



DEDEM
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United Nations
Global Compact



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UN GLOBAL COMPACT – Communication on Progress
November 2019-December 2020

COMMUNICATION ON PROGRESS REPORT

This report is a description of actions, and relevant policies, related to the following issue areas: Human Rights, Labor, Environment and Anti-Corruption.



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10.05.2021, İZMİR/TURKEY



TO OUR STAKEHOLDERS,

Dedem Mekatronik company signed the UN Global Compact in 2018, however the Principles have always been a framework in shaping our management approach.

Our aim is to technologically transform the industrial factories by adding value to efficiency. While doing that we care about continuous learning and development, transparency and most important win-win relationships with all our stakeholders.

I am pleased to confirm that Dedem Mekatronik reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture, and daily operations. We also commit to share this information with our stakeholders using our website.

Sincerely yours,

RAŞİT İMRENCİ
GENERAL MANAGER



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THE 10 PRINCIPLES OF THE UN GLOBAL COMPACT

Human Rights

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

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

Labor Standards

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

Principle 4: The elimination of all forms of forced and compulsory labor,

Principle 5: The effective abolition of child labor; and

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

Environment

Principle 7: Businesses are asked to support a precautionary approach to environmental challenges,

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

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

Anti-Corruption

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



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BUSINESS ETHICS POLICY OF DEDEM MEKATRONİK

DDM.EK.051__BUSINESS ETHICS POLICY_ENG

	BUSINESS ETHICS POLICY	Doküman No	DDM.EK.051
		Yayın Tarihi	16.08.2018
		Revizyon No / Tarihi	00/00
		Sayfa No	1/2

In DEDEM MEKATRONİK company:

1. As stated in our DDM.EK.053__Business Ethics Guide, there are adequate preventative procedures in place and a prohibition on any and all forms of bribery and corruption.
2. Any gifts and hospitality is kept reasonable and proportionate in nature.
3. All confidential information (competitor, employees and customer) is handled in accordance with applicable laws.
4. Money laundering and trade of information are prohibited and financial records are recorded in accordance with applicable laws
5. The information, know-how and intellectual property of our customers are respected and protected.
6. Products and services are delivered according to agreed specifications and research is conducted responsibly and scientifically.
7. All laws and regulations are complied with.
8. All employees can report their concerns and complaints and are protected from retaliation when they do so.
9. Work is conducted on the basis of freely agreed and documented terms of employment.
10. All employees are treated equally, respectfully and with dignity, work is conducted on a voluntary basis.
11. Our employees comply with the age scale specified in the relevant legislation.
12. All our workers are paid fair wages.
13. Our employees work according to the hours specified in the related legislation.
14. Our employees have the right to join the trade unions.
15. Health and safety of our employees is ensured.
16. Our employees have access to fair procedures and remedies.
17. Land rights of communities, including indigenous peoples, shall be protected and promoted.
18. Our business is conducted in a manner which embraces sustainability and reduces environmental impacts.
19. Observing the physical elements in our work environments and detecting nonconformities in the elements in our case, improvements are made in our work environments.

GENERAL MANAGER

The Business Ethics Policy is a short explanation of primary rules that are binding for all operations and employees as well as business partners such as suppliers and dealers.

Dedem Mekatronik's business ethics approach in detail is documented in the Code of Ethics and Business Conduct (DDM.EK.053__İş Etiği Rehberi) that has been created in 2018 that is available in Turkish language. The summary of it is presented on next pages.

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DEDEM MEKATRONİK PRINCIPLES OF BUSINESS ETHICS

This guide explains the business ethics principles of DEDEM MEKATRONİK with the following 3 main lines:

DEDEM MEKATRONİK and Our Employees

DEDEM MEKATRONİK, Our Customers and Suppliers

DEDEM MEKATRONİK, State and Society

DEDEM MEKATRONİK and Our Employees. The way we influence each other:

DEDEM MEKATRONİK expects our employees to be honest and respectful to each other. DEDEM MEKATRONİK respects the right of employees to express themselves freely and encourages open communication and constructive feedback between your managers/managers and employees. We believe that different views and experiences will contribute to developing innovative solutions that will make us competitive in the global market.

The following basic principles apply to all employees:

- You must treat your colleagues honestly and fairly.
- You should not hesitate to suggest new ideas for solving business problems.

1. Working Environment

According to DEDEM MEKATRONİK a good and safe working environment where employees can work without injury or illness is one of the prerequisites for sound and effective work.

By working environment, it is meant the physical, chemical, and psychological conditions that affect the health and well-being of employees in the workplace. We work prudently to prevent work environment problems, for example by minimizing the use of substances that may be harmful to humans or the environment. The following basic principles apply to all employees:

- You should be aware of the information about the working environment and workplace safety and keep your information up to date.
- You must follow the safety instructions given to you.
- You should use the necessary personal protective equipment to do your job.
- You must not subject yourself or others to unnecessary physical or psychological stress.
- You should contribute to the determination of the causes of work accidents and participate in the process of preventing their recurrence.
- You are jointly responsible for creating a moderate work environment.

The following key principles also apply to principals/managers:

- You must ensure that your employees receive training and comply with all conditions regarding the working environment and safety.
- You must continually identify the need for extra training that has proven necessary to maintain a high level of security.

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- You should ensure that your employees are constantly informed about the learning points that will prevent the recurrence of occupational accidents.
- You should take precautions regarding the issues that will create a negative working environment.

3. Discrimination

Respecting cultural differences, DEDEM MEKATRONİK treats each employee with human dignity and expects the same sensitivity from all employees. Discrimination in the workplace is never acceptable and it is our priority to ensure that employees do not face unfair discrimination. It is important for the development of DEDEM MEKATRONİK that all employees have the opportunity to develop their potential. Discrimination in the workplace eliminates this opportunity. The following basic principles apply to all employees:

- You must not engage in acts of physical violence, discrimination or harassment based on gender, age, nationality, ethnicity, religion, sexual orientation, disability or political opinion. Also, speaking in a way that hurts others is not acceptable.
- If you or others are discriminated against, you should intervene or contact the Ethics Committee.

The following key principles also apply to principals/managers:

- You must ensure that all your employees are treated equally and that all your employees are evaluated according to their qualifications and performance.
- You should not pay attention to gender, age, nationality, ethnicity, political affiliation, disability in relation to hiring, salary adjustments, career opportunities, further education or staff cuts, except where it relates to affirmative action to ensure diversity in the workplace.

4. Employment and the right to privacy

DEDEM MEKATRONİK respects the privacy of employees' private life. This right applies to both our current employees and the recruitment and employment of new employees. We strive to comply with existing rules on the protection of personal data. The following key principles apply to managers/managers and HR staff:

- Employees' personal information should be recorded for business purposes only, and this information should be processed and stored securely and in accordance with legal provisions. You must respect the right of all employees to read their personal information.
- You should ensure that DEDEM MEKATRONİK only requests health tests that are absolutely necessary or specifically requested from employees, and you should not use health tests for discrimination purposes.
- You should not question the applicant's health status unless it is related to work performance or safety or is necessary for compliance with applicable legislation. Also, you should not ask specific questions about the applicant's private life, political affiliation, sexual orientation and religion, or family circumstances, including pregnancy.
- If you hire a recruitment consultant, you should inform them about the above-mentioned principles regarding the protection of personal data and the use of health tests.

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5. Forced labor and employment conditions

DEDEM MEKATRONİK does not tolerate forced labor or other forms of involuntary work. We respect the right of our employees to strike a healthy balance between working hours and leisure time. The following key principles apply to managers/managers and HR staff:

- We must ensure that each employee has an employment contract or is covered by written terms stating the terms of employment and termination, so that the employee is working voluntarily.
- We must ensure that new employment contracts or other written business conditions contain conditions that require the employee to comply with the ethical principles of DEDEM MEKATRONİK.
- We must ensure that salary, including overtime, complies with local legislation and agreements.
- We should avoid taking pay cuts as disciplinary action, except where the employee willfully neglects important work instructions (eg safety rules) and where the effect of a written warning is very limited. Salary deductions should never replace a written warning. Salary cuts should be a last resort and only to a limited extent, and the monthly salary should never be lower than the minimum wage.

6. Child Labor and Youth Employment

DEDEM MEKATRONİK respects children's right to development and education, therefore, we do not tolerate child labor. The following key principles apply to managers/managers and HR staff:

- If you hire youth and children aged 15-18, you must ensure that they are above the local minimum working age and the local compulsory education completion age. In addition, children should not do hazardous work, work at night and take more breaks than workers over 18.

7. Confidential information

The relationship of trust between DEDEM MEKATRONİK and its employees requires that confidential information not be disclosed to unauthorized persons. Confidential information is information that cannot normally be accessed by third parties, is important for DEDEM MEKATRONİK's business and/or cannot be legally presented to third parties without prior approval. DEDEM MEKATRONİK's strategy, technology, products, prices, all confidential information for DEDEM MEKATRONİK or information about its business partners are among confidential information.

The following basic principles apply to all employees:

- You should not use DEDEM MEKATRONİK's confidential information for personal purposes.
- You should not disclose DEDEM MEKATRONİK's confidential information to persons who are not within the body of DEDEM MEKATRONİK.
- You must not disclose confidential information about business partners to third parties.
- You must ensure that third parties do not have access to information you have (eg on your computer, phone, or among your documents).

8. Electronic communication tools

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DEDEM MEKATRONİK provides its employees with electronic communication tools regarding work. The following basic principles apply to all employees:

- You should use communication tools only for approved purposes.
- You should not use DEDEM MEKATRONİK communication tools (such as the e-mail address provided by the company) to donate money or pay for your personal expenses.
- You should not use DEDEM MEKATRONİK's communication tools to manage your private business and relations.
- You should not use DEDEM MEKATRONİK's communication tools for illegal, hurtful or threatening conversations or conversations that violate copyrights, trademarks or people's right to privacy.
- If you suspect a violation of Information Technologies security that may threaten DEDEM MEKATRONİK's information system (e.g., virus attack), you should contact the IT department immediately.

9. Alcohol and drugs

DEDEM MEKATRONİK wants to be a healthy and safe workplace. If DEDEM MEKATRONİK is suspected of neglecting the working environment or safety-related conditions because of alcohol or drug use, we have the right to conduct relevant investigations. The following basic principles apply to all employees:

- You must not drink alcohol or be under the influence of alcohol during working hours unless it is related to a celebration or similar event approved by the management.
- You must not use drugs or other prohibited substances, be under the influence of drugs or other prohibited substances or encourage others to take drugs or other prohibited substances during working hours.
- DEDEM MEKATRONİK respects the private life of its employees; However, we remind you that if you have been sentenced to use illegal substances in your private life, you may face sanctions that may result in the termination of your employment contract.

10. Theft and fraud

Any form of theft, embezzlement or fraud in the workplace or misuse of DEDEM MEKATRONİK's name, products, goods or information will not be tolerated, and any behavior will result in dismissal and legal action. The following basic principles apply to all employees:

- You should not misuse DEDEM MEKATRONİK's credit cards or cash funds.
- You should not deceive DEDEM MEKATRONİK about travel, working hours or vacation records.
- You should not add fake expenses to your own account, increase your expenses intentionally or make DEDEM MEKATRONİK pay for your private expenses.

You should not use DEDEM MEKATRONİK's letterhead or DEDEM MEKATRONİK's name or trademark for personal or unauthorized purposes.

- You should not take the belongings of DEDEM MEKATRONİK (non-employable items) unjustly or take these items out of the company building without the written approval of your manager/managers.
- You must not copy copyrighted and licensed material (including software).

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11. Politics

DEDEM MEKATRONİK does not find it appropriate to support certain political parties or the interests of political parties. However, DEDEM MEKATRONİK management may approve the membership of industrial institutions or institutions operating within the framework of contracts signed by DEDEM MEKATRONİK Group, or associations working for public benefit in areas approved by the board of directors.

The following basic principles apply to all employees:

- You should not use the name or trademark of DEDEM MEKATRONİK for political activities.
- You should not share your personal political views using DEDEM MEKATRONİK letterheads or your DEDEM MEKATRONİK e-mail address.
- You should not give money or otherwise support political parties on behalf of DEDEM MEKATRONİK.
- When you personally participate in political activities, you should not use items bearing the name or trademark of DEDEM MEKATRONİK.
- You can become a member of an industry association if your Manager/Manager approves your membership.

12. Conflicts of interest

DEDEM MEKATRONİK expects its employees to always inform itself of actual or potential conflicts of interest. A conflict of interest arises when an employee uses his/her own personal interests in situations where his/her duties and responsibilities at DEDEM MEKATRONİK should come first. The following basic principles apply to all employees:

- You should not abuse your position at DEDEM MEKATRONİK or the name of DEDEM MEKATRONİK for personal gain.
- If your relatives work in a company that competes with DEDEM MEKATRONİK, buys products from DEDEM MEKATRONİK and sells products to DEDEM MEKATRONİK, owns shares of this company or has a serious financial interest in this company, have influence over decisions.
- You should not encourage business partners of DEDEM MEKATRONİK to do business with a company that you have financial interests in, without informing the business partner about your financial interests.
- You should not influence your competitor in business decisions.

In no way:

- You must not work for a company that competes with DEDEM MEKATRONİK or distributes DEDEM MEKATRONİK's products, do not own shares of this company or have any financial interests in this company.
- You should not help your relatives, friends or close circle to conclude supplier or distribution agreements or agreements concerning DEDEM MEKATRONİK.

The following key principles also apply to principals/managers:

- All elements of a financial transaction (i.e., from initiation of the transaction, approval and payment to reporting) without confusing other employees of a single employee.

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**OHS, ENVIRONMENT AND QUALITY TARGETS AND MEASUREMENT CRITERIAS
FOR 2020 YEAR**

Related Department / İlgili Bölüm	Targets / Hedefleri	Target Date / Tarih	Target Criteria (Measurements) / Hedef Kriteri (Ölçümleri)	Activity to be Implemented / Yapılacak Faaliyet	Source to be used / Kullanılacak Kaynak	Results / Sonuçlar
Quality	To keep the number of minor nonconformities below 10 as a result of the audit, in the internal audits to be carried out once a year.	01. 2021	DDM.FR.070_İç Tetkik Raporu Formu	E.Y.S. increase use, eliminate nonconformities	ISO9001:2015 – ISO 14001:2015 – ISO 45001:2018	1 minor non-compliance
Marketing	To keep customer satisfaction on the basis of 90%.	01. 2021	Customer Satisfaction Surveys	Conducting relevant surveys, making improvements to survey questions with low satisfaction levels.	DDM.PR.033_ Müşteri Algılamasının Ölçümü Prosedürü - R2 - 31.07.2018	No measurement made
HR & Admin	Keeping employee satisfaction above 90%	01. 2021	Employee Satisfaction Surveys	Conducting relevant surveys, making improvements to survey questions with low satisfaction levels.	DDM.PR.032_ Personel Algılamasının Ölçümü Prosedürü - R1 - 30.05.2018	No measurement made
Quality	To keep the number of accidents, incidents and injuries below 10 in 2020.	01. 2021	DDM.LS.038_İş Kazası Takip Listesi	Identifying and eliminating OHS non-conformities	ISO 45001:2018	9 accidents
Quality	To ensure 100% use of OHS equipment in the production activities of our personnel.	01. 2021	Field Inspections	Equipment usage will be inspected and non-users will be reported. Missing equipment will be provided	ISO 45001:2018	The use of PPE was audited in daily audits.
Quality	To ensure that the measurement and analysis devices are calibrated 100%.	01. 2021	DDM.LS.009_İzleme ve Ölçüm Cihazları Kalibrasyon Listesi	Calibration renewal will take place in January 2021.	DDM.PR.022_ Bakım Onarım ve Kalibrasyon Prosedürü	All measuring instruments were calibrated for 2020.



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Quality	ISO 14001:2015 Çevre Yönetimi Sistemi ile ilgili çalışanları bilinçlendirmek için en az 1 kez eğitim düzenlemek.	01. 2021	Training Participation Form	Training will be held.	ISO 14001:2015	In 2020, EMS trainings, including Environmental management, started to be given within the on-the-job training.
Production and Quality	To reduce the waste rate and waste disposal rates of all materials that may occur in production and waste by 15% compared to 2019.	01. 2021	Hazardous and Non-Hazardous Waste Lists	Studies will be organized to reduce the amount of waste.	ISO 14001:2015	Since waste rate information could not be obtained in the production department, it could not be measured.
Quality	Monitoring of CO2 emissions from the company	01. 2021	CO2 emission monitoring chart	Collection and reporting of CO2 emission data originating from personnel services, vehicle fleet, vehicle fleet used in the logistics process, electricity consumption, generator usage, aircraft usage, welding and kitchen tubes	ISO 14001:2015	The data was kept in 2020.
Top Management	5% reduction in 2020 CO2 emission value compared to 2019	01. 2021	2020 CO2 emission monitoring chart	Reducing the number of personnel service vehicles, rejuvenating the age of company vehicles and preferring vehicles with low CO2 emissions, combining points on the same route in logistics voyages	ISO 14001:2015	There is an increase of 2.81%.
Quality	Monitoring the fossil fuels consumed by the company	01. 2021	fossil fuel monitoring chart	Collection and reporting of fossil fuel consumption data originating from personnel services, vehicle fleet, vehicle fleet used in the logistics process, electricity consumption, generator usage, aircraft usage, welding and kitchen tubes	ISO 14001:2015	The fossil fuels consumed by the company were monitored in 2020.

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DATA MONITORING

Table 1 – CO2 emission monitoring:

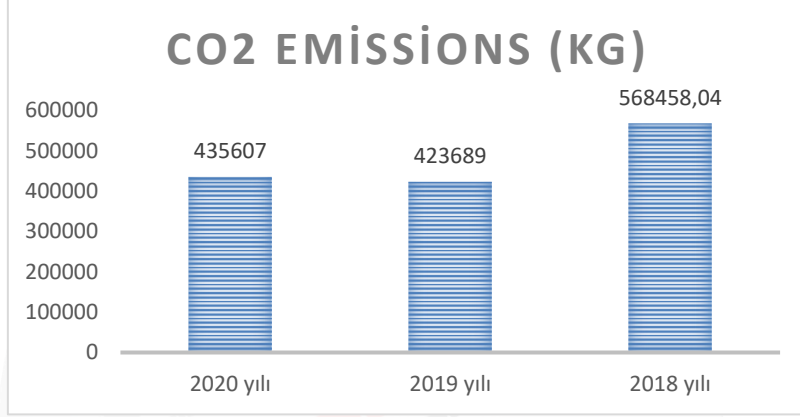


Table 2 – Water consumption

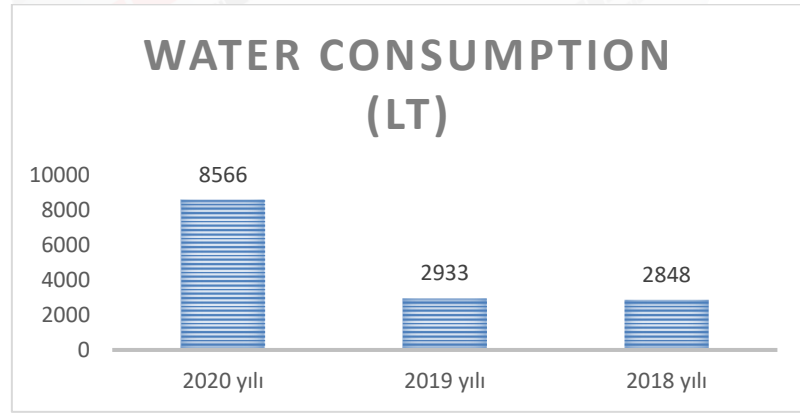
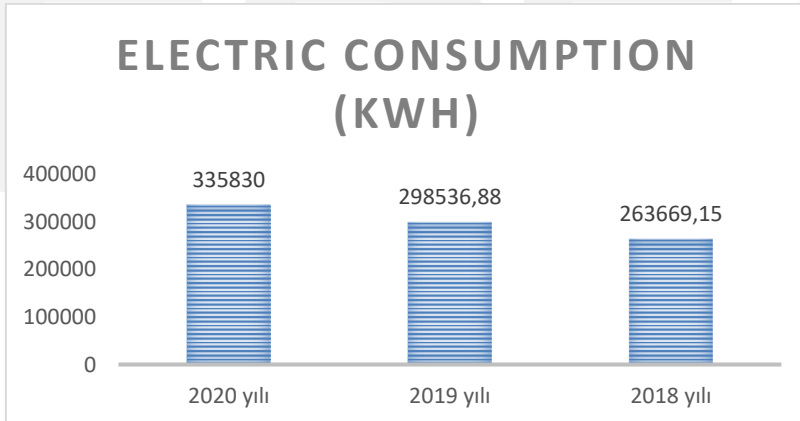


