

# **YÜCEL BORU VE PROFİL ENDÜSTRİSİ A.Ş.**

## **SEP and Grievance Redress Mechanism**

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## 1. INTRODUCTION

Stakeholder engagement is the basis for building strong, constructive, and responsive relationships that are essential for the successful management of the Project's environmental and social impacts. The purpose of stakeholder engagement is to establish and maintain a constructive relationship with a variety of external stakeholders over the entire life of the Project. Initiating the engagement process in early phases helps ensure the timely public access to all relevant information and gives the stakeholders an opportunity to input into the Project design and the assessment of impacts.

The SEP will promote two-way communication between the Yücel Boru and different stakeholders continuously. Information regarding the project, environmental and social risks and impacts, proposed mitigation measures, grievance redress mechanism, will be shared with project stakeholders on a regular basis.

The report will include the identification of the Activity's stakeholders and will be updated with the identification of stakeholder engagement activities. Stakeholder engagement is an active process is decisive in that it is periodically updated and integrated into the Environmental and Social Management Plan.

### 1.1. Definitions, Abbreviations & Acronyms

Definition, Abbreviation or Acronym	Description
AIIB	Asian Infrastructure Investment Bank
CRM	Customer Relationship Management System
ESAP	Environmental and Social Action Plan
GRF	Grievance Registration Form
GRM	Grievance Redress Mechanism
IFC	International Financial Corporation
KAP	Public Disclosure Platform
NGOs	Non-governmental Organizations
OHS	Occupational Health and Safety
SEP	Stakeholder Engagement Plan
TKYB	Development and Investment Bank of Turkey
Yücel Boru	Yücel Boru ve Profil Endüstrisi A.Ş.

### 1.2. About Yücel Boru ve Profil Endüstrisi A.Ş.

Yücel Boru continues its production activities, which started in Kocaeli Çayırova region in 1969, at its facilities in Gebze/Kocaeli, Toprakkale/Osmaniye and Yeşilkoy/Hatay. With the awareness and responsibility of being the leading company in the sector, Yücel Boru, which does not interrupt its investments, with the Precision Pipe facilities commissioned in Kocaeli Gebze Organized Industrial Zone in May 2020; it continues to serve both domestic and foreign markets with its reliable production approach in accordance with international standards by expanding its production range consisting of existing industrial pipes, square / rectangular profiles, steel structure profiles and steel service center products.

When the production method at Yücel Boru Gebze, GOSB and Osmaniye facilities is evaluated in terms of raw materials and end products, briefly iron and steel rolling supplied from the domestic and foreign markets are processed in the desired quality and standards, and

square/rectangular profiles, industrial pipes, precision pipes and structures in various sizes according to customer demands. Since pipes and profiles are produced for household appliances at the Yücel GOSB facility, unlike other facilities, annealing (baking) and pipe drawing processes are also included. In the Yücel Boru Yeşilkoy facility, the rolled sheets are only subjected to the cutting process and then packaged into plates. There is no pipe or profile production in this facility.

### **1.3. Objectives of Stakeholder Engagement Plan (SEP)**

The main goal of the Stakeholder Engagement Plan is to ensure that all relevant stakeholders (individuals, groups and organizations) affected by and/or interested in the Project are engaged in project activities and information flow with these stakeholders is continuous throughout the project life. Stakeholder engagement is a key activity for such projects; because it enables stakeholders to have information at all stages of the project, to express their expectations and concerns, and to establish an open communication channel with stakeholders in the activities carried out by the investor. The objectives of the SEP are generally as follows:

- Identification of stakeholders indirectly or directly affected by and/or interested in the project
- Defining and planning stakeholder engagement activities that will commence during project preparation and planning and continue in the construction and operation stages of the project
- Determining the frequency of consultation activities, information sharing and level of participation as well as to defining the content of consultation activities
- Establishment of the Grievance Redress Mechanism, which will create an open communication channel for stakeholders at each stage of the project
- Ensuring that concerns and expectations expressed by stakeholders are addressed in the decision-making and planning stages of the project.

The SEP is prepared to meet the requirements set forth in the IFC's, AIIB's and TKYB's (Development and Investment Bank of Turkey) Social Standards as well as national legislation.

## **2. INTERNATIONAL STANDARDS**

Yücel Boru plans to finance its Working Capital requirement financing partially with TKYB loan and is committed to implement an Environmental and Social Action Plan (ESAP) in line with national and international standards and best practices. Therefore, the Activity will be carried out in accordance with the requirements of the IFC Performance Standards, and AIIB Environmental and Social Standards. These standards are briefly defined below.

**AIIB Environmental and Social Standards:** The loan was requested within the scope of the facilities' operation financing requirements. Therefore, it is not aimed to acquire or use new land with this operation loan. For this reason, within the scope of our work, among the mentioned standards, the "ESS 1 Environmental and Social Assessment and Management" standard has been taken into consideration, and the "ESS 2 Land Acquisition and Involuntary Resettlement" standard has not been evaluated. In addition, since there are no communities that can be considered as ethnic, linguistic and religious minorities in the region, the standard "ESS 3 Indigenous Peoples" were not evaluated within the scope of this project.

In the Environmental and Social Framework determined by AIIB, stakeholder engagement is defined as follows:

“The Bank believes that transparency and meaningful consultation are essential for the design and implementation of a Project and works closely with its Clients to achieve these objectives. Meaningful consultation is a process that begins early and is ongoing throughout the Project. It is inclusive, accessible and timely, and is undertaken in an open manner. It conveys adequate information that is understandable and readily accessible to stakeholders in a culturally appropriate manner and in turn, enables the consideration of stakeholders’ views as part of decision-making. Stakeholder engagement is conducted in a manner commensurate with the risks to, and impacts on, those affected by the Project. In the context of a Project in which the Bank determines that there are risks of retaliation against the Project’s stakeholders, or of other threats to their safety, it seeks to work with the Client so that the Client avoids or minimizes such risks.”

**IFC Performance Standard 1**, emphasizes the importance of managing environmental and social performance throughout the Activity. An effective Environmental and Social Management System is a dynamic and ongoing process implemented and supported by company management and includes the involvement of customers, employees, the local community directly affected by the Activity (Affected Communities) and, if any, other stakeholders. Stakeholder engagement is essential to establish the strong, constructive and responsive relationships necessary to successfully manage the environmental and social impacts of an activity. Stakeholder engagement is a continuous process. Stakeholder engagement, in varying degrees, consists of analyzing and planning stakeholders, informing stakeholders, providing consultation and participation, establishing a grievance mechanism, and providing ongoing reporting to Affected Communities. While the form, frequency and level of effort of stakeholder engagement vary considerably, it should be appropriate for the risk and negative impacts of the activity and the stage of development.

Clients should identify stakeholder groups that may be interested in their activities and consider initiating a dialogue with stakeholders through external communications. If the Activity has certain physical features, sizes and/or facilities that are expected to have adverse environmental and social impacts on Affected Communities, the client will identify Affected Communities and meet the following requirements. The Client will prepare and implement a Stakeholder Engagement Plan appropriate to the characteristics and interests of Affected Communities, taking into account the risk, impacts and stage of development of the activity. Where appropriate, the Stakeholder Engagement Plan will include different measures to ensure the effective participation of those identified as disadvantaged or vulnerable. Where the engagement process relies heavily on community representatives, the client will use reasonable efforts to verify that they truly represent the views of the Affected Communities and are credible to accurately communicate the results of their consultation to members of the community they represent.

Sharing information related to the Activity helps Affected Communities and other stakeholders understand the risks, impacts and opportunities of the Activity. Affected Communities: (i) the purpose, nature and scale of the activity, the duration of the proposed Activity activities, (iii) the risks it poses to those communities, potential impacts and related mitigation measures, (iv) the envisaged stakeholder engagement process, and (v) the grievance mechanism will provide access to information.

When Affected Communities are exposed to risks and adverse impacts identified in the Activity, the client will undertake a consultation process that enables Affected Communities to express their views on the risks, impacts and mitigation measures of the Activity, with the client considering and responding to these views. The extent and extent of participation required for the consultation process should be commensurate with the risks of the activity, its adverse impacts and the concerns raised by Affected Communities. An effective consultation process

should: (i) be carried out early in the environmental and social risk and impact identification process and continue as risks and impacts occur, (ii) in a culturally appropriate local language or languages and in a format that Affected Communities can understand, based on previous exchanges and in a transparent, objective, should be based on meaningful, easily accessible information, (iii) inclusive participation should focus on those directly affected rather than indirectly affected, (iv) be free of external manipulation, interference, coercion, and intimidation, (v) enable meaningful participation, where appropriate, and (vi) record should be taken. The client will conduct the consultation process based on the preferred languages of the Affected Communities, their decision-making processes and the needs of disadvantaged or vulnerable groups. If the client is already running such a process, he or she must adequately demonstrate such participation.

When activities have potential significant impacts on Affected Communities, the client will engage in an Informed Consultation and Engagement process that builds on the steps in the consultation process above. This enables Affected Communities to participate in the process on an informed basis. In the Informed Consultation and Participation process, the parties share their views and knowledge in depth and consult each other in an organized manner. Thus, the client considers their views expressed on issues that directly affect the Affected Communities, such as proposed mitigation measures, sharing development assistance and opportunities, implementation of the action, in the decision-making process. The consultation process should seek to learn about (i) the views of both men and women, through separate forums or participation, if necessary, and (ii) men's and women's different concerns and priorities regarding impact, mitigation mechanisms and benefits, if any. The client will record the process, in particular measures to prevent or mitigate risks and adverse impacts on Affected Communities and inform affected persons how their concerns have been taken into account.

### **3. SUMMARY OF PREVIOUS STAKEHOLDER ENGAGEMENT ACTIVITIES**

Yücel Boru continues its production activities, which it started in Kocaeli Çayırova region in 1969, at its facilities in Gebze/Kocaeli, Toprakkale/Osmaniye and Yeşilkoy/Hatay. Since the facility in GOSB and Toprakkale/Osmaniye is located within the organized industry, it is surrounded by industrial enterprises and is not close to residential areas. Although there are settlements near the Gebze and Yeşilkoy facilities, they are located at such a distance that they are not affected by the facilities, and an intercity road passes between them.

The loan requested is within the scope of Yücel Boru's current operation financing requirements, and the loan is not intended for an activity that requires a new unit or new area to be used.

Yücel Boru attaches great importance to maintaining a sustainable dialogue with its stakeholders. The company receives feedback from the stakeholder communication process; it uses it as input in many areas such as determining strategic priorities, establishing policies, designing the business model, and developing social responsibility activities. The satisfaction survey is completed by sending a link to the customers via the customer portal or e-mail via the sales unit.

Yücel Boru addresses its stakeholders under the following main headings.

- with those who directly contribute/influence the business cycle
- Those who have a periodic/activity-based/direct/indirect contribution/effect on the business cycle. According to this designed approach, the stakeholders in the first group are the 'main' stakeholders; those in the second group are defined as 'other' stakeholders.

In the stakeholder analysis study, company-stakeholder priorities were determined by using quantitative and qualitative perspectives together. The consultation methods carried out with each stakeholder are given in the table below.

**Table 3.1 Stakeholder Engagement Activities of Yücel Boru**

Employees	Daily business cycle, department meetings, executive meetings, intranet, sharing meeting with employees
Customers	Planned and systematic customer meetings, customer satisfaction survey, evaluation and reporting activities every year
Suppliers	Bilateral meetings, satisfaction surveys, periodic reports and evaluations
Dealers, business partners	Bilateral and multiple/regional meetings, satisfaction surveys, domestic and international dealer meetings, interaction studies, periodic reports and evaluations
Yücel Boru and its Group Companies	<p>Consultation activities for Yücel Boru and its group companies are given below:</p> <ul style="list-style-type: none"> <li>• Annual Ordinary General Assembly Meeting,</li> <li>• Board of Directors meetings,</li> <li>• Periodic reports,</li> <li>• Website and social media channels,</li> <li>• Domestic and foreign investor relations meetings,</li> <li>• Monthly general information meetings</li> <li>• Detailed information meetings on a quarterly basis</li> </ul>
Public institutions and society	Reporting obligations stipulated in laws and regulations, other information flows, bilateral meetings, community contribution Activities, interaction with the people of Gebze/Kocaeli, Toprakkale/Osmaniye ve Yeşilkoy/Hatay where the facilities are located.
Universities	Activity and vocational training studies
NGOs	Activity based studies
Sectoral unions and organizations	General assemblies and periodic meetings, periodical information activities, contribution to strategy development and lobbying, other meetings
Group companies	Group senior management meetings, regular briefing activities, contribution to strategy development processes, bilateral meetings

A total of 721 blue-collar and white-collar personnel are employed at the Yücel Boru Gebze facility. In addition, there are 9 people and 85 people, respectively, working in metal works and shipping works as contractor personnel in this facility. There are a total of 212 white-collar and blue-collar personnel at the GOSB facility, and the number of personnel of the subcontractor

company providing service to the facility is 35 people. The number of personnel working in Osmaniye and Yeşilkoy facilities is 197 and 17, respectively.

Due to the high number of employees and the abundance of activity areas, the company carries out its consultation activities with employees on many different platforms. These platforms include many channels such as face-to-face meetings/meetings, online applications, SMS, e-mail, hotline, complaint/request forms. At Yücel Boru, relations with operations employees are regulated under a collective bargaining agreement. Blue-collar workers convey their thoughts/complaints or requests to the Human Resources Director or union representatives. HR experts and union representatives raise these issues at regular HR and management meetings. All employees are also aware of the announcements and notifications made on the bulletin boards, and they also use the complaint boxes to freely express their requests, complaints and opinions whenever they want. "Near-miss forms" are generally used when a complaint on OHS is to be submitted. Due to the faster resolution of the complaints, they are transmitted orally without being recorded, and are usually resolved on the same day. However, verbal complaints within the scope of monitoring activities will also be recorded within the scope of the complaint mechanism.

As known, the development and implementation of alternative methods for stakeholder consultations has gained importance during the Covid-19 pandemic process in the world, and credit institutions such as IFC have prepared guide documents on the ways to be followed in this process. During the pandemic process, Yücel Boru has taken a series of measures to ensure the health and safety of its employees, and these measures have been regularly shared with the staff. Acting with this awareness, Yücel Boru evaluated the reality of the pandemic from the perspectives of sustainability and OHS and implemented many measures focused on minimizing the risk of contamination among employees. Among these measures; working from home, increasing the number of services, in-house protective measures are included. In order to reduce physical contact, Customer-employee communication was ensured through social communication channels, informing and receiving feedback were carried out in this way. All employees are informed by the company about the importance, current situation and precautions of Covid-19. The firm has worked closely with its business partners throughout the pandemic process. In addition to awareness raising and perception development activities, online trainings and technical support were also provided. Among these studies; measures for the workplace, measures for customers, measures to protect personnel, environment cleaning, disinfection and ventilation, remote technical support, remote technical training.

Yücel Boru has not been in direct consultation with the settlements close to the activity area in the stakeholder engagement activities it has carried out so far. However, the company also has a communication mechanism for external complaints/suggestions and requests, and contact information is published on the website. But no complaints have been received from nearby settlements to date.

The company also regularly conducts Customer Satisfaction surveys every year in order to better understand the demands/expectations and complaints of its customers, one of its most important stakeholders.

A summary of the meetings held with the affected and relevant stakeholders, apart from the meetings held by the facilities owned by Yücel Boru with their stakeholders, is given in the table below.



**Table 3.2 Stakeholder Interviews and Details**

Date	Interview Form	Stakeholders	Information Given to the Stakeholder	Questions and Comments Received from Stakeholders
19.10.2021	Yücel Boru Gebze Plant Visit	Yücel Boru Human Resources and Administrative Affairs Chief, Yücel Boru Environment and OHS Chief, Yücel Boru Gebze Environment and OHS Specialist, Yücel Boru GOIZ OHS Specialist	<ul style="list-style-type: none"> <li>• Evaluation of risks and opportunities</li> <li>• Whether there is a stakeholder engagement plan and grievance mechanism</li> <li>• Working and working conditions</li> <li>• Workers' organizations standard</li> <li>• Non-discrimination and equal opportunity standard</li> <li>• Pension standard</li> <li>• Grievance mechanism standard</li> <li>• Child Labor and Forced Labor Standard</li> <li>• Land acquisition and economic/physical displacement</li> </ul> <p>Information on their subjects was shared and their opinions and suggestions were received.</p>	<p>It was asked how these plans, prepared in line with these questions specifically for the facility, will be implemented and how they will contribute.</p> <p>In addition, in this plan prepared by us, information has been given about the management of this process and how it will be recorded and monitored in the upcoming processes.</p>
20.10.2021	Yücel Boru GOIZ Plant Visit	Yücel Boru Human Resources and Administrative Affairs Chief, Yücel Boru Environment and OHS Chief, Yücel Boru Gebze Environment and OHS Specialist, Yücel Boru GOIZ OHS Specialist	<ul style="list-style-type: none"> <li>• Evaluation of risks and opportunities</li> <li>• Whether there is a stakeholder engagement plan and grievance mechanism</li> <li>• Working and working conditions</li> <li>• Workers' organizations standard</li> <li>• Non-discrimination and equal opportunity standard</li> <li>• Pension standard</li> <li>• Grievance mechanism standard</li> <li>• Child Labor and Forced Labor Standard</li> <li>• Land acquisition and economic/physical displacement</li> </ul> <p>Information on their subjects was shared and their opinions and suggestions were received.</p>	<p>It was asked how these plans, prepared in line with these questions specifically for the facility, will be implemented and how they will contribute.</p> <p>In addition, in this plan prepared by us, information has been given about the management of this process and how it will be recorded and monitored in the upcoming processes.</p>

21.10.2021	Yücel Boru Osmaniye Plant and Yücel Boru Yeşilkoy Plant Visits	Yücel Boru Osmaniye Operations Manager, Yücel Boru Osmaniye Human Resources Chief, Yücel Boru Osmaniye OHS Chief, Yücel Boru Osmaniye Quality Control Chief, Yücel Boru Yeşilkoy OHS Chief	<ul style="list-style-type: none"> <li>• Evaluation of risks and opportunities</li> <li>• Whether there is a stakeholder engagement plan and grievance mechanism</li> <li>• Working and working conditions</li> <li>• Workers' organizations standard</li> <li>• Non-discrimination and equal opportunity standard</li> <li>• Pension standard</li> <li>• Grievance mechanism standard</li> <li>• Child Labor and Forced Labor Standard</li> <li>• Land acquisition and economic/physical displacement</li> </ul> <p>Information on their subjects was shared and their opinions and suggestions were received.</p>	<p>It was asked how these plans, prepared in line with these questions specifically for the facility, will be implemented and how they will contribute.</p> <p>In addition, in this plan prepared by us, information has been given about the management of this process and how it will be recorded and monitored in the upcoming processes.</p>
19.11.2021 12.00 – 13.00	Phone call	Barış Neighborhood - Headman/Erol Yıldız	<ul style="list-style-type: none"> <li>• Socio-economic structure of the neighborhood</li> <li>• What he knows and thinks about Yücel Boru Gebze Plant</li> <li>• How is the relationship with Yücel Boru Gebze Plant?</li> <li>• Employment issue</li> <li>• How they are positively or negatively affected by the activities of Yücel Boru Gebze Plant as a stakeholder.</li> <li>• Whether there are impacts on public health and safety</li> <li>• How they proceed in case of any complaints arising from the activity</li> </ul> <p>Information on their subjects was shared and their opinions and suggestions were received.</p>	<p>During the meeting with the headman, Yücel Boru Gebze stated that the facility is within the border of Barış Neighborhood, but they are not affected by its activities since it is far from the settlements.</p> <p>However, Yücel stated that they have good relations with the Boru Gebze Facility and that they always help with employment and social assistance. As Yücel Boru Gebze Plant is an established factory, it does not pose any danger in terms of public health and safety. He stated that in case of any complaints, requests or suggestions, they communicate verbally with the relevant people in the business, either by phone or face to face.</p> <p>After the Mokter expressed his views, why this meeting was held, Whether a new facility will be added to the existing facility, And if there are new employment opportunities, is the priority given to those who are looking for a job in Barış Neighborhood? He posed his questions.</p>
23.11.2021 10.00 – 11.00	Phone call	Yücel Boru Osmaniye ve Yeşilkoy Facilities Workers Representative	<ul style="list-style-type: none"> <li>• Working conditions, whether the HR policy applies to all employees</li> <li>• Whether the business complies with national employment regulations</li> <li>• Whether all employees have contracts</li> <li>• Whether there is any pressure for workers to join a union.</li> <li>• How knowledgeable are workers about their rights?</li> </ul>	<p>It was asked how these plans, prepared in line with these questions specifically for the facility, will be implemented and how they will contribute.</p>

			<ul style="list-style-type: none"> <li>• Whether there are improper working conditions,</li> <li>• Child labor</li> <li>• How are the layoffs</li> <li>• How workers voice their grievances</li> <li>• How the grievance mechanism works</li> </ul> <p>Information on their subjects was shared and their opinions and suggestions were received.</p>	In addition, in this plan prepared by us, information has been given about the management of this process and how it will be recorded and monitored in the upcoming processes.
23.11.2021 11.00 – 12.00	Phone call	Yücel Boru GOIZ Workers Representative	<ul style="list-style-type: none"> <li>• Working conditions, whether the HR policy applies to all employees</li> <li>• Whether the business complies with national employment regulations</li> <li>• Whether all employees have contracts</li> <li>• Whether there is any pressure for workers to join a union.</li> <li>• How knowledgeable are workers about their rights?</li> <li>• Whether there are improper working conditions,</li> <li>• Child labor</li> <li>• How are the layoffs</li> <li>• How workers voice their grievances</li> <li>• How the grievance mechanism works</li> </ul> <p>Information on their subjects was shared and their opinions and suggestions were received.</p>	<p>It was asked how these plans, prepared in line with these questions specifically for the facility, will be implemented and how they will contribute.</p> <p>In addition, in this plan prepared by us, information has been given about the management of this process and how it will be recorded and monitored in the upcoming processes.</p>
24.11.2021 9.30-10.30	Phone call	Yücel Group Kadıköy Headquarters HR Chief Mehmet Ali Akcebe	<ul style="list-style-type: none"> <li>• Giving information about the meetings with the stakeholders</li> <li>• Obtaining information about stakeholders</li> <li>• How the grievance mechanism of businesses works</li> </ul> <p>Information on their subjects was shared and their opinions and suggestions were received.</p>	<p>It was asked how these plans, prepared in line with these questions specifically for the facility, will be implemented and how they will contribute.</p> <p>In addition, in this plan prepared by us, information has been given about the management of this process and how it will be recorded and monitored in the upcoming processes.</p>
24.11.2021 16.00-16.30		Yücel Boru Gebze Workers Representative	<ul style="list-style-type: none"> <li>• Working conditions, whether the HR policy applies to all employees</li> <li>• Whether the business complies with national employment regulations</li> </ul>	It was asked how these plans, prepared in line with these questions specifically for the facility, will be implemented and how they will contribute.

	Phone call		<ul style="list-style-type: none"> <li>• Whether all employees have contracts</li> <li>• Whether there is any pressure for workers to join a union.</li> <li>• How knowledgeable are workers about their rights?</li> <li>• Whether there are improper working conditions,</li> <li>• Child labor</li> <li>• How are the layoffs</li> <li>• How workers voice their grievances</li> <li>• How the grievance mechanism works</li> </ul> <p>Information on their subjects was shared and their opinions and suggestions were received.</p>	<p>In addition, in this plan prepared by us, information has been given about the management of this process and how it will be recorded and monitored in the upcoming processes.</p>
14.12.2021	Phone call	Yolbulan - Baştuğ Vocational and Technical Anatolian High School - School Principal Hacı Mümin Toprak	<ul style="list-style-type: none"> <li>• What he knows and thinks about Yücel Boru Osmaniye Facility</li> <li>• How is the relationship with Yücel Boru Osmaniye Facility?</li> <li>• Whether there is any cooperation with Yücel Boru Osmaniye Facility.</li> <li>• How they are positively or negatively affected by the activities of Yücel Boru Osmaniye Plant as a stakeholder.</li> <li>• Whether there are impacts on public health and safety</li> <li>• How they proceed in case of any complaints arising from the activity</li> </ul> <p>Information on their subjects was shared and their opinions and suggestions were received.</p>	<p>In the interview with the school principal, Yücel Boru stated that they are close to the Osmaniye facility, but they are not affected by activities such as a settlement.</p> <p>Yücel Boru Osmaniye Facility provided internship and employment support to the school management as a partner in the project with the development agency DOĞAKA. There is a relevant Project agreement.</p> <p>It has been stated that Yücel Boru Osmaniye Facility is not a new business and its activities do not pose any danger to public health and safety.</p> <p>The school management stated that they contacted HR directly by phone in case of any complaints, requests or suggestions.</p> <p>He stated that he has not had any complaints so far.</p> <p>After the School Principal expressed his views, why this meeting was held,</p> <p>Whether a new facility will be added to the existing facility,</p> <p>He posed his questions.</p>

*\* In the interviews, it was learned that there is no settlement near the Yücel Boru Yeşilkoy Facility, and no stakeholder meetings could be held there. Interviews were held with the worker representative for only working stakeholders.*

*\*\* During the interviews, the photos of the stakeholders interviewed within the scope of the Personal Data Protection Law could not be taken.*

#### **4. STAKEHOLDER IDENTIFICATION AND ANALYSIS**

In order to realize stakeholder participation in an equal and fair way, stakeholders should be identified at the first stage of the activity. Thanks to this determination, it will be ensured that an effective SEP will be established that will enable all stakeholders of the activity to be accurately analyzed, including people and groups who are directly or indirectly affected by the activity, who are interested / interested in the activity.

Stakeholder Identification is an important step in managing the overall stakeholder engagement process. It reduces the risk of a narrow stakeholder group dominating the consultation process. The main stakeholders with direct contribution/influence on the business cycle and other stakeholders who have a periodic/activity-based/in case of need direct/indirect contribution/effect on the business cycle. Based on this definition, other stakeholders that may be relevant have also been identified and listed below;

- National and local government institutions and organizations (Ministry of Environment, Urbanization and Climate Change, Ministry of Health, Provincial Directorate of Environment and Urbanization, Gebze District Governorate, Gebze Municipality, Toprakkale District Governorate, Toprakkale Municipality, Dört Yol District Governorate, Dört Yol Municipality etc.)
- Settlements close to the activity area (Barış neighborhood, Yol Bulan Baştuğ Vocational High School)
- Customers, suppliers, dealers, business partners
- Group companies (Kroman Çelik, Çayırova Boru, Çelsantaş, Yücel İhracat İthalat, Demtrans Taşımacılık, Yücel Eko-Tarım)
- Yücel Boru and its Group Companies
- Universities, NGOs
- Employees
- Media

##### **4.1. Affected Parties**

This includes individuals and groups that are expected to be directly or indirectly affected by the activity in terms of living standards and livelihoods/income sources. It is not expected that those living in settlements close to the activity site (Barış Neighborhood, near the Gebze facility) will be affected by the activities since the loan will only be used for operation financing within the existing facility; a new construction, land acquisition or land use are not targeted with this financing. The stakeholder group that can be directly affected by the Activity is the employees of the Activity and its contractors. Employees of the Activity and contractors are considered as affected parties, as their working conditions depend on the procedures and principles of the Activity determined by the employers.

##### **4.2. Other Interested Parties**

Other persons or communities related to the activity are defined as “other interested parties”. National and local government institutions and organizations (Ministry of Environment, Urbanization and Climate Change, Ministry of Health, Provincial Directorate of Environment and Urbanization, Gebze Municipality, Toprakkale District Governorate, Toprakkale Municipality, Dört Yol District Governorate, Dört Yol Municipality etc.), related groups such as suppliers, dealers, shareholders and investors are also considered as other interested parties of the activity.

### 4.3. Stakeholder Matrix

In order to ensure equal and fair stakeholder participation, stakeholders should be identified at the first stage of the activity. It is also important to determine which consultation strategy (directly or indirectly) will be implemented for each affected group. Table 4.1 summarizes these details regarding the consultation and disclosure process.

**Table 4.1 Stakeholder Matrix**

Stakeholder Groups	Affected or Interested Parties	Information to be Shared	Engagement Method
National and local government institutions and organizations (Ministry of Environment, Urbanization and Climate Change, Ministry of Health, Provincial Directorate of Environment and Urbanization, Gebze District Governorate, Gebze Municipality, Toprakkale District Governorate, Toprakkale Municipality, Dörtyol District Governorate, Dörtyol Municipality etc.)	Interested Party	<ul style="list-style-type: none"> <li>• Non-technical summary of the activity and Stakeholder Engagement Plan</li> <li>• Current developments related to the activity</li> <li>• Grievance Mechanism Procedure</li> </ul>	<ul style="list-style-type: none"> <li>• Consultation meetings</li> <li>• Activity Brochures</li> <li>• Grievance Mechanism</li> <li>• Reporting obligations stipulated in laws and regulations</li> </ul>
Customers	Affected Party	<ul style="list-style-type: none"> <li>• Non-technical summary of the activity and Stakeholder Engagement Plan</li> <li>• Current developments related to the activity</li> <li>• Grievance Mechanism Procedure</li> </ul>	<ul style="list-style-type: none"> <li>• Consultation meetings</li> <li>• Activity Brochures</li> <li>• Grievance Mechanism (After Sales Service Procedure, CRM-Customer Relationship Management)</li> <li>• Sectoral meetings, seminars and conferences</li> <li>• Website and social media channels</li> <li>• Satisfaction surveys</li> </ul>
Suppliers	Affected Party	<ul style="list-style-type: none"> <li>• Non-technical summary of the activity and Stakeholder Engagement Plan</li> <li>• Current developments related to the activity</li> <li>• Grievance Mechanism Procedure</li> </ul>	<ul style="list-style-type: none"> <li>• Consultation meetings</li> <li>• Activity Brochures</li> <li>• Grievance Mechanism (After Sales Service Procedure, CRM-Customer Relationship Management)</li> <li>• Satisfaction surveys</li> </ul>

Dealers, business partners	Affected Party	<ul style="list-style-type: none"> <li>• Non-technical summary of the activity and Stakeholder Engagement Plan</li> <li>• Current developments related to the activity</li> <li>• Grievance Mechanism Procedure</li> </ul>	<ul style="list-style-type: none"> <li>• Consultation meetings</li> <li>• Activity Brochures</li> <li>• Grievance Mechanism (After Sales Service Procedure, CRM-Customer Relationship Management)</li> <li>• Satisfaction surveys</li> </ul>
Shareholders and investors	Interested Party	<ul style="list-style-type: none"> <li>• Current developments related to the activity</li> <li>• Stakeholder Engagement Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Consultation meetings</li> <li>• periodic reports,</li> <li>• Website and social media channels</li> <li>• Teleconference meetings and road-shows</li> </ul>
Bariş neighborhood, Yol Bilen Baştuğ Vocational High School	Affected Party	<ul style="list-style-type: none"> <li>• Non-technical summary of the activity and Stakeholder Engagement Plan</li> <li>• Current developments related to the activity</li> <li>• Grievance Mechanism Procedure</li> </ul>	<ul style="list-style-type: none"> <li>• Consultation meetings</li> <li>• Activity Brochures</li> <li>• Grievance Mechanism</li> <li>• Brochures and posters to be hung in public places (cafe, headman's building, town hall, etc.)</li> <li>• Grievance Mechanism</li> </ul>
Employees	Affected Party	<ul style="list-style-type: none"> <li>• Grievance Mechanism Procedure for company and contractor employees</li> <li>• Current developments related to the activity</li> <li>• Code of Conduct for Employees</li> </ul>	<ul style="list-style-type: none"> <li>• Occupational safety meetings</li> <li>• Brochures and posters to be hung in work areas</li> <li>• Grievance Mechanism and online communication platforms</li> <li>• Consultation meetings</li> <li>• Satisfaction surveys</li> </ul>
Universities, NGOs, sectoral unions and organizations (MESS Turkey Metal Industrialists' Union)	Interested Party	<ul style="list-style-type: none"> <li>• Non-technical summary of the activity and Stakeholder Engagement Plan</li> <li>• Current developments related to the activity</li> <li>• Grievance Mechanism Procedure</li> </ul>	<ul style="list-style-type: none"> <li>• Consultation meetings</li> <li>• Periodic information activities</li> </ul>
Media	Interested Party	<ul style="list-style-type: none"> <li>• Non-technical summary of the activity and Stakeholder Engagement Plan</li> <li>• Current developments related to the activity</li> <li>• Grievance Mechanism Procedure</li> </ul>	<ul style="list-style-type: none"> <li>• Press conferences and meetings</li> <li>• KAP and press release communications</li> <li>• Interviews</li> </ul>

## 5. STAKEHOLDER ENGAGEMENT PROGRAMME AND METHODS

Stakeholder engagement is an ongoing process that began before the development of this SEP and will continue throughout the life of the Activity. Yücel Boru will be in active communication with identified stakeholders throughout the life of the activity. If there are significant changes in the Activity resulting in additional risks and impacts, particularly where they will affect the parties affected by the Activity, Yücel Boru will provide information on these risks and impacts and consult with the parties affected by the Activity on how to mitigate these risks and impacts.

To the extent possible, GRM will refrain from sending and distributing printed material until the outbreak is over. Yücel Boru will carry out consultation activities by implementing the Covid-19 pandemic measures in accordance with the requirements of IFC PS1 and PS4.

The following methods and materials will be used within the scope of stakeholder engagement from the development stage of the activity to the end of the operation period.

**Consultation Meetings:** Regular consultation meetings will be held with the stakeholders affected by the activity, at least every six months, information will be given about the current activities and the questions and opinions of the stakeholders will be evaluated. Information on current developments in the activity will be provided and feedback will be received and recorded about the satisfaction of stakeholders.

**Satisfaction Surveys:** The satisfaction surveys to be applied to the employees and customers of the Company will aim to receive feedback on the Company's activities and products, and to evaluate these feedbacks and to ensure that necessary actions are taken.

**Activity Brochure:** In the activity brochures, which will be presented to the stakeholders at the first stage, general information about the Activity, the complaint mechanism and communication channels will be given.

**Grievance Mechanism:** The Grievance Mechanism will be open to all stakeholders throughout the duration of the activity and will include recording grievances, taking action for resolution and closing grievances by providing necessary information. Information on GRM communication channels will also be given to nearby settlements (especially in public places, coffee houses, Muhtars' offices, etc.) in the first phase of the activity and will be updated when necessary.

**Corporate Website:** The corporate website provides announcements, Activity documents, reports and contact information for further information requests.

## 6. ROLES AND RESPONSIBILITIES FOR STAKEHOLDER ENGAGEMENT IMPLEMENTATION

### 6.1. Implementation Arrangements

Yücel Boru will be the main responsible for carrying out the stakeholder engagement activities specified in this Plan. Collection of complaints, questions and feedback will be the direct responsibility of Yücel Boru team. The detailed roles and responsibilities of the team for the social management of the activity are given in the table below.



**Table 6.1 Roles and Responsibilities for Social Management**

Relevant Personnel/Unit	Roles
Administrative Affairs Supervisor	<ul style="list-style-type: none"> <li>Coordinates and monitors the team for the proper implementation of processes related to grievance mechanism and stakeholder engagement.</li> <li>Coordinates with the parties for the proper implementation of processes related to grievance mechanism and stakeholder engagement.</li> <li>Identifies incidents or problems arising from operational activities and ensures that appropriate corrective actions are developed or referred to the management team as needed</li> </ul>
Human Resources Unit	<ul style="list-style-type: none"> <li>Takes action to resolve operational complaints in coordination with other Operating units.</li> <li>Keeps records of complaints and participation activities.</li> <li>Implementation of satisfaction surveys to the employees and customers of the activity, analyzing the results and reporting them regularly</li> </ul>
Finance Specialist	<ul style="list-style-type: none"> <li>Producing all work in accordance with quality, safety, budget and timing requirements and company procedures and contract terms</li> <li>Ensuring successful submission of all identified documents;</li> <li>Managing consultation meetings and other related activities;</li> <li>To follow the information activities carried out within the scope of SEP;</li> <li>Ensuring that Lenders' Operating standards are met and meeting with audit teams and answering their questions as needed</li> </ul>

## 7. MONITORING AND REPORTING

Yücel Boru will record and report on a systematic basis the feedback it receives from communities, local governments, other companies, NGOs, Media, academic institutions and other relevant groups through an effective consultation and Grievance Mechanism. A summary of the follow-up and management of complaints will be submitted to the Bank with semi-annual monitoring reports to be prepared by Yücel Boru.

## 8. GRIEVANCE REDRESS MECHANISM

Within the company, grievance mechanisms have been established for employees/customers and other stakeholders, and there are different communication channels that stakeholders can reach. Complaint channels used in the current situation; After Sales Service Procedure, CRM-Customer Relationship Management, e-mail, free hotline, social media and complaint/request forms. In addition, employees can communicate their requests and complaints verbally through union and unit representatives.

Yücel Boru implements the Employee Grievance Mechanism to provide workers with an opportunity to voice their concerns and Complaints. During the on-boarding training and consultation meetings, employees are provided with information on how to make a complaint, and requests, suggestions and Complaint forms are provided in areas used by workers such as social units and dining area. All employees can freely express their requests, complaints and thoughts whenever they want. "Near-miss forms" are generally used when a complaint on

OHS is to be submitted. Due to the faster resolution of the complaints, they are transmitted orally without being recorded, and are usually resolved on the same day. However, verbal complaints within the scope of monitoring activities will also be recorded within the scope of the complaint mechanism.

In addition, the Human Resources Unit in the company is in contact with the union managers every day and checks the complaint, request and suggestion boxes by opening them daily. In case of any complaint, they produce instant solutions.

The company also has a communication mechanism for external complaints/suggestions and requests, and contact information is published on the website. Complaints from outside reach the Sales Department and HR Department, but no complaints have been received from nearby settlements to date.

Yücel Boru has not recorded the complaints from internal and external stakeholders until today. Yücel Boru will further develop the grievance redress mechanism it has carried out on many different platforms to date, and a grievance record system will be used to document all employee complaints, corrective actions and results. All Complaints will be recorded in this system which will be used to record, monitor, report and evaluate all Complaints including third parties, employees and contract workers and their responses. In addition, Yücel Boru will inform all its stakeholders about the grievance mechanism channels and provide their contact information.

Ways to be used by stakeholders to formally voice their grievances are as follows:

- Telephone line: Stakeholders can reach any facility using the following contact numbers.

**Yücel Boru Gebze Facility:** 0 262 648 68 00

**Yücel Boru GOSB Precision Pipe Facility:** 0 216 418 10 00

**Yücel Boru Osmaniye Facility:** 0 328 826 80 83

**Yücel Boru Yeşilkoy Facility:** 0 326 734 26 21

**Yücel Group Kadıköy Headquarters:** 0 216 418 10 00 (Group companies can also be reached from this number)

- Face-to-face: (Stakeholders can convey their complaints face-to-face to the relevant personnel of Yücel Boru in the factory)
- Grievance Registration Form: (They can fill in the Grievance registration forms that will be available at the facilities and other public places accessible to stakeholders)
- Web page contact form: Stakeholders can fill out the contact form on the website <https://www.yucelboru.com.tr/iletisim.php>

The steps to be followed during the grievance management will be as follows;

### **8.1. Receiving & Registering of Grievance**

All complaints received by the personnel of the relevant company through the telephone line, contact form or other channels are recorded using the Grievance Registration Form (GRF) and a hard copy of the form is given to the Complainant. The completed form is entered into the Yücel Boru complaint registration system within the same Business Day.

If the GRF cannot be filled, the following basic information is recorded:

- Complainant's first and last name (complainants also have the right to register an anonymous complaint);

- Subject of the complaint; o Complaints Place;
- Contact information (phone / mobile number, address, e-mail, etc.);
- Organization name (if relevant)
- Date and time
- Yücel Boru Team completes the GRF according to the information provided and records the Complaint.
- All corrective actions suggested by the complainant are recorded through the GRF.

### **8.2. Assessment of the Grievance**

All Complaints are reviewed to be classified according to whether they are genuine or not related to company activities. If the issues/disputes raised are not related to the company's activities, guidance is provided to the Complainant to contact the relevant person. Eligible Complaints will be answered in accordance with the company's social and environmental standards.

All Complaints received over the phone line, e-mail, face-to-face meetings / communications are recorded and Yücel Boru Team contacts the Complaint owner to explain the Activity response process within two (2) Business Days after registration.

Yücel Boru has ten (10) Business Days to investigate and respond to Complaints. If the situation requires a more complex investigation, the Complainant will be provided with updated information describing the necessary actions and possible timeline for resolving the Grievance.

### **8.3. Resolving the Grievance**

Necessary corrective actions will satisfy the complainant. All parties agree on corrective actions during the resolution process.

Yücel Boru aims to resolve each complaint within thirty (30) Business Days after responding, and this period may be extended with the written instruction of the General Manager.

Complainants have the right to apply to the relevant official authorities when they are not satisfied with the decision of Yücel Boru and / or the Contractors regarding their complaints.

### **8.4. Close out of the Grievance**

Evidence of the corrective actions taken (photographs or other evidence documents on the Site, pertaining to the subject) is collected and a "Complaint closure form" is prepared between Yücel Boru and the Complainant.

## **APPENDIXES**

**Appendix-1 GRIEVANCE REGISTER FORM**

**Appendix-2 COMPLAINT CLOSURE FORM**

**YÜCEL BORU VE PROFİL ENDÜSTRİSİ A.Ş.**  
**ŞİKÂYET KAYIT FORMU / GRIEVANCE REGISTER FORM**

<b>Şikayetin Alındığı Yer/</b> Location Of Complaints Received		<b>Tarih/</b> Date
<b>Alan Yetkilinin Adı/</b> Name Of Person In Charge		<b>Şikayet Kayıt No/</b> Complaint Register Number
<b>Şikayete Konu Alanın Koordinatları/</b> Coordinates Of The Area Subject To Complaint		
<b>ŞİKÂYET SAHİBİ HAKKINDA BİLGİ / COMPLAINANT INFO</b> <b>Şikâyet Sahibi kimlik bilgilerini vermeden anonim olarak doldurabilir, ancak kendisine geri dönüş şekli bu formda belirtmesi gerekmektedir. / The Complainant may submit application anonymously, however in this form the Complainant should indicate the feedback mechanism to respond.</b>		
<b>Ad Soyad/</b> Name Surname		<b>Şikâyetin Geliş Yolu /</b> Form of Complaint:
<b>TC Kimlik No/</b> Identification Number		<b>Telefon- Ücretsiz hat /</b> <input type="checkbox"/> Phone –Free phone line
<b>Telefon/ E-Posta</b> Telephone/ E-mail		<b>İstişare Toplantısı/</b> <input type="checkbox"/> Consultation meeting
<b>Mahalle-Köy-İlçe-İl/</b> Neighborhood-Village –District - Province		<b>Dilekçe /</b> Petition
<b>ŞİKÂYET DETAYLARI / DETAILS OF COMPLAINT</b>		
<b>Şikâyet Konusu /</b> Complaint		
<b>Şikâyet sahibi tarafından talep edilen çözüm /</b> Solution requested by the Complainant		
<b>Şikâyeti Alan Yetkilinin Ad Soyad ve İmzası / Şikâyet Sahibinin Ad Soyad ve İmzası /</b> Name Surname and Signature of the Registerer Name Surname and Signature of Complainant		

**YÜCEL BORU VE PROFİL ENDÜSTRİSİ A.Ş.**  
**ŞİKÂYET KAPATMA FORMU / COMPLAINT CLOSURE FORM**

Complaint Closing Number:	
Define Emergency Actions to be Taken:	
Identify Long-Term Actions to Be Taken (If Necessary):	
Is There a Claim for Compensation?	Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>CONTROL AND DECISION OF CORRECTIVE ACTION</b>	
<b>Stages of Corrective Action</b>	<b>Date of Expiration of the Given Period and Authorized Institutions</b>
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	