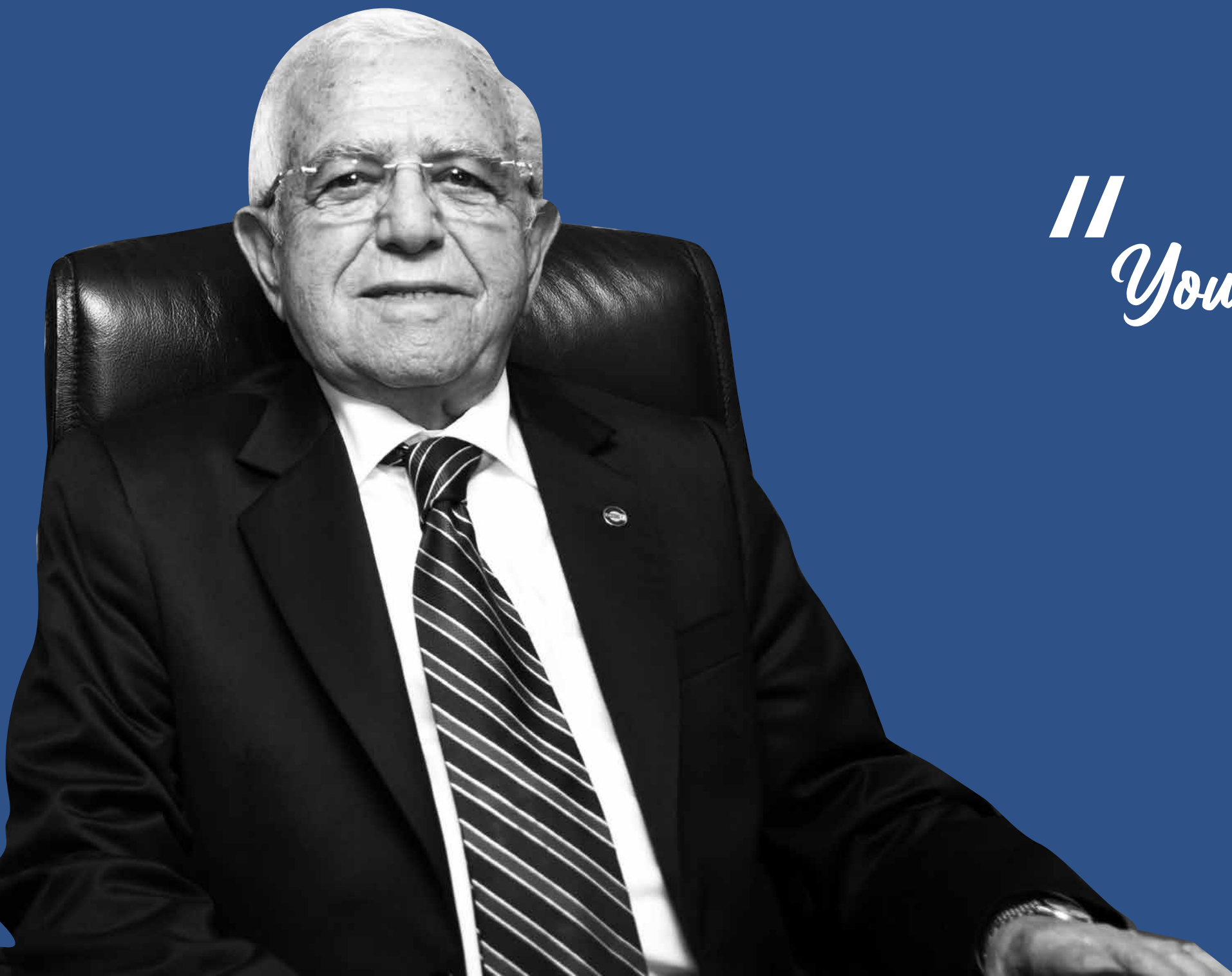


NORM HOLDİNG A.Ş. **ANNUAL REPORT**

January 1, 2021-December 31, 2021





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

Our Founder

Nedim Uysal

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ABOUT NORM HOLDING

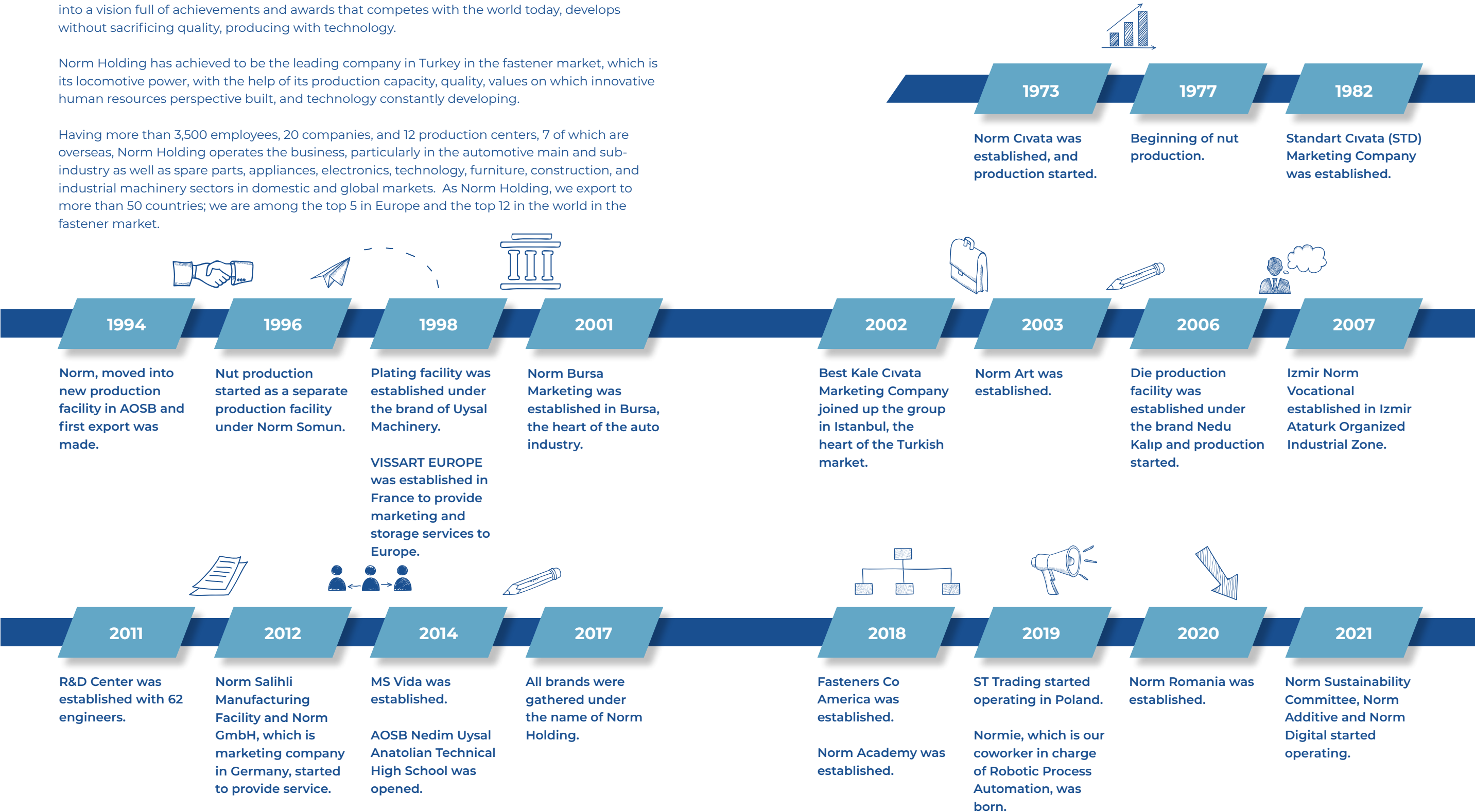
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MILESTONES

Norm Holding has transformed its journey, which started with a double-stroke machine in 1973, into a vision full of achievements and awards that competes with the world today, develops without sacrificing quality, producing with technology.

Norm Holding has achieved to be the leading company in Turkey in the fastener market, which is its locomotive power, with the help of its production capacity, quality, values on which innovative human resources perspective built, and technology constantly developing.

Having more than 3,500 employees, 20 companies, and 12 production centers, 7 of which are overseas, Norm Holding operates the business, particularly in the automotive main and sub-industry as well as spare parts, appliances, electronics, technology, furniture, construction, and industrial machinery sectors in domestic and global markets. As Norm Holding, we export to more than 50 countries; we are among the top 5 in Europe and the top 12 in the world in the fastener market.



Mission

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

Vision

To be a reliable international company that guides the digital transformation of businesses with an analytical and normative perspective.

Norm Holding – Vision 2025

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



NORM HOLDING AT A GLANCE



BOARD OF DIRECTORS

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CHAIRPERSON'S STATEMENT

Distinguished Shareholders,

We have left behind a year in which the pandemic and economic agenda occupied a significant part of our lives and great changes happened on a global scale. The extraordinary conditions experienced also gave us the opportunity to make very important gains. As our adaptation process to challenging conditions accelerated, our resilience and flexibility increased. In this period in which predictability is low, the most important success criterion is to identify risks and opportunities with a holistic perspective and to implement appropriate measures in an agile manner.

Undoubtedly, the economic indicators took the most important share from the developments all over the world. Although the global markets entered a recovery process with the normalization steps taken in the first quarter of the year, the Omicron variant, which took the world under its influence again in the last quarter, brought fluctuations in the economic conjuncture. Especially due to the increase in energy prices and problems in the supply chain, many developing economies, including Turkey, faced high inflation figures. The increase in basic input prices adversely affected the manufacturing industry. While the world economy grew by 5.6% in 2021, the Turkish economy closed the year 2021 with an 11% growth, especially with the solution recipes it put into practice in the second half of the year.

Due to the global chip crisis, production contractions and supply delays in the automotive industry brought a huge bottleneck into the sector. Total automotive production in Turkey in 2021 decreased by 2% with 1,276,140 units. Automobile and light commercial vehicle sales decreased by 4.6% compared to the previous year and amounted to 737,350 units. In

Europe, total automotive sales were realized at the level of 14,133,656 units, increasing by 0.3% compared to the previous year and closed the year in line with the volume of the previous year. Turkey stood at the 6th country in the European automotive sales ranking for 2021. It increased the total automotive exports by 2% on a unit basis. While there were negative developments in the sector, the bolt product group turnover of Norm Fasteners which is a subsidiary of Norm Holding, increased by 39% in the automotive sector compared to the previous year and had a share of 58% in the total bolt product group turnover. In the nut product group, the automotive sector turnover increased by 48% compared to the previous year and had a 56% share in the total nut product group turnover. We left 2021 behind with a successful financial statement thanks to our determined investments, our adaptation to rapidly changing conditions, our customer-focused and devoted work, our in-house production capabilities, and our wide supplier network.

In the sectors in which we operate in our country and globally, in production; While concentrating on our goals of quality, efficiency and excellence, we continued to achieve our investments in line with our growth and modernization strategies. We will persist our determination to invest in different sectors such as Norm Digital, which we launched in 2021, in 2022 as well.

We spent 2021 by taking further steps in the process of complying with Corporate Governance Principles. With the aim of good management and with the aim of being a role model, we continued managerial improvements. We have put into practice effective

management models by separating the Management and Executive Boards in Norm Holding as well as our domestic and foreign subsidiaries. By determining the annual targets of our Boards of Directors, we will prepare Board of Directors Efficiency Reports at the end of the year.

While measuring the performance of our Management and Executive Committees, we implement an effective and agile management model with our Board of Directors and Executive Committees. We consider the sustainability of our acquisition and achievements, which we have achieved by constantly improving our good management policies and management skills, as a legacy for our future.

2021 was a year in which we determined our sustainability strategy in a broad sense with all its lines and started to create our action lists. We signed the United Nations Global Compact (UNGC) and laid the foundations of our 5-year strategic plan on the way to balance our company activities and the sustainability of natural resources. In the first quarter of the year, we decided to revise our 2025 target, which we set for the implementation and completion of the action plans, as 2027, considering the pandemic conditions that have come to the agenda again. I would like to say that we are taking firm steps towards becoming one of the pioneers in both our sector and our country in terms of sustainability management and we have already come a long way. We regard this effort as a necessity for our future and the world that we share.

While successfully leaving behind a challenging year for the world and humanity; I would like to thank my Norm family and our valued business partners for their support and contributions, who work with devotion in unity regardless of the circumstances. I sincerely believe that we will continue to grow together by keeping our digital transformation,

innovative technologies, our sustainability strategy, and R&D studies at the core of our investments in the upcoming period. As it has been for 49 years, I hope to create value for humanity and our country, and to leave a healthier, happier and more hopeful future to next generations.

Fatih UYSAL
Chairperson



CEO LETTER

Distinguished Business Partners and Shareholders,

In 2021, the most important topics in the world were the outbreak of the pandemic, which continued its impact with new variants, the supply chain crisis on a global scale, increased energy and logistics costs, and historical inflation figures as a consequence of all these negative developments. In the first quarter of the year, with the vaccination practices that became widespread around the world, the normalization steps accelerated, and the national economies moved on to the recovery process. Insufficient supply in many sectors because of a sudden increase in global demand brought along supply and logistics issues. There were huge price hikes observed in raw material and commodity prices. Despite these challenging conditions worldwide, our country managed to maintain its economic growth momentum in 2021 as well by meeting the increasing foreign demand with a strong recovery in industrial production. In this process, which includes opportunities and risks together, we have worked with all our strength to achieve the goals we have set as Norm Holding, by facing the difficulties created by the economic fluctuations together. Thanks to our digital transformation strategy, which we have made into a corporate culture, we quickly adapted to the changing business models under the conditions that emerged from the pandemic.

2021 has been a year full of awards and achievements for us. Thanks to our human resources practices, where we focus on employee happiness, and our corporate culture that supports equality of opportunity, we were awarded the "Best Workplace in Turkey" and "Respect for Human" awards. With our belief that happy employees are the most valuable capital, we have organized trainings for the personal

and professional development of our employees throughout the year. Thus, we have been continuing to contribute to our industry and society. We also became one of the companies that made the most R&D investments and developed the most patented products among the Organized Industrial Zones. With the strategic agreements we have made, we are on the way to becoming the world's largest supplier of fasteners. In September, we signed Turkey's largest supply agreement with Ford Otosan, taking the first step of a 10-year cooperation and became the first domestic company in Turkey to receive the "FSP" (Full-Service Provider) title.

As Norm Holding, we have managed to maintain our growth trend by focusing on production and export areas, and we have consistently continued our efforts to strengthen our presence in the global arena. Based on the knowledge and experience we gained during the digital transformation process; we continued our investments in technology as well. We launched our Norm Digital company to provide consultancy and service in the fields of Information Technologies (IT), Machine Learning (ML) and Artificial Intelligence (AI), robotic process automation, which have gained importance in recent years. We established our Norm Additive company to bring additive manufacturing technology, which has become a remarkable method in the production of value-added products, to our production infrastructure and to incorporate this engineering skill into our company's production expertise. Along with these two new initiatives, we established Norm Forging to meet the demand of our clients, in the light of our production, R&D and engineering competencies in hot forging.

We revised our all activities performed in all our

subsidiaries in the light of our sustainability strategy, on the way we started by saying 'Value for the Future' thanks to the devoted work of the Sustainability Committee we established last year and our working groups. In line with the 9 Sustainable Development Goals that we prioritized among the 17 principles specified in the United Nations Global Compact, which we signed in 2021, we continue our work in the fields of equal opportunity and diversity, climate crisis, water and waste management, corporate governance, responsible investments, digitalization and automation, R&D and innovation. As Norm Holding, with the awareness of our responsibilities towards society, the environment, and future generations, we perform our activities by integrating sustainability, which we see as a necessity for the future of our planet, into our business processes and carry out our activities on this axis.

As we have completed 2021 with great success for all our companies with the successful projects, launches and investments we have carried out, I believe 2022 will be a successful and productive year. While implementing our pioneering practices with the responsibility of adding value into our country and our industry, I would like to express my heartfelt thanks and respect to my esteemed colleagues and all our business partners with whom we work with great devotion for the purposes we share.

Nedim UYSAL
CEO-Vice Chairperson



BOARD OF DIRECTORS STRUCTURE

The regulations regarding the Board of Directors of the Company were established in the articles of association and the affairs of Norm Holding and its subsidiaries are carried out by the Board of Directors. As of 2020, there have been two members of the Board of Directors who are not shareholders.

The Board of Directors meetings is held in the expanded form including three advisory board members, and three senior executives along with five members of the board of directors, which leads to more rapid and rational decisions due to efficient and constructive contributions.

First, Last Name	Position	Term of Office	Executive/ Shareholder	Committees	Other Positions
Mehmet Fatih UYSAL	Chairperson	April 22, 2021- April 15, 2024	Non- executive, Shareholder	-	BoD Chair and Member in companies inside & outside the Holding
Nedim UYSAL	CEO-Vice Chairperson	April 22, 2021- April 15, 2024	Executive, Shareholder	Sustainability Committee, Investment Committee	BoD Chair and Member in companies inside & outside the Group
Duygu UYSAL SİMROOĞLU	Member	April 22, 2021- April 15, 2024	Non- executive, Shareholder	Sustainability Committee	-
Muhittin BİLGET	Member	April 22, 2021- April 15, 2024	Non- executive, Non- shareholder	Audit Committee, Corporate Governance Committee, Early Detection of Risk Committee, Investment Committee	BoD Member in companies inside & outside the Holding
Ceyhun ARAZ	Member	April 22, 2021- April 15, 2024	Non- executive, Non- shareholder	Audit Committee, Corporate Governance Committee, Sustainability Committee, Investment Committee	BoD Member in companies inside & outside the Holding

Norm Holding Advisory Board

First, Last Name	Position
Mustafa DOGRUSOY	Advisory Board
Erkut ULUDAG	Advisory Board
Zafer Uran ZAMAN	Advisory Board

BOARD OF DIRECTORS

Mehmet Fatih Uysal

3

Chairperson

Fatih Uysal, graduated from Dokuz Eylül University, Faculty of Economics and Administrative Sciences, Department of Business Administration in 1983, started his professional career in 1982 as General Director in STD, one of Norm Holding companies. Becoming Deputy Chairperson of Board of Directors in 1995 in Norm Civata company, Fatih UYSAL has been continuing his career as Chairperson of Board of Directors of Norm Holding since 2013. Uysal, who became the Vice Chairman of the Board of Directors at Norm Civata in 1995, continues his duty as the Chairman of the Board of Directors of Norm Holding as of 2013. Uysal serves as a Board Member at TAYSAD, BESİAD and Aegean Exporters' Associations; İzmir AOSB Vice Chair, Coordination Board Member at İBB İzmir Economic Development Board, Executive Board Member at Turkish Education Foundation; Member of Parliament in the Union of Chambers and Commodity Exchanges of Türkiye and a member of ESİAD and EGİAD.

Nedim Uysal

1

CEO – Vice Chairperson

Nedim Uysal, who graduated from Izmir American College, received his bachelor's degree from Department of Economics at Michigan State University. Uysal, who did internship in different business units of Norm Fasteners Bolts company since his middle school years, started his professional career in Norm Holding right after graduating from the university. Nedim Uysal currently serves as CEO and Deputy Chair of the Board of Directors at Norm Holding.

Duygu Uysal Simrooglu

2

Member of Board of Directors - Sustainability Committee President

Graduating from Izmir American College in 2010,

Duygu Uysal Simrooglu completed her bachelor's degree in Drama and Arts at New York University. Having a professional interest in various dance styles and visual arts, Simrooglu also completed a yoga instructor training program. Her carrier began as a founder and designer in Noble Textile and Design Co in 2016.

Muhittin Bilget

5

Member of Board of Directors

Graduating from the Faculty of Political Sciences at Ankara University, Muhittin Bilget received a master's degree in Economy at Vanderbilt University in the USA. Having worked as TR Prime Ministry Bank Examiner and Vice Chair of Bank Examiners Board between 1979 and 1993, he served as Economy and Commercial Counsellor in Turkish Embassy in Ottawa Canada between 1993 and 1995, which was his last civil service. Having been working as a senior manager in the private sector since 1996, Muhittin Bilget possesses Certified Public Accountant and Independent Auditor license. He currently performs as Deputy Chairman of the Board of Directors of Salihli Organized Industry Zone, Member of İzmir Economy and Development Coordination Board, Independent Member of Board of Directors of Mistral GYO A.Ş., and Chairman of Roundtable for Economy, Revenue and Finance.

Ceyhun Araz

4

Member of Board of Directors

Ceyhun Araz received both bachelor's and master's degrees in Industrial Engineering at Dokuz Eylül University. He then obtained his Ph.D. degree in Supply Chain Management from the same university. In 2010, he received the title of Associate Professor and established the Department of Industrial Engineering at Manisa Celal Bayar University. Having more than 40 articles and 1.500 citations, Ceyhun Araz was appointed associate professor in the field of Industrial Engineering in 2018. Serving as a board member in various industrial and technology companies, he has been working in Norm Holding since 2015.



ADVISORY BOARD



Mustafa
Dogrusoy

Mustafa Dogrusoy studied both in Faculty of Business of Istanbul University and Computer Engineering Master's Programme of Yildiz Technical University at the same time and graduated with an MBA degree.

As a Strategy and Investment Consultant, he provided consultancy services for corporations in various fields including Administration, Organization, Strategical Planning, Change Management, Goal Setting, Vision Development, Restructuring, Setting and Implementation of Performance Assessment systems, Formation of New Organizations and their managements, Institutionalization, Building of Organizational Culture. He has recently been working on Corporate Management, Corporate Risk Management, Corporate Financing, Institutionalization of Family Businesses, and CMB Communiqués for Corporations in the Stock Market. He participated in projects regarding financial status analysis and reporting, establishing fiscal discipline and budgeting process, and the public offering processes of corporations, regarding Investment

Consultancy. He provided his services for ensuring that the corporations can use finances from foreign markets, project financing based on the industry from foreign sources, designation of partners, corporate merger, transfer and sales operations regarding corporate finance and consultancy topics. In the year of 2012, he concluded a representation agreement to organize a suitable structuralizing in accordance with the local legislations for a foreign corporation planning to operate in Turkey.

He teaches Corporate Management, Institutionalization, Risk Management, Forming of Management Boards, their structures and efficient operation, and strategical organization of corporations in graduate programs of universities as an adjunct lecturer; He is also working as a member of the Advisory Board of a private university. He was awarded Contribution to Corporate Management because of his studies on the Business Life and the Economy of Turkey. He was a member of the Board of Management of the Corporate Governance Association of Turkey between the years of 2015–2019. In accordance with the Capital Market legislation, he has worked as a member of the Independent Board of Directors in various corporations in the stock market since 2012.



Erkut
Uludag

Erkut Uludag is a graduate of Kadikoy Anatolian High School as well as the Civil Engineering department of ITU. He completed his master's degree education in Civil Engineering Department of Michigan University in USA in the year of 1993 and his MBA Master's in Business Administration degree in 1998. Uludag who started his career in automotive sub industry in USA in 1993, provided consultancy services regarding operational and cost improvement, mergers, strategy development and lucrativeness in addition to sectoral investment in private capital funds to global corporations in automotive, telecom, energy and financing industries while he was working in the Chicago office of Kearney, a global consultancy corporation, between the years of 1997-2004. Between the years of 2004 and 2012, as an executive of Roland Berger strategical consultancy corporation, provided his services as a consultant regarding strategical development, operational improvement, new product development and regional growth, corporate acquisition and merger and integration to global corporations in automotive, steel, telecom, food, construction, retail, chemistry, private capital and banking industries in America, Europe and Turkey. Uludag, as the general manager of EU Kurumsal Danismanlik corporation which he founded in 2013, provides consultation services to foreign and domestic large-scale corporations and family businesses, regarding the fields of acquisitions, mergers and strategical development. Uludag who is a member of the boards of management of various industrial corporations, works in Norm Holding since the year of 2018.



Zafer Uran
Zaman

Zafer Uran Zaman, throughout his professional life of more than 40 years, provided services for engineering, start-up process management, general management, being a member of board of management, management of sustainability processes for corporations of various industries in Bulgaria, Iraq, Iran, Libya, Egypt, India, Taiwan, Russia, Morocco, Tunis, Ukraine, India, Romania, Lithuania, Czech Republic, Slovakia and Turkey.

Zafer Uran Zaman who was also a member of European boards of international corporations, was responsible for 40.000 employees in 19 different regions located in Europe, Russia, Turkey and North Africa.

He is highly experienced in the creation, development, modernization and control of process procedures. Additionally, he is an expert of lean management and lean production applications in automotive industries.

Zaman who was a member of TAYSAD Board of Consultancy, is now a Member of the Board of Management of TAYSAD. He worked as a visiting scholar in the field of Lean Production at several universities and institutions, including Yeditepe University, Kocaeli University.

NORM HOLDING CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

Although Norm Holding is not a publicly traded company, it aims to comply with the Communiqué on Corporate Governance Principles II-17.1 issued by the Capital Markets Board of Turkey in accordance with the Capital Markets Law No. 6322. To this aim, it continues to work to comply with high corporate governance standards. Good management practices that will contribute to the corporate culture in accordance with the global perspective and local management approach; administrative, technical, and legal infrastructure studies are being improved day by day.

In addition to the corporate governance principles established by our country's regulatory bodies, Norm Holding also follows OECD Corporate Governance Principles.

In accordance with the Corporate Governance Principles of Norm Holding in 2021 and until the report is prepared in 2022, the policies put into act as an example of good management are as follows.

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

- Committee
- Working Principles of Salary and Nomination Committee
- Investment Committee Working Principles
- Working Principles of the Financial Affairs and Finance Committee
- Pricing Committee (Connectors) Working Principles
- Working Principles of the Digital Transformation Committee
- Business Development Committee Working Principles
- Disclosure Policy
- Donation and Aid Policy
- Commercial Information and Confidentiality Policy
- Intellectual and Industrial Property Policy
- Ethical Working Rules
- Dividend Distribution Policy
- Remuneration Policy of Board Members and Senior Executives
- Ethical Code of Conduct Operations Policy
- Norm Holding Social Media Policy
- Gift and Hospitality Policy
- Anti-Bribery and Anti-Corruption Policy
- Conflict of Interest Policy
- Notice and Notification Policy
- Human Resources Policy

Board of Directors Report

The performance of the Norm Holding Board of Directors is measured annually, and the results are transparently examined by the Board.

The duties of the Chair of the Board of Directors and the CEO are carried out by different persons. Within the Board of Directors, 40% of the members are not business partners. Members of the Board of Directors may hold other duties outside the company, considering the contribution to the company's business. The experience and knowledge of the members strengthen the Board of Directors. The Board of Directors is regularly followed through the competency matrix scores.

The Board of Directors has accomplished the operational and financial performance targets set at the beginning of 2021.

In 2021, Twelve Board meetings were held. The meeting agenda and information documents regarding the agenda are distributed by the General Secretariat of the Board of Directors before the meeting, and meeting resolution and follow-up notes are presented to all Board of Directors stakeholders. All Board members participated in the Board of Directors meetings in 2021.

It was evaluated as an issue at the Board of Directors Meeting dated January 24, 2021, and presented the results to the shareholders.

The Board of Directors monitors the performance of the Executive Board. Using to the Balance Score Card criteria determined at the beginning of 2021, the Executive Board was monitored every quarter and concluded that the operational and financial targets were achieved at the end of the year.

Signature powers are prepared in detail on the basis of titles in the internal directive of the Board of Directors prepared in accordance with article 367 and article 371/7 of the Turkish Commercial Code, and on the basis of names in the circular of signature.

There is “Manager Liability Insurance” for the members of the Company's Board of Directors and senior executives.

Members of the Board of Directors are authorized to make transactions with the company on behalf of themselves or someone else without obtaining permission from the General Assembly, in accordance with article 395 of the Turkish Commercial Code. In addition, the members of the Board of Directors can take a role in the Board of Directors of the subsidiaries of Norm Holding.



NORM HOLDING BOARD OF DIRECTORS COMMITTEES

Board of Directors Committees

Audit Committee

Corporate Governance Committee

Early Detection of Risk Committee

Sustainability Committee

Remuneration and Nomination Committee

Investment Committee

Board of Director Committees has been established to fulfill the Board of Directors' duties and responsibilities efficiently.

Norm Holding is not subject to Capital Market Legislation since it is not a publicly traded company. Within the scope of the Holding's institutionalization strategy; it is aimed to comply with the Capital Markets Law, which includes the regulations of the Capital Markets Board on corporate governance principles, and the communiqués associated the capital market law, good management practices and company management codes on the condition the boundaries demarcated by the Board of Directors.

In that regard, the Norm Holding includes the Audit Committee, the Corporate Governance Committee, the Early Detection of Risk Committee, the Sustainability Committee, the Remuneration and Nomination Committee, and the Investment Committee.

Working principles of all committees have been put into writing, and it is aimed to be among the companies that are known for good management practices on a global scale from the perspective of corporate governance.

The regular meeting frequency of the committees is determined at the beginning of the year. Additional meetings can be organized, or extraordinary meetings may be held, depending on the efficiency of the studies and the number of items in the agenda deemed necessary, according to the decision of the committee.

The Chair of the Committee prepares the meeting agendas. The committee members can share the issues they want to be included in the meeting agenda with the Chair of the Committee. The agenda is distributed to the members by the Norm Holding General Secretariat office. The work of committee is written down and recorded. Reports containing the

meeting outcomes are presented to the Executive Board and the outcomes considered appropriate are forwarded to the Board of Directors. The committees prepare an annual report on committee work at the end of each year. The committee reviews the task and working principles document; submits the points that need to be revised to Norm Holding Board of Directors for approval.

In committees, if necessary, Norm Holding managers who are not members of the Board of Directors and experts who do not work within Norm Holding can be delegated temporarily. The committees have also right to invite employees of Norm Holding companies, representatives of persons or organizations associated with companies and experts to their meetings to hear their thoughts and benefit their knowledge. Furthermore, the committees can receive professional consultancy from external source on the

issues related to the operations when considered necessary, benefit from the opinions of independent experts, perform special investigation on managerial issues and assign experts as consultants to the investigation. The cost arising from the consultancy services is compensated by the company. All kinds of resources and support required for the committees to fulfill their duties properly are provided by the Norm Holding Executive Board.

The committees act under their own powers and responsibilities and make suggestions to the decision-making mechanisms when considered necessary. The final decision and responsibility always belong to the Norm Holding Executive Board. Committee works and responsibilities do not remove the duties and responsibilities of the Norm Holding Board of Directors defined in the Turkish Commercial Code.

Audit Committee

Norm Holding Audit Committee		
First, Last Name	Position in Committee	Position in Norm Holding
Muhittin BILGET	Chair	Vice Chair, CEO
Ceyhun ARAZ	Member	Head of Industry Group
Mustafa DOGRUSOY	Member	Director of Human Resources
Zafer Uran ZAMAN	Member	Director of Human Resources

The Audit Committee performs accounting, financial reporting process, the internal controls systems of the company and its adequacy, and the applied control of internal and external audit process. The Audit Committee also provides oversight of compliance with the Corporate Governance Principles of the Capital Markets Board, the Turkish Commercial Code, the Public Oversight Accounting and Auditing Standards Authority, the Turkish Auditing Standards Institution, the Turkish Accounting Standards, and other legislation and gives advice and recommendation to the Board of Directors for the purpose of improving the addressed issues. At the same time, the Audit Committee also manages the selection process of the independent audit firm that audits the accuracy, transparency, compliance of the financial statements with the legislation and international accounting Standards.

In that regard, it also prepares the agreements, initiate the independent audit process, provides the coordination of the company with the independent audit firm at every stage. It presents the opinion of the independent audit firm to the Board of Directors in written form.

Duties and Responsibilities are determined as follows:

- To prepare the internal audit and internal control systems of Norm Holding and its companies, to work on its effectiveness and adequacy,
- To determine the issues that restricts the work of internal auditors and take required measures,
- To take the necessary measures to ensure the transparency and independence of internal audit activities.

The Audit Committee provides oversight of compliance of financial transactions of Norm Holding and its companies with the legislation and in-group regulations. In this sense, it sets rules to prevent any violation of the regulations.

It also audits the compliance of the Norm Holding inter-company transactions (e.g., transfer pricing) with legislation. In the financial processes of Norm Holding and its companies, it applies the rules that comply with Norm Holding Management codes and whose boundaries are approved by the Norm Holding Board of Directors.

The Committee is responsible for monitoring the compliance of the company with the Corporate Governance Communiqué II-17.1 of the Capital Markets Board of Turkey and the issues in the Audit section of Article 397-406 of the Turkish Commercial Code No. 6102 and the General Assembly section between Articles 407-451.

It has a vital role on behalf of the Norm Holding Board of Directors in resolving any financial disputes between Norm Holding and its companies and the shareholders.

It provides support to Norm Holding and companies' managers in the preparation of its financial report. It checks whether the information in the financial report is correct and consistent with the information held by the Committee. It examines the report

prepared by the Independent Auditing firms and presents it to the Board of Directors.

It regularly evaluates and monitors the structure, efficiency, and performance of the finance departments of Norm Holding and its subsidiaries, if necessary, gives advice and recommendation to the Board of Directors for the purpose of improving the addressed issues.

The committee convenes at least once every two months. It can be more according to the efficiency of the studies and the density of the agenda deemed necessary, according to the decision of the committee.

The reports of internal audits are examined, and the risk levels of addressed issues are determined at the Audit Committee meetings. In addition, communication with the Independent Audit Company is monitored, and reports and studies are followed. Corporate Risk System studies are followed. Enterprise Risk Management was initiated in 2021, and it will continue in 2022. Five committee meetings were held in 2021, and the Board of Directors was informed of committee audit efforts every quarter.

The Audit Committee presented the annual report regarding the activities in 2021 to the Norm Holding Board of Directors held on January 24, 2022; the report was agreed on and determined by the Board of Directors.

Norm Holding Corporate Governance Committee

Norm Holding Corporate Governance Committee		
First, Last Name	Position in Committee	Position in Norm Holding
Mustafa DOGRUSOY	Chair	Board Advisor
Ceyhun ARAZ	Member	BoD Member
Muhittin BILGET	Member	BoD Member

Corporate Governance Committee to ensure that the Norm Holding Board of Directors fulfills its duties and responsibilities efficiently, to provide oversight

the compliance of Norm Holding and its companies with the Corporate Governance Principles of the Capital Markets Board, the Turkish Commercial Code



and other legislation in terms of management, and to carry out remedial works when necessary. was established. The Committee also plays an active role in the implementation of practices that increase company performance, and in reviewing the systems and processes established or to be created by subsidiaries. It recommends the committees to be established within the company to the Board of Directors and coordinates the implementation of the appropriate committees.

Duties and responsibilities are determined as follows:

- To investigate whether the Corporate Governance Principles are applied, and if not, to determine the underlying reason and the consequences and conflicts of interest that arise from this situation
- Giving advice and recommendation to the Board of Directors for the purpose of improving the addressed issues
- To implement the good management practices, comply with Norm Holding management codes, whose boundaries have been approved by the Norm Holding Board of Directors.

The Committee is responsible for monitoring the compliance of the company with the Corporate Governance Communiqué II-17.1 of the Capital Markets Board of Turkey and the issues in the Audit section of Article 397-406 of the Turkish Commercial Code No. 6102 and the General Assembly section between Articles 407-451. It has a vital role on behalf of the Norm Holding Board of Directors in resolving any financial disputes between Norm Holding and its companies and the shareholders.

It provides support to Norm Holding and companies' managers in the preparation of its financial report. It checks whether the information in the financial report is correct and consistent with the information held by the Committee. It examines the report prepared by the Independent Auditing firms and presents it to the Board of Directors.

It gives advice and recommendations to the Board of Director about the proper management practices aimed at increasing the performance of Norm Holding and its companies, adoption, and comprehension of

them by the employees.

The Committee regularly evaluates the structure and efficiency of Boards of Directors of Norm Holding and its companies. The Committee manages the performance evaluation, career planning and disclosure activities as well. In this context, it determines the principles and basics of implementation, monitors them and presents them to the Norm Holding Board of Directors.

The Corporate Governance Committee controls the compliance of the managerial activities of Norm Holding and its subsidiaries with the legislation and internal regulations. It also determines the rules to be applied in case of violation of the regulations.

If necessary, the Committee can form sub-working groups by notifying to the Norm Holding Board of Directors.

The committee convened at least once every two months. It can be more, depending on the efficiency of the studies and the number of items in the agenda deemed necessary, according to the decision of the committee.

Corporate Governance Committee contributed to the establishment of committees and described their working principles, supervised the work and meetings of the committees, and supported all committees performing on Corporate Governance issues. The Committee contributed to the preparation of Norm Holding 2020 Annual Report, and the Norm Holding 2020 Sustainability Report by supporting the Sustainability Committee and Executive Board.

The Committee prepared the Targets for the Norm Holding Board of Directors in 2021 and presented them to the Board of Directors for their approval. The Committee also developed the Norm Holding Board of Directors Performance Evaluation criteria for the year 2021. After compiling the response of each member of the Board of Directors, the Committee shared the evaluations with the Board of Directors. The Committee also prepared the Norm Holding Board of Directors Efficiency Report for 2021 and presented it to the Board of Directors. The Norm Holding Executive Board was supported in the study of the Balance Score Card. Along with that, the Committee played a supportive role in the separation of the Executive Board and the Board of Directors, and in determining the issues on the meeting agendas and meeting frequencies.

Norm Holding has scheduled applications and processes for the company's managerial success measurements in 2022 and beyond.

Five committee meetings were held in 2021, and the Board of Directors was informed of committee audit efforts every quarter.

The Corporate Governance Committee presented the annual report regarding the activities in 2021 to the Norm Holding Board of Directors held on January 24, 2022; the report was agreed on and determined by the Board of Directors.

Norm Holding Early Detection of Risk Committee

Norm Holding Early Detection of Risk Committee		
First, Last Name	Position in Committee	Position in Norm Holding
Erkut ULUDAG	Chair	Board Advisor
Muhittin BILGET	Member	BoD Member
Mustafa DOGRUSOY	Member	Board Advisor
Mahmut OZTURK	Member	Head of Industry Group
Caner MELEK	Member	Head of Trade Group
Tevfik ERPULAT	Member	Production Director / BoD Member of a subsidiary

The Early Detection Risk Committee was established to implement required the method and practices in the scope of Corporate Risk Management and to review and evaluate the existing systems and processes.

Duties and Responsibilities are determined as follows:

- Establishing systems for prioritizing and controlling the risk management of Norm Holding and its companies,
- Giving advice and recommendations to the Board of Director about the proper risk management practices, adoption, and comprehension of them by the employees.
- Identifying the risks under the headings of Financial Risks, Strategic Risks, Operational Risks and External Environmental Risks,
- Ensuring the establishment of Risk Teams within the scope of Corporate Risk Management,
- Tracking the Risk Map in the created system,
- To make regular evaluations and make improvement suggestions to the Norm Holding Board of Directors on the Corporate Risk Management of Norm Holding and its companies.

The Committee is responsible for monitoring the compliance of the company with the Corporate Governance Communiqué II-17.1 of the Capital Markets Board of Turkey and the issues specified in Article 207, 378, 398, 625 of the Turkish Commercial Code No. 6102.

The Early Detection of Risk Committee presented the annual report regarding the activities in 2021 to the Norm Holding Board of Directors held on February 28, 2022; the report was agreed on and determined by the Board of Directors.

Early Detection of Risk Committee monitors whether Risk Management efforts in Norm Holding, and its

subsidiaries properly perform and the compliance of Risk Management efforts with the internal regulations. It also determines the rules to be applied in case of violation of the regulations.

The committee convened at least once every three months. It can be more, depending on the efficiency of the studies and the number of items in the agenda deemed necessary, according to the decision of the committee.

The meeting agenda is prepared by the Committee Chairman and distributed to the members by the Norm Holding General Secretariat office. The works of Committee is written down and recorded. The reports containing the meeting outcomes is then presented to the Board of Directors.

The Early Detection of Risk Committee has monitored the risks of Norm Holding and its companies under four main headings.

Five committee meetings were held in 2021, and the Board of Directors was informed of committee audit efforts every quarter.

The Early Detection of Risk Committee presented the annual report regarding the activities in 2021 to the Norm Holding Board of Directors held on February 28, 2022; the report was agreed on and determined by the Board of Directors.

Norm Holding Sustainability Committee

Norm Holding Sustainability Committee		
First, Last Name	Position in Committee	Position in Norm Holding
Duygu UYSAL SIMROOGLU	Chair	BoD Member
Nedim UYSAL	Member	Vice Chair, CEO
Ceyhun ARAZ	Member	BoD Member
Mustafa DOGRUSOY	Member	Advisor Board Member
Demet YESILALTAY	Permanent Participant	Brand and Corporate Communication Manager
İzel OZGUR TEKELI	Permanent Participant	Sustainability Expert

The Sustainability Committee was established to monitor the compliance of Norm Holding and its companies with the Corporate Governance Principles of the Capital Markets Board of Turkey, the Turkish Commercial Code and other legislation, and the United Nations Development Goals, and to give advice and recommendations to the Board of Directors about the measures and remedies when necessary. The Committee also plays an active role in establishing the strategies and goals of Norm Holding and its companies to reach the future by utilizing the resources of the company and country more efficiently. The future of Norm Holding and its companies is shaped considering economic, environmental, social, and cultural aspects as important as material assets and human resources.

Duties and Responsibilities are determined as follows:

- The United Nations Sustainable Development Goals of Norm Holding and its companies are “Transition to Environment and Low Carbon Economy and Efficiency”, “Protecting the Environment, Waste and Recycling”, “Sustainable Industry and Circular Economy”, “Sustainable Agriculture and Access to Food”, “Social Inclusion” and Inclusivity”, “Sustainable Finance and Risk Management”,
- To prepare and update control procedures regarding processes and activities in these matters,
- To determine communication practices related to sustainability.

Along with these duties, the Committee searches for local and international Non-Governmental

Organizations working on sustainability issues in our country to be a member and submits their suggestions to the Board of Directors.

The committee sets the performance criteria in the sustainability goals and practices of Norm Holding and its companies, contributes to the development of standards, monitors the performance in line with the targets, and ensures the participation of all relevant units in the related process.

Within the scope of the Sustainability Policy of Norm Holding, the employees of Norm Holding its subsidiaries are informed about the sustainability goals and practices. The Committee performs the activities to make all employees and stakeholders adopt the sustainability efforts.

To ensure the effectiveness of the sustainability efforts, the Committee can form and authorize sub-working groups to take actions according to the United Nations Sustainable Development Goals, which is followed by Norm Holding, by notifying to the Norm Holding Board of Directors.

The members of working groups have sufficient experience and knowledge regarding sustainability. The issues of working groups are assigned by the Committee.

The issue and purpose of the Working Groups are determined by the Committee, while the names and duties are determined based on the affiliated company, and departments are presented to the Executive Board. The opinions and suggestions of the Executive Board are received. Working Groups fulfill all duties regarding setting targets, implementing and monitoring sustainability efforts, making revisions, and other duties related to sustainability efforts assigned by the Committee.

The working groups deliver their work and reports to the Committee. The members of the Working Groups also participate and contribute to the work of the Committee when necessary. The Committee participates in the activities of the local and international non-governmental organizations working on sustainability, which is a member. It also

closely follows all developments in other organizations and presents them to the Board of Directors if beneficial.

The Committee informs the Norm Holding Board of Directors about the assessment of sustainability issues fulfilled in Norm Holding and its subsidiaries regularly and makes suggestions for improvement. The committee also ensures that the efforts are in line with Norm Holding's sustainability policies and Norm Holding expectations.

The committee convened at least once a month. It can be more, depending on the efficiency of the studies and the number of items in the agenda deemed necessary, according to the decision of the committee.

The Sustainability Committee pioneered the effective and result-oriented execution of Sustainability efforts in Norm Holding and its subsidiaries. It has set sustainability targets, established working groups, and followed the updates in each business unit.

The first Sustainability Report of Norm Holding is prepared and shared with the public. Considering the possible positive contributions to Norm Holding Sustainability activities, an application was submitted to be a member of the UN Global Compact Network Turkey.

5 (five) committee meetings were held in 2021, and the Board of Directors was informed about the committee activities every quarter.

The Sustainability Committee presented the annual report regarding the activities in 2021 to the Norm Holding Board of Directors held on February 28, 2022; the report was agreed on and determined by the Board of Directors.



Norm Holding Remuneration and Nomination Committee

Norm Holding Remuneration and Nomination Committee		
First, Last Name	Position in Committee	Position in Norm Holding
Nedim UYSAL	Chair	Vice Chair, CEO
Mahmut OZTURK	Member	Head of Industry Group
Filiz ERGIN	Member	Director of Human Resources

The Remuneration and Nomination Committee, which will work as a Sub-Committee under the Corporate Governance Committee established within the body of Norm Holding, performs its duties in accordance with the Company's Remuneration Policy. The duties of the committee are to identify, select and recommend managers with senior and managerial responsibilities at the Director and higher levels.

Duties and Responsibilities are determined as follows:

- On behalf of the Corporate Governance Committee; meeting at least 2 (two) times a year in October-December to discuss the remuneration issue. Moreover, the committee meets when deemed necessary in terms of the effectiveness of the works to identify, select and recommend executives with senior and managerial responsibilities in Norm Holding companies
- To receive the opinion of the Board of Directors before the appointment of executives and executives with managerial responsibilities at director and higher levels.

Upon the recommendation of the CEO, Committee members may also be called to an extraordinary meeting. The meeting agenda is determined by the Human Resources Director and the Secretary of the Board of Directors, the meeting calls and the meeting agenda are announced by the Secretary of the Board of Directors.

The coordination of the issues to be discussed, the tracking of the implementation of the decisions taken, and the preparation and reporting of the meeting reports are carried out by the Secretary of the Board of Directors under the supervision of the Human Resources Director. The agenda, committee meeting notes, and a record of the works are kept by the Secretary of the Board of Directors and presented to the Corporate Governance Committee.

Committee decisions are taken by consensus. In absence of consensus, the reasons with comments are presented to the Corporate Governance Committee.

Norm Holding Investment Committee

Norm Holding Investment Committee		
First, Last Name	Position in Committee	Position in Norm Holding
Nedim UYSAL	Chair	Vice Chair, CEO
Muhittin BILGET	Member	Board Member
Ceyhun ARAZ	Member	Board Member
Mustafa DOGRUSOY	Member	Board Member
Erkut ULUDAG	Member	Board Member

Investment Committee was established to develop existing operations in all business units of Norm Holding and its subsidiaries, to analyze machinery and equipment investments, their renewals, and new investments at all scales, to examine the compliance of the investments with the regulations, to investigate and employ financing models including incentives and grants. Considering all these activities, the committee provides suggestions to the Board of Directors.

Duties and Responsibilities of the committee are determined as follows:

- Creating company investment programs, making necessary revisions according to internal and external developments,
- Considering the operability of the tracking system that will evaluate the performance criteria of the investment,
- Following the economic, social, and political developments on a global and regional basis
- Determining new strategies or suggesting revisions for the existing strategies aiming at increasing the competitiveness of the company by evaluating

the effects of these developments on the current activities.

The committee convened at least once every three months. It can be more, depending on the efficiency of the studies and the number of items in the agenda deemed necessary, according to the decision of the committee.

It evaluates the suggestions received from the Executive Board for all kinds of investments to be made by Norm Holding and its companies.

The Committee monitors the strengths and weaknesses of the company through internal analysis, while the opportunities and threats through external analysis.

The management of the strategies and projects approved by the Board of Directors is tracked by the Committee.

Evaluates important legal developments and effects of investments that may affect ongoing activities.



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INTERNAL CONTROL SYSTEM, INTERNAL AUDIT AND CORPORATE RISK MANAGEMENT

The Internal Control activities are aimed to provide independent and objective assurance on the effectiveness and efficiency of activities, the reliability of financial data and reporting, and compliance with legal regulations. The effectiveness of Internal Control activities is evaluated by the Norm Holding Internal Audit Department through the assignment of the Audit Committee. Norm Holding Internal Audit Department evaluates the management and control structures of Norm Holding and its subsidiaries based on risk analyses, and periodically reports their findings and suggestions to the associated audit committee. A risk evaluation is made for each finding. Thus, the evaluations guide the Audit Committee while prioritizing them. During the risk rating stage, the impact of the risk and the possibility of its occurrence are taken into account by the auditors. In this context, the inherent risk level, current control activities, and residual risk levels are determined. Our understanding of Risk Management includes early detection of risks that may endanger the existence, development, and continuity of the company enables the implementation of the necessary measures for the identified risks, and the management of risks in a centralized structure. In addition, information is provided at the level of the Board of Directors when deemed necessary.

To integrate risk analyzes into business processes, three pilot companies were selected to perform the Enterprise Risk Management Project in 2022. The objective of the project is to determine the risks for the operational processes, to prevent the realization

of the risks, or to design a controlled environment to reduce their probability and minimize the impact. With the aid of the project, Risk Management, and Internal Control activities spread within the organization. In that way, it is aimed to increase risk awareness and to ensure traceability by creating a common risk perception. Following the spreading of the project, we, Norm Holding, aim to identify potential risky incidents that can disrupt the functionality of the processes and to manage the risks in a comprehensive and centralized structure by planning the necessary actions based on the root cause analysis and impact/result assessment. To ensure the sustainability of these efforts and to build corporate memory, a web-based Corporate Risk Management System was established in 2021. The Corporate Risk Management System is a system that is fully integrated into all processes defined in the Integrated Management System (QDMS). It is used to create and monitor risk records of the processes available in QDMS. Relevant risk records are recorded in the Corporate Risk Management System and can be systematically monitored, and reported. The action plans created based on the risk assessments and the follow-up processes of these actions are also carried out through the Corporate Risk Management System. The "action planning" and "action follow-up" stages of the project are continuing.

SHAREHOLDERS

In accordance with the Corporate Governance Principles, the task of monitoring company relations with partners, ensuring communication and information sharing between the Boards of Directors, and fulfilling the information requests of the shareholders is provided by the Office of the General Secretariat.

The General Secretariat Office keeps track of the records of the shareholders in a secure and up-to-date manner. It carries out the duties of ensuring that the General Assembly meeting is held in accordance with the legislation, the Articles of Association and the Internal Directive of the General Assembly, preparing the General Assembly Information Document for

the benefit of the shareholders, archiving the official records, voting results and the list of attendees under the supervision of the Corporate Governance Committee.

It conveys the request, suggestions, and opinions of the shareholders to the relevant departments in the preparation of the Annual and Sustainability Reports in accordance with the legislation and Corporate Governance Principles.

If necessary, it communicates with Legislation Offices to ensure that the transactions of the shareholders comply with the legislation, articles of association and Corporate Documents.

GENERAL ASSEMBLY

The workings of General Assembly are carried out in accordance with the Turkish Commercial Code, the legislation of the Ministry of Commerce and the Norm Holding General Assembly Internal Directive. The General Assembly Information Document is prepared and detailed information about all dedicated agenda items is announced to the shareholders.

While preparing the agenda, the issues that the shareholders submit a written request to the General Secretariat office -which also carries out the relations with the shareholders- in order to be included in the agenda are considered by the board of directors. In cases where the board of directors does not accept the request submitted by the shareholders, the issue and the reasons for rejection are disclosed at the general assembly meeting. No such thing happened at the Ordinary General Assembly where the 2020 Activities were discussed.

During the General Assembly, the issues on the agenda with details are presented to the shareholders in an unbiased, transparent manner and in a clear and understandable way. Creating a healthy discussion environment by giving shareholders the opportunity to express their opinions and ask questions under

equal conditions is taken care of. Shareholders are given the opportunity to express their opinions and ask questions under equal conditions. If the question asked is not related to the agenda or is too comprehensive to be answered immediately, the written response is given by the unit that carries out the Relations with the Shareholders within 15 working days at the latest. At the Ordinary General Assembly where the 2020 Activities were discussed, there were no additional information requests or questions from the shareholders.

The company prepared its policy regarding donations and aids and submits the policy to the approval of the general assembly. In line with the policy approved by the general assembly, the shareholders are informed about the amount and beneficiaries of all donations and aids made during the period. It is considered separate agenda item at the general assembly meeting. Norm Holding Donation and Aid Policy is available on the website: www.normholding.com

Members of the Board of Directors, officials responsible for the preparation of the financial statements, and the independent auditor are present at the General Assembly meeting to provide the

necessary information and answer the questions regarding the special agenda items. The General Assembly is held under the supervision of the Ministry of Commerce Representative.

The company held an Ordinary General Assembly meeting in 2021. The aforementioned meeting was held at the Company's headquarters on September 22nd, 2021, in accordance with the applicable legislation, Company Articles of Association, and other internal regulations. In the meeting, where the activities of 2020 were discussed, the entire capital of the company was represented. The shareholders -only one of them represented by a proxy-, and the members of the Board of Directors, the independent auditor, and other company officials physically participated in the general assembly. The agenda of the Company's General Assembly were expressed clearly and in a way that does not allow for different interpretations.

General Assembly Voting Rights and Dividend Distribution

There is no affiliated company or any other legal entity among Norm Holding shareholders. The articles of association of the company give the shareholders the right to appoint a representative or to give a proxy for voting. There is no provision that can prevent them. The capital consists of A and B Group shares. Group A shares have privileges to nominate candidates to the

Board of Directors and to distribute profits.

Norm Holding Profit Distribution

A Dividend Distribution Policy has been established in Norm Holding and its subsidiaries to determine the standards, principles and rules that must be followed within the scope of the provisions of the Turkish Commercial Code and Partners Agreement regarding the distribution of profits and the allocation of reserves.

Regarding the profit distribution policy, the Board of Directors prepares the dividend proposal and submits it to the General Assembly for approval, in accordance with the provisions of the Turkish Commercial Code and the Partnership Agreement, the Tax Legislation and our Articles of Association.

At the General Assembly Meeting, the issues of whether the profit will be distributed and (if distributed) how and when it will be distributed are discussed and decided. In accordance with the legislation, all notifications are fulfilled within the legal time limits. The company complies with the regulations in the Turkish Commercial Code and the Capital Market Law associated dividend, and reserve allocation.

Norm Holding Dividend Policy is available on the website: www.normholding.com

NORM HOLDING CODE OF ETHICS

In Norm Holding companies, our ethical rules are enforced to provide respectful, honest, and responsible business relations between employees and institutions and to create a work environment with work peace are defined by the “Norm Holding Ethical Working Rules”.

The purpose of Norm Holding Ethical Working Rules is to inform and remind about the ethical rules to be followed, the responsibilities of the employees in this regard, and the responses in case of non-compliance with the ethical rules.

In regard to Ethical Working Rules Policy, the adopted ethical approach is supported by the Conflict-of-Interest Policy, Gift and Entertainment Policy, Notice and Notification Policy, and Anti-Bribery and Corruption Policy.

Furthermore, the Code of Ethics also includes rules and principles associated with Occupational Health and Safety, Anti-Corruption and Anti-Bribery, Fair Competition, Conflict of Interest, Information Security, Customer Satisfaction and Product Safety, and Protection of Brand Image.

ETHICS HOTLINE AND ETHICS COMMITTEE

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

There is an “Ethics Hotline” managed by an

independent service provider, through which the reporting of activities that are thought to violate the Code of Ethics, and the notices are reported via e-mail (normholding@etikhat.com.tr) or phone (444 3845). The details of the working principles of the Ethics Hotline are described in the Ethics Working Rules Operations Policy.

Norm Holding Code of Ethics is available on the website: www.normholding.com

Norm Holding Ethics Committee		
First, Last Name	Position in Committee	Position in Norm Holding
Mustafa DOGRUSOY	Chair	Board Advisor
Duygu UYSAL SIMROOGLU	Vice Chair	Board Member
Mahmut OZTURK	Member	Head of Industry Group
Caner MELEK	Member	Head of Trade Group
Kumru TINAZ	Member	Director of Finance
Filiz ERGIN	Member	Director of Human Resources
Yildiz Seher UCER	Committee Secretary	Internal Audit Manager

HUMAN RESOURCES POLICY

Norm Holding, which has been maintaining its leadership in the sector with its qualified human resources that has focused on corporate values since 1973, human resources policy and practices are in harmony with all the principles of the Corporate Governance Principles. Norm Holding has been successful in every step it takes by considering the human resources that make a difference for its customers, by believe in the power of the team, acting fairly and respectfully, adding value to the society and the environment, and constantly improving itself. We aim for our human resources to consist of talents who dream of going beyond the determined standards, who is skeptical, who can develop innovative processes and approaches, who think creatively, who constantly improve themselves, who are searching,

curious, behave ethically, unbiased, fair, participative, and respectful.

One of the most important goals of Norm Holding; is to recruit individuals who are specialized in their own field, who have a professional understanding of work, who are agile, with high development potential and motivation, who attach importance to teamwork, and who can adopt Norm Holding values and take the necessary actions to implement them.

It is always essential to evaluate the right talents in the right position. In that regard, the Norm Holding Talent Pool is kept up to date throughout the year and HR teams keep discovering talents throughout the year.

Norm Holding ensures that the job description of the position and the required qualifications evaluation process are designed during the recruitment process. There is equality of opportunity among the candidates and at any stage. There is no discrimination based on language, race, nationality, color, gender, disability, political opinion, philosophical belief, religion, or religious sect.

Company employees can access all job descriptions through the corporate portal. A structured orientation program is implemented within the scope of the job adaptation program in new recruitments, promotions, and rotations.

With the Norm Vocational Training Center, young people who have taken a break from their education are recruited as qualified workforce.

With the Performance Management System, the targets that will serve the company's strategies are realized with the contributions of the employees; aims to evaluate their participation in a fair, systematic, and measurable method and their development.

Norm Holding Career Planning System aims to prepare the organization and employees of our globalized company for the future, to develop our existing human resources in line with their own

NORM HOLDING STAKEHOLDER POLICY

Stakeholders Policy has been established to define the procedures and principles regarding the protection of the rights of stakeholders in Norm Holding and its subsidiaries.

Stakeholders are defined as Norm Holding shareholders, employees, customers, suppliers, public institutions, intermediary institutions and organizations, potential investors, and various non-governmental organizations, individuals, institutions, or interest groups that are related to the activities of Norm Holding.

development needs, to ensure the continuity of the Holding's leadership know-how, to meet the needs necessary for the continuation of the organization, and to have the workforce ready to back up the positions.

Norm Holding Human Resources Policy is available on the website: www.normholding.com

Norm Holding Compensation Policy

Norm Holding and its subsidiaries have a Compensation Policy to determine the standards, principles, and rules for compensation payment processes.

In the compensation policy for Norm Holding and its subsidiary employees, the current Labor Law No. 4857 and Article 14 of the former Labor Law No. 1475 are taken into account. In case of a revision in Labor Law No. 4857 or the associated legislation, the provisions of the relevant law(s) and legislation(s) are considered.

In the application of Severance Pay and Notice Pay, Labor Law No. 4857 is based on company regulations.

Norm Holding Compensation Policy is available on the website: www.normholding.com

Protection of Norm Holding Stakeholders

It is attached to great importance to regulate the relations between the stakeholders and Norm Holding and its subsidiaries, as far as possible, through written contracts. In its transactions and activities, the Company protects the rights of the stakeholders, which are regulated by the relevant legislation and mutual agreements.

In cases where the rights of the stakeholders are not regulated by legislation and contracts, the interests of the stakeholders are protected within the framework of good faith rules on the condition that the rights,

opportunities, and reputation of Norm Holding and its subsidiaries are protected.

In case of conflicts of interest among the stakeholders or if a stakeholder is included in more than one interest group; a balanced policy is followed as far as possible to protect the rights owned, and it is aimed to protect each right independently of the other.

Informing Norm Holding Stakeholders

Norm Holding and its subsidiaries have adopted the principles of equality, accuracy, impartiality and timing in informing shareholders and stakeholders. In this context, it is essential that the announcements and disclosures are made in a timely, accurate, complete, understandable, and easily accessible manner, considering the rights and interests of Norm Holding and its subsidiaries. In line with the principles of public disclosure and transparency, it exerts its utmost effort to create a structure that will enable stakeholders to access complete information in a timely manner.

Stakeholders are informed through material disclosures, general assembly information, annual activity and sustainability reports and the Company's website. Employees are informed about the objectives

and activities of the Company through evaluation and information meetings held within the framework of the understanding of open communication. Furthermore, external information is accessible to all employees through the corporate website of the Company, and internal information through the corporate internal portal.

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

Norm Holding Stakeholders' Participation in Management

Our company's articles of association do not contain a regulation that stipulates the participation of stakeholders in the Company's management. However, there are non-shareholder members in the Board of Directors to ensure that the rights of minority shareholders and other stakeholders are respected equally.

Effective participation of employees in decision-making processes is ensured by the "employee satisfaction survey" system. In line with the results of the biannual survey conducted to receive the





opinions of the employees, suggestions for improving the operations and working conditions are evaluated in the action committees, and the suggestions considered applicable are taken into account during the determination of company policies.

To encourage the innovativity of our employees, within the scope of systematically evaluating the suggestions for improvement and putting the appropriate ones into practice, our Company has a “Suggestion System” platform on the QDMS system. Owners of accepted proposals are rewarded.

In the weekly communication meetings, the opinions of senior executives are taken and evaluated during the making of company decisions. Various meetings are held with customers, suppliers and potential and current investors.

Relations with Clients and Suppliers

Our company attaches importance to customer satisfaction in the marketing and sale of its goods and services and takes the necessary measures. Within the scope of customer satisfaction, it is essential to meet the demands of the customer regarding the goods and services received in a timely and complete manner, and it is aimed to inform the customers in case of any possible delays without waiting for the deadline. Within the scope of the quality policy, Norm Holding and its subsidiaries aim to continuously

improve product quality to meet and even exceed customer expectations. Norm Holding considers the quality system as the basis of its operations while ensuring that everyone in its organization moves towards the same goal as a whole in harmony. Our company pays attention to the confidentiality of customer and supplier information within the scope of the trade secret. Necessary measures have been taken by our company to establish good relations between our company and clients and suppliers, to eliminate unfair benefits, and to comply with the terms of the agreement between the parties. Our sensitivity to the issue has been communicated to all our employees and a common corporate awareness has been raised.

Norm Holding Stakeholders Policy; It is available on the website www.normholding.com.

NORM HOLDING DISCLOSURE POLICY

The Disclosure Policy has been established under the authority of the Board of Directors and is implemented under its responsibility. The disclosure policy is to ensure that all kinds of information, other than confidential business information, is disclosed to all business partners, stakeholders, employees and public in a timely, accurate and complete manner.

The responsibility of observing and monitoring all matters regarding public disclosure belongs to the managers, who carry out the financial management and reporting, and the Corporate Communications Department. The aforementioned authorities fulfill their duties in close cooperation with the Corporate Governance Committee and the Board of Directors. The announcements and disclosures on behalf of Norm Holding, other than signed form, declarations, and reports in accordance with the signature circular, are made by the Chair of the Board of Directors,

Members of the Board of Directors, CEO, Head of Industry Group, Head of Commercial Group, Sales Director, Financial Affairs and Finance Director and/or Corporate Communications Manager.

As the communication tools, the material disclosures, financial statements and footnotes, independent audit reports and annual reports, announcements made through the Turkish Trade Registry Gazette and daily newspapers, announcements about news and rumors about Norm Holding, information meetings and presentations, Norm Holding websites, printed and digital media channels are considered. The details are specified in the Disclosure Policy.

The Disclosure Policy is available on the website: www.normholding.com

DISCLOSURES RELEASED ON CORPORATE WEBSITE

Our Mission, Vision and Values	Donation and Aid Policy
Corporate Governance Principles Compliance Report	Ethical Working Rules
Regarding Information Society Services; Articles of Association, Trade Registry Information, Auditor Information, General Assembly Information	Profit Distribution Policy
Board Members	Human Resources Policy
Structure of Affiliate	Stakeholders Policy
Board of Directors Committees, Structure, Working Principles Audit Committee	Occupational Health and Safety Policy Environmental Policy
Corporate Governance Committee	Energy Policy
Early Detection of Risk Committee	Quality Policy
Sustainability Committee	Information Security Policy
Remuneration and Nomination Committee	Personal Data Protection Management System Policy
Corporate Governance Policies	Clarification Statement of the Law on the Protection of Personal Data
Disclosure Policy	

COMPLIANCE REPORT OF NORM HOLDING CORPORATE GOVERNANCE PRINCIPLES

Norm Holding's Capital and Shareholding Structure remain the same during the accounting period.

Norm Holding Articles of Association remain the same during the accounting period.

In the Norm Holding Ordinary General Assembly meeting held on the 22nd of September 2021, where the activities performed in 2020 were discussed, in accordance with the Turkish Commercial Code Articles 395 and 396:

The shareholders holding the management control, the board of directors members, the managers with administrative responsibility, and their spouses and relatives by blood or marriage up to the second degree are obligated to inform the general assembly to make any transaction that may cause a conflict of interest with the partnership or its subsidiaries or perform a commercial business type transaction on its own or on behalf of someone else's account, or involved in the same kind of commercial business as a partner with unlimited liability.

In addition, the General Assembly was informed about the transactions made by the members of the Board of Directors with the company or on behalf of someone else within the framework of the permission granted by the General Assembly in 2020, and that no transactions within the scope of the Prohibition of Competition took place.

22 09 At the Norm Holding Ordinary General Assembly meeting held in 2021, where the activities for 2020 were discussed, the Board Members and Senior Executives Remuneration Policy was held. Shareholders were informed about the payments.

Within the period of January 01, 2021 – December 31, 2021; no Extraordinary General Assembly was held.

Norm Holding does not have any direct or indirect affiliates, and Norm Holding shareholders have partnerships in Norm Holding companies.

With the decision of the Audit Committee at its meeting dated April 15, 2021, and issued 2021/02 and its recommendation to the Board of Directors, The PwC Independent Auditing was elected. It was accepted by the shareholders at the NORM Holding Ordinary General Assembly meeting held on September 22, 2021 in consensus.

There have been no cases where The PwC Independent Auditing refrained from expressing an opinion, expressed a conditional opinion, or did not sign it.

There are no lawsuits brought against the company that may affect its financial status and activities of the company.

There has been no lawsuit filed against the members of the Board of Directors and employees due to practices contrary to the provisions of the legislation, and there has been no administrative or judicial sanction.

There has been no administrative or judicial sanction imposed on the company or the members of the board of directors due to practices contrary to the provisions of the legislation.

There have been no legislative changes that could significantly affect its activities.



There is no cross-shareholding in which the direct participation rate in the capital exceeds 5%.

In its transactions and activities, Norm Holding protects the rights of stakeholders, which are regulated by legislation and mutual agreements, within the framework of our Stakeholders Policy. There was no complaint/lawsuit with the stakeholders.

Any consultancy serviced has not been received from the PwC Independent Auditing, the auditors, and other personnel employed in this organization. We showed great care in preventing conflicts of interest, both with the contracts made and with our internal working arrangements.

There is no conflict of interest or inconsistency with JCR Eurasia Rating Company. We showed great care in preventing conflicts of interest, both with the contracts made and with our internal working arrangements.

The confidentiality of information about customers and suppliers has been sensitively taken care of

within the scope of our company's trade secret, The company does not hire an investment consultancy services.

EXECUTIVE BOARD

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EXECUTIVE BOARD



Nedim Uysal
CEO-Vice Chairperson



Mahmut Ozturk
Head of Industry Group



Caner Melek
Head of Trade Group



Kumru Tinaz
Accounting and Finance Director



Filiz Ergin
Human Resources Director



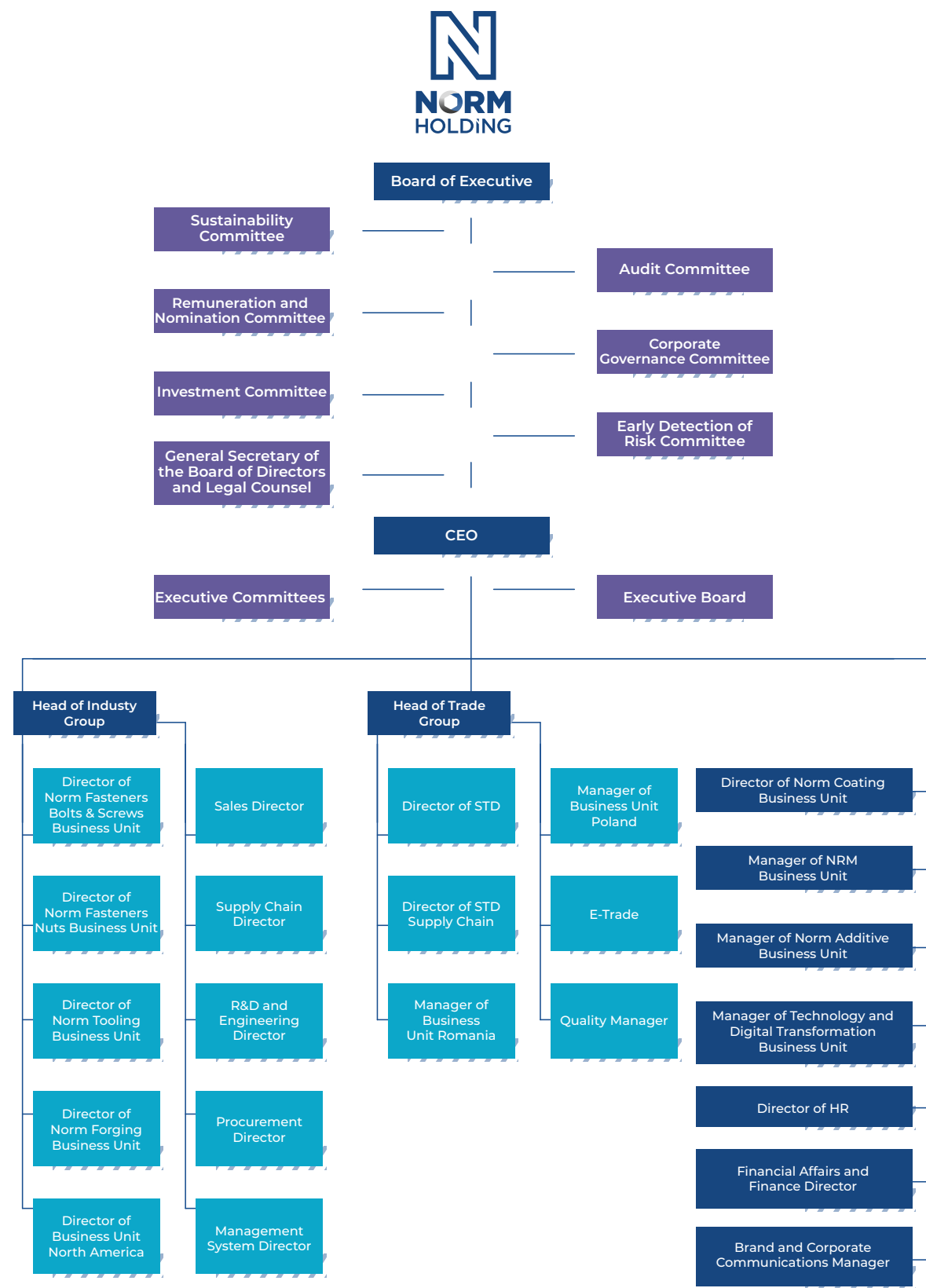
Erkan Yenicare
Technology and Digital Transformation Director

- Executive Board Committees
- Financial Affairs and Finance Committee

Business Development Committee

Pricing (Fasteners) Committee

Digital Transformation Committee



Norm Holding Executive Board Committees

At Norm Holding, Executive Board Committees have been established to have the Executive Board fulfill its duties and responsibilities properly.

Norm Holding is not subject to Capital Market Legislation since it is not a publicly traded company. Within the scope of the Holding's institutionalization strategy; it is aimed to comply with the Capital Markets Law, which includes the regulations of the Capital Markets Board on corporate governance principles, and the communiqués associated the capital market law, good management practices and company management codes on the condition the boundaries demarcated by the Board of Directors.

To this aim, the established committees are Financial Affairs and Finance Committee, Business Development Committee, Pricing (Fasteners) Committee, Digital Transformation Committee.

The duties and responsibilities of the Executive Board at Norm Holding and associated documentation have been presented to Norm Shareholders. It is not released on the website.

Duties and working principles of all committees have been put in writing. Our company aims to be among the companies implementing good corporate management practices domestically and globally. The assignments of committee members are determined by the knowledge and experience of potential members.

The regular meeting frequency of the committees is determined at the beginning of the year. Additional meetings may be organized, or extraordinary meetings may be held, depending upon the committee's decision based on the efficiency of the work and the intensity of the agenda.

The Chair of the Committee prepares the meeting agendas. The committee members can share the issues they want to be included in the meeting agenda with the Chair of the Committee. The agenda is distributed to the members by the Norm Holding General Secretariat office. The work of committee is written down and recorded. Reports containing the

meeting outcomes are presented to the Executive Board and the outcomes considered appropriate are forwarded to the Board of Directors. The committees prepare an annual report on committee work at the end of each year. The committee reviews the task and working principles document; submits the points that need to be revised to Norm Holding Board of Directors for approval.

In committees, if necessary, Norm Holding managers who are not members of the Board of Directors and experts who do not work within Norm Holding can be delegated temporarily. The committees have also right to invite employees of Norm Holding companies, representatives of persons or organizations associated with companies and experts to their meetings to hear their thoughts and benefit their knowledge.

Furthermore, the committees can receive professional consultancy from external source on the issues related to the operations when considered necessary, benefit from the opinions of independent experts, perform special investigation on managerial issues and assign experts as consultants to the investigation. The cost arising from the consultancy services is compensated by the company.

All kinds of resources and support required for the committees to fulfill their duties properly are provided by the Norm Holding Executive Board.

The committees act under their own powers and responsibilities and make suggestions to the decision-making mechanisms when considered necessary. The final decision and responsibility always belong to the Norm Holding Executive Board. Committee works and responsibilities do not remove the duties and responsibilities of the Norm Holding Board of Directors defined in the Turkish Commercial Code.

Financial Affairs and Finance Committee

Financial Affairs and Finance Committee established within Norm Holding to monitor the financial situation, tax legislation, overdue risky receivables, intercompany debt-credit tracking, evaluation of loan processes more closely and inform the Executive Board if necessary. In accordance with the targets determined by the Executive Board, Financial Affairs and Finance

Committee was established within Norm Holding and its companies conducts the necessary analyzes and evaluations on issues such as evaluation of the financial situation of the Holding and its affiliated companies, follow-up of the legislation process regarding ongoing projects and investments, legal situation, measures to be taken against financial risks in the national and international, assessment of overdue risky receivables and intercompany debt-debt and subsequently presents its opinion on the issues to the Executive Board.

Financial Affairs and Finance Committee; presented its working principles to the Norm Holding Executive Board.

It was approved by the Norm Holding Executive Board on April 22, 2022, and submitted to the Norm Holding Board of Directors for approval.

Business Development Committee

The Business Development Committee was established within the body of Norm Holding to monitor more closely the business development projects in Norm Holding and its companies or the different sectors where potential opportunities exist, and to inform the Executive Board when necessary. It was established with the aim of investigating business development opportunities in line with the strategies determined by the Board of Directors of Norm Holding and its companies, completing the necessary analyzes and evaluations on issues such as the impact on activities, financial dimension, legal status, and compliance with strategic priorities, and submitting its assessments to the Executive Board.

Business Development Committee presented their working principles to Norm Holding Executive Board.

It was decided by the Norm Holding Executive Board on April 22, 2022, then it was submitted to the approval of the Norm Holding Board of Directors.

Pricing (Fasteners) Committee

Pricing Committee established within Norm Holding to monitor the sales, supply chain effect, raw material prices, macroeconomic values, price level issues of the works in the fastener sector, which Norm Holding, and its companies mainly operate, and to inform the

Executive Board if necessary. In accordance with the targets set by Executive Board, Pricing committee conducts the necessary analyzes and evaluations on issues such as the comparison of monthly based sales data and quarterly budget of Norm Holding and its companies, the status of orders and commodity prices, recent developments in the national and international automotive sector, fluctuations in foreign currency, changes in energy prices, regulations that will affect the price, current and subsequently presents its opinion on the issues to the Executive Board.

Pricing (Fasteners) Committee; presented the working principles to the Norm Holding Executive Board.

It was approved by the Norm Holding Executive Board on April 22, 2022, and submitted to the Norm Holding Board of Directors for approval.

Digital Transformation Committee

To increase efficiency and customer value by advancing the business model of Norm Holding and its subsidiaries, to manage risk and to find out new revenue opportunities, the digital transformation of process, products and assets is required. Aiming at closely following the digital transformation of process, products and assets and informing the efforts to Executive Board (if necessary). Digital Transformation Committee was established within Norm Holding and its companies, in line with the targets set by the Executive Board. The digital Transformation Committee conducts the necessary analyzes and evaluations on issues such as digital factory, energy monitoring, digitization of department-based processes, increasing digital literacy, simplifying office processes, data management, and subsequently presents its opinion on the issues to the Executive Board.

Digital Transformation Committee; presented the working principles to the Norm Holding Executive Board.





BAĞIMSIZ DENETÇİ RAPORU

Norm Holding A.Ş. Genel Kurulu'na

A. Konsolide Finansal Tabloların Bağımsız Denetimi

1. Görüş

Norm Holding A.Ş.'nin ("Şirket") ve bağlı ortaklıklarının (hep birlikte "Grup" olarak anılacaktır) 31 Aralık 2021 tarihli konsolide finansal durum tablosu ile aynı tarihte sona eren hesap dönemine ait; konsolide kar veya zarar ve diğer kapsamlı gelir tablosu, konsolide özkaynaklar değişim tablosu ve konsolide nakit akış tablosu ile önemli muhasebe politikalarının özeti de dâhil olmak üzere konsolide finansal tablo dipnotlarından oluşan konsolide finansal tablolarını denetlemiş bulunuyoruz.

Görüşümüze göre, ilişikteki konsolide finansal tablolar Grup'un 31 Aralık 2021 tarihi itibarıyla konsolide finansal durumunu ve aynı tarihte sona eren hesap dönemine ait konsolide finansal performansını ve konsolide nakit akışlarını Türkiye Finansal Raporlama Standartları'na ("TFRS'lere") uygun olarak tüm önemli yönleriyle gerçeğe uygun bir biçimde sunmaktadır.

2. Görüşün Dayanağı

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

3. Kilit Denetim Konuları

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

Kilit denetim konuları	Denetimde konunun nasıl ele alındığı
Ticari alacakların geri kazanılabilirliği (Bakınız Dipnot 6)	
31 Aralık 2021 tarihi itibarıyla 1.403.152.300 TL tutarında ilişkili olmayan taraflardan ticari alacaklar konsolide finansal tablolarda önemli bir büyüklüğe sahiptir.	Ticari alacakların geri kazanılabilirliğinin denetimine ilişkin aşağıdaki prosedürler uygulanmıştır:
Grup yönetimi, söz konusu ticari alacakların geri kazanılabilirliğinin değerlendirilmesini yaparken müşterilerden alınan teminatlar, geçmiş tahsilat performansları, kredibilite bilgileri, vade analizleri, alacaklara ilişkin anlaşmazlık veya davaları dikkate almaktadır. Tüm bu değerlendirmeler sonucunda şüpheli alacakların tespiti ile bu alacaklar için ayrılan karşılık tutarlarının belirlenmesi yönetimin varsayımı ve tahminlerini içermektedir. Öte yandan, kullanılan bu tahminler gelecekte beklenen piyasa koşullarına oldukça duyarlıdır.	<ul style="list-style-type: none"> Grup'un kredi limit yönetimi dahil olmak üzere alacak takibi ve kredi risk yönetimi politikası anlaşılmış ve değerlendirilmiştir. İlişkili olmayan taraflardan ticari alacak bakiyeleri örneklem yoluyla doğrulama mektupları gönderilerek test edilmiştir. İlişkili olmayan taraflardan ticari alacak bakiyelerinin yaşlandırması örneklem yoluyla test edilmiştir. Müteakip dönemde yapılan tahsilatlar örneklem yoluyla test edilmiştir. Müşterilerden alınan teminatlar örneklem yoluyla test edilmiştir. İlişkili olmayan taraflardan ticari alacak bakiyelerinin tahsilatına ilişkin herhangi bir anlaşmazlık veya dava olup olmadığı araştırılmış ve hukuk müşavirlerinden devam eden davalara yönelik yazılı değerlendirmeleri alınmıştır. Grup yönetimi ile yapılan görüşmeler çerçevesinde değer düşüklüğü hesaplamalarına baz teşkil eden yukarıda bahsedilen temel varsayım ve yargılar değerlendirilmiştir. İlişkili olmayan taraflardan ticari alacakların geri kazanılabilirliğine ilişkin konsolide finansal tablo dipnotlarında yer alan açıklamaların TFRS'ye göre uygunluğu ve yeterliliği değerlendirilmiştir.
Bu sebeplerle söz konusu alacakların geri kazanılabilirliği tarafımızca kilit denetim konusu olarak belirlenmiştir.	

4. Diğer Hususlar

Grup'un 31 Aralık 2020 tarihinde sona eren hesap dönemine ait konsolide finansal tablolarının bağımsız denetimi başka bir bağımsız denetçi tarafından gerçekleştirilmiş olup 12 Ağustos 2021 tarihli bağımsız denetçi raporunda bu konsolide finansal tablolara sınırlı olumlu görüş verilmiştir.

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

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

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

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

6. Bağımsız Denetçinin Konsolide Finansal Tabloların Bağımsız Denetimine İlişkin Sorumlulukları

Bir bağımsız denetimde, biz bağımsız denetçilerin sorumlulukları şunlardır:

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

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

- Konsolide finansal tablolardaki hata veya hile kaynaklı "önemli yanlışlık" riskleri belirlenmekte ve değerlendirilmekte; bu risklere karşılık veren denetim prosedürleri tasarlanmakta ve uygulanmakta ve görüşümüze dayanak teşkil edecek yeterli ve uygun denetim kanıtı elde edilmektedir. Hile; muvazaa, sahtekârlık, kasıtlı ihmal, gerçeğe aykırı beyan veya iç kontrol ihlali fiillerini içerebildiğinden, hile kaynaklı önemli bir yanlışlığı tespit edememe riski, hata kaynaklı önemli bir yanlışlığı tespit edememe riskinden yüksektir.
- Grup'un iç kontrolünün etkinliğine ilişkin bir görüş bildirmek amacıyla değil ama duruma uygun denetim prosedürlerini tasarlamak amacıyla denetimle ilgili iç kontrol değerlendirilmektedir.
- Yönetim tarafından kullanılan muhasebe politikalarının uygunluğu ile yapılan muhasebe tahminleri ile ilgili açıklamaların makul olup olmadığı değerlendirilmektedir.
- Elde edilen denetim kanıtlarına dayanarak Grup'un sürekliliğini devam ettirme kabiliyetine ilişkin ciddi şüphe oluşturabilecek olay veya şartlarla ilgili önemli bir belirsizliğin mevcut olup olmadığı hakkında ve yönetimin işletmenin sürekliliği esasını kullanmasının uygunluğu hakkında sonuca varılmaktadır. Önemli bir belirsizliğin mevcut olduğu sonucuna varmamız hâlinde, raporumuzda, finansal tablolardaki ilgili açıklamalara dikkat çekmemiz ya da bu açıklamaların yetersiz olması durumunda olumlu görüş dışında bir görüş vermemiz gerekmektedir. Vardığımız sonuçlar, bağımsız denetçi raporu tarihine kadar elde edilen denetim kanıtlarına dayanmaktadır. Bununla birlikte, gelecekteki olay veya şartlar Grup'un sürekliliğini sona erdirebilir.

- Konsolide finansal tabloların açıklamaları dâhil olmak üzere, genel sunumu, yapısı ve içeriği ile bu tabloların, temelini oluşturan işlem ve olayları gerçeğe uygun sunumu sağlayacak şekilde yansıtıp yansıtmadığı değerlendirilmektedir.
- Konsolide finansal tablolar hakkında görüş vermek amacıyla, Grup içerisindeki işletmelere veya faaliyet bölümlerine ilişkin finansal bilgiler hakkında yeterli ve uygun denetim kanıtı elde edilmektedir. Grup denetiminin yönlendirilmesinden, gözetiminden ve yürütülmesinden sorumluyuz. Verdiğimiz denetim görüşünden de tek başımıza sorumluyuz.

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

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

B. Mevzuattan Kaynaklanan Diğer Yükümlülükler

- 6102 sayılı Türk Ticaret Kanunu'nun ("TTK") 402. Maddesi'nin dördüncü fıkrası uyarınca, Şirket'in 1 Ocak - 31 Aralık 2021 hesap döneminde defter tutma düzeninin, kanun ile Şirket esas sözleşmesinin finansal raporlamaya ilişkin hükümlerine uygun olmadığına dair önemli bir hususa rastlanmamıştır.
- TTK'nın 402. Maddesi'nin dördüncü fıkrası uyarınca, Yönetim Kurulu tarafımıza denetim kapsamında istenen açıklamaları yapmış ve istenen belgeleri vermiştir.

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


Mehmet Karakurt, SMMM
Sorumlu Denetçi

İstanbul, 16 Eylül 2022

DEVELOPMENTS AFTER THE ACTIVITY PERIOD

A Significant Award for the "ENLider Sensin" Program

At the "Human Resources Excellence Awards 2022" organized by Brandon Hall Group, the award recipients were selected by jury decision. Norm Holding received the Silver Award with its "ENLider Sensin" Leadership Development Program in the category of "Best Leadership Development Programs".

Among the pioneering companies of Turkey with R&D Investments

In the "R&D 250, Turkey's Top R&D Spending Companies" survey conducted by Turkishtime; Norm Fasteners Bolts was ranked 203rd among 250 companies by increasing 21 spot compare to previous year, due to the size of budget spent for R&D. In the same survey, it is placed 71st spot in list of top 100 based on the number of projects conducted by R&D, while it is placed among top 50 company with the number of utility model and design registration.



Normie gets the first place in the 20th Golden Spider Awards

The website of Normie, a dynamic software robot developed by Norm Digital to eliminate repetitive tasks, was awarded first place by the votes of the jury in the Information and Technology Category at the Golden Spider Awards, among 1071 projects.



TAIDER North Star Award to Norm Holding

At the TAIDER 5th North Star Award Ceremony, where companies are awarded in the categories of Corporate Governance, Society, Employees and Environment in the field of sustainability, Norm Holding receive the North Star Award for the efforts in the sustainability fields.



3 Grand Awards at the Stars of Export Award Ceremony

At the "Stars of Export Award Ceremony" organized by Aegean Ferrous and Non-Ferrous Metals Exporters' Association affiliated with the Aegean Exporters' Associations; Norm Holding received 2 grand awards with Norm Fasteners Bolts and STD while Honorary Cahir Nedim Uysal was awarded "Doyen of the Sector".

At the ceremony, Norm Fasteners Bolts became the "Other Iron and Steel Products Export Champion" and also received Gold in the scope of the Aegean Ferrous and Non-Ferrous Metals Exporters Association. STD won the award in the bronze category.



Three Companies of Norm Holding's Credit Rating Confirmed as A+ by JCR Eurasia Rating

Thanks to the sustainability approach and strong financial management structure that Norm Holding has maintained for years; Norm Fasteners Bolts, Norm Fasteners Nuts and Norm Fasteners Screws received an A+ Long-Term National Institution Credit Rating from JCR Eurasia Rating and thus were entitled to be in the highest credit quality rating group.



Three of EBSO 100 are Norm Holding Companies

In the "Top 100 Industrial Organization of Izmir" prepared by EBSO (Aegean Region Chamber of Industry), three of Izmir's largest industrial enterprises were Norm Holding companies. In the list prepared based on the sales from production among the companies producing in Izmir, Norm Fastener Bolts was ranked 36th while Norm Fastener Nuts and Norm Coating were placed in the 46th and 71st spots, respectively.



Norm Holding Takes Place in ISO Top 500 and Second Top 500 with 4 Companies

In the "Top 500 Industrial Organizations" and "Second Top 500" survey prepared according to 2021 financial results by the Istanbul Chamber of Industry (ISO), four companies of Norm Holding were listed.

Norm Fasteners Bolts was ranked 428th in the "Top 500" while Norm Fasteners Nuts ranked 21st, Norm Fasteners Bolts Salihli were placed 21st, 56th, and 342nd spot respectively in the list of 'Second Top 500'.



Best R&D Project of the Year Award from İZTEK

Norm Fasteners Bolts R&D Center was awarded the "Best R&D Project of the Year" at the İZTEK Innovation R&D and Technology Awards 2022 event with the "Mobile Application that Determines the Dimensions and Standards of Artificial Intelligence Supported Fasteners" jointly developed with Kalybe.AI.



Norm Holding's Food Company Nordes Established

Nordes Gıda Sanayi ve Ticaret A.Ş. was registered in the Trade Registry Gazette dated August 12, 2022, and joined the business life as a half partner with Sardes Gıda Sanayi ve Tarım Ürünleri Ticaret İthalat İhracat Ltd. Şti. Nordes will present the sauces of fruits including strawberries, cherries, sour cherries, plums, grapes, tangerines, grapefruit, and orange fruits in tin cans and glass jars to the markets of Europe, Japan, Australia, South Korea, the USA, especially to EU countries. The female-dominated company aims to create employment for up to 460-500 people even if it might change seasonally. It is aimed that the production site of Nordes will be completed by the end of 2022, and after the assembly of the machinery park, production will begin with strawberry canning, which is the first fruit of the season, as of May 2023.



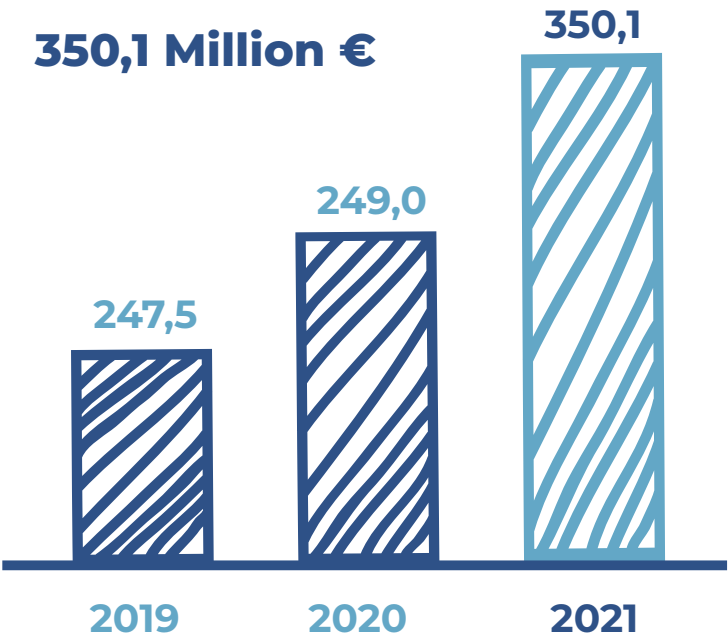
PERFORMANCE 2021

CONSOLIDATED

Net Sales

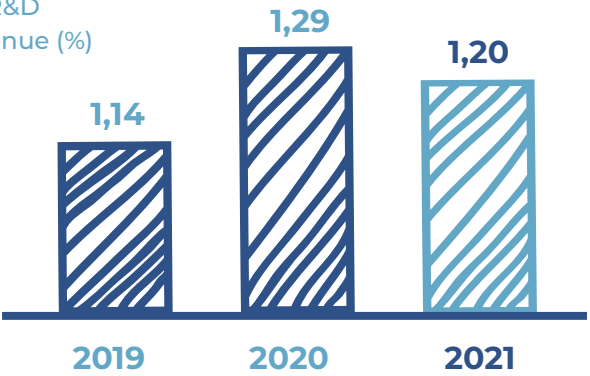
Million €

350,1 Million €



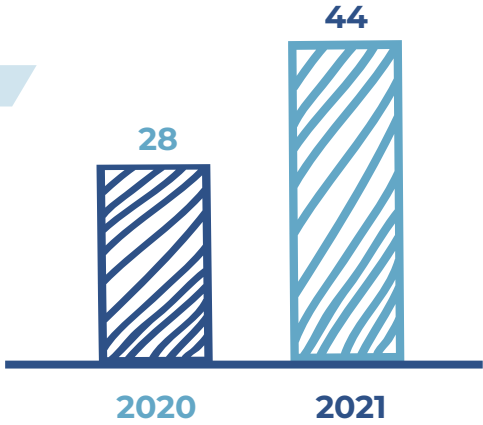
Norm Fasteners Bolts R&D Data

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



Consolidated Investments

Consolidated Investments / Million €



“

The credit rating of Norm Fasteners performed by JCR is

A+

on Long-Term National Scale

”

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

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

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

INDUSTRY GROUP

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HEAD OF INDUSTRY GROUP'S MESSAGE

Dear Stakeholders,

In 2021, when the consequence of pandemic continued to feel, although normalization accelerated with increasing vaccination rates, new mutations caused ceases. While the recovery in the global economy strengthened, the supply shortage in many sectors caused supply chain and logistics issues. In parallel, there were price hikes in raw material and commodity. Although all these economic negativities caused us to face a very challenging year in the national sense, we, Norm Holding, managed to continue our production uninterruptedly due to our dedication to our work and self-sacrificing efforts. By accelerating our digital transformation efforts, which have become even more important with the consequences of the pandemic, we have adapted our way of doing business to new conditions in an agile manner. We maintained our employment and productivity with our remote working model, which we quickly implemented, and our effective financial discipline. I would like to thank all my colleagues and all our stakeholders who contributed to a successful year by meeting our budget targets.

Undoubtedly, one of the most important factors in this achievement is always to put our customers at the center of our business as we move towards our target of "continuous improvement". We continued to advance all our operations by keeping in touch our customers through the meetings we held regularly, and the customer satisfaction research reports we applied at certain periods. In line with our motto of "global scale, individual attention" we serve our large business partners especially in Turkey and global partners located North America, Germany, China and United Kingdom through our permanent engineers to provide better service to our customers and to be in closer contact. We continued to provide services with

our logistics centers in Germany, Poland, Romania and the USA. Furthermore we became the solution partner of our domestic automobile brand TOGG, which plans to start mass production at the end of 2022. In this context, all metal and plastic fasteners to be used in TOGG production will be supplied by us.

As Norm Holding, we focused on employee satisfaction by adopting "people first" approach, while improving our business processes in 2021. We implemented our projects aiming at increasing the employee loyalty and satisfaction with the "Employee Opinion Survey" conducted under the leadership of our Human Resources department. Our 3 companies were awarded the "Best Workplace" award within the scope of the Best Employers Program organized by Kincentric. Our 4 companies stood at the 'ISO Turkey's Top 500 and Second Top 500 Industrial Enterprises' lists in the 2021, announced annually by the Istanbul Chamber of Industry (ISO). In the list based on sales from production, our Norm Fasteners Bolts company ranked 428th in the 'Top 500' list, while Norm Fasteners Nuts company was placed 21st spot in 'Second 500' list, Norm Fasteners Bolts Salihli, and Norm Coating company ranked 56th and 342nd respectively.

One of the most challenging conditions we faced last year was supply chain processes. Due to the supply-demand imbalance emerged by the epidemic, we took care to implement the risk assessment correctly and to proceed in a controlled manner in order to keep the impact of constantly changing pricing at a minimum.

Within the scope of our R&D and innovation studies; In particular, we implemented our "From Idea to Product, Need to Solution" project to better understand customer requests and expectations

and to offer customized solutions. To this end, we aim to work more on solution-oriented innovative products and processes in coordination with our sales team and other associated units. In the "R&D 250, Turkey's Top R&D Spending Companies" survey conducted by Turkishtime for the eighth time this year; Norm Fasteners Bolts ranked 224th due to the budget spent for R&D studies. On the other hand, we are on the way to become the world's largest supplier of fasteners with the strategic agreements we have made. We are the first local company in Turkey to be awarded the title of Full Service Provider by signing Turkey's largest supply agreement with Ford Otosan. I would therefore like to thank all my colleagues who contributed to these projects.

As Norm Holding, we continue our investments to expand our expertise in different sectors and to offer innovative solutions to our business partners, with the importance we attach to development. With this approach, we established our Norm Additive company to bring additive manufacturing technology, which has gained importance in recent years and has become an important manufacturing method in the production of high value-added products, to our production infrastructure. In addition, with our Norm Forging company, which we established in the light

of our knowledge and experience in cold forging; we aim to provide services in the hot forging industry at international standards and at a level that meets the quality requirements of our business partners.

Regarding sustainability, which is one of our most important priorities to offer more value to the society we live in and to all our stakeholders; we continued to work without slowing down under the leadership of our working groups. As a signatory member of the UN Global Compact, we published our Sustainability Report, which is the first step on the path we set out with the goal of a sustainable world. We will continue to publish our Sustainability and Activity Reports every year starting from 2022.

We will strengthen our presence in the global arena with the initiatives we will work in 2022; We will continue to work together, shoulder to shoulder, to leave a more sustainable world for the future.

Mahmut OZTURK
Head of Industry Group



NORM FASTENERS BOLTS & SCREWS

The year 2021, in which modernization were carried out and new investments were put into use in all production facilities, was completed with successful results for Norm Fasteners Bolt.

Norm Fasteners Bolt, which has the highest production capacity in Norm Holding, operates in 3 different production facilities in total, two bolts, and one screw production facility. Norm Fasteners produce standard and special fasteners mainly for the automotive industry and its sub-sectors at its Bolts İzmir and Salihli and MS Vida production facilities. In 2021, all production facilities were produced at the highest capacity and the demands of the clients were met with the philosophy of quality products on time. The total production tonnage of Norm Fasteners Bolts in 2021 was reported as 98,620 tons.

Considering all these developments, the year 2021, in which modernization were carried out and new investments were put into use in all production facilities, was completed with successful results for Norm Fasteners Bolt.

2021 Activities

Digitalization

By bringing the digitalization efforts into focus in 2021, Norm Fasteners Bolts aimed initially at transferring paper forms into the digital environment. In 2021, the goal to be a paperless factory was achieved in the Salihli Bolts Production facility which was chosen as a pilot region. In 2022, the same goal is set for the bolt and screw production facility in İzmir.

There are currently 13,320 basic product codes

defined for Norm Fasteners Bolt Factories and 538 basic product codes defined for Screw Factory. Thus, detailed work orders must be prepared for managing product diversity properly. In 2021, the tablets have been made use of, and the paperwork required for the production was transferred to the digital environment. In 2021, the use of tablets was started, and the paper forms needed during production were transferred to the digital environment. For 2022, it is aimed to complete the commissioning of the tablet application project for Norm Fasteners Bolts İzmir and Screws Factories. In addition, digital applications have started to be employed for the suggestion system, enabling employees to submit suggestions using their smartphones and given production tablets. It is planned that the internal audits for 2022 will also be carried out with digital platforms and the actions will be linked.

Another important project of digital transformation is the data collection project called "Light House". In 2021, the scope of the project and the pilot machines have been determined and the infrastructure works have started. In 2022, it is foreseen that data can be collected from those machines. The aim of the project is to determine the optimum process parameters, and by conducting a detailed process analysis based on the instant and past data to determine the improvement points in the fields of efficiency, quality, environment, and energy.



Investments

2021 was a year in which new machines were installed and getting investments intensely. Following the completion of the annex at Norm Fasteners Bolts Salihli facilities, the production capacity of cold forming has increased by approximately 6%. Investments are being planned in line with Norm Holding's strategic goals as well as the cold forming machines and heat treatment furnaces that are

ordered in 2021 and to be delivered in 2022.

In the scope of the modernization efforts, the wire rod surface cleaning operation method was altered in both bolt production facilities. The mechanical surface operation in which sandblasting method is employed was substituted for the chemical surface cleaning operation with acid. Hence, problems e.g., chemical bath preparation and process parameter



variability were eliminated, and the sandblasting operation, which offers a more stable surface cleaning process, was introduced. With the sandblasting investment, which is also advantageous in terms of capacity, the surface treatment capacity has increased by approximately 47% which provides the advantage of minimizing intermediate stocks.

Sustainability

Within the scope of sustainability studies in Norm Holding, road maps were designated on the basis of the business unit by aiming at minimizing the use of natural resources. Sustainable production is supported by technological improvements through paperless factory and Light House data collection projects. It is aimed to make the correct improvements based on the energy consumption data obtained from the machines. With the ISO 50001 Energy Management Certificate obtained for Norm Fasteners Bolts İzmir in 2021, energy analyzers were installed, and consumptions were started to be controlled. In addition, projects to increase energy efficiency were determined by conducting an energy audit, which is one of the requirements for ISO 50001. Modernization methods were also investigated, and feasibility studies were completed for the heat treatment processes where water consumption is

high. Alternative solutions were searched for the water used for cooling in furnaces, and suppliers were interviewed.

Within the scope of waste management improvement projects, the commissioning of an additional facility for heat treatment wastewater management at Norm Fasteners Bolts İzmir Factory was completed in 2021. According to the analyzes conducted after the completion of the additional treatment plant, the oil-grease parameter, which is one of the AOSB discharge acceptance parameters, was measured 75% below the acceptance value. Due to the improved results seen in the analysis, the project was decided to expand for Norm Fasteners Bolts Salihli Factory.

Operational Excellence

Continuous improvements are carried out with the participation of all employees in the factories followed by the Kaizen method. Employees were awarded every quarter due to the suggestions they submitted and the Kaizens they completed.

With the Manufacturing Execution System (MES) used in the cold forming process in Norm Fasteners Bolt production facilities, the areas that need to

be improved can be certainly defined. The setting of the Manufacturing Execution System has been started in the screw cold forming process in 2021. The commissioning of the system will be completed in 2022.

Optical measurement systems, which were commissioned in 2021 in the Cold Forming process and prevent operator-based variability in the field of quality, started performing in the production halls. The required setting to define the reference was completed and the automatically measured values are transferred to the system as SPC data. In 2022, it is aimed to use the new measurement method in all cold forming halls.

Norm Fasteners Bolts Salihli was selected as the pilot region to adjust the parameters automatically by using product-based directives in heat treatment furnaces where the mechanical properties of the bolt are manipulated. The project, which was completed in 2021, will be commissioned in 2022 at Norm Fasteners Bolts İzmir furnaces. Thus, the furnace parameters, which require significant experience, will be recorded for each fundamental product.

Plans and Goals for 2022

2022 will be a year in which the 2021 investments will be put into action, especially the Norm Fasteners Salihli factory. It is aimed to complete the infrastructure preparations in the first quarter for the installation of cold forming machines and heat treatment furnaces, it is foreseen that the machine installations will start as of the second quarter of the year.

In the digitization roadmap, the year 2022 will be a critical year when the Light House project is put into use and good practices are disseminated. Projects were defined for the teams, and they have been appointed to employees in all business units.

Within the scope of sustainable production, 3 VAP projects (Efficiency Enhancing Projects) have been determined based on the results of the studies after Norm Fasteners Bolts İzmir received ISO 50001 - Energy Management System certification; the applications of these projects are planned to be submitted in the first quarter of 2022.



R&D CENTER

Norm Holding continuously improves its scientific and technological knowledge by collaborating with national and international universities, R&D and design centers, research institutions, and companies.

Norm Holding, which cares about R&D investments with great importance, develops alternative designs for the most important technological trends of the fastener industry and increases its competitive power day by day. Projects in many different fields are carried out in the R&D Center, which consists of engineers and technicians from different disciplines who are experts in their fields, most of whom have doctorate and master's degrees. With its strong R&D experience, many innovative solutions are being developed.

The remarkable projects conducted in 2021 are listed as follows:

Mold Project

In January 2021, a research project, which is titled "Improving the Surface Quality of Different Types of WC-Co Cold Forging Dies Using the Abrasive Flow Machining (AFM) Method", carried out by collaborating with Gaziantep University in the scope of TUBITAK's (the Scientific and Technological Research Council of Turkey) 1505-University-Industry Cooperation Support Program. The main goal of this project is (1) to improve the life cycle of WC-Co cold forging molds, which are costly and imported, by providing a high level of surface finish using the Abrasive Flow Machining, (2) to develop a putty by finding out the most suitable combination

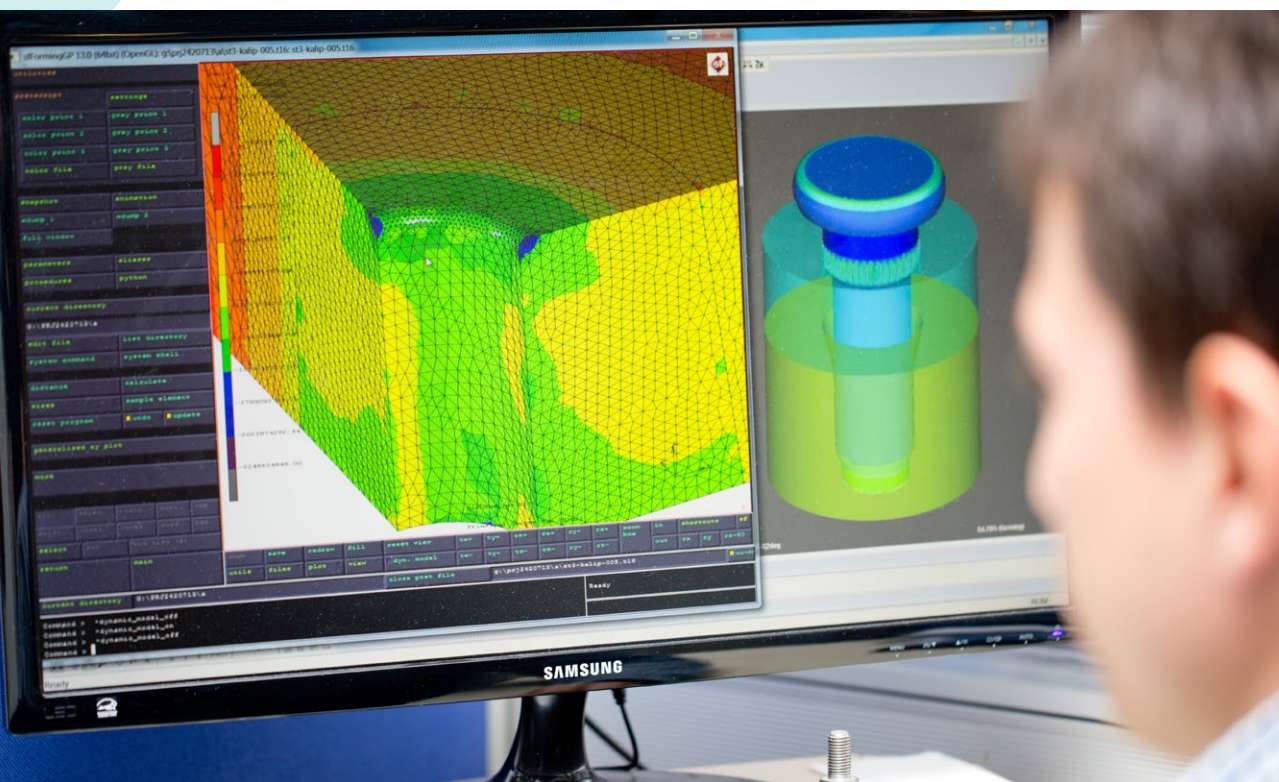


of AFM and type of abrasive fluid customized to the type of mold. The possible outcomes of the project are to eliminate the conventional hand machining process from the process by gaining know-how on the AFP method depending on the type of molding and to develop a paste that can be fabricated using domestic resources completely instead of importing.

Reduced Weight Fastener

With the increasing importance of a sustainable world understanding, the targets of CO₂ emission, set by regulations in Europe, have motivated automotive manufacturers in Turkey and globally to adopt a production approach towards sustainable production and to seek solutions to produce lighter vehicles to reduce CO₂ emission. In addition to innovative products with different designs under

the **HexLight®** brand, in 2021, Norm Fasteners Bolt R&D Center continues to support weight reduction efforts in the automotive industry and develop innovative solutions for the needs of the industry to increase vehicle performance as well as the environmental and economic motivations. The fastener whose weight has been reduced by its special head form and a special drive apparatus for this fastener has emerged as a result of the R&D efforts carried out for a while and a patent application was filed in 2021. The industrial design application of the aforementioned fastener and drive apparatus design has been registered in Turkey and EU countries. Furthermore, under the brand name **HexLight®**, the patent application describing a special head design and a lightweight fastener with a monolithic flanged structure was filed in Italy.



Within the scope of strategies to reduce CO₂ emissions, Norm Fasteners Bolts R&D Center continues to reduce-weight product studies aiming to lighten the weight of the fastener with its special design that is required to reach high driving range capability for electrical vehicles. Furthermore, R&D Center carried out studies on the need for smaller size metric products or less number of fasteners by using high-strength fasteners. Due to the need in the automobile sector and the high demand of suppliers on a global scale for ultra-high strength fasteners, this issue has been the priority among topics studied by Norm Fasteners Bolt R&D Center in 2021.

In addition, the industrial design application of the fastener with a special head geometry, which is designed to increase the strength of the widely used ISO 7380-2 button head inbus fastener with flange and thus its usage areas, has been filed in Turkey.

The patent application, which describes an innovative fastener with a specially designed under-head area for the assembly of sheet metal sheets thinner than 3 mm in the automotive industry without deformation, has been registered

in Turkey. Thanks to its special under-head form, the fastener, which is a different version of FastiNorm designed for sheet metals, provides a tight connection without requiring welding and shows high resistance against high torque values required for the durable connection of thin sheets, rotation and axial loosen.

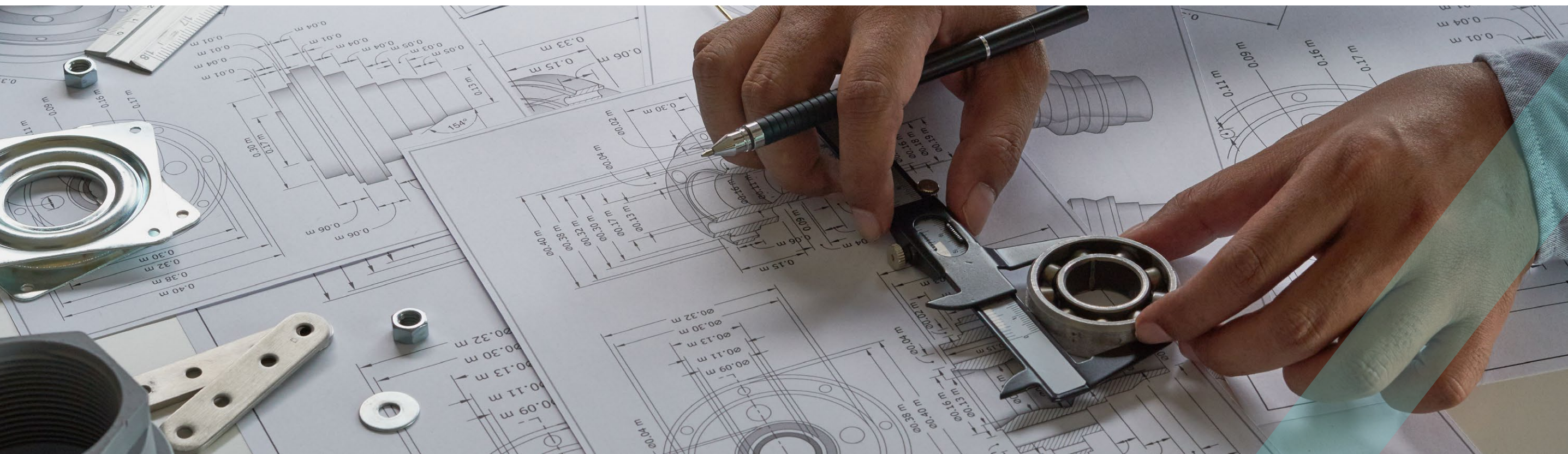
In today's world where rapid mass production is gaining importance with technological developments, Norm Fasteners Bolt R&D Center has developed a fastener that can provide a connection with the desired performance and quality through its self-aligning feature. Thanks to the developed special tip form, the fastener can align itself regardless of the skill of the installer or the sensitivity of the automation system used in the assembly. This product has been developed as a competitive product against products of global actors; performance test should be conducted with high precision. To this aim, a test device specialized to conduct the in-house test this product was successfully developed within the scope of industry-industry cooperation, then the test device was put into use in the R&D Center Application Laboratory.

Having had strong computational capabilities, Norm Fasteners Bolts R&D Center aims to make accurate predictions for the produced or planned to be produced produce by carrying out computational studies. To estimate the hardness values more precisely, which is one of the most effective parameters in associated computational models, the hardness estimations derived from the strain value of computational models were compared to the experimental hardness measurements obtained from the bolts fabricated by cold forging. Following the dataset acquired by the computational studies, it is aimed to develop new hardness models that can predict the hardness value of different parts of bolts produced from different raw materials more precisely. That will lead to more accurate computational estimations; thus, production trials will also yield faster and more efficient results.

Stainless steel fasteners, which are widely used in highly corrosive environments such as industrial facilities, valves, air, and boiling water pipes, are largely imported. Norm Fasteners Bolt R&D Center has carried out extensive studies on new processes by following the developing materials and production technologies to meet the needs

and expectations of the country in stainless steel fasteners and contribute to the national economy by reducing dependence on foreign products.

Within the scope of "Integration of Cryogenic Based Cooling Systems to be Developed in accordance with Machining Methods and Investigation of Effects on Tool Life (CryoMach)", which is the first international project of Norm Fasteners Bolts, funded by SMART-EUREKA, the utilization of cryogenic cooling systems instead of the conventional coolants in the machining operations has been examined. With the integration of Cryogenic Based Cooling Systems, it is expected to increase the tool life due to more effective cooling, improve the machining surface quality of workpieces, and make the manufacturing processes shorter. In the project, which started in 2019, the studies have continued to carry out in 2021 within the consortium including partners from Belgium, Spain, and Sweden. The aim of the project is to use environmentally friendly CO₂ and N₂ instead of coolants containing chemical additives and to save time and cost by eliminating the need to recycle chemicals. That has also special importance due to being in line with Norm's sustainability targets.



NORM FASTENERS BOLTS

Standing by the customer in line with the motto of “global scale, individual attention” and increasing the level of service day by day; Norm Fasteners Bolt has continued to be the preferred brand in different sectors and in different countries.

Norm Fasteners Bolt, a subsidiary of Norm Holding, is a leading company in Turkey in its own sector, advancing with its goal of being at the top of Europe and the world.

Norm Fasteners Bolt plants are the leader in the production of various products such as DIN 985 and DIN 982 Fiber nut, DIN 929, DIN 928 weld nuts, DIN 980/V, DIN EN ISO 7042 and other type tightening nuts, DIN 6923, DIN EN ISO 1661 flanged and DIN 6926 DIN EN ISO 1663 flanged fiber nuts, DIN 21670 flanged welding nuts, rivet nuts, DIN 934, DIN 936

Hexagonal nuts, special welding nuts used in the automotive industry and special bushings used in the automotive industry.

Norm Fasteners Nuts serves many of the automotive companies in Turkey and Europe as a supplier or sub-industry of Norm Fasteners Bolts. Norm Fasteners Nuts, which supplies direct assembly lines of companies such as Fiat-Tofaş, Mercedes Benz Türk, Uzel, Karsan, Otokar, Valeo, BMC, TürkTraktör, Man Turkey, Ford-Otosan, Oyak Renault in Turkey, VOLVO and SCANIA in Sweden,



VW, Audi in Germany, Porsche, PSA in France, is a global supplier to FORD Motor Company, FIAT, Valeo and John Deere through Norm Fasteners Bolts.

Activities 2021

The global trade and the world economy faced a major bottleneck due to the pandemic in 2020, 2021 come out as a year moving on the normal. Despite the steps towards normalcy in the economies in the first quarter of the year, the spread of the Omicron variant in the last quarter of the year caused for concerns again and the pace of economic recovery slowed down. In addition to the uncertainty brought about by the new variant, supply problems in many sectors were also reason of the slowdown in the economic recovery.

In the first period of 2021, as a result of the rapid growth that came with the return to normal, the demand and trade enormously increased. This global trade boom has put pressure on the supply chain, which has not yet recovered fully from the negative effects of the pandemic, great difficulties have been experienced in the supply of raw materials and products, and supply costs have increased considerably. This has created inflationary pressure on economies around the world. In the

last period of the year, many developed economies faced historical inflation figures that they had not encountered before.

The Turkish economy recorded an annual growth by 11% in 2021. The growth rate of 2021 was the highest growth performance of the last 10 years.

Although 2021 brought many challenges due to supply chain issues and increasing costs, Norm Fasteners strengthened its trust relations with its customers and continued to be the preferred brand with its supply chain and pricing strategies.

The global automotive industry, which contracted in 2020, has had an effect of the chip crisis during 2021. The chip shortage has caused the automotive industry to face a major bottleneck. Due to the chip shortage, many automotive companies had to restrict their production and there were delays in vehicle supply. The Turkish automotive market, which grew above expectations in 2020, continued its strong growth pace in the first half of 2021, but sales lost momentum in the second half of the year due to the global microchip-based production slowdown.



In 2021, the automotive sector has the highest share in the total turnover of Norm Fasteners Bolt with a 56% share. Automotive sector turnover increased by 48% compared to the previous year. The automotive sector will continue to be the locomotive sector with new projects for the upcoming period.

In 2021, the wholesale sector has the second highest share in total turnover with a share of 37%. For the continuation of the leadership in the wholesale sector, policies are carried out by adapting to customer demands and protecting the competitive position.

In the post-pandemic normalization period, rising inflation all over the world, rise in material prices, supply chain issues at the global scale, and increase in freight costs were the main factors affecting production and sales activities in the global appliance market.

In the post-vaccination period in 2021, despite the decrease in the time spent at home, it has been observed that home-based eating and drinking habits and remote and hybrid working models continue. With the gradual normalization, the continuation of online shopping habits, despite the opening of stores, supported the improvement in the market. The global appliances market reached USD 249 billion in 2021 with a 14% growth in turnover compared to the previous year.

The appliance sector is the second sector after automotive for Norm Fasteners. Although serious decreases are expected in appliance production in Turkey in 2022, it will continue to maintain its position with new projects in Europe.

In terms of the international construction industry, 2021 has been considered a continuation of 2020, in which the effect of the COVID-19 epidemic is still felt. In the whole of 2021, industrial production of construction materials increased by 19.6% on a quantity basis compared to the previous year and increased by 19% at current prices. In this growth, domestic demand remained alive throughout the year and significant increases in demand in foreign markets were effective.

Despite the increase in the industrial production of construction materials, the construction sector contracted by 3.9% in the last quarter of the year compared to the same period of the previous year. Completing 2021 with a 0.9 percent shrinkage, the construction industry has contracted for the last four years in a row. Even though the share of the construction sector in Norm Fasteners Bolt shrank a little in 2021, it will continue to maintain its place with the strategy of minimizing the risks brought by being in different sectors.

Distribution channels

Standing by the customer in line with the motto of “global scale, individual attention” and increasing the level of service day by day; Norm Fasteners Bolt has continued to be the preferred brand in different sectors and in different countries.

It delivers the Norm Fasteners brand to clients and wholesalers all over Turkey through STD which is the main distribution channel in Turkey.

ST Trading performs direct service to users and distributor companies in Poland and its surroundings.

To reach out the local automotive sub-industry, Norm Fasteners Bursa has increased the level of service provided to the sub-industries in Bursa and performs these services with JIT. Norm Fasteners Germany continues to increase the power of Norm Fasteners brand in Germany day by day with packaging and daily service in line with the



customer requests for VW and VW sub-industries.

Norm Fasteners Romania contributes to bringing the Norm Fasteners brand to a more strategic place in Romania, the SUV production base, especially by serving Dacia sub-industries. At the same time, it provides service with its standard product portfolio for distributors in and around Romania.

While daily fasteners are supplied to PSA with Norm Fasteners France, the level of customer service is increased by strengthening long-term relations with the French automotive supplier industry. At the same time, fasteners are supplied to the market and the construction industry with the standard product group.

Norm Fasteners USA contributes to increasing its market share in America with the advantage of being close to the world's giant tractor company and electric vehicle manufacturers. It continues to add new OEMs and electric vehicle brands to its portfolio providing engineering and application support.

R&D and Digitization

With the making use of Normie RPA robot, 520 hours of white-collar workforce was saved up in the planning department annually.

Projects in various fields are performed in the R&D Center, which are carried out engineers and technicians having different backgrounds who are experts in their fields, most of whom have doctorate and master's degrees. The R&D Center continues its R&D journey, which started with its systematic studies supported by numerical simulation, with a rising momentum providing new and innovative solutions, and high added value, due to its continuous infrastructure and human resource investments.

Article titled Effects of TiN/CrN, CrAlN, and TiN Coatings on the Performance of AISI M2 Tool Steel has been submitted to Journal of Science and Technology of Duzce University, which can be listed in ULAKBİM TR Directory Engineering and Basic Sciences Database, DOAJ (Directory of Open Access

Journals), Google Scholar, and Europub. The study was presented in the 10th Automotive Technologies Congress.

Performance Results

As a result of all studies, Norm Fasteners Nuts İzmir factory has succeeded in producing 18,465 tons of nutss, exceeding the budgeted production capacity of 16,660 tons. The monthly production tonnage in 2020 increased from 1,249 tons to 1,539 tons in 2021.

Norm Fasteners Nuts Salihli factory has succeeded in producing 22,865 tons of nutss, exceeding the budgeted production capacity of 20,409 tons. The monthly production tonnage in 2020 increased from 1,470 tons to 1,905 tons in 2021.

The number of Kaizen employees in İzmir and Salihli factories participated in as part of continuous improvement increased by 60% compared to 2020. Approximately 73% of the employees participated in Kaizen activities organized within the company.

2022 Plans and Goals

A project has been started and works have been started to expand the cold forming, sorting, side tightening, instant production tracking system (peak automation) to the line.

Norm Fasteners Nuts, within the scope of expanding project the existing nut factory in Salihli, the construction of the new factory is planned to be completed in 2022 and commissioned in 2023.

Production capacity will be increased with the addition of 14 new cold forming machines, 1 LOI annealing furnace and 1 heat treatment line to meet the current order demands in 2022 at the Norm Fasteners Salihli factory.

In 2022, it is aimed to reduce the annual transportation costs by designing the Norm Fasteners İzmir factory layout according to the material flow, following lean production method.

NORM FASTENERS AMERICA

The primary goals of Norm Fasteners America, which was established in 2018, are to improve customer satisfaction, expand its customer portfolio, and bring new customers.

The company further maintained its stable growth by showing a similar performance in 2020 in which the company was closed because of 4 months of lockdown, despite ongoing supply-demand imbalance, the ongoing consequences of the pandemic, the supply chain shortage for the chip and nickel, and high inflation.

In a time when localization gained importance and OEMs increased their cooperation with local manufacturers/companies, Norm Fasteners USA started to deliver products to TESLA USA production facilities from its own warehouse located in the USA.

On the other hand, the Sales and Warehouse Management modules of the SAP system, which started to work in the previous year, were put into

effect as of April 2021.

Parallel to accelerated global developments in 2022, Norm Fasteners USA is particularly interested in the developments in the electric vehicle production investments that accelerates in recent years. In addition to start-up companies, it closely follows the investments made by big players such as Ford, GM, Stellantis, VW, BMW, Daimler, and Volvo. The company also foresees an increase in the number of electric Pick-ups and SUVs.

Although Norm Fastener USA was recently established, it aims to increase its growth rate in the North American market, which is still the world's second-largest automotive manufacturer.

NORM FASTENERS GERMANY

Norm Fasteners Germany was established on December 4, 2012, in the center of Spaichingen, Germany. The main field of activity of the company is to supply, store, and sale of fasteners to the automotive main and sub-industry.

The ongoing effects of the pandemic in 2021 and the chip supply problems simultaneously seriously influenced the automotive industry, and the planned production volume could not be taken place. Despite the closure of production lines in the main industries and short-term work, Norm Fasteners Germany grew 3% more in 2021 compared to the previous year.

Despite all these effects and shrinkage in the market, Norm Fasteners Germany continued its investments in 2021 as well. The SAP integration

process, which started the previous year, continued, and it is aimed to complete the process with 100% integration in 2022.

Another project planned for 2022 is an investment to build a warehouse of 10.000 m2 in Krefeld Hüls which will be 12 km from the existing warehouse.

NORM FASTENERS ROMANIA

Accelerating its activities in 2021, Norm Fasteners Romania achieved significant advancements and started serving 60 customers.

Although Norm Fasteners Romania was established in Bucharest/Romania in December 2019, it started operating in October 2020 due to the pandemic. Norm Fasteners Romania provides a service to the automotive supply industry with its warehouse with a capacity of 2,000 pallets on 2,500 m².

Accelerating its activities in 2021, Norm Fasteners Romania improved its sales team, enlarged its team, engaged in active communication with more customers, and increased its product range and stock.

As a result of all these efforts, it increased the volume of orders in 2021 compared to the previous year and reached the position of serving 60 customers.

Norm Fasteners Romania aims to accelerate its activities in 2022 and reach a turnover of EUR 3 million.



INDUSTRY GROUP AT A GLANCE



12
PRODUCTION
FACILITIES
İZMİR-SALİHLİ



6
LOGISTIC CENTER
ROMANYA, TÜRKİYE
(İZMİR-SALİHLİ-BURSA)



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



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HEAD OF TRADE GROUP'S MESSAGE

Dear Business Partners and Stakeholders,

While 2021 was the second year that the world lived under pandemic conditions, it was observed that the signs of recovery in the global economy got stronger. Positive developments in vaccination throughout the year accelerated the steps toward normalcy; however, new variants that emerged caused disruptions in recovery, and the consequences on the economy and life were felt throughout the year.

In this environment where predictability decreased and uncertainty increased, we, STD, made strong gains. In this period, we did not concentrate only on 'managing today'. Thanks to the digital transformation investments made prior to the pandemic, we conveyed our short and medium-term roadmap, which we created with the contributions of all our employees, to all our stakeholders, while successfully carrying out our core business. We explained what we expect from our employees and managers; we guided them on how to adapt our companies to the realities of the new normalcy.

In 2021, we took strong and determined steps forward to realize our goals, following our strategic ultimate goals. While strengthening our current position in our main business lines at domestic and global scale, we continued to implement our projects and investments in new growth platforms. While we are making exciting breakthroughs in the field of digital transformation, we have put

sustainability at the core of all our activities.

As a company that supplies materials directly to many sectors, our company was also affected by the alterations on the sectors resulted from the conditions emerged by the pandemic. At this point, the priority of STD was to provide uninterrupted service to all stakeholders and business partners by focusing on human health. By rapidly strengthening our stocks with the production support we receive from our group companies and domestic suppliers, we provide availability to our customers. In China, where we have our main supplier resources abroad, we continued to protect our diversity by taking our shipments quickly after the effects of the pandemic that started to ease. We have succeeded in minimizing negative effects by increasing the visibility of the supply chain in all our operations and by identifying new strategies in the face of changing situations. By increasing the competencies of all our human resources and digital literacy in digital transformation processes, we turned to analytical results.

STD achieved a turnover increase of approximately 44% in 2021 compared to the previous year. ST Trading, on the other hand, doubled its growth successfully. A turnover increase of up to 70% was achieved in exports from Turkey and exports were made to 40 different countries. ST Trading, on the other hand, increased its spread in the European market by exporting to 20 more countries apart from the Polish market. With the Ankara warehouse, which was commissioned in the last

quarter of 2020, the supply chain problems in the region were resolved quickly. Thus, the efficiency and the level of service for consumer customers were increased, thereby increasing revenue.

To expand our position in the hardware market, we aim to offer support with product diversity and after-sales services. We provided logistical advantages by building our sales network strategy specific to the region. That has increased the speed of our service and quality with daily-basis shipments.

We succeed altogether because of the effort and diligence shown by all our employees to protect both their health and society's health. I would therefore like to extend my thanks to all of them. I would like to extend my thanks, regards, and blessings for their cooperation and support to our customers, suppliers, and all our shareholders for being powerful rings of our value chain.

Caner MELEK
Head of Trade Group



TRADE GROUP

Trade Group provides service to its customers at domestic and international scales by establishing new warehouses, increasing pallet capacity and locations, and with powerful stocks. The group increases the number of sectors that performed the service by diversifying its product portfolio continuously and deepening its relations with its existing client base and new clients.

Service is provided for a large sector

In addition to bolt, nut and screws produced by the group, fly net, fiberglass mesh, rim lock, drawer rail, hardware tools such as knuckle, electrical hand tools under distributorship agreement, cutting tools, stainless connection elements are being sold. The customers of Norm Holding are factories by 25%, wholesale buyers by 65%, and to exporters by 10%.

Service is provided from warehouses in İzmir, Salihli, Dilovası, Ankara, and Poznan to various sectors including automotive, appliances, agriculture, mining, furniture, energy, construction, silo, and marine. In addition to direct sales, it also offers business solution partnership performing its home store, Kanban, and on-site solution services.

It has warehouses in İzmir with a capacity for 17.500 pallets, in Kocaeli-Dilovası with a capacity for 7.200 pallets, in Ankara-Kahramankazan with a capacity for 9.300 pallets, in Manisa-Salihli with a capacity for 2.500 pallets. It exports to approximately 50 countries from 66 cities with 17 marketing and sales representatives in related warehouses. Logistic operations of customers have been identified in the systems to be made to the nearest warehouse. In the cities where warehouses are located, distribution of their own vehicle fleets as well as storage and cargo services and services obtained from other distribution companies and other logistics operations.

Trade Group meets the demands of customers by means of subcontracting agreements with domestic manufacturers to produce standard and customized parts, rail, knuckle, door handle, and bands using machining, hot forging, and cold forging methods.

In line with the strategic plans for 2025, it will increase the number of warehouses and facilities at domestic and abroad locations and continue to meet with new sectors and clients.



STANDART CIVATA (STD)

Setting the standards of the fastener industry with its service philosophy based on continuous change and improvement, STD has left behind a year in which it expanded its activities and implemented many development projects.

Established in 1982 within Norm Holding, STD has taken its place in the top ranks in the sector since its establishment; it pioneered technological advancements through the innovations and became the leading company of the sector. Working actively with 17 sales representatives and 162 personnel in 66 cities in Turkey, STD has embraced customer satisfaction and internalized its customers as business partners. STD is the leader of the sector in terms of import and export, it carries out the great demand in the manufacturing industry by importing bolts, nuts, hex socket head bolt, self-drilling screws, chipboard

screws, bolts, flat and spring washers, dowel rod, inox connections, all fasteners and hardware and improves the quality along with it. STD, which exports to more than 35 countries especially European countries, and which has dealerships, is one of the leading fastener companies in the world.

ST Trading was established in Poznan, Poland as a marketing subsidiary under the trading group of Norm Holding. ST Trading performs the service with a capacity of 3.240 pallets, located in a warehouse which covers with 2.500 m2 indoor space.



Activities in 2021

In 2021, STD performed the service with 13,400 different products in total for the sectors such as energy, construction, agriculture, furniture, electricity, occupational safety, defense, transportation, automotive, appliance, industrial machinery, and mining. The product range is expanding day by day.

In 2021, the total volume of domestic sales of STDs stood at 50,000 tons in 67 cities. Compared to the previous year, the sales revenue increased by 43% while its export revenues increased by 70%.

On the other hand, ST Trading exported to 20 countries in 2021 and successfully tripled its revenues.

The total pallet capacity in Turkey, Poland, and Romania warehouses has reached 45,000. It is also planned to expand the operation of the company to two more countries in the following years.

In all warehouses, acceptance of goods, order picking, and shipment processes are carried out through the hand terminals and system, and the paper has not been consumed. The accuracy of inventory tracking was 99.8%. At the same time, all vehicles in the warehouses were replaced by electric vehicles.

2022 Plans and Goals

B2B was put into effect between STD, ST Trading, and clients. In 2022, it is aimed to remove the boundaries in the service by completing the integration.

By adapting RPA technology to business processes, it focuses on reducing costs in recurring business. With Qlik sense, Power BI, CRM reporting systems, fast decision making and transparent traceability in all processes are ensured. In 2022, RPA and business intelligence trainings of all employees will be completed within the scope of digital literacy.

Notwithstanding unexpected crises such as the pandemic and fluctuations in demand, it is aimed to perform uninterrupted service in the supply chain, maximize effective and agile management, and increase market share and product diversity in 2022.

ST TRADING

Having had a very busy year, ST Trading aims to broaden in the Polish and European markets and reach new clients with a growing team in 2022.

ST Trading was established in Poznan, Poland as a marketing subsidiary under the trading group of Norm Holding. The company offers a wide product range produced from Norm itself to Far Eastern-based manufacturers.

Making significant strides to expand its sales network in Poland and Europe in 2021, ST Trading increased its recognition to the end user in a wide range by positioning a sales engineer in the head office. Performing service in 21 countries on the export wing, ST Trading has achieved a growth of more than double the previous year in terms of sales tonnage as a result of all these efforts and has managed to nearly triple the revenue.

2022 Plans and Goals

In 2022, the company aims to employ three new sales engineers in charge of the northern, southern, and eastern regions in order to spread out its marketing power in Poland. It is planned to expand the product lining with a salesperson who is focusing only on the hardware group. In addition, a marketing manager will be employed in both Germany and Czechia to expand into different sectors and companies in the markets.

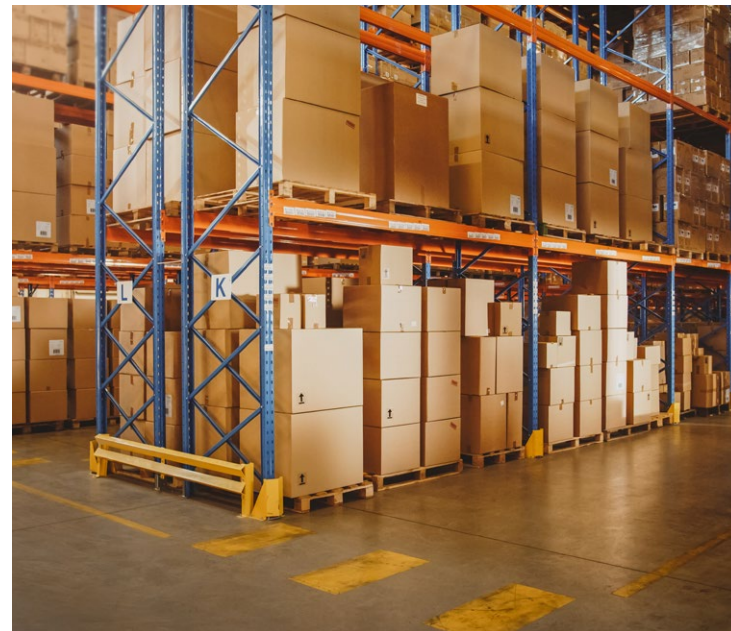
ST Trading also continued its investments. The company, which has made new rack investments, will increase its pallet capacity to 4,500 from 2,318 by the end of 2022 with the completion of the investments. A new warehouse investment is also

among the plans for 2023.

On the other hand, for the first time in 2022/2023, the preparations for the transition to the Kanban System have been made with an end user which is a wheel/pulley manufacturer. This capability will be a significant step for the company to reach many key end users.

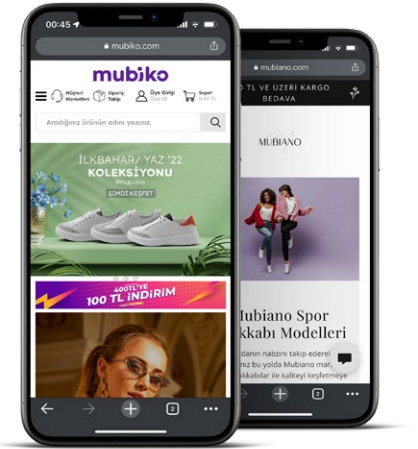
In 2023, ST Trading's online sales platform, which has been already utilized since 2020, is planned to be available to clients in the European market as well.

The company, which started working to receive ISO 9001 and ISO 14001 certifications, intends to complete the certification process in 2022.



MUBIKO

mubiko.com, whose infrastructure preparations were carried out in 2021, started its activities with the assurance of Norm Holding. Aiming to provide a pleasant e-commerce experience, the website will continue to expand its product range and marketing activities in 2022.



mubiko.com is an e-commerce website established under Norm Holding. The website, which started its infrastructure preparations in 2021, was put into service in 2022. **mubiko.com** shopping website, which does not have a physical store, continues its activities with the assurance of Norm Holding to deliver products in different categories quickly and smoothly to its customers and to provide an e-commerce experience that will bring smiles to the faces.

Activities in 2021

At the beginning of 2021, the name of the e-commerce website was designated **mubiko.com** and subsequently, emblem and logo studies were started. Preparations for SAP order and purchasing processes were carried out and integration processes of third parties were completed. By the end of the year, software and infrastructure integrations were carried out.

2022 Plans and Goals

In January 2022, the SAP order module was put into use, and the launch was subsequently made in Izmir at the beginning of the year. The profit of Mubiko.com stood at TL263.000 in the first quarter after it launched.

The women's sneaker product range of Mubiano brand shoes designed and produced in Izmir started to be sold primarily on **mubiko.com**. Then it started to be put on sale in leading online

marketplaces such as Trendyol and Hepsiburada.com. As of the second half of the year, it has come out to customers in retail stores.

Among the plans of the brand for the rest of the year and the upcoming period is that

- Offer competitive prices keeping customer satisfaction at the highest level in terms of customer retention,
- Work upon becoming a preferred brand among female customers in both sports shoes and winter boots/boots categories,
- Offer innovative and original products by expanding the supplier network to female customers,
- Develop collections for women aged 18-24, including activewear and accessories,
- Expand the men's collection with the products such as shoes, t-shirts, and accessories.

As a result of all these efforts, it is aimed to reach more customers by increasing the recognition of the Mubiano brand.

TRADE GROUP AT A GLANCE



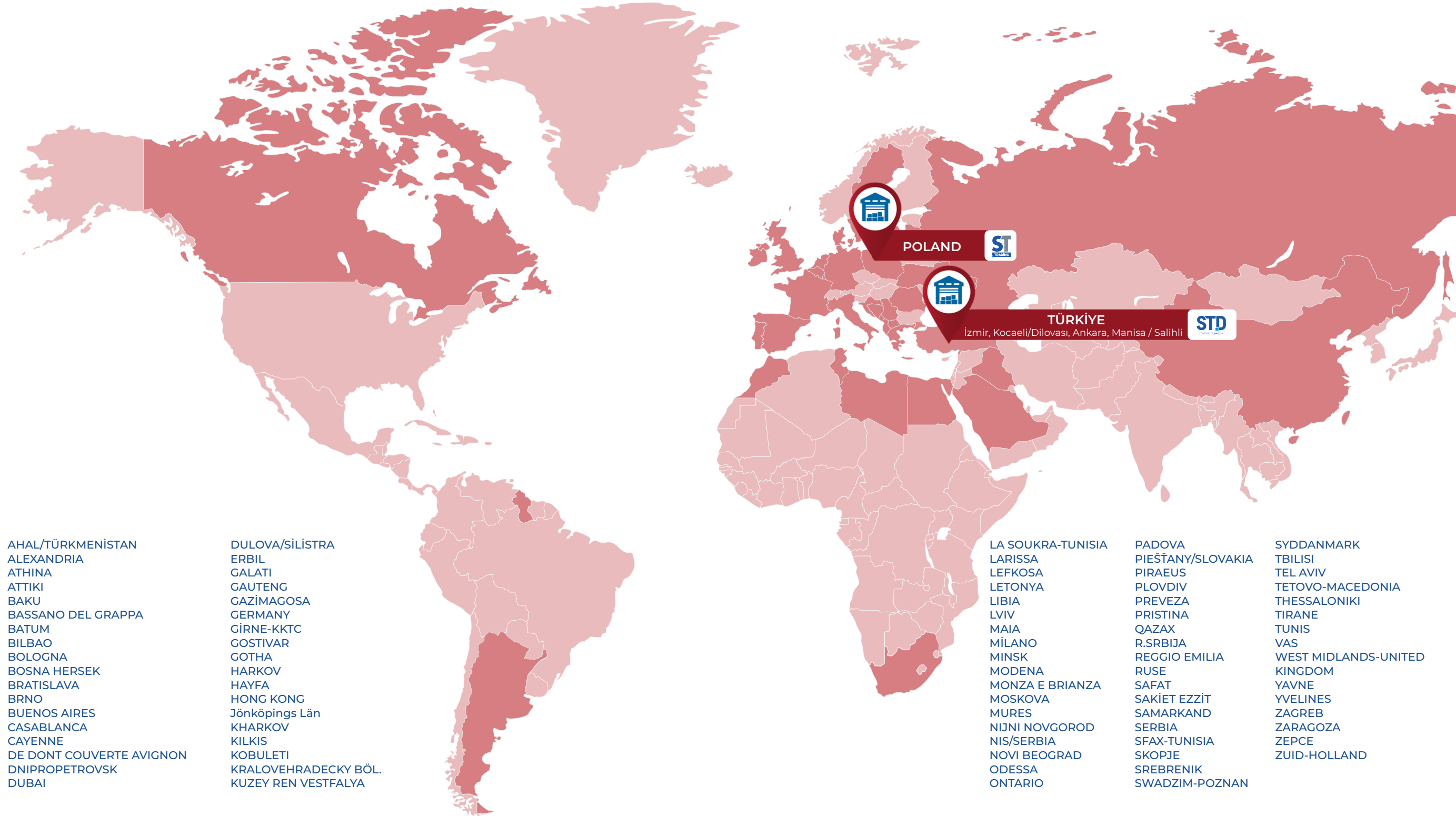
5

LOGISTIC CENTERS
(Poland, İzmir, Kocaeli / Dilovası,
Ankara, Manisa / Salihli)



87

EXPORT POINTS



NORM COATING

Selected as one of the Best Workplaces in Turkey in 2021, Norm Coating continues its operations by adopting human-centered management and the aim of sustainable growth.

Established in 1998, Norm Coating continues to produce and grow as the pioneering company in the coating sector with a capacity of 170,000 tons/year in its four factories located in İzmir and Salihli. The fifth plant, which covers an area of 13,000 m2 in Sakarya, will start operating in 2022. Norm Coating is the holder of IATF 16949 Quality Management System certification and MacDermid, Dörken MKS, Magni, and NOF (Geomet) licenses.

Activities in 2021

Norm Coating completed the coated operation of 130,000 tons of products in 2021, which indicates a growth of 64.54% compared to the previous year. In 2021, 99.83% of the coating operation applied to the products (bolts, nuts, screws) belong to internal clients such as other subsidiaries of Norm Holding.

One of the goals of the company in 2022 is to increase the amount of operation that belongs

to external clients. In that regard, wet painting facilities in Sakarya and İzmir, Sakarya alkaline zinc-nickel plating, and cataphoresis treatment facilities are among the considered investments. The company's investment in 2021 amounted to EUR 13.98 million.

Operating with 734 employees, Norm Coating was awarded by "Turkey's Best Workplace 2021 Award" from Kincentric Turkey Best Employers Program.

Another important agenda for 2021 was the establishment of the Environment department. The certification process of the department will be completed in 2022.

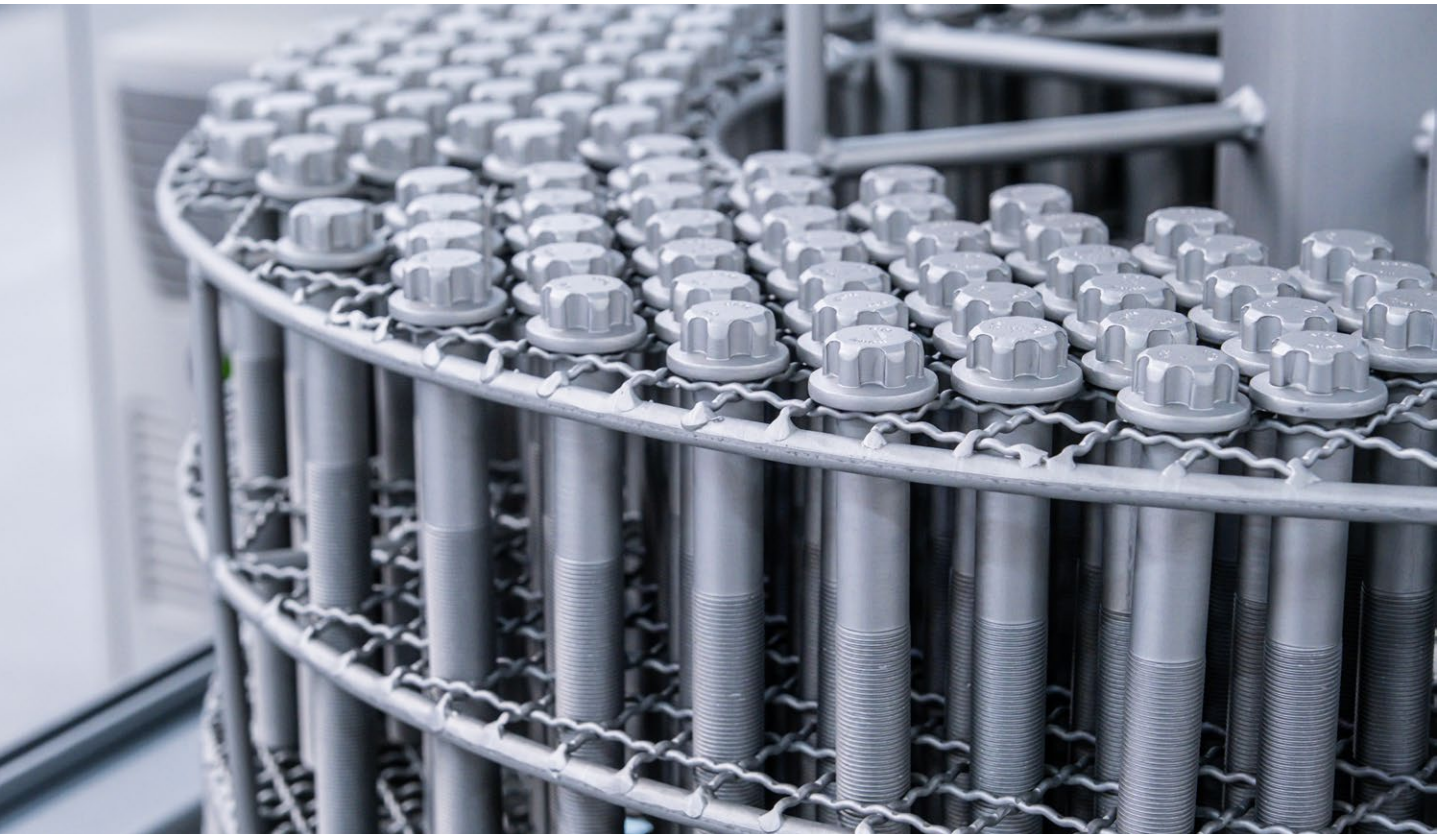
2022 Plans and Goals

The strategic priorities and goals of Norm Coating, which adopts a growth approach based on human, environment, and sustainability, in 2022:

- Establishing ISO 50001 Energy Management System and ISO 14001 Environmental Management system,
- Maintaining the leading position in the market by prioritizing high-security standards and product quality, and by building an in-house design center focusing on innovation and digitalization to develop innovative products and high-quality services,
- Ensuring sustainable growth that will carry Norm Coating beyond its current position (1) by making investments that will develop

an external client portfolio, (2) by utilizing acquisition, merger, and investment opportunities domestically and internationally.

In the scope of sustainability management, the projects have been developed by prioritizing the reduction of the utilization of chemicals in production, the use of paper/cardboard in both production and offices, and the reduction of water use per ton of production in each coating process.



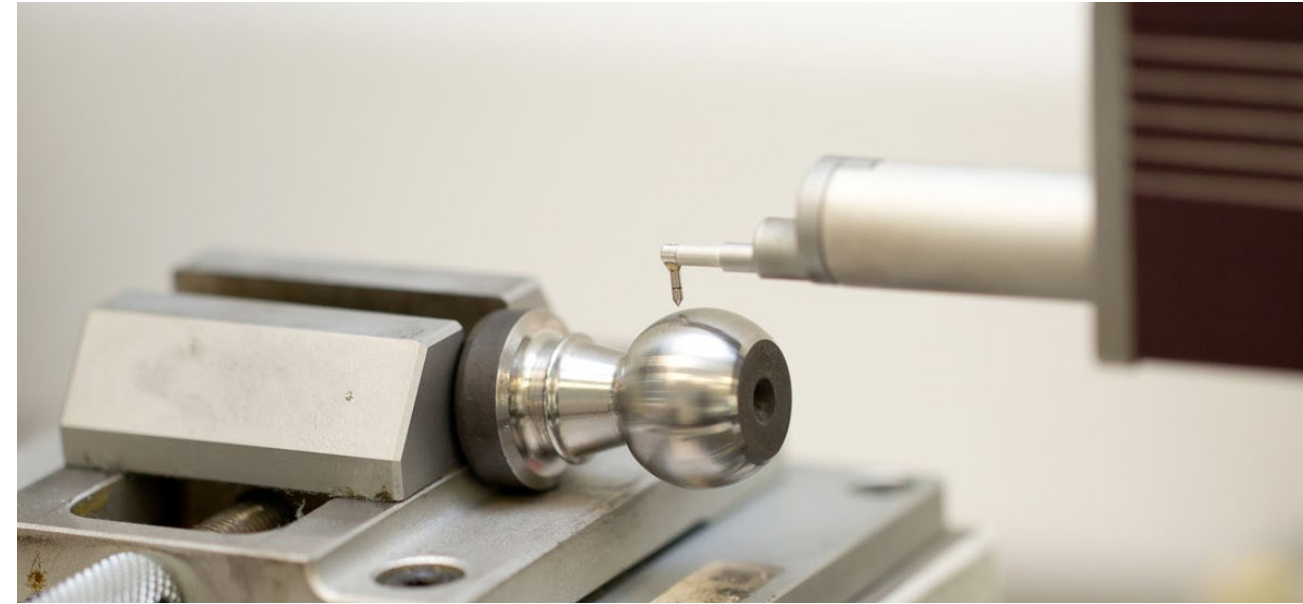
NORM TOOLING

In 2021, Norm Tooling fulfilled many technological investments, especially automation in production, and achieved a significant increase in productivity and performance.

Norm Tooling, which is established in 2003, started mold production for Fasteners and machining special parts manufacturing activities in 2006. Norm Tooling aims to provide the best service with high quality, economical price, and a Just-In-Time (JIT) management strategy. Norm Tooling offers services in various fields including new generation production technologies, a modern and comprehensive machine park, and machining and cold forging molding with its well-trained staff.

Activities in 2021

Norm Tooling has invested in machinery and equipment to meet the accumulated demand raised in the last 2 years. Norm Tooling also considered the demand, that cannot be met by China because of the current embargos, as an opportunity; the company shaped its investments in order to shift this demand toward Turkey.



With the expansion of Norm Tooling to a new location of 5,000 m2 to meet current demand and increase its market share, the total area of the facility has reached 10,000 m2. With the target of becoming a fully integrated mold facility with existing expansion and investment plans, it aims at having the capability to carry out all processes within its own structure. Technological investments are prioritized to achieve the target of zero error. Infrastructure efforts to make the grinding machines autonomous and the integration of robot technologies into erosion benches are still continuing.

Efficiency has been increased by automation and optimization in production. The delivery of the products to the sales channels and then customers on time has been carried out with a high performance

The utilization of RPA has been regarded in order to increase the efficiency, speed up the manual and routine daily operations conducted by office staff, save up the white-collar workforce, increase the productivity and eliminate the errors from the operation process. Thus, the qualification of the work has been improved and the motivation of the employees has been increased.

By 2021, the manual suggestion system was

replaced by the digital platform QDMS, which leads to prevent nearly 2,000 paper waste, accelerate the process, and systematically monitor it, and spread the continuous improvement culture throughout the Holding. Kaizen system has been activated within Norm Tooling. That aims to improve the operation process itself and quality, strengthen the teamwork, quality of the product and offer better customer service. In that regard, the trainings have been organized for both white- and blue-collar employees to raise their awareness level.

SAP, quality management module, has been utilized to generate a detailed action plan for quality control processes. These detailed plans were thereby implemented to check for all pre-specified criteria. With the utilization of the data obtained through the module, error analyzes, cost-reducing kaizen works, and quality assurance processes in terms of customer satisfaction began to be tracked in the digital environment.

As a result of all aforementioned activities, while the production of 107,940 molds was completed in 2020, this number increased by 70% to 184,512 in 2021. In the secondary processing department, while 12,809,664 units were produced in 2020, 17,870,782 units were produced in 2021 with an increase of 40%.



In 2021, Norm Tooling's revenue increased by 53% compared to the previous year and amounted to 13,189,050 Euros.

Norm Tooling was the recipient of the 2021 'Turkey's Best Workplace' award given by the Kincentric Turkey Best Employers Program.

2022 Plans and Goals

Norm Tooling has determined its priorities for 2022 focusing the digitalization and operational excellence. Considering these, the investments are

• Thermal & Coating facility investment

Continuing its investments to provide faster, more competitive and at the same time higher quality customer service, Norm Tooling is planning to build a heat treatment and coating facility. It is aimed to heal for 6 days with the heat treatment process and 2 days with the coating process. The heat treatment plant, which is the ongoing investment, is designed to meet the CQI-9 expectations. At the same time, the ability to produce customer-specific products will be gained because of the technological infrastructure of the investments.

• The Installation of MES

MES system is being installed to ensure traceability and improve the production with a more effective execution of production processes. Together with the MES system; planning system interface, data collection, work order management, workstation management, stock tracking and management, material flow tracking, production intelligence, instant-simultaneous data collection from the production area, performance analysis, reporting in the desired format based on the collected data, detail planning, maintenance management, workforce management, quality management, process management, resource allocation and condition monitoring processes will be managed.

• Improvement of technological background of the machines

Offering quality products with high energy efficiency and competitive prices above the expectations of clients, Norm Tooling aims to expand through exporting while maintaining its leadership by increasing its domestic market share. Projects with advanced technology products, high levels of automation and technology, and low



operating costs are targeted. (MES, technological machinery revision and investments, automatic feeding systems, conveyor systems between production lines)

• PP/DS advanced scheduling setup

It is aimed to provide cost advantage and increase customer satisfaction with the utilization of PP/DS advanced scheduling module. That also leads to deliver products to the customer on time, and increase capacity utilization management, investment decisions and productivity.

• Utilization of RPA

The utilization of RPA is being extended in every department by detecting and continuously analyzing the repetitive and routine operations.

• Installation of PowerBI Reporting

It is aimed to increase the importance of reporting so as to measure the performance of the process and to determine the improvement areas correctly. The project was started with the aim of establishing a system that provides automatic data and performance flow by not allowing manual

intervention of people with the use of Dashboard. In this way, it is aimed to reach the data instantly and periodically in a clear and reliable way.

• Quality laboratory investments and Indoor area expansion

To fulfill the zero-error target and meet the increasing production numbers, 2 perthometer will be put in use, which will also provide a full final control. In addition to the existing quality laboratory, the indoor area will be expanded. After establishing the heat treatment facility, metallographic sample preparation and testing equipment will be invested in order to carry out the heat treatment furnace and product controls.



NORM ADDITIVE

Norm Holding, by taking a step further in line with the principle of "Our visionary steps always in pursuit of perfection", has put forward its vision; conveyed its advanced manufacturing capabilities to the field of additive manufacturing in 2021.

Norm Holding, as an organization that follows national and international innovations, has decided to invest in additive manufacturing technology in 2021. In the first quarter of 2021, the technologies and current market situation in the sector were examined and business models and business strategies were created. Aligned with that, the business plan and objectives were developed by initiating a large-scale study with national and international additive manufacturing machinery manufacturers, manufacturers, software companies and companies to be potential clients.

As a new subsidiary of Norm Holding, Norm Additive Manufacturing Technologies Inc. (Norm Additive) was launched in 2021, which is focusing on additive manufacturing technologies. The main purpose of the company is to design and fabricate the high-tech industrial products with

utilizing domestic resources and human effort and without being dependent on foreign sources. It also aims to develop technical expertise in this manufacturing method and to have an influence in this market by taking an early step toward the additive manufacturing field, which is seen as the production technology of the future.

Focusing on own development intensively since the first day it was established, Norm Additive operates to shape its inventory based on the clients and national needs by closely following the advancements and new technologies in the field of additive manufacturing in the world, to become a one of the significant centers of additive manufacturing in the world, and to have an active role in the localization effort of this technology in Turkey.

Activities in 2021

Establishment Stages

Firstly, national, and international market analyzes were carried out in order to determine the fields of activity and targets of Norm Additive. The global market size for 2021 was valued at around 10 billion dollars. Until 2028, growth of 12% and 13.3% is expected, respectively, especially in the metal and polymer market. It is foreseen that the market size of these two materials will be valued around USD 24 billion. It is also predicted that titanium, aluminum, and stainless steel in metal materials; In polymers, PA (Polyamide), high temperature resistant thermoplastics and composite materials become prominent and gain importance in the market.

In Turkey, there are private companies operating in the field of additive manufacturing and industrial enterprises that have invested in technology in this field. These companies are mainly focused on machinery sales. Production activities are provided as prototype production services, especially in industrial applications, through demo machines purchased for machine sales. In this respect, there is no large-scale industrial enterprise in the form of a service bureau focused on this sector, producing with the added value of engineering in our country.

Considering all findings about the sector, the developmental stages of Norm Additive were determined. These stages aim to fill the gaps detected in the sector and improve the points which are not covered in the sector sufficiently. To this aim, the structure of the company is divided into two main fields of activity: i) Service office, and ii) Sales Partnership. The service office department represents the manufacturer side of Norm Additive while the sales partnership department is in the charge of selling printers, printer components, and consumables within the scope of partnership activities with additive manufacturing companies.

At the first stage of the investment, the management of qualified human resource and engineering capability have a key role. In conjunction with improving of engineering skills, the production efforts will be carried out using

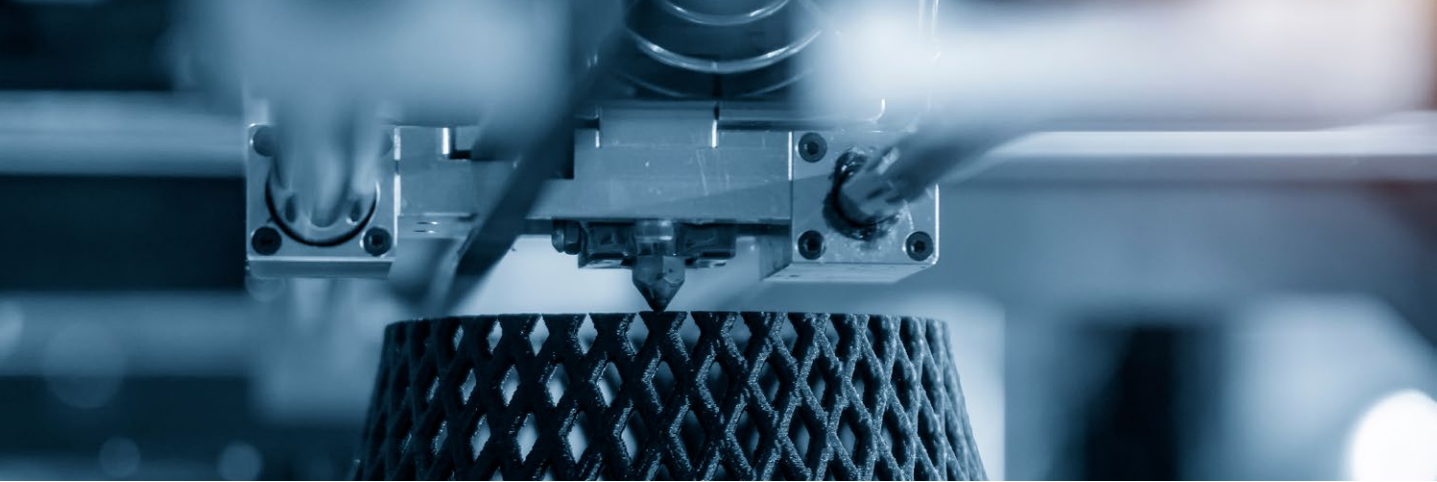


metal and polymer materials through additive manufacturing. Then, the facility is planned to turn into an integrated production center. Thus, additive manufacturing service will be no longer just for prototype production, and service will be provided by obtaining the final product with production lines connected to each other according to customer specifications and special requests. The production potential for engineering parts with high added value will be revealed and an infrastructure will be created to lead the widespread use of additive manufacturing technology in related sectors in Turkey.

In the next step, online printing services are planned to be implemented to simplify orders and transactions for end users in virtual environments and to create a supply chain virtually. Thus, both individual and industrial users will be able to define the technical features of the parts and display the necessary fabrication stages and costs for production instantly and can track the production status followed by the customer approval. This system will also compensate for users' need for rapid prototyping. Thus, it will help detect production problems earlier, become directly addressable sooner, and reduce product development costs by eliminating the risks associated with new product development over time.

Along with these, it is aimed to establish an R&D center to turn into a center of excellence in additive





manufacturing design and production and to focus attention on R&D efforts. Thus, it is aimed to reveal qualified and value-added special products with technology and product development and to disseminate the innovation culture as well as the production. It is foreseen that the experiences gained from the works for the automotive, machinery manufacturing, and production sectors will be transmitted into the field of medicine, aviation, and defense.

In the part of the sales partnership, it is aimed at selling the printers of innovative companies in the sector. The main purpose here is to be aware of all technological developments, to be constantly up-to-date, and to increase cooperation opportunities with the technology manufacturers. To this aim, an agreement was reached with one metal additive manufacturing printer manufacturer in 2021. The goal of this department is to be an all-in-one supplier. For this reason, adding polymer additive manufacturing printers and engineering software associated with this technology to the portfolio in the following years is considered the development step.

Business model

Additive manufacturing (AM) companies in Turkey are focusing attention on machinery and raw material sales. On the other hand, the main manufacturers operating in the aerospace and defense sector carry out their activities through in-house AM units as a closed technology. Considering all, a necessity for an end-to-end, open, and value-added service has emerged. Additionally, the formation of a company and team focused on design, production, and R&D only in

additive manufacturing technologies has become a necessity on the national scale. On the basis of the business model prepared for these purposes, clients are offered flexible production opportunities for both mass and small batch production needs and engineering consultancy by the expert of AM technology. In addition, theoretical and practical training opportunities are offered to clients who want to establish or train their own teams. The main activities of the business model are listed as follows: Design services for weight reduction, increasing the performance of the part and cost reduction; rapid prototyping and mass production; training and production excellence studies on lines or machines of the clients.

In the light of the business model created based on the analysis of sector, market and machine supplier, a technology investment map was prepared, which consists of three main phases based on the production of metal alloys, plastic and composite materials, and large-size parts.

Digitalization

Additive manufacturing systems are highly compatible with Industry 4.0 structure for data sharing and data creation. However, it is necessary to create user-oriented specialized software during the design and process. Many start-up companies are still developing algorithms, especially on issues such as production cost calculations, determination of possible production risks at the design stage, and material management.

To this aim, Norm Additive worked on four different software and calculation algorithms in 2021 and resolved them. A detailed cost calculation of metal

PBF, polymer FDM, and MJF processes can be made using this software. The software is customized for each additive manufacturing system; therefore, it can display the engineering and production costs of the product according to the breakdown of each component and compute instantly. Since it can calculate variable and fixed costs separately, the effect of any change in the design or production process on the cost can be seen. It will be possible to monitor the costs instantly on the machine during the process phase. With this system, which is constantly verified with data obtained from production, future sales targets and investment requirements can also be estimated numerically.

Many OEMs and manufacturers use very different materials in their products and parts. Most of these highly specific materials are not suitable for AM systems. Special materials are used in AM machines and these materials are not defined by any standard. At this point, selecting an alternative material could be challenging for engineers. All materials that are suitable for the systems in the production portfolio of Norm Additive have been integrated into the created software. A decision-making algorithm selects the most suitable alternative producible material based on the mechanical and thermal features defined by the client.

Additive manufacturing production risk determination software, many geometric variables of the part designed in AM systems, and the placement of the part in the machine production platform play significant roles in the success of the production. Due to the large geometric parameter space, it is very risky to decide the production success with only experience. For a data-driven decision-making process, production risk determination software, and a decision-making algorithm were created. Thus, the software decides whether the production will be successful based on the geometric values of the product. Furthermore, if it is considered a high-risk production, it calculates the costs of not producing and reflects this cost to the final cost of the product. With the data collected in the long term, the software will be able to automatically calculate the production

cost from a design file or determine the areas of possible failure and suggest automatic changes or revisions. That leads to thereby online instant bidding.

Thanks to the software that calculates the energy performance variables to be used in additive manufacturing design processes and can choose the best energy efficiency, the best design with the lowest energy consumption focus is selected according to the importance score of the desired mechanical values.

Operational Excellence

The most important point of operational excellence is the correct planning of the facility where the operation will be performed. The factory layout was carried out by creating a digital twin of Norm Additive's facility with 700 m2 of indoor space in the computer environment and considering all production steps. Thus, the whole system can be analyzed instantly in case there is any structural or settlement change. The system can be revised and designed to minimize labor and post-processing, and reduce waiting, and transport times for raw materials.

A production setup was created as a complement to the Norm Additive design strategy, which is the continuation of operational excellence. Production setups and standards in AM technology are still in the process of being created and developed. Firms create simulants according to their own needs. Hence, the production steps are entirely up to the company's ability and experience. Norm Additive, transmitting its experience rooting from Norm Holding to this field, has created a production setup based on existing standards, focusing on quality and cost. In the first stage, the proposal received from the client will be examined in the risk determination software presented in the digitalization section, and production risks and manufacturability analysis will be made. If a proposal is evaluated positively, it will be considered in the design process in two different ways. Different strategies will be employed according to mass production or increasing the performance of the existing part.

NORM DIGITAL

Norm Digital, which was established in 2021 as a subsidiary of Norm Holding adopting and proceeding the culture of continuous improvement, is a company that acts with the vision of becoming a global company.

In accordance with the technological infrastructure and tools, investments, and digital transformation plan that it plans to make in the next decade, Norm Holding has decided to invest in SAP since the current ERP software does not meet its needs at the beginning of 2017. All companies of Norm Holding have switched to SAP application simultaneously. This decision has been one of the important milestones in the establishment of Norm Digital.

Norm Digital, one of the top 10 companies using RPA in Turkey, was a department under the strong and large Norm Holding roof that focused on digital transformation, business tracking with cutting-edge technology tools, and paperless operation that brings efficiency and acceleration. This department focuses on the technological transformation with system, network, cyber security, software, operational excellence & process management and ERP processes in order to strengthen Norm Holding's leading mechanism that accelerates the company in its leading operations, directs it to zero errors, meets global market needs and is the leader, robotic processes, with accurate and fast business analysis reporting (Power BI), created the infrastructure of the business that automates it in the most efficient and fastest way.

While growing with knowledge and experience,

Norm Digital, the one of strong business unit of Norm Holding, began incorporation with the aim of transfer this "know-how" to others. It started to shine rapidly in this field in 2021.

While it is very important to build and implement SAP projects from scratch, it is also important to ensure continuity after the transition. SAP projects that have been migrated live in order to carry out the processes without interruption and to meet the new needs; Within the scope of the modules to be determined, support is provided in the form of long-term fixed or limited-term projects with experienced module consultants and software developers.

With a long-term and successful process, 12 production centers of 20 companies have been transitioned to the SAP system, which provides the latest technology, and which has the integration of enterprise resource planning, and continuous development, improvement and updating is to continue.

Activities in 2021

Business Solution Unit

In accordance with the corporate strategy, the business solution team performs the following tasks to effectively carry out business processes in software solutions for which it is responsible.

- To monitor and evaluate the effectiveness

of the applications and to determine the necessary corrections,

- Analyzing the received requests, carrying out the necessary studies to find out the most appropriate solution
- Coordinating software development activities in new development projects
- Identifying, managing, and tracking outsourcing needs
- Generating the flow charts and system diagrams to assist in problem analysis,
- Making improvements for emerging requirements in existing systems and applications,
- To follow up the errors and findings that may occur and to make a risk determination by correcting them, when necessary,
- Preparing detailed documentation and training for users,
- To closely follow the technological developments in the fields.

The business solutions team provides user support in detail for the modules of the SAP application, which has been put in use as of January 1, 2019, given as follows: Quality Management (QM), Maintenance and Repair (PM), Materials

Management (MM), Warehouse Management (EWM), Sales, Distribution and Logistics (SD), Financial Affairs, Accounting (FI), Cost Analysis (CO), Treasury Management (TRM), Human Resources (SF/HR), Engineering (PLM), E-Services, General Capacity Planning (IBP), Detailed Scheduling (PP/DS), Marketing (B2B), Budget Control and Planning (BPC) and Customer Relations (C4C).

Business solutions aim to provide uninterrupted service to their users by addressing receiving requests on the basis of three main categories.

1. Fault / Interruption Management (incident):

An unplanned interruption or negativity in the services being offered; quality and/or performance degradation is considered a malfunction/outage. It is aimed to resolve the malfunction/outage notifications within the target resolution time.

2. Service Request Management (BS): pre-defined, relatively simple-to-solve requests regarding the services being offered are considered service requests.

3. Change Request (BS): Any addition, removal, modification that may affect the services offered is defined as change. Change requests are planned on a monthly basis. The issues to be included in





the plan are prioritized and approved by a board including business unit representatives, and the monthly plan is prepared. A total of 6,614 requests were made to the business solutions team in 2021. With the "sprint" plans regularly made every month, a total of 811 items were completed and put into use with a success rate of 97%.

Major Studies Carried Out in 2021

Workflow Application: InFlow

InFlow, a platform where all workflow processes can be carried out online and can be resolved quickly and transparently, has been put into service. InFlow platform is feasible to improvement in all areas where process management is needed; we continue to develop systems based on our needs. On this platform, the permission management process was first introduced. In all companies, permission requests can be submitted in the digital environment and an approval request can be sent. A structure has been set up to automatically record the systems after the control and approval of the associated managers and HR officers. Legal advising processes have been integrated to InFlow as well. Contracts, documents and questions for which legal department's advice is requested can be uploaded online to the InFlow platform and receive approval in the same way. That makes processes manageable in a fast, easy and transparent way.

Digital Field Screens

The messages and announcements of the management, occupational accidents, quality and customer complaints, production tonnage and OEE information, the statistic about the employee, and suggestions were broadcasted through the digital field screens placed in the guest reception areas, production sections, and the cafeteria in the factories. It is ensured that it is published instantly by feeding it with real data. Instant information messages are broadcast on 51 screens in a total of 11 facilities.

The number of employees is data based on the card entries printed by Meyer. By importing a function prepared on Meyer's database with the Ngetdata application and integrating the data into the widgets in the HTML in PlatPlay, the number of plant-based employees can be tracked and displayed lively.

The notifications that the quality control team submitted to the SAP system were integrated into the digital field screens system with the aid of developed functions. Thus, quality PPM customer complaints are displayed in a way that is fully integrated with SAP and the results of the analyzes can be represented visually (e.g., bar graphs).

The data collected by the MES application in the production facilities can be displayed instantly on the digital field screens. The analyzes of the lots

that have been received by the warehouse for one year but still haven't seen any action despite 7 days to the customer deadline were conducted by the developed functions on the SAP side and then displayed on the digital field screens.

New performance management system (Wokr - OKR)

Wokr application, which is suitable for OKR (Object and Key Result), a new generation performance management system, was integrated with SAP and put into service. Performance goals for 2021 of all subsidiaries were submitted simultaneously through this application.

Norm Germany SAP Roll-out Project

Norm Fasteners GmbH's SAP S/4 HANA Enterprise Resource Planning project was successfully put into act in 8 months under Norm Digital project management and consultancy.

Norm America SAP Roll-Out Project

After Poland and Romania, within the scope of the SAP S/4 HANA international expansion projects in the digital transformation roadmap, the SAP transition work for Norm Fasteners Co in the USA was completed and put into use.

While the SAP S/4 HANA project created a comprehensive order and material data integration opportunity with other subsidiaries using the same system, it also provided a sustainable infrastructure for EDI integrations demanded by clients especially

in the automotive sector. Despite the time zone difference between Turkey and the USA, a live transition was achieved without any disruption or interruption in business processes, as a result of the work carried out entirely with remote working practices and live support.

Warehouse Counts (3 continents)

Inventory counting processes were carried out simultaneously in 3 continents: Asia (Norm Bolts İzmir, STD İzmir, Salihli, Ankara, Dilovası Warehouses), Europe (ST Trading and Norm Romania) and America (Norm America). By using hand terminals on the SAP EWM module, the inventory counting processes of 9 warehouse were completed in a time varying between 1 and 4 days. Meanwhile it was ensured that the logistics activities in those facilities continued uninterrupted.

Quality Document Management System (QDMS) Application

The QDMS application was installed and commissioned. The suggestion tracking application was also put into effect using the same system, which makes it practical to receive suggestions from the field. Thus, the process was transferred to the digital environment. A separate QDMS application was established for the internal audit team and 4 modules were put into use. The internal audit team is capable of assigning actions to the unit that is responsible for the planned actions independently and will be able to monitor the current status of the actions on the system together with the relevant documentation.

Procurement Platform

Procurement Platform are the general name of the structures that enable the buyer companies to exchange information by actively including the suppliers they have determined with the systems they already manage their internal processes. It works in cloud environment. The integration is carried out through web services based on the transfer of the obtained data within the process. Agreements have been completed for the Pratis Procurement Platform, launched by Sabancı DX. The first phase of the project, which is planned



to be carried out in 3 phases, was completed and put in use. The first phase includes the demand evaluation and integration, management of e-Bid, e-Tender processes, and completion and integration of basic order processes.

Material Transfers Between Subsidiaries of Norm Holding (Using Handheld Terminals in Cross Contract Processes)

The required developments and adaptations were made and then put into use. Hence the "Cross Fason" processes can be carried out in a controlled manner by the hand terminal directly by the people who perform the transaction directly in the field instead of managing from the office using SAP. The system was commissioned, which offers features including obtaining material and lot information by scanning the QR code on the Raw Material Identification Card (HTK), determining the production location from the user parameter, the selection of the warehouse, the sent production location from the maintenance table, controlling, and sending of the warehouse inventory amount at the time of exit, the automatic synchronization of inventory data.

DIR (Inward Processing Regime) – DIIB (Inward Processing Permit Certificate)

The Inward Processing Regime is an export incentive system that provides customs exemption for raw materials or inputs required by exporting

companies to produce export products and imported, therefore subject to customs duty. The Inward Processing Regime allows the import of materials that cannot be supplied at world prices, cannot be supplied at all, or are not of sufficient quality, from abroad with customs exemption, to increase exports by reducing input costs, to give export products competitiveness in international markets, to develop export markets. and to diversify its export products. Businesses considering exporting can benefit from various facilities and incentives, provided that they make an export commitment to the state and exempt from various tax burdens for the raw materials, auxiliary materials, semi-finished products, finished goods, intermediate goods and packaging materials to be used in the production of the goods planned to be exported. In order to benefit from the incentives, it is obligatory to obtain a Domestic Processing Permit or a Domestic Processing Permit. DIIB processes in Norm Holding companies have been made traceable on SAP with applications developed and adaptations made in line with company needs.

RPA Master Data Program & Automation Project (Bolt, Nut, FSP, Raw Material, Coating, Screw)

The manual operations (material views, work plans, product trees and production versions) carried out by the associated engineering team and the master data team were transference to RPA. Thus, the labor time was saved up. In this process, the risk

of error is also reduced using the right template. Following the completion of the process, the associated engineering departments were trained.

EDI (Electronic Data Interchange)

EDI is a set of methods and rules that provide standardized internal and inter-company data communication of business documents. During 2021, more than 50 new integration works were carried out on more than 10 new customers. During these efforts, most of the attention was paid to the transfer of order (delivery plan), invoice, ASN (advanced shipping notice), delivery order (loading order). Currently, around 300 clients are contacted via EDI method. Apart from new projects, the maintenance and support activities of the EDI processes of these existing clients continued.

Efforts on Production Management System

It is the information system that connects monitors and controls to production systems and data streams that take place in a factory or workshop. The overall aim of MES is to ensure that manufacturing processes are run effectively and to improve production quality. This goal is achieved by monitoring and collecting real-time and accurate data on a complete product life management cycle. Bolt Facilities, Nut Facilities, Coating Facilities, and the new Screw facility, which has come into use next to these facilities, uses the ProManage product developed by Doruk Automation.

SAP Application Consulting

It is the business unit providing SAP consulting service to the customers. With the Ocea'N application, the data collected from SAP and different fields are made instantly accessible on tablets for production field workers. Thus, the production line can easily access to current data and plan in digital environment.

Vinter project offers synchronous/asynchronous interview environment, adaptable process and advanced analytics on candidate/position compatibility supported by artificial intelligence, which brings human resources and candidates together in a digital environment. VINTER offered



as a cloud solution and provides important contributions to the evaluation and decision process in Human Resource Management.

Data Analytics & RPA:

RPA software provides cost savings of approximately by 25% to 60% in operations. Thanks to the tasks performed by software robots, many workloads on

Ocea'N / Digital Factory! It has started to be used in a total of 130 Cold Forming Machines in İzmir and Salihli Bolts.

- Annual Saving – TL 400.000
- Prevention of information confusion in production!
- Paperless Operation - Sustainability - Data security
- Quick access to product projects, 100% control, high efficiency



employees are eliminated. Automates repetitive tasks. It shortens time to value. It reduces human error. Increases efficiency. It frees employees from “duplicate tasks.

In 2021, Normie website was available: normie.ai

Normie processes are implemented with Kofax, UiPath and Power BI partner applications. Along with that, research is being performed within the scope of different RPA applications and technological developments as RPA & Hyperautomation activities.

Feedback collected from internal and external customers are be published on online platforms in May 2022.

Within the scope of the development and training of Norm Holding's internal customers, the Revolution program was started in cooperation with Microsoft. The training program, in which internal users can design and report their own processes without the need for a developer, is being planned for 2022.

Business Intelligence: Business Intelligence is a technology process and architecture that transforms raw data into meaningful information and thus contributes to profitable business actions. Briefly, it is a software and service package offered to transform data into meaningful information. The primary goal is to make the data of yesterday, today, and tomorrow accessible to Norm Holding. In this direction, the data architecture continues to be renewed primarily to provide fast access to reports and data.

In 2021, studies on the existing business intelligence tool and data flow were carried out. In this direction, it is aimed to reduce the cost and time spent on reporting. To this aim, Ms. Power BI product, which is a user-friendly platform where everyone can create their own report in addition to cost savings, was chosen and started to become widespread with the transformation of the company's senior management reports.

IoT: In the scope of data collection and advanced

“

With Normie, the dynamic software robot, we offer businesses the most effective results by reducing the repetition at work to help them focus more on creative works! In the developing and growing organization, 3,500 hours of additional labor was gained per month thanks to Normie.

”

analytics studies, Norm Digital is provided support to the business in the Internet of Things (IoT) projects that allow physical machines, vehicles, and devices to communicate with each other over a network and to analyze the information they have and make smarter decisions simultaneously.

System Network Consultancy

System Consulting Services; Server Solutions & Consulting, Data Storage & Backup Consulting, Virtualization Solutions & Consulting, Microsoft Solutions.

Network Consulting Services; Firewall Solutions & Consulting, Wireless Network Solutions & Consulting, “Omurga” Building Solutions & Consulting.

Security services; Cyber Security Consulting, Cyber Security Trainings, Penetration Tests, Red Team ("Red-team") Tests, Advanced Source Code Analysis and Secure Software Development Support, KVKK Consulting, ISMS Consulting, SIEM & LOG Management Security Operations Center Security Products Configuration Analysis, Network/System Health Scan.

Within the scope of the System Consultancy Service, the server infrastructure currently used by the companies is analyzed, and consultancy activities

“

Report generation time reduced. Cost reduced by 60%

”

are carried out independently of the brand, in accordance with the needs of the companies.

Within the scope of Network Consultancy Service, the network infrastructures of companies are analyzed; offices, branches and stores in remote locations are terminated at a single point and reconfigured. The consultancy services are also provided to configure their existing structures in a more controllable way.

Through consultancy services such as network & system health scanning, incident response, and incident response, SIEM & Log Management, and security operations center, the companies are offered a service, which suggests the right configurations and security measures, in order to increase the performance, security, and sustainability of their systems.

Cloud Services: The entire life cycle of cloud services is provided by the services including Managed Services, Hosting Services, Infrastructure as a service (IaaS), Platform as a service (PaaS), Software as a service (SaaS), consulting, process design, integration and technical design, implementation, migration, custom development, and ongoing management. The holistic approach ensures that the transition to the cloud is seamless.

Management Consultancy: Norm Digital team attaches importance to the development of companies/departments in line with their strategic goals and investment plans using their resources effectively. To this aim, this business unit provides companies with the improvement and standardization of internal processes, life-long service with custom-made “haute couture” solutions and all technological tools while building the future, by mapping the current situation and future situations in the short/medium term. With the application of Process and Task Mining, it ensures that processes use all resources correctly and effectively in an integrated manner with ERP systems and digital platforms. It also guides businesses in their digital transformation journeys.



Project Services: ERP installation and support projects - Software implementation/update projects - RPA/Big data/IOT projects - Infrastructure projects.

With the project management service, businesses are helped to stick to their methods and strategies, reduce project risks, reduce costs, and increase the

“**Success story... It provides benefits for determining the rules, standardizing, and measuring the result in the studies carried out. Many gains have been achieved in the studies carried out in all companies and departments affiliated with the Norm Holding.**”

- Completion of baseline analysis of 400 sub-processes
- Completion of design of future state of 300 sub-processes
- Defining more than 1000 actions after conducting analysis
- Transformation of all processes to digital platform
- Building 20 RPA Project

success rate of the project.

In the light of accepted principles, procedures, and policies for the end-to-end management of a project, expert project managers and human input and physical components are coordinated and integrated by considering the scope, cost, time, and quality constraints of the project.

Project management support is provided to businesses in achieving the project's goal.

Norm Digital started R&D efforts right after its establishment in 2021, and implemented products that offer cutting-edge solutions, some of which were put into use in the same year.

As well as services and consultancy provided in the field of Information Technology, a series of products operating in different fields is developed under the names of Normie, Vinter and Ocea. It works with global partnerships, collaborations and the licenses of leading solution partners in their fields and invests in them.

SAP Academy Investment: The teams within Norm Digital transfer their experience and knowledge to future teams in SAP Academy to train its own qualified staff and to meet the expectations of the clients that are rapidly changing and developing needs.

Revolution Program: It is the training program where RPA and business intelligence and reporting training are given. While carrying out projects and processes with cutting-edge technologies, employees are supported with the opportunity to improve themselves in the associated areas.

“**Normie, Vinter, Ocea'N**”

2022 Plans and Goals

- To be in the top 5 among Aegean Region Technology and Software companies.
- Reaching national levels in the field of technology and software.
- To be a company whose all business unit exports.
- To contribute to the development of companies by supporting the digital transformation projects of Norm Holding subsidiaries.
- To create a worldwide cyber security infrastructure and raise awareness about cyber security within the companies.
- To provide a complete uninterrupted digital transformation of subsidiary companies of Norm Holding, and to increase customer

satisfaction.

- Collaborations with global partners in Cloud and SAP.

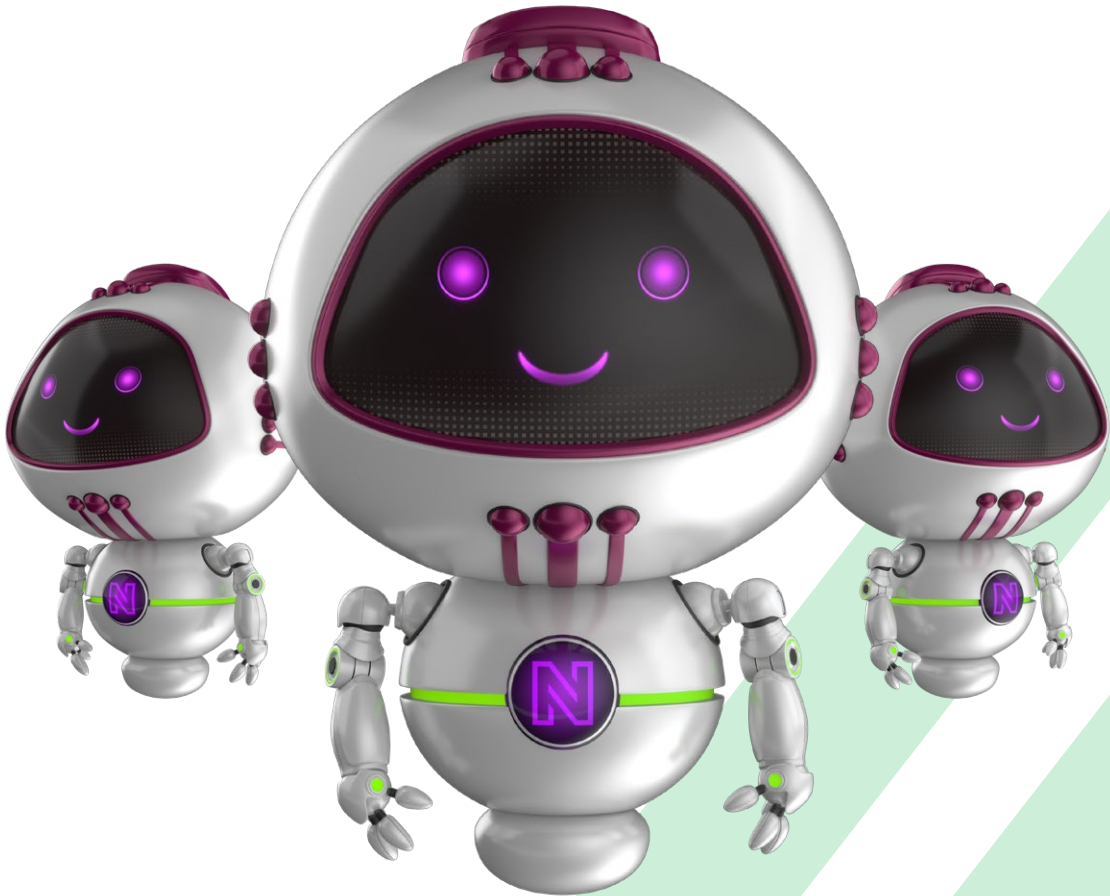
Operational Excellence

Along with the SAP implementations of companies, significant progress has been made in data management. Following the investigation of the relation between sales, cost, traceability, quality, production and maintenance data, the process of finding the most suitable production combinations and controlling costs has initiated

Towards the end of 2021, a PoC study was conducted for the collection, storage, analysis and reporting of the data generated in the field and for the optimum operation of the machines and processes. The objectives of this project are to increase efficiency, improve quality, reduce energy

consumption, and set effective plans. The long-term goal is to establish relationships between field data, and sales and cost data generated by SAP. In this way, it is aimed to be one step closer to the goal of being the manufacturer with the lowest cost, the highest quality, the most efficient and the least energy consumption.

After the desired first stage results have been obtained from the study, which started as a PoC in various processes, the target is to expand the pilot enterprise to the whole and then move all enterprises to this platform. After sufficient data accumulation and improvements mature, it is aimed to manage processes more efficiently and effectively with machine learning, artificial intelligence (AI), augmented reality (AR) applications.



NRM ENGINEERING

NRM Engineering, operating in the rapidly growing market of automation, robotic automation, autonomous devices, automatic quality control devices, is prepared for the future by accelerating technology, infrastructure, and operational investments in 2021.

Established in 2014, NRM Engineering serves as a technology company that produces robotic automation systems for all companies operating in the manufacturing sector. NRM Engineering operates in a facility with an indoor space of 3,500 m² with 68 employees. The operations are carried out in various fields: robot applications needed in automation control systems, machine vision tests, and measurement equipment, one-to-one product control systems, high-pressure aluminum casting lubrication robots, delta robots, robotic welding systems, assembly apparatus, and machine applications.

Activities in 2021

NRM Engineering continues its steady growth over

the last 4 years. NRM Engineering, which closed 2021 with a turnover of 47.1 million TL with a growth of 167% compared to the previous year, made an investment of 9 million TL.

2022 Plans and Goals

Euler Hermes, one of the world's largest insurance companies, in its report which closely examines the developments in the global trade of the coming period, lists the sectors that will continue their strong exports in 2022 as energy, electronics, machinery, and equipment. Then it also states that the main export winner in 2023 will be the automotive sector. It is predicted that automation systems will take many jobs, especially in Europe, because of the shortage of skilled workers.

This prediction shows that the automation section will expand rapidly in the European market until 2030. It is estimated that the global automation market volume is USD 5.4 billion in the automation sector, which started in the 2000s and continues to growth. According to the April 2021 report of Grand View Research, the robotic automation market size volume at the global scale is expected to reach USD 13.8 billion by 2028.

Considering all information presented here, NRM Engineering's primary goal is to become a well-known company in the field of automation systems, starting with optical measurement quality control devices, in the European market.

2022 is planned as a preparatory year for NRM Engineering in many areas.

• Digitalization, Technology, and Investments

As of 2022, the integration of Solidworks will be completed and Canias ERP system will be started to use. Subsequently, the integration of END 4.0, which automatically collect data from the field and is suitable to work with ERP, will begin in 2023.

It is planned that each station will be connected to the network and ERP with a kiosk or a computer system alike. Thus, the work orders and technical drawings can be viewed automatically on the screen of these stations. It will also eliminate the need and usage of printed documents.

One of the targets for 2023 is to sell the machines manufactured by NRM Engineering to the global market, specifically to the European market. In particular, the first step is to make the quality control devices, which have become standard practice, ready to release to the European market. To be one of the top 5 companies in the market in the first 5 years.

All investments to be made in 2022 are being planned in line with this target. To become a part of this market, R&D and sales teams are started to build. Additionally, the Design Center project is in the application stage now.



• Operational Excellence

With the awareness that repeatable error-free production is required to be an actor in European Market, NRM Engineering plans to take the first steps toward operational excellence in 2023.

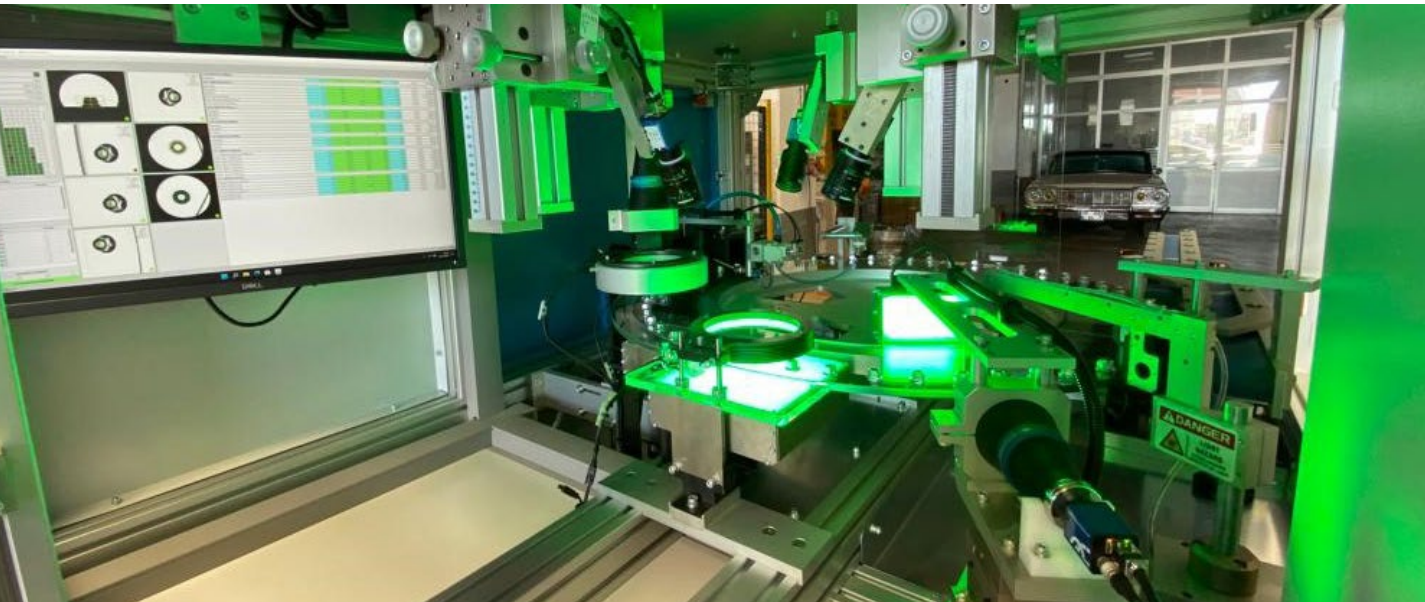
It is aimed to continuously improve processes, systems, and tools by starting Six Sigma, Lean management, and Kaizen studies. In 2023, operational, financial, and human-oriented strategies and roadmap will be determined to ensure the continuity of this journey..

• Research and Development Studies

The first production of "Smart Rack and robotic CNC feeding systems", which is tried to be made into a standard product, has been manufactured and will be tested in Norm Tooling.

The screw quality control machine, on the other hand, continues in the design phase and the first prototype will be manufactured in 2022.

Tablet prototype production and production line are in the research phase.



HUMAN RESOURCES

Believing that its employees are the most important capital in achieving its future goals, Norm Holding and its subsidiaries invest in talent, aim for high employee loyalty, and offer a development-oriented business environment.

HUMAN RESOURCES STRATEGY MANAGEMENT

Norm Holding knows that the needs of human resources are changing and transforming in line with changing needs and transforming ways of doing business, and it shapes its strategy in this direction. By focusing continuous development, it makes human resources processes agile and durable.

Norm Holding carries out its human resources activities with the consideration of improving employee experience by recognizing employee behavior and needs, designing processes to meet the expectations of talent, revealing the potential of employees, enabling the employee to add value to the company and himself, digitalizing the process by integrating technology and business, and creating high added value for all its stakeholders.

CULTURAL MANAGEMENT

In line with the motto of "Together with You", it continues to carry out all Human Resources practices, which improve all subsidiaries and norms of the company, by including its employees. Together with all its employees:

- Making a difference for the customer,
- Believing in the power of the teamwork,
- Keeping diversity and inclusiveness at the forefront in all its processes with the principle of fair and respectful treatment,
- Designing their way of doing business in a way

that contribute to society and the environment,

- Pursuing the excellence always with its values based on continuous improvement of itself and its norms.

In its development journey, where it aims to advance together to the future and success; By putting Norm values on the basis of Human Resources systems such as learning and development, talent management, career development, it ensures the spread, survival and development of the company culture.

NORM MENTOR

The NorMentor program, which has been implemented since 2019 with the aim of transferring the corporate culture to new generations, developing it by sharing its norms and values, and making its corporate memory sustainable by learning from each other, continued in 2021 as well.

In 2021, 30 executive mentors met with 35 mentees. Managers to employees who are on a development journey with NormMentor; contributed to the dissemination of Norm culture and values, and the development of business conduct through the transfer of experience and knowledge.

Norm'un N'leri

Knowing the importance of feedback in the journey of continuous improvement, "Norm'un N'leri"

application, which is a feedback platform, put in the use in 2021. With this application, Norm holding employees can submit feedback and give badges for the appreciation to positively contribute to the development of their teammates. The application is designed to support the corporate culture that believes in the power of open and transparent communication. Hence, the name of the employee giving feedback is only displayed by the employee and the unit manager.

OKR Coaches

While ensuring that the targets that will serve the company's strategies are realized with the contributions of its employees; the Performance Management System aims to evaluate the participation of employees in a fair, systematic, and measurable method and their development. The Performance Management System had been established and maintained successfully. Parallel to Norm Strategies which were implemented rapidly and steering the sector trends, the OKR method was made into use in 2021. Target spread starts from the senior management level, progresses from the departments to the management level, and it is possible to revise the business plans that feed the targets dynamically throughout the year. Thanks to team goals, a collective and agile working environment are created. Focusing on continuous development, one of the goals was determined as the 'development target'. With the PYS method, it is also possible for everyone to view each other's targets instantly.

Norm Holding Human Resources team received the Silver Award in the "Best Leadership Development Programs" category at the Human Resources Excellence Awards due to their Human Resources activities in 2021.

ORGANIZATIONAL STRUCTURE

Having more than 3,000 employees, Norm Holding's organizational structure consists of group presidencies and business units. In addition to the Industry and Trade Departments, there are support functions.

Norm Holding operates under the Board of Directors,

including Audit Committee, Early Detection of Risk Committee, Investment Committee, Sustainability Committee, Corporate Governance Committee, General Secretary of the Board of Directors and Legal Counsel.

Benefits offered to personnel: as Norm Holding, we care about the health state of our employees and follow them closely. To that extent, we provide supplementary or private health insurance plans to all our employees of Norm Holding. We are also providing faster and immediate support to our employees by implementing the "Ask a Doctor" application, which has been in use since the pandemic. The application allows patients to meet with specialist doctors online in all branches. We also care about standing with our employees in their good and bad times. The other offered benefits depending on the situation; birth, marriage, death, and relocation aids. We also provide social aid to our employees and their families during the holidays and New Year's Eve.

To support the professional and personal development of our employees, we encourage their participation in master's and Doctorate studies, and special certificate programs to improve language skills. We, Norm Holding, are aware of how the individual development of the employees enhances the value of the company so we support their development. As a company, we meet a certain percentage of our employees' foreign language program fees. Similarly, we support post-graduate education and certification programs and compensate for a certain rate of education-related expenses.

As of 2021, we came together with our employees on special days through online gatherings, which were interrupted before because of the pandemic. Considering gender equality, we gathered with all our employees and speakers who are experts in their fields, during Women's Day, Mother's Day, and Father's Day.

LEADERSHIP STYLES AND EMPLOYEE LOYALTY MANAGEMENT

Norm Holding Leadership Model

In 2021, the understanding of leadership, and the

leadership model were revised and strengthened with a perspective that draws its strength from the team members. Norm Holding Leadership Model was created by combining Norm Leader's aim of being a role model by inspiring the team members with its result-oriented and transformational structure.

Executive Development

In the journey of leadership, one of the most effective tools for the sustainable leadership success of managers is lifelong learning. It is ensured that managers participate in the programs that will enable them to reveal the potential of themselves and their teams, and to develop their leadership skills. In 2021, the administrators participated in the MBA programs of various universities.

Employee Loyalty

Norm Holding believes that the most important value is human in the journey of reaching its strategy and goal. Employee satisfaction and loyalty, which is one of the strong guides in the process of perfecting the employee experience, are measured every 2 years by surveys conducted by independent companies. In this measurement, Norm Holding is evaluated by its employees in terms of agility, focus on talent, leadership, commitment, and satisfaction. As a consequence of detailed analyzes, the company's strengths, aspects open to development, and trends are reported to the management and the results are also shared with all employees through various communication meetings. The areas open to development are tracked by Human Resources. Expectations and requests of the employees are also collected through focus group meetings. Believing that employee loyalty and satisfaction are an integral part of sustainable success, targets are set for the leaders in the performance system and included as an issue with a critical priority.

As a result of the employee loyalty surveys conducted in all subsidiaries in 2021, 3 subsidiaries (Norm Tooling, Norm Coating and Norm Fasteners Screws) received the "Turkey's Best Workplace Award" within the scope of the Kincentric Turkey Best Employers Program.

TALENT MANAGEMENT APPROACH

Norm Holding aims to maintain the meticulous approach starting from the recruitment throughout their careers and to reveal their potential and turn this potential into high performance. Talent Management Applications are shaped with an understanding that can meet to the expectations of the next-gen talents, retain existing talents, and transforms managers and leaders who manage the change themselves by preparing them for the needs of the ever-renewing world.

ENLider Sensin Leadership Development Program

The leadership development program, which was initiated in 2020 to strengthen the leadership skills of managers who lead their businesses and human resources in the most efficient way and adopt corporate values, was completed in 2021. The developments of participants were supported by the virtual classes designed based on the changing learning models due to the pandemic; their development journeys were also enriched with one-on-one coaching meetings, group coaching, digital learning platforms, 360-degree reports, and feedback meetings.



Norm Academy, which was started in 2018 for a continuous improvement parallel to our strategies, continued its journey in 2021 by focusing on development. In-person training was suspended due to the outbreak of the pandemic, and the development of employees was supported through webinars and online education during this period. Compared to the previous year, time spent on training increased by 49% and totaled 53,554 hours.

TALENT ACQUISITION

DigiConnect

The "DigiConnect" program, in which young talents develop projects together with professionals, produce new ideas, and experience business life with online learning and development opportunities, continued in 2021 in two semesters: summer and winter. In the DigiConnect program, 20 talented young people participated and met with Norm

Holding Leaders in visionary conversations and improved their technical skills through the projects collaborated with Norm managers.

Kariyerine Yön Ver

An internal posting system is employed to enrich the employees in their career paths and to increase their knowledge and experience by training through rotation programs. All available positions within the company are posted through the "Kariyerine Yön Ver" internal system, and employees are given priority for filling the positions. In that way, 23 job postings were published in 2021, and 13 employees were given the opportunity to steer their own career development through internal rotation.

NEXT-GEN CAREER MANAGEMENT

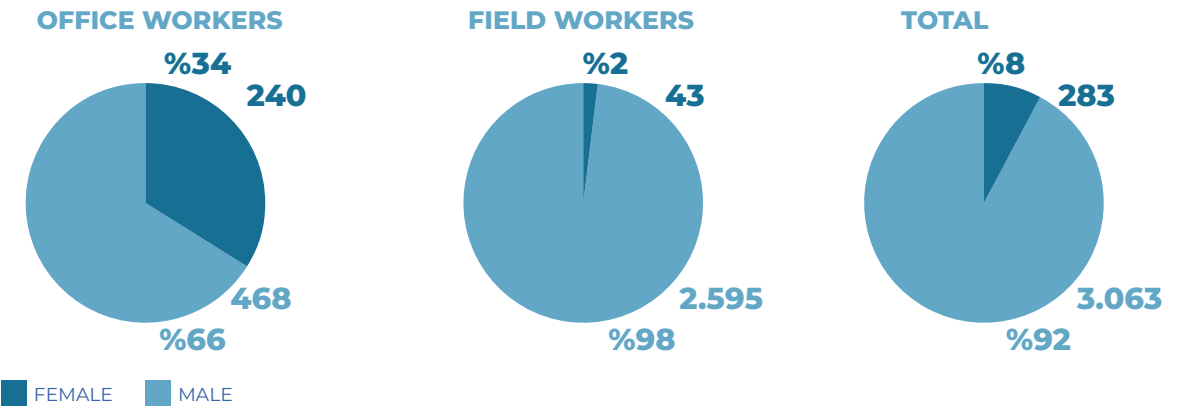
A significant part of employee satisfaction is that the career of the employee is effectively managed. In that regard, Norm Holding carries out the Career Management process to identify employees with

high potential and performance. With the approach supporting the career structure in an unlimited and versatile way, substitutes for all white-collar roles are determined. With the individual development programs planned throughout the year, rotation programs are created to train all-rounder employees. The priority for the management positions is given to the Norm Holding employees first; thus, their career journeys are encouraged. In 2021, the internal promotion rate was reported at 40%.

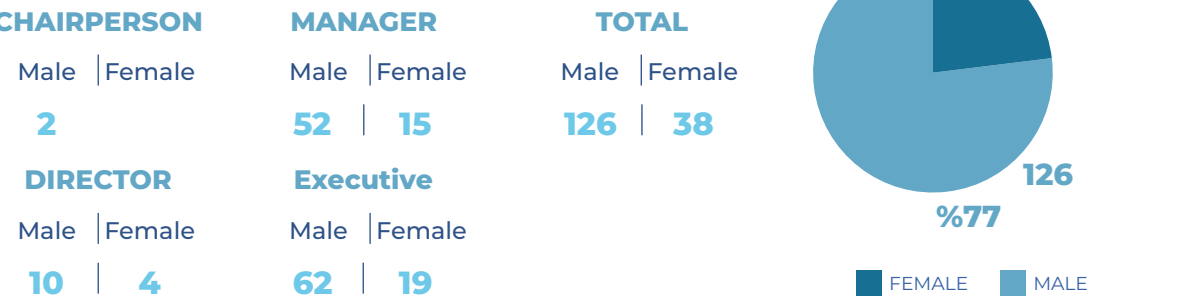
Competency Assessment

Competency assessments are carried out in collaboration with independent companies, considering the fair and equalitarian approach to career management. Employees who have Norm's potential and who will lead the Holding in achieving its strategies and goals are determined by the applications of the evaluation center and are prepared for the future with customized development plans

Employee Demographic



Demographic of Management Board



SUSTAINABILITY MANAGEMENT

Norm Holding, which determines the sustainability roadmap in 2021, took many steps forward in this journey throughout the year.



Sustainability Management

The sustainability efforts in Norm Holding and its subsidiaries is executed by the Sustainability Committee. The committee is in charge of determining and implementing strategies, policies, and projects to measure sustainability performance of the corporation in the field of social, environmental, administrative and economic, also improving the performance. The Committee offers training programs to spread out sustainability within the corporation and synthesis it with Norm Holding culture.

In addition to at least three members selected among the members of the directors and the board of advisors, Norm Holding executives, the professional managers of department associated with the sustainability efforts or the experts in field of committee's effort who doesn't work in Norm Holding can also serve in Norm Holding Sustainability Committee in case of the necessary conditions.

The coordination of committee is conducted by the brand and corporate communication manager. Currently, the committee is formed by the CEO, two members of the board of directors, a board consultant, the general secretary of the board of directors, the corporate communication manager, and the sustainability specialist.

Norm Holding signed United Nations Global Compact (UNGC) in 2021. As a part of UNGC, we will adapt our strategies and operations in accordance with ten goals, which targets of improving human rights, labor, anti-corruption practices and the environmental policies. That aims to create a sustainable and inclusive global economy that brings peace and prosperity for people, communities, and market. The Committee determined the nine goals among seventeen principles of SDGs in the purposes of adapting sustainable development and maintaining in Norm Holding and its subsidiaries. The selected principles are

- **4. Quality Education**
- **5. Gender Equality**
- **7. Affordable and Clean Energy**
- **8. Decent work and Economic growth**
- **9. Industry, Innovation, and Infrastructure**
- **10. Reduced Inequalities**
- **12. Responsible Consumption and Production**
- **13. Climate Action**
- **17. Partnership for the goals**

Priorities of Sustainability

An analysis was conducted to determine the focal points of sustainability management of Norm Holding and its subsidiaries and framework of future strategies. The analysis process has been carried out in accordance with the AA1000 Stakeholder Engagement Standard, and a multi-layered priority materiality matrix was generated. While determining the priorities of internal and external stakeholders during the process:

- A network analysis of internal and external stakeholders has been completed, and the relationship of all stakeholders with Norm Holding has been identified.
- Feedback was collected from the internal stakeholders (e.g., employees), and the external stakeholders such as international organizations, universities, customers, NGOs/associations, financial institutions, and suppliers through an online questionnaire.
- In addition to stakeholder feedback, global sustainability trends were also analyzed. These trends include the 11th Development Plan, the European Green Consensus, the priority issues prepared by the Sustainability Accounting Standards Board (SASB) for sectors, the Sustainable Development Goals Industry Index, and the priority of local and global similar companies. The prominent priorities of the stakeholders were analyzed by considering the report prepared within the scope of the Norm Holding Strategy and Leadership Workshop. In this analysis:
 - Opinions of Norm Holding administrative were received through the online surveys
 - As well as the online surveys, the opinions were received by the focus group meetings where the board of directors also participated.

- The focal subjects of business strategies and future goals of Norm Holding and its subsidiaries were assessed in the Leadership Workshop.

• The material issues based on the result of the analysis were shared with all stakeholders in the sustainability report released in 2021. Then, the progress has been accelerated by developing the sustainability strategy categorized into four major headings using the framework of "Value for the Future": Value for Work, Value for the World, Value for Technology, and Value for People.

• Considering the material issues, the targets of Norm Holding and its subsidiaries are being set with the participation of the Sustainability Committee, Executive Board, and the Board of Directors. In the following step, action plans will be created.

• To ensure the effectiveness of ongoing efforts, 5 different working groups were established, namely R&D and Innovation, Environment, Digital Transformation, Human and Society, and Corporate Governance. The Sustainability Committee ensures the focus of the working groups for the material issues and the tracks the action plans.

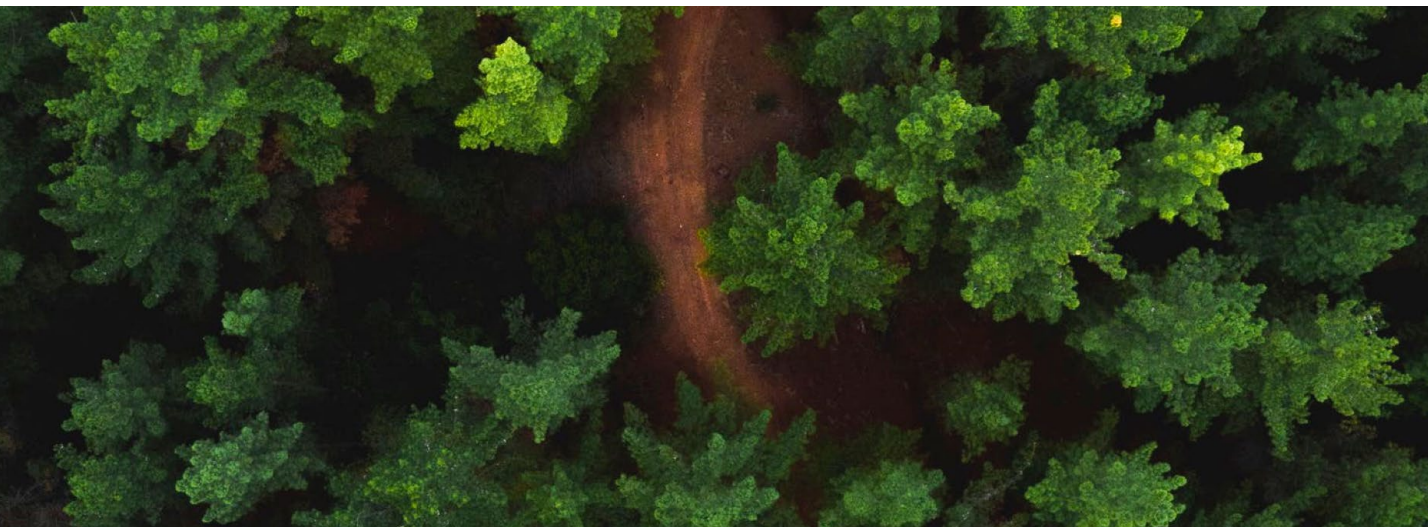
Working groups are responsible for

- Presenting project proposal
- Sharing their knowledge on the areas they proficient with all employees
- Ensuring the dissemination of projects and good practices, to undertake that they are realized
- Tracking the alignment between business units
- Monitoring the alignment with targets.

Environmental Impact

In 2021, Carbon Footprint studies were started by measuring the emission of 25 campuses of Norm Holding, 21 of which are domestic and 4 are abroad. Based on the obtained measurements, the studies on the development of carbon emission reduction strategies continue simultaneously.

- Plans are developed for the purchase of energy from renewable. Studies are carried out to increase and expand energy production from renewable sources such as wind and sun.
- Norm Fasteners Nuts Salihli factory met the demand of 10% of the total electrical energy consumed in 2021 from the Solar Thermal Energy



(STE). Additionally, STE will be installed in the field of Norm Fasteners Nuts Salihli factory, which has an approved budget of 700,000 USD in November 2021.

- 445 KWP monocrystalline solar panels to be installed in İzmir Norm Fasteners Nuts facility will be activated on the Heat Treatment facility in March 2022.

Norm Fasteners Bolts has submitted the application for the inducement offered to the companies having ISO 50001 certificates to increase the efficiency of energy resources and utilization of the energy. 30% of the initial investment cost for the applications given below will be reimbursed.

- Compressor replacement
 - Utilization of Second Process Blower
 - High speed wire drawing machine manufacturing
- With the revision of dissolved air flotation in the treatment system of oily wastewater resulting from washing pools, which is insufficient in the existing system, in the heat treatment facility, an improvement of 99% was achieved.

2021 Activities

January: Norm Holding Sustainability Committee started working. Weekly-basis meetings continued throughout the year. A consulting contract was signed with a consultancy firm. The alignment of

Norm Holding's strategic goals with the sustainability goals was completed.

February: Vision2021 group created from administrators. A panel was organized with the consultancy firm for the sustainability vision. The sustainability corporate identity, the sustainability guide, and the working principles of the committee were determined.

March: Signed United Nations Global Compact (UNGC). A panel was organized for all employees with the participation of UNGC. Participated as a speaker at the Sustainability Launch organized in cooperation with ESIAD Sustainability Committee and UNGC. A stakeholder analysis study was initiated for the prioritization matrix analysis.

May: Materiality assessment has been completed and associated with sustainable development objectives.

Jun: Action plans were created, and preliminaries of the working group were completed.

July: Strategic roadmap was determined and collaborated with the selected consultant firm for the design.

August: Reporting started.

September: Internal communication and training plans were prepared.

November: A consulting firm was determined for corporate carbon footprint measurement.

December: Report released and working groups launched.

Priority Level	Issue	Associated SDGs	How we manage
Highest	Climate change and energy consumption		In the scope of combatting climate crisis, we are working to reduce greenhouse gas emissions and achieve a carbon neutral state. In this context, we invest in energy efficiency and renewable energy sources, identify climate risks, and measure their impact on our business.
	Product safety and quality		We adopt high product safety standards so that our customers always have access to safe products, also develop projects and applications for the protection and development of product quality standards.
	R&D and innovation		Innovative and responsible products and production are significant. To this aim, we invest in R&D and develop products that meet the today and future needs of our clients.
	Operational excellence and efficiency	4	By improving business processes and operations, we emphasize efficiency, increase our competitive advantage while reducing our environmental impact.
	Occupational health and Safety	7	Protecting the physical and mental health of employees in all business processes is among the most important issues for both our business and our employees, who are our most valuable stakeholders. We take the necessary measures to provide a healthy and safe work environment.
	Talent management and employee engagement	8	We are working to hire and retaining next-generation talents, and to develop them through personal development and career planning practices. In that regard, we regularly measure the loyalty and satisfaction of our employees and carry out projects and practices to enhance them.
	Digitization and automation	9	Digitalization and automation play a vital role in increasing efficiency and safety in all processes. As Norm Holding, we both invest in new technology and digitalization, and increase automation in all business processes.
	Water and waste management	12	In our production-based business model, we adopt the "Zero Waste" approach and aim to recycle and reused. We also aim to reduce the consumption of water and other valuable natural resources and to prevent environmental pollution.
	Customer expectations and satisfaction	13	We collect the expectations and feedback of our customers, one of our most important stakeholders, through effective communication channels, and ensure that satisfaction is kept high with quality products/services.
	Responsible investment approach		We aim to preserve environmental, social, and corporate governance principles in new investment decisions. In the new products and services, we develop, we focus on social and/or environmental benefits.
	Corporate governance		We adopt fair, transparent, accountable, and responsible corporate governance.

Priority Level	Issue	Associated SDGs	How we manage
Critical	Responsible resource management and procurement		It is aimed to integrate environmental, social, and ethical conditions into the supply chain management, and monitor it; we also aim to develop our suppliers in our sustainability transformation along with us.
	Human rights and fair working conditions		Protecting employee rights along the entire value chain is an important issue for Norm Holding and its subsidiaries. In this regard, we care about preventing all kinds of discrimination and creating a fair and equal working environment for everyone.
	Equal opportunity and diversity	5	We consider equality of opportunity and diversity in the business environment, especially starting from recruitment processes. We do not discriminate based on religion, language, race, gender, ethnicity, sexual orientation, or disability.
	Business ethics	8	We manage Norm Holding and its subsidiaries with an ethical business approach and prevent unfair competition.
	Risk management	10	We continue our efforts to manage financial and non-financial risks in an integrated manner.
	Biodiversity	12	Although the regions where we operate does not host a vast biodiversity, we care about the protection of all living species and habitats.
	Social Investment programs	17	We develop strategic and long-term social investment programs that benefit both the Holding and the society.
	Multi-stakeholder initiatives and collaborations		In 2021, we signed the United Nations Global Compact. We aim to continue to be a member of local and global initiatives and to establish collaborations for the creation of value on a larger scale in the field of sustainability.
	Contribution to local socioeconomic development		We contribute to development by creating employment in the regions where we carry out all our operations, especially in İzmir and its surroundings.

OCCUPATIONAL HEALTH AND SAFETY / ENVIRONMENTAL MANAGEMENT

Norm Holding aims to get zero occupational accidents and zero waste with its Occupational Health and Safety efforts and environmental strategies.

Occupational Health and Safety Approach

Norm Holding prioritizes employee health and work safety in all its operations and aims to increase the OHS awareness of the employees with the trainings offered. It analyzes the situations that pose risks in terms of OHS during its activities to minimize the risks and provides safer environments for its employees and visitors.

In that scope, the highlights of Norm Holding's OHS activities are given as follows:

- OpenOHS software, which was started using in 2020, continues to be used effectively.
 - o With the work accident module, the root cause analyzes, and actions of work accidents can be followed,
 - o Monitoring and reporting of trainings from the system with the training module,
 - o Recording and tracking of subcontractors' documents with the subcontractor module,
 - o With the health module, periodic examinations, employment examinations, health screenings, e-prescriptions, etc. all health services are managed.
- Due to the possible ongoing effects of the COVID-19 pandemic in 2021, the COVID-19 precautions guideline released in 2020 remained in the act.
- Cross-factory visits on a monthly basis were started as part of the efforts to expand the OHS activities that are carried out in all plants.
- ISO 45001 Occupational Health and Safety Management System certificate was renewed at Norm Fasteners Bolts İzmir facilities.

A total of 26,196 hours of Occupational Health and Safety Training was provided in 2021.

In 2021, the occupational accident frequency rate and the accident severity rate were obtained 3.55 and 47.13 respectively based on the total actual working time. (The data are based on 200,000 hours.)

Environmental Management Approach

- Waste declarations and GEKAP notifications were made in the production factories belonging to Norm Holding, in accordance with local regulations, within the legal deadlines.
 - In 2021, there were no environmental penalty fees because of the violation of environmental legislation.
 - In the scope of EIA processes, 5 EIA applications were submitted for the investigation of environmental impact assessment for the new investments.
 - Required processes have been completed within the scope of the regulatory requirements regarding zero waste implementation; Zero Waste Certificates were obtained for Norm Fasteners Bolts İzmir, Norm Fasteners Nuts İzmir, Norm Coating İzmir, Norm Fasteners Bolts Salihli, Norm Fasteners Nuts Salihli, and Norm Coating Salihli facilities.
 - ISO 14001 Environmental Management System certificate was renewed for Norm Fasteners Bolts İzmir facilities.
 - ISO 50001 Energy Management System certificate was received for Norm Fasteners Bolts İzmir factory within the scope of integrated management systems.
- The certification process is expanded for other facilities. In 2021, it is aimed to receive ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, and ISO 50001 Energy Management System certificates for Norm Coating İzmir factories for the first time.

A total of 26,196 hours of Occupational Health and Safety Training was provided in 2021.

In 2021, the occupational accident frequency rate and the accident severity rate were obtained 3.55 and 47.13 respectively based on the total actual working hours. (The data are based on 200,000 hours.)



UNDERSTANDING OF CONTRIBUTION TO SOCIETY

Norm Holding serves to enrich the vision of society and build a brighter future in areas of high-quality education, culture, and art to contribute to society.

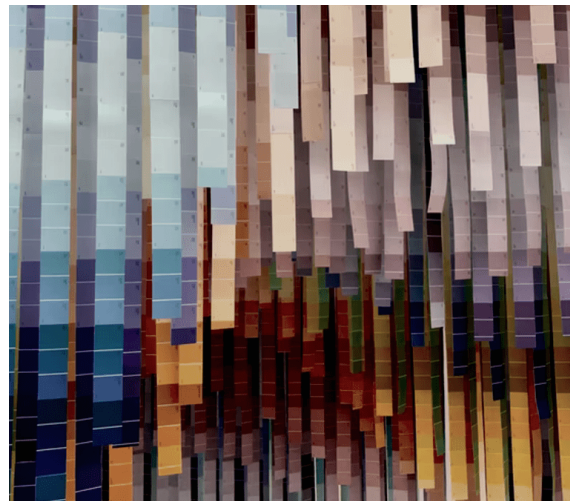
While Norm Holding develops its social investment strategies, it focuses on the problems, in Turkey and the world, that coincide with its values and strategy. Norm Holding aims to increase its value by providing social projects for society. Norm Holding continues to invest to support local socio-economic development in the regions where it operates.

The highlights of Norm Holding's activities in 2021 are outlined as follows:



Norm Sanat

Norm Sanat has been operating in Atatürk Organized Industrial Zone since 2003. By hosting more than 150 exhibitions to date, Norm Sanat shows the support and appreciation for the art and artists. Norm Art also organizes classes for adults who want to receive an art education and provides technical and practical training.



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

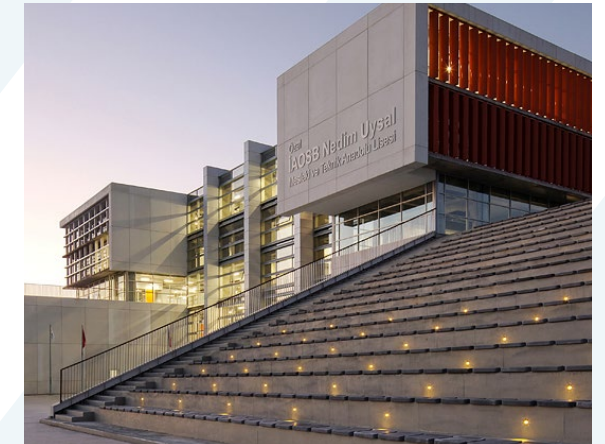
In 2014, "Private IAOSB Nedim Uysal Vocational and Technical Anatolian High School" was established by the IAOSB Management, named after Nedim Uysal, the Founder and Honorary Chairman of the Board of Directors of Norm Holding due to his support.

Engineer candidates, who will guide industrial development in the future, in Vocational and Technical Anatolian High School receive an education in cutting-edge workshops, laboratories, and fully equipped classrooms designed for 24 students with



a fully funded scholarship. Thus, it is aimed to train competent members of the workforce in the fields of industrial automation, electric/electronics, and machine technologies for both the Aegean Region and throughout the country.

Norm Holding, with the belief that education should start from within the Holding, organizes pieces of training and seminars in the fields of gender equality, equality of opportunity, and climate change in the holding and its subsidiaries. Thus, it continues to contribute to the future by providing a community raising high social awareness.



Norm Vocational Training Center

Apprenticeship Training Center was established in İzmir in 2007 and in Salihli in 2015 to develop skilled laborers for the sector and to train young people, who cannot continue their education for some reasons, to acquire the necessary occupational skills. A total of 162 students have graduated from these centers

so far. 97 of them are still employed in Norm Holding. In the center where a total of 104 students studied in 2021, the progress of students is closely followed; in addition to the current curriculum, additional technical and personal development programs are also offered to contribute to their development.



Norm Holding A.Ş.

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