Table 3 – Electric consumption





EMPLOYEES STATISTICS

Table 4 - Employees by Gender

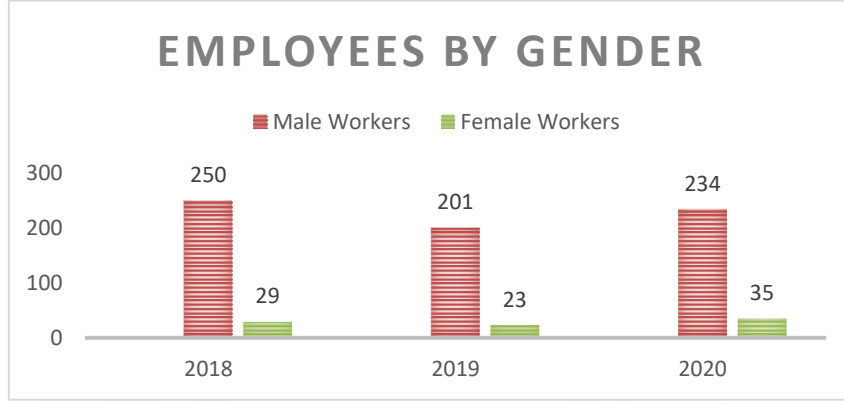


Table 5 – Hourly and Monthly Wage Employees

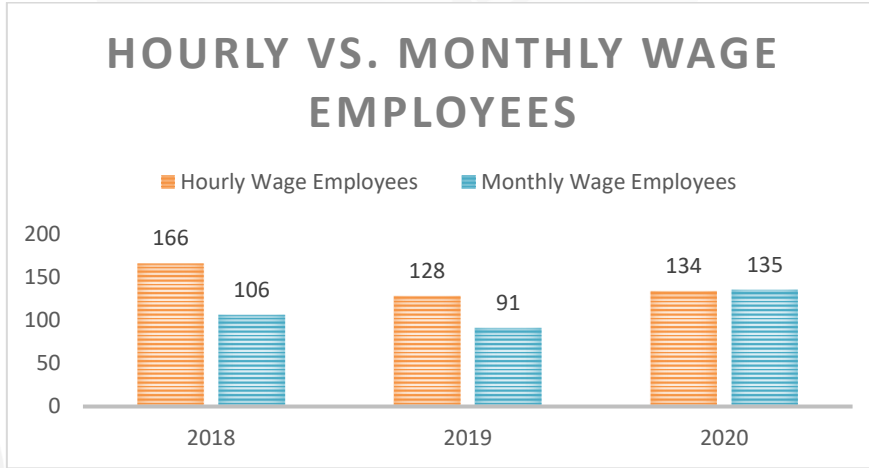


Table 6 – Employee Numbers:

	2018	2019	2020
Number of Hourly Paid Employees	166	128	134
Number of Paid Employees per Month	106	91	135
Number of Male Managers in the Board of Directors	21	21	18
Number of Female Executives in the Board of Directors	2	3	4
New Hiring (Male)	86	60	81
New Hiring (Female)	9	5	18
Leaving Employees (Male)	108	59	65
Leaving Employees (Female)	9	8	9
Total number of workers	278	224	269
Total Male Worker	250	201	234
Total Female Worker	29	23	35