



# Mazars in Türkiye

## Integrated Report 2022

mazars



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# Introduction

Regrettably, the years 2022 and 2023 have been marked by the persistent repercussions of the climate crisis, along with intermittent, acute crises.

The onus for restoring stability in our region and maintaining dignified employment conditions lies squarely with us, even if that entails significant risks.

At Mazars in Türkiye, we are committed to generating value for our stakeholders through meticulous craftsmanship and the continuous dissemination of knowledge.

In our Integrated Report, we have incorporated the theme of “productive hands.” We collaborate with both those who assist us and those to whom we extend assistance, as we collectively strive for sustainable development within a humane societal framework.

We exercise great care to ensure that all life forms inhabit a world befitting their inherent worth. We are united in the aspiration to navigate these tumultuous times collaboratively. We hold steadfast in our conviction that the capacity for transformative change rests within our hands.

## About the Report

Conscious of our societal and environmental obligations, we place substantial emphasis on fostering intimate engagement with all our stakeholders as we endeavor to cultivate sustainable value. To this end, we are gratified to unveil our fourth Integrated Report, delineating both the financial and non-financial performance metrics of our organization for the calendar year spanning January 1, 2022, to December 31, 2022.

Guided by the integrated thinking paradigm advocated by the Value Reporting Foundation (VRF), this document outlines our value creation model and appraises our performance relative to our strategic goals. In addition, we disclose our prospective plans and objectives, as well as our frameworks for risk and opportunity management for stakeholder consideration. This report adheres to the International Integrated Reporting Framework (<IR>) as well as the standards set forth by the Global Reporting Initiative.

In compiling this report, we have used the GRI Standards while also considering guidance from the Sustainability Accounting Standards Board's (SASB) Professional and Commercial Services sector-specific recommendations.

Additionally, our report incorporates the United Nations Sustainable Development Goals, as well as the tenets of the United Nations Global Compact (UNGC)—to which we are signatories—and the United Nations Women’s Empowerment Principles (WEP) progress statements.

The orchestration of all our sustainability endeavours, inclusive of this report's preparation, falls under the purview of our Sustainability Committee. We extend our sincere gratitude to Prof. Dr. Güler Aras for her invaluable counsel throughout the process of compiling this report.

# Chairman's Message

Dear Stakeholders

The years 2020, 2021, and 2022 have been marked by a pervasive global economic crisis that has spared neither affluent nor emerging nations, affecting both developed and developing countries indiscriminately. As we navigated the challenges posed by the COVID-19 pandemic, we were poised to experience some relief at the onset of 2023. However, the ongoing conflict in Ukraine and the devastating earthquakes in the Kahramanmaraş province on February 6, 2023—which resulted in a loss of over 50,000 lives—served as poignant reminders of our vulnerability. These calamities underscored the peril of an unfettered capitalist system, devoid of ethical constraints and driven solely by avarice. It became evident that without systemic reforms, such catastrophes will recur, irrespective of geographical boundaries.

While some developed nations have successfully mitigated casualties from seismic activities by enforcing stringent building regulations, others adopt a fatalistic perspective, merely bracing for future calamities and resigning themselves to potential losses. The experiences of countries like Japan and Chile, which have both significantly reduced the human toll through proactive measures, reveal that the primary culprit is not the seismic event but inadequate construction standards.

Esteemed stakeholders, seismic activity is merely one amongst a series of looming disasters, the most formidable of which is the climate crisis. The dilemma parallels that of seismic preparedness: either attribute these events to fate and await their consequences passively, or engage proactively in preventive action. However, it is imperative that this undertaking is coordinated on an international scale rather than isolated national efforts. Singular or piecemeal initiatives are destined for ineffectiveness, nullified by the contrary policies of nations focused solely on economic growth at the expense of environmental sustainability.

Certainly, it is crucial to highlight the historical culpability of developed nations in contributing to the present climate crisis. The means by which certain countries have achieved their current level of

advancement, often at a substantial environmental cost, ought not to be overlooked. Consequently, an international compensation model could be instituted to redress the ecological damages incurred by developing nations. Such a model would enforce specific restrictions to deter these countries from further environmental degradation as they pursue development. In my view, an environmental taxation system, structured with pre-defined parameters for each country, would serve as the most effective approach.

Micro-level, the imperative for enterprises to disclose information related to their environmental and social practices, as well as financial data, cannot be overstated. Mandatory reporting should be required for all enterprises that reach a particular scale, to ensure the broadest dissemination possible. I find it encouraging that an increasing number of enterprises, including those in our own country, are recognizing the significance of such disclosures, integrating them into their information systems, and presenting them to the public via consolidated financial reports.

At Mazars in Türkiye, we have consistently applied this comprehensive reporting methodology for several years. Therefore, the report you hold encompasses not merely financial details but also a broad array of other data, including environmental impact, societal contributions, carbon footprint, and our overarching ethical stance. It reflects our comprehensive perspective on these critical matters.

I extend my deepest gratitude to all colleagues who participated in the compilation of this report and wish you both wellness and fulfillment in the days ahead.



**Leon Aslan Coşkun, CPA**  
Chairman of the Board  
Mazars in Türkiye

# CEO and Corporate Sustainability Ambassador's Message

## Valued Stakeholders

As I write these words, we are sixty days removed from the earthquake disaster that befell us. The extent of the tragedy our nation has endured leaves much to be discussed. Painfully, we have witnessed the dire consequences of neglecting the integral tenets of science, rationality, meritocracy, transparency, accountability, institutional integrity, legal frameworks, and our relationship with nature, particularly as we transition from rhetoric to actionable measures.

The cornerstone of any initiative is awareness—an awareness that needs to be comprehensively disseminated, understood, and applied at every organizational level. Awareness begets responsibility, which in turn leads to action. Within Mazars in Türkiye, