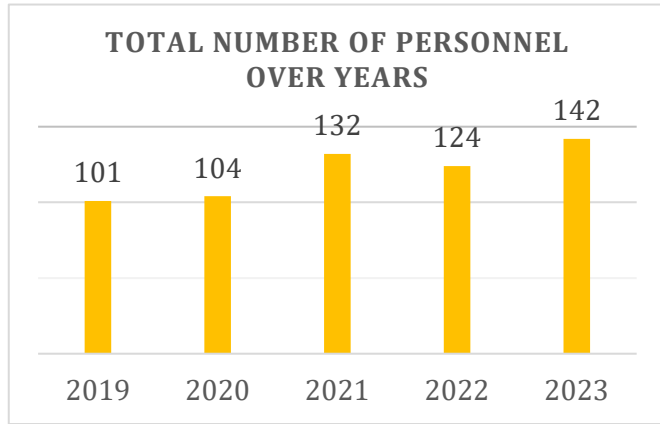
**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

**Principle 4:** The elimination of all forms of forced and compulsory labour.

**Principle 6:** The elimination of discrimination in respect of employment and occupation.

## Continuous Labor Procurement

With its more than 100 employees, the company has continued its recruitment activities in an ordinary flow by providing continuous workforce supply during the Covid-19 process which has dramatically affected the country and the world. As of the end of 2023, our company has a total of 142 personnel, on the basis group companies, with professional knowledge and experience above the industry average.



Within the years, on the basis of group companies labor performance and employee portfolio illustrated in the table below. The number of employees has increased by 15% between 2022 and 2023.

YEAR	ADMINISTRATIVE TEAM	TECHNICAL TEAM (TECHNOPARK/R&D PERSONNEL)	TOTAL
2023	23	119	142
2022	24	100	124
2021	22	110	132
2020	9	95	104
2019	10	91	101

Between 2019-2023, the number of our personnel on the basis of group companies remained at stable levels.

## Increasing women's participation in the workforce

As of the end of 2023, **38% of our employees are women**. While there was an 11% increase in the employee rate of women between 2021-2022, the women employee rate has **increased by 10%** between 2022-2023.

YEAR	Number of Male Employees	Number of Female Employees	Total	Ratio of Female Employees %
2023	88	54	142	38%
2022	75	49	124	41%
2021	88	44	132	33%
2020	69	35	104	34%
2019	80	21	101	21%

Our Company aims to reach the minimum recommended target rate of 25% for the rate of female members in the board of directors in the article of Capital Markets Board Corporate Governance. As of 31.12.2023, 1 (20 %) out of our 6 Members of the Board of Directors is a woman.

In the technology sector, our company became one of the business partners participating in the "Female Technical Talent" program, which was created by Microsoft Turkey in order to have more



women in technical roles in the fields of Data Analytics, Artificial Intelligence and Application Modernization.

At the end of Smart Student Young Talent 2022 program, three out of four employees who joined our company full-time are female. Accordingly, the rate of female employees in our company has increased.

### Strict Fight Against Child Labor

Smartiks is strictly against child and forced labor. No cases have been reported across the company and its subsidiaries to this date. Furthermore, Smartiks does not tolerate any form of child labor and forced labor in its suppliers and business associates. Smartiks is under the obligation to respect and observe human rights as fundamental values in accordance with the European and UN Conventions on Human Rights. This particularly applies to the prohibition of child and forced labor, equal treatment of employees, the right to represent interests, and collective bargaining negotiations.

**Principle 5:** The effective abolition of child labour.

YEAR	0-18 Years Old	19-35 Years Old	35+ Years Old	Total Number of Personnel
2023	-	97	45	142
2022	-	83	41	124
2021	-	96	36	132
2020	-	73	31	104
2019	-	69	32	101

### Employee Commitment

Employee commitment is at the forefront of the most fundamental elements that we aim to provide to transfer value to our customers. Smartiks aims to create a culture where the development is the actual focus point in an environment where employees play an active role in their growth and career planning and the managers monitor employees' performance closely and provide feedback.

Service Period		Total Number of Employee
Under 5 Years <	Over 5 Years >	
123	19	142

Our company organizes an Employee Satisfaction Evaluation Form on an annual basis. Within the scope of the feedback received, our HR department evaluates opinions and suggestions, improves working conditions and takes actions to increase employee satisfaction.

## Education Support and University Collaborations

By the end of 2023, 81% of our employees have bachelor's and higher degrees. Smartiks designs processes where employees can reveal their potential and provides opportunities and environments for their continuous development.

<b>Educational Level of Employees</b>				
<b>Year</b>	<b>Primary School</b>	<b>Highschool</b>	<b>University</b>	<b>+Master's/Doctorate</b>
2023	4	23	109	6
2022	3	16	96	9
2021	3	5	111	13
2020	3	3	91	8
2019	3	6	80	11

Smartiks Yazılım A.Ş. has cooperation with Çukurova University in terms of internship programs, sponsorship support, participation in events and projects of computer engineering departments. The company also cooperates with Yıldız Technical University in recruiting interns. Within the scope of our R&D programs, we employ new graduates and have internship programs. In addition, our HR department determines the training and certification processes as performance targets and supports our current employees in achieving these targets. Incentives are provided for master's and doctorate programs, and employees can use special permissions to participate in these programs.

Smartiks Yazılım A.Ş. was the "Silver Sponsor" for the "Google Solution Challenge People & Peace Hackathon" which is organized by Developer Student Clubs Turkey at Galatasaray University on March 5-7, 2021, with the attendance of many university students. Challenge's mission is to solve a problem that addresses one or more of the United Nations Sustainable Development Goals (global goals 1,2,3,4,5 and 16).

Smartiks sponsored the "ProCenga Electrical, Electronics and Computer Engineering Project Competition", which was held for the fifth time by Çukurova University Computer Engineering Student Community on 20-23 May 2021.

Our company, which steers digital solutions, has assigned 15 interns to the CRM, Software, Business Intelligence departments in the summer term of 2021 within the scope of the "Smart Talents" program for the development of new graduates and students.

### **Smart Student Young Talent 2022**

As 2022, transformation process has started with Smart Bee project. Smart Student Young Talent 2022 program has launched its project called "Smart School". Within the scope of the Smart Student Young Talent 2022 program, the project initiated included our employees, university students and fresh graduates, focused on two main subjects as Institutional Structuring and Operational Excellence and Financial Structuring and Growth/Expansion. We have provided training and career opportunities to 30 of our interns by our expert staff in the industry in the areas of Cyber Security, Blockchain, Metaverse, Website Design, App Development and Social Media within the program.

In the range of Smart Bee Transformation Project our interns have received following;

- Theoretical and applied trainings
- Opportunities to work with leaders who are experienced in their fields
- Appropriate position opportunities within our company
- Career and networking opportunities.

At the end of Smart Student Young Talent 2022 program, which has started with “Innovation does not recognize hierarchy” slogan four of interns were employed full-time and joined our company on a permanent basis.

## Career Development 2023

Smartiks prioritise and give importance to development and career planning of its employees. In this regard, while offering a flexible working model for employees that are studying, it also provides training on a departmental basis in line within the demands of employees.

Smartiks, aimed to increase the skills of employees in order to contribute their career development during 2023 by focusing on training.

In 2023, member of Sales and Marketing department have completed IBM “Data and AI Fundamentals” trainings and received their certification. In addition, the project teams received Project Management Professionalism - PMP (Project Management Professional) and PSM (Professional Scrum Master) training. At the end of their training, the employees took the exam and successfully completed the certification process by the Project Management Institute (PMI). In this aspect, particularly it was aimed for project teams to work more effectively and efficiently.

## Company Events

The Human Resources Department regularly organizes events inside and outside the company to increase interaction and motivation among our employees. In this respect, it is aimed to increase the corporate communication relationships and unified rapprochement to prevent organizational failure. Thanks to these activities, it is possible to establish relationships across organizational boundaries and increase employee affiliation.

## Occupational Health and Safety

Occupational Health and Safety is one of the fundamental and indispensable elements of its management approach. In 2020, a total of 65 employees completed Occupational Health and Safety Training. The training certificates are provided by our company upon the demands of the employees. Providing safe and healthy environment to our employees is the main priority of our company. In addition, our company complies with legal and regulatory requirements and holds ISO 45001:2018 Occupational Health and Safety Management System certificate. Furthermore, all our company employees benefit from private health insurance.

The relevant training mainly includes but not limited to the following topics:

- Labor Legislation
- Legal Results Arising from Occupational Accidents and Occupational Diseases
- Occupational Diseases
- First aid
- Harms of Tobacco Products and Passive Exposure
- Causes of Occupational Accidents, Protection Principles, and Technical Practices
- Evacuation and Rescue
- Fire and Electricity Protection

In 2023, there is no judicial decision against the company due to liability related to work accidents.

## Personal Data Protection Law

Within the scope of the Personal Data Protection Law, Smartiks obtains written consent from all personnel for the processing of their data.

The Disclosure on the Law (“KVKK”) has been presented to all of our employees on our company's website: <https://www.smartiks.com.tr/Content/static/KVKK%20Smartiks.pdf>

## Global Goals Addressed in the COP Part 2 - EMPOWER: HUMAN RIGHTS & LABOUR

**4** QUALITY EDUCATION



**5** GENDER EQUALITY



**10** REDUCED INEQUALITIES



**16** PEACE, JUSTICE AND STRONG INSTITUTIONS



### 3-) COMPLY & IMPROVE: ANTI-CORRUPTION, CORPORATE GOVERNANCE, STEAKHOLDERS & INTERNATIONAL STANDARDS AND INITIATIVES

#### Anti-Corruption and Anti-Bribery Policy

The policy aims to set the principles and rules of Smartiks Yazılım A.S. for the detection and prevention of possible actions that can be considered within the scope of corruption and bribery, to raise awareness of the employees through in-house regulations, to guide them, and to ensure maximum compliance with national and international regulations. Smartiks Yazılım is against all kinds of bribery and corruption. Accepting or giving bribes for whatever purpose is unacceptable. Business relationships with third parties that want to do business with Smartiks Software through bribery or corruption should be terminated.

**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

Bribery and corruption can be made in many ways, including cash payments, political or other donations, commissions, social benefits, gifts, hosting, and other benefits.

#### Anti-Bribery and Corruption Procedures:

##### ***a) Companies and Business Associates from/to which Goods and Services are Purchased and Sold:***

It is obligatory for the companies and business associates from/to which goods and services are purchased and sold, to comply with the principles of the Policy and other relevant legal regulations and thereby, the businesses with individuals and organizations that do not comply with these are terminated.

At the selection of companies and business associates from/to which goods and services are purchased and sold, the technical competency and criteria such as experience, financial performance, technical competence, and other performance criteria determined by the Purchasing Department as well as their ethical level and having a positive background in this field are also taken into consideration by the senior management. It does not collaborate with the companies and business associates, who are known to have an undesired experience as regards bribery and corruption even though they meet the other criteria. Within this scope, the responsibility for conducting the necessary research and evaluations before entering into any business relationship is assumed primarily with the senior management. The Quality Department evaluates in its audits whether the aforesaid issues are complied with.

In agreements and contracts to be concluded with companies and business associates that have a positive background and meet other criteria, the following requirements are included:

- To fully comply with the principles specified in the policy and other relevant regulations,
- To ensure that employees internalize these principles and act accordingly,
- To ensure that employees receive policy-related training periodically,
- To remind its employees about notification obligations and ethical practices on regular basis and to encourage them to notify in case they encounter such situations.

The provisions stipulating that the employment and the contracts in force will be terminated for justified reason in case of non-compliance with these or a situation contrary to the Policy.

**b) Gift:**

A gift is a product that does not require any monetary payment and is generally given by people or customers with whom we have business relationships as a means of appreciation or business courtesy. All kinds of gifts offered or given to third parties by Smartiks Yazılım must be offered publicly, in good faith, and unconditionally. Accepting a gift is subject to the same principles, and no gift should be accepted except for the symbolic gifts with a low material value which are included in these principles. Furthermore, gift acceptance should not be frequent even if it is within this scope, and the ones accepting a gift should notify the HR and senior management of the company through his/her immediate supervisor.

**c) Facilitation Payments:**

The persons and organizations under this Policy cannot offer facilitation payments to facilitate or expedite a routine transaction or process (obtaining permits and licenses, obtaining documents, etc.) with government agencies.

**d) Donations:**

Smartiks Donation and Aid Policy has entered into force with the Resolution of the Board of Directors dated 27.12.2019 and numbered 2019/28.

Our Board of Directors can make donations on behalf of our company within the upper limit determined by our shareholders at the General Assembly meeting. In this regard, our Board of Directors acts per the principles set out in the Donation and Aid Policy and the regulations to be made by the Capital Markets Board in this regard.

**Principles Concerning Donations and Aids:**

- Smartiks can donate and aid the persons, non-governmental organizations, public institutions and organizations, associations and foundations, who/that carries on a business in the fields of education, arts, and culture or related to the field of activity.
- The upper limit to be valid for the sum of donations and aids that can be made by Smartiks in each fiscal year is submitted to the approval of the shareholders at the ordinary General Assembly meeting to be held by the Board of Directors for the previous fiscal year.
- Donations and aids to be made by Smartiks are made with the resolution of the Board of Directors. The Board of Directors may decide to make donations and aids within the upper limit determined at the ordinary General Assembly meeting.
- Amendments to the Donation and Aid Policy suggested by our Board of Directors are also submitted to the information of our shareholders at the General Assembly meeting.
- Activities and Sponsorships carried out by Smartiks within the scope of the Corporate Social Responsibility Policy are conducted within the framework of the general authorization granted by our Board of Directors, independent of the Donation and Aid Policy.



**e) Fault-free Record Keeping:**

The issues that Smartiks Yazılım must comply with concerning its accounting and recording system are stipulated by legal regulations. Accordingly,

- All kinds of accounts, invoices, and documents related to relations with third parties (customers, suppliers, etc.) shall be recorded and stored reliably in a complete, accurate, and correct manner,
- Falsification should not be made on the accounting or similar commercial records for any transaction, and the facts should not be distorted.

**f) Training and Communication**

Anti-Bribery and Anti-Corruption Policy has been announced to Smartiks Yazılım employees and it can be continuously and easily accessible through its website. Training is an important instrument to raise the awareness of employees. Within this scope, the Human Resources Department designs training programs together with the Quality Department and Financial Affairs, Legal Accounting, and Investor Relations Department, and all employees are obliged to attend this training.

**g) Policy Breaches and Notification**

In cases that are or may be contrary to the policy, the case is investigated by the Senior Management, and necessary sanctions are applied when any improper behavior is detected. In the contracts made with companies from/to which goods and services are purchased and sold, or with the persons and organizations working on behalf of Smartiks Yazılım, the provisions concerning the unilateral termination of the works/contracts in force by Smartiks Yazılım for a justified reason if any behavior, attitude or activity contrary to the Policy is determined, and in the event of a policy breach, these provisions are applied without exception.

## Technopark Campus and Technopark Projects

Yıldız Technical University Davutpaşa Technopark Branch of Smartiks was opened in 2014, and this branch was registered at the trade registry on 10.07.2014, and thereby, the registration process was announced in Turkish Trade Registry Gazette dated 16.07.2014 and numbered 8613. Within this scope, our Company is subject to Law No. 4691 on Technology Development Zones and Law No. 5746 on Supporting Research and Development Activities which are effective until 31.12.2028 and provides support, discounts, and incentives. There is a lease agreement between Yıldız Technology Development Zone and our Company till 14.07.2024.

As of 31.12.2023, Smartiks has a total of 12 R&D projects completed or under development in Technopark. The list of these projects is as follows:

## VARIATION ANALYSIS AND REPORTING



Variance analysis is a collection of statistical models used in statistics to analyse group averages and their related processes. Our project is a decision support application that uses various R&D algorithms to make decisions about drug patent purchases and company acquisitions, especially in the pharmaceutical industry.

Our Project emerged from the need for analysis based on IMS Health data, which makes product and location-based comparisons of companies in the pharmaceutical industry with their competitors in the market. IMS Health sells the collected market data to its customers in the relevant market. In this scope of the project, data sourced from IMS Health can be imported into Azure SQL Database via screens and PowerBi reports will be generated from the relevant data in accordance with the models to be established in Azure Analysis Service.

## AUDIO AND DATA TRAFFIC PREDICTION SOFTWARE FOR MOBILE COMMUNICATION NETWORKS BASED ON ARTIFICIAL INTELLIGENCE AND STATISTICS



Nowadays, new generation communication technologies and increasing bandwidths by offering more capacity to users dramatically increases the amount of mobile voice and data traffic. However, the increase in mobile data packages, which have become cheaper compared to previous times, although they have lower quotas and higher prices than other countries, is noteworthy.

Estimating the increasing amount of traffic in line with these indicators carries out great importance for operators in terms of correct sizing of investment requirements with network capacity analysis and therefore increasing the service quality to be offered to customers. The main purpose of the project is to develop artificial intelligence and statistics-based traffic forecasting software in order to determine the amount of advanced voice and data traffic for mobile operators.

## DEVELOPMENT OF THE MARKET CLEARANCE PRICE PREDICTION SYSTEM BASED ON ARTIFICIAL INTELLIGENCE AND STATISTICS



Electrical energy is a type of energy that cannot be stored at large scales. Therefore, it is necessary to produce continuously and sustainably as much as the amount of electrical energy to be consumed. This practice aims to balance the electrical energy production of a country that is constantly dynamic with its industrial, commercial and all other branches.

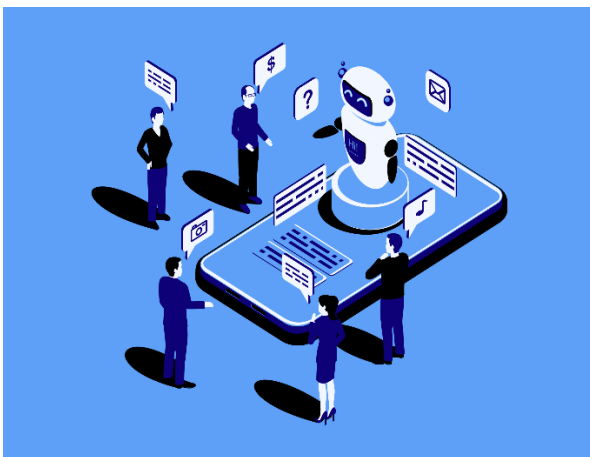
Prices that serve as a reference to the electricity market emerge as a result of this balance in a very simple sense, and in the electricity sector such as spot, futures, etc. market transactions are carried out based on this reference price (Market Exchange Price – PTF). This situation takes shape in the Day Ahead Market (DAM).

## AIRCRAFT LOADING RECOMMENDATION SYSTEM



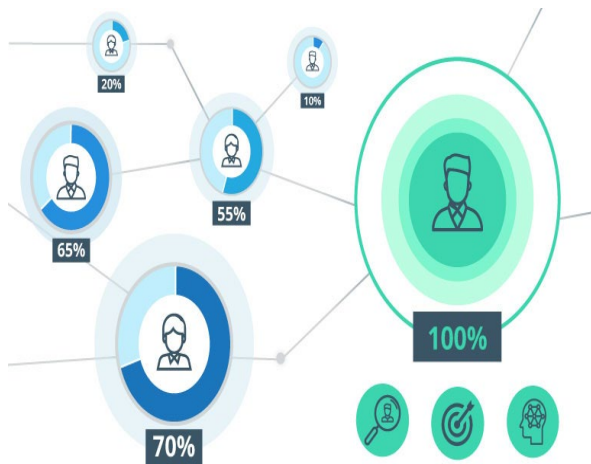
In this project, it is aimed to create that all the values specified in the Weight and Balance Form of the aircraft will be collected from the surrounding systems, supported by image processing algorithms to propose to load them into both passenger seats, luggage and cargo loading sections with automatic calculations running in the background will be used to ensure that the values defining the balance remain within the region called MAC.

## CHATBOT SUPPORTED DIGITAL ADVERTISING MANAGEMENT PORTAL



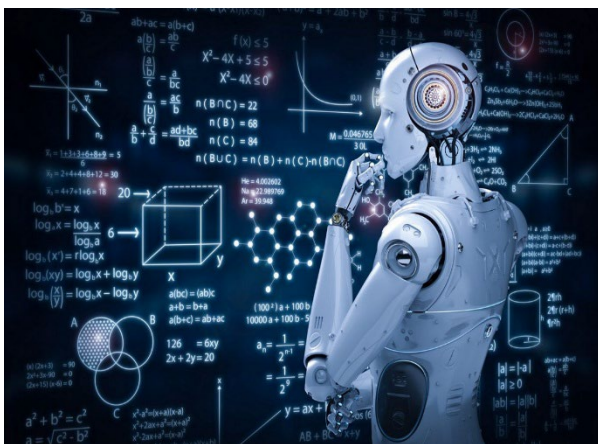
Within this project it is aimed that the entire advertising workflow, which is manually managed by digital management portals, will be digitalized and turned into a single platform. By creating a user-friendly platform, it is aimed to provide a solution with a service robot (Chatbot) that will enable users to access the reports of the advertisements they have given/will give, perform data analysis and provide guidance by responding quickly to customers' questions on the single platform.

### DEVELOPMENT OF CUSTOMER LOSS, LIFETIME AND LIFETIME VALUE FORECAST SYSTEM BASED ON ARTIFICIAL INTELLIGENCE



Within the scope of the project, it is aimed that a software will be developed that will analyse customer loss by using machine learning and deep learning-based methods, create predictions and present related reports.

### ARTIFICIAL INTELLIGENCE AND STATISTICS BASED DEMAND FORECASTING SOFTWARE



The aim of the project is to develop software that performs demand forecasting with a low error rate through machine learning, deep learning and statistical approaches combined with qualification selection algorithms in order to reduce dependence to abroad and ensure that capital remains within the country.

### DEVELOPMENT OF ARTIFICIAL INTELLIGENCE AND STATISTICS-BASED PRODUCT DEMAND FORECASTING SOFTWARE FOR E-COMMERCE MARKETPLACES



Marketplace refers to online platforms established on the internet by third parties to bring sellers and buyers together, where sellers open stores and upload their products, and consumers examine and purchase the relevant products. The main objective of the project is to develop software that predicts the future product demand of e-commerce companies in their marketplaces with different current artificial intelligence, statistical methods/approaches and low error rate.



**AIT&DD- ANOMALY AND VIOLATION DETECTION AND DIGITAL TRANSFORMATION PROJECT FOR PERSONAL AND CRITICAL DATA SUPPORTED BY ARTIFICIAL INTELLIGENCE**



Project output software is a system that is more effective, efficient, low-cost and can be controlled digitally by getting rid of printed papers for companies serving in different sectors. In the R&D leg of the project, it will serve the field of Personal Data Protection Law (KVKK) and the General Data Protection Regulation (GDPR) in Europe, and anomaly detection will be carried out on user behaviour specific to personal data.

**ARTIFICIAL INTELLIGENCE-BASED BASAL METABOLISM RATE ESTIMATION SOFTWARE FOR NUTRITIONIST**



Diet lists are prepared specific to the client by nutritionists. The main determining factor of the diet list is the person's resting basal metabolic rate (BMR). The most accurate way to determine BMR is to measure resting oxygen consumption with a metabolic measuring device.

The reason being that measurement processes are not widely used that because they have various disadvantages. Dietitians alternatively prefer bioelectrical impedance analysis method (Tanita, Inbody devices, etc.) and equations (Harris Benedict, Mifflin-St Jeor and Katch-McArdle etc.) to determine BMR, but these methods also have a high error rate and limited as it is not fully reliable due to the use of a large number of variables.

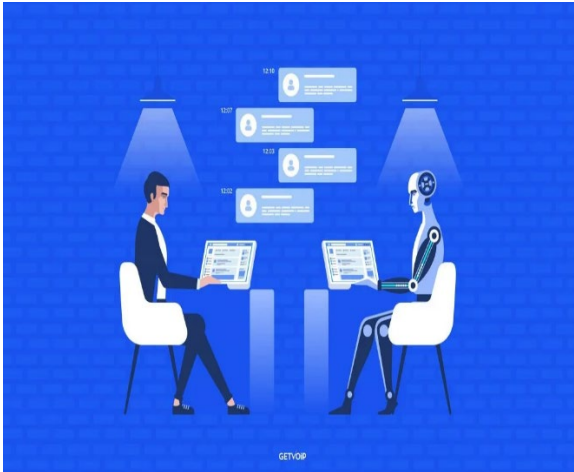
**DEVELOPMENT OF ARTIFICIAL INTELLIGENCE AND STATISTICS BASED SYSTEM  
MARGINAL PRICE ESTIMATION SOFTWARE FOR ELECTRIC MARKET**



The aim of the project is the development of artificial intelligence and statistics-based SMF forecasting software for the electricity market. When the project output is compared with its competitors in the national and international markets, it is seen that features such as making SMF predictions specific to the Turkish market, using three different approaches and developing an interface with hyperparametric flexibility are innovative elements. One can say that when the targeted success value is achieved, the developed software will contribute to increased turnover due to customer satisfaction, creating infrastructure for new R&D projects and conducting academic

studies with the results obtained.

**SmartİKBot**



The aim of the project is the development of an artificial intelligence-supported HR virtual assistant designed specifically for companies in the IT sector. SmartX-İK virtual assistant aims to eliminate the problems in the current HR processes (loss of time and productivity, lack of motivation, deficiencies in post-recruitment processes, overlooking beneficial training and development opportunities, the employee's inability to follow up his own training processes within the plan and program, etc.).



## Corporate R&D Newsletter

Smartiks publishes an internal R&D bulletin every 15 days for corporate and employee development. In this way, Smartiks not only provides mass communication, but also keeps its employees in all departments equally informed by keeping them active with current developments. In this direction, intra-organizational communication and organizational commitment are ensured.

## R&D Investments

The consolidated budget allocated for Research and Development Activities over the years is given in the table below.

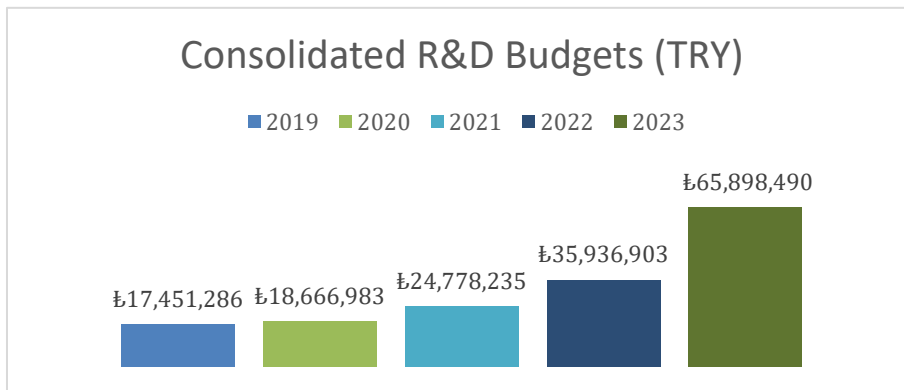
YEAR	R&D BUDGETS (TRY)*
31.12.2023	65.898.490
31.12.2022	35.936.903
31.12.2021	24.778.235
31.12.2020	18.866.983
31.12.2019	17.451.286

\*Cost value purchases of capitalized development costs in intangible assets are included in the total R&D budget within the scope of investment expenditure.

On 27.07.2021, the "Development of Market Clearing Price Prediction System" project, as of one of our 10 R&D studies, received TÜBİTAK (The Scientific and Technological Research Council of Turkey) support to be valid between 01.08.2021 and 30.11.2022.

**Principle 9:** Encourage the development and diffusion of environmentally friendly technologies.

2019 – 2023 Consolidated R&D budgets graph is given below. When 2022 and 2023 are compared, the investment amount allocated to Research and Development activities has increased by 83%.



## International Standards, Initiatives, and Certifications

### **ISO 9001: QUALITY MANAGEMENT SYSTEM (International Organization for Standardization, Quality Management System)**

ISO 9001 Quality Management System is a customer-oriented standard based on continuous improvement at the corporate level. With planned company activities, it provides benefits with the aim of solving problems faster, increasing customer satisfaction and loyalty, competitive advantage in the sector and strengthening the corporate image.

Smartiks Yazılım has the internationally accepted ISO 9001:2015 Quality Management System certification (Certificate No: QMS-23.02.308, Date of Validity: 30.01.2025). Our company has been audited and certified by DSR International Inspection and Certification Service. Ltd. Sti. for ISO 9001: 2015 Quality Management System standards.

### **ISO 14001: ENVIRONMENTAL MANAGEMENT SYSTEM (International Organization for Standardization, Environmental Management System)**

ISO 14001 is an Environmental Management System (EMS) that aims to minimize the damage to the environment. The Environmental Management System, which is an international standard, intends to increase compliance with the legislation, reduce and control the pollution to the environment, and determine, measure and analyze environmental targets.

Smartiks Yazılım has the internationally accepted ISO 14001:2015 Environmental Management System certification (Certificate No: QMS-23.02.308, Date of Validity: 30.01.2025). Our company has been audited and certified by DSR International Inspection and Certification Service. Ltd. Sti. for ISO 14001: 2015 Environmental Management System standards.

### **ISO 45001: OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM (International Organization for Standardization, Occupational Health and Safety Management System)**

ISO 45001 is a system that ensures the measures taken by the enterprises in terms of providing a safe and healthy environment in the workplaces are raised to international standards. Ensuring the safety of employees and preventing work accidents are the main objectives. Our company's main priority is to protect our employees, ensure their safety and provide a comfortable and safe working environment for our employees.

Smartiks Yazılım has the internationally accepted ISO 45001:2018 Occupational Health and Safety Management System certification (Certificate No: QMS-23.02.308, Date of Validity: 30.01.2025). Our company has been audited and certified by DSR International Inspection and Certification Service. Ltd. Sti. for ISO 45001: 2018 Occupational Health and Safety Management System standards.

## **ISO/IEC 27001: INFORMATION SECURITY MANAGEMENT SYSTEM (International Organization for Standardization, Quality Management System)**

ISO 27001 Information Security Management System is an international framework that helps companies to protect their financial data, intellectual property, and sensitive customer information. By ISO 27001, companies can identify their risks and manage or reduce the risks in terms of confidential information.

Smartiks Yazılım A.Ş. has the internationally accepted ISO 27001:2013 Information Security Management System certification (Certificate No: QMS-23.02.308, Date of Validity: 30.01.2025). Our company has been audited and certified by DSR International Inspection and Certification Service. Ltd. Sti. for ISO/IEC 27001:2013 Information Security Management System standards.

## **Communication Processes with Stakeholders and Beneficiaries**

Communication processes with stakeholders and beneficiaries are carried out within the scope of the Information and Stakeholders Policy located under the investor relations section on our company website ([www.smartiks.com.tr](http://www.smartiks.com.tr)).

Smartiks aims to inform stakeholders and beneficiaries in a timely and accurate manner in line with the principles of public disclosure and transparency. For this purpose, all stakeholders and beneficiaries are informed periodically through the Public Disclosure Platform (KAP), company website, e-Company, Financial Statements and Independent Auditor Reports (4 times a year), Quarterly and Annual Reports (4 times a year), Corporate Governance Principles Compliance Report (annually), Corporate Governance Information Form (annually), Sustainability Principles Compliance Report (annually), Sustainability Report (annually), Ordinary General Assembly (once a year) and Material Event Disclosures (regularly). In addition to these communication channels, those who request information are informed via telephone and e-mail.

### **BEING A SIGNATORY TO THE UNITED NATIONS GLOBAL COMPACT (UNGC)**

The United Nations Global Compact is a non-binding United Nations pact that encourages businesses worldwide to adopt sustainable and socially responsible policies and report on their practices. On 03.11.2020, our company was accepted as a signatory company to the "United Nations Global Compact", which is the world's largest corporate sustainability initiative and based on ten universal principles in the field of human rights, labor standards, environment and anti-corruption.

### Reporting Standards

Our Company Financial Reports are subject to International Financial Reporting Standards (IFRS) and Turkish Accounting Standards / Turkish Financial Reporting Standards (TMS/TFRS). Activity Reports are prepared within the framework of the Capital Markets legislation.

### Global Goals Addressed in the COP Part 3 - COMPLY & IMPROVE: ANTI-CORRUPTION, CORPORATE GOVERNANCE, STEAKHOLDERS & INTERNATIONAL STANDARDS AND INIATIVES

**8** DECENT WORK AND  
ECONOMIC GROWTH



**9** INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



**17** PARTNERSHIPS  
FOR THE GOALS



#### 4-) PERFORMANCE EVALUATION AND GOALS FOR THE NEXT PERIOD

Our Company's Corporate Governance Committee regularly informs the Board of Directors and Senior Management about sustainability activities which also covers the COP items and prepares an annual report. Smartiks also provides reviews showing its performance regarding the Quality Management System, Environmental Management System, Information Security Management System, Occupational Health and Safety System, anti-corruption, social security, employee's well-being and energy consumption. The HR Department constantly works to improve working conditions, takes all necessary actions by implementing relevant policies, monitors the "yearly performance and development review" and conducts surveys to analyze employee satisfaction on a regular basis.

Our performance for current and goals for following periods:

##### **Supporting the UN Sustainable Development Goals within the scope of our Company Policies**

Our company has Disclosure Policy, Remuneration Policy, Dividend Policy, Corporate Social Responsibility Policy, Corporate Sustainability Policy, HR Policy, Remuneration Policy, Ethical Principles Policy, Donation and Aid Policy, Stakeholders Policy, Compensation Policy, Anti-Bribery and Anti-Corruption Policy.

Within the scope of "Goal 8: Decent Work and Economic Growth", which is one of the UN Sustainable Development Goals, our company has committed to full compliance with our HR policy, Universal Declaration of Human Rights and International Labor Organization conventions in terms of legislation. It is considered our duty to provide a safe environment for the protection of employee rights under all circumstances. Due to the fact that we are a company in the information and technology sector in line with the achievement of the UN's SDG Decent Work and Economic Growth goal, our employees are given equal opportunities in the fields of training and development and career planning, which always supports innovation. In addition, all our employees that are studying for higher education are subject to flexible working procedures.

Smartiks Yazılım has ISO 45001: Occupational Health and Safety Management System certificate. Our main priority is to provide a healthy and safe working environment for our employees. By providing occupational health and safety, occupational accidents etc. necessary measures are carried out and implemented to prevent incidents before they occur. In 2023, there was no work accidents reported in our company. In addition, disinfection activities are carried out regularly in our company headquarters and offices to prevent diseases and to provide a hygienic working environment. With our current practices, we support the goal of "Goal 3: Good Health and Well-Being", which is one of the UN Sustainable Development Goals.

With the implementation of our Company HR policy and Remuneration Policy, we ensure that all employees are socially and economically empowered, regardless of age, gender, race, ethnicity, religion, economic or other status, within the scope of "Goal 10: Reduced Inequalities", one of the UN Sustainable Development Goals. In this context, we also aim to ensure equality among all our employees with our wage policy.

Smartiks Yazılım A.Ş. has become a publicly listed company in 2019, follows the Capital Market regulations and continues its activities in accordance with the legislation, especially corporate governance structures, financial reporting processes and transparency principles. It is a company subject to Capital Market Laws and is an accountable and transparent institution.

In line with the Capital Markets Board of Turkey (SPK), Communiqué on Corporate Governance Principles, all our stakeholders are simultaneously informed about our company's activities on the Public Disclosure Platform (KAP). Our company policies support "Goal 16: Peace, Justice and Strong Institutions", one of the UN Sustainable Development Goals. In addition, we are trying to

contribute to support the “Goal 17: Partnerships for the Goals”, one of the UN Sustainable Development Goals, due to the fact that we are a public, multi-stakeholder, audited and accountable company, and the collaborations we have achieved and aim to realize.

### **To measure our firm’s carbon footprint**

Carbon footprint is shown as the main cause of global warming. By definition, it means the release of carbon dioxide (CO<sub>2</sub>) into the atmosphere by the use of fossil fuels which generates the formation of gases that leads to the greenhouse effect and the damage left to the world by the use of energy that individuals and companies spend in the production of products.

As of 2021 and 2022, our company has adopted the remote and hybrid working model and significantly implemented it in 2023. Accordingly, day-to-day travels to and from the office has been reduced, and we have minimized the carbon footprint created by fossil fuels. As a company, we have reduced the individual and corporate carbon footprint left to the environment both directly and indirectly.

Emissions caused by electricity consumption are considered as carbon footprints produced by institutions indirectly. In 2023, we have saved 14% in electricity consumption in line with the measurements made in our head office. In this context, within the scope of "Goal 12: Responsible Consumption and Production", one of the UN Sustainable Development Goals, as a company we raised awareness in our employees and our efforts to reduce the carbon footprints we leave on earth continues.

With the electricity savings we have achieved over the years and in 2023, we have indirectly reduced the use of gases that cause greenhouse effects and emissions on a company basis. In this context, we support the “Goal 13: Climate Action” target, one of the UN Sustainable Development Goals.

Operational and technical preparation and infrastructure work is ongoing on the way to net zero in order to reduce our firm's global carbon emissions and minimize the effects of climate change. Smartiks Yazılım A.Ş. carries out continuous work in line with the effective use of natural resources and increasing employee awareness. Thus, it aims to leave a better world to future generations.

### **Improving Our Collaboration with Universities and Creating Training Programs for Our Employees**

Collaboration made between Smartiks Yazılım A.S and Çukurova University includes implementations such as providing internship, participation in computer engineering department events/activities and projects and sponsorship support. Moreover, we cooperate with Yıldız Technical University in recruiting interns. Within the scope of our R&D programs, we employ new graduates and provide internship programs. In addition, our HR department determines the training and certification processes as performance targets and supports our existing employees in achieving these targets. Incentives are provided for master's and doctorate programs, and employees can use special permissions to participate in these programs.

Our firm, which guides digital solutions, has assigned 15 interns to the CRM, Software Developing, Business Intelligence departments during the summer of 2021 as part of the “Smart Talents” program for the development of new graduates and students.

Within the scope of the project named “Smart School” in 2022, our company provided 80 hours of theoretical and practical training to university students and new graduates with our experienced staff between 4 and 30 April 2022, throughout "Smart Student Young Talent 2022" program. 30 students from different provinces and universities have been included in our program, which we

have progressed with the hybrid education model. Thus, with the hybrid model, we have provided equal opportunities for students in all provinces and universities.

In 2023, Smartiks supported the training and invested into career planning of its current employees. By increasing in-company training and technical training through benefiting from external resources was provided to personnel working in different departments to ensure their development. In this regard, as a result of the PMP and PMS trainings and IBM Data and AI Fundamentals trainings provided our employees gained new qualifications, improved their skills and competencies and received certificates.

In line with the work carried out within our company, we have undertaken with a sense of responsibility to support quality technical and occupational education with the "Smart School" hybrid model which we provided, within the scope of "Goal 4: Quality Education", one of the UN Sustainable Development Goals, that can be accessed by all men and women regardless of gender.

As a result of the hybrid training given by our experienced staff within the project of "Smart School", 4 of our interns were employed. Three of our four interns who were employed are women at the end of the training program. Within the scope of "Goal 5: Gender Equality", one of the UN Sustainable Development Goals, we consider it as our duty to support the participation of all women in business life and the empowerment of women as well in information and communication technologies and economically.

As a company, we are honored to support our employees in increasing their competencies and career planning in line with the training we provided during 2023. In this context, we have contributed to the technical and professional development of our employees, regardless of gender, with the training we provide. In this regard, we support the goals of "Goal 4: Quality Education" and "Goal 5: Gender Equality" of the UN Sustainable Development Goals.

### **Increase the Size of R&D Investments**

As of 31.12.2023, there are 12 R&D projects developed and still under ongoing development by Smartiks in Technopark. The consolidated budget allocated to Research and Development Activities has increased regularly over the years. R&D spending was 24.778.235 TRY in 2021 and 35.936.903 TRY in 2022. In the current period of 2023, the investment amount allocated to Research and Development activities was 65,898,490 TRY.

R&D studies have a significant importance in our company culture and we heavily focus on R&D studies. As a company, we take advantage of being in Information and Technology sector and located in Technopark. One of our projects received a support from TÜBİTAK (Turkish Scientific and Technological Research Council) in 2022. In line with these incentives, our company aims to develop sustainable and durable infrastructure within the scope of "Goal 9: Industry, Innovation and Infrastructure", one of the UN Sustainable Development Goals.

### **Have a Higher Rate of Employee Satisfaction**

Smartiks Yazılım provides an Employee Satisfaction Evaluation Form on a regular basis. Within the scope of the feedback received, our HR department evaluates opinions and suggestions, ensures the improvement of working conditions and takes actions to increase employee satisfaction.

Company employees benefit from private health insurance. Smartiks Yazılım A.Ş. provides its employees access to quality health services and we are proud to support "Goal 3: Good Health and Well-Being", which is one of the UN Sustainable Development Goals.



Global Goals Addressed in the COP Part 4 - PERFORMANCE  
EVALUATION AND GOALS FOR THE NEXT PERIOD

**3** GOOD HEALTH  
AND WELL-BEING



**4** QUALITY  
EDUCATION



**5** GENDER  
EQUALITY



**8** DECENT WORK AND  
ECONOMIC GROWTH



**9** INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



**10** REDUCED  
INEQUALITIES



**12** RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



**13** CLIMATE  
ACTION



**16** PEACE, JUSTICE  
AND STRONG  
INSTITUTIONS



**17** PARTNERSHIPS  
FOR THE GOALS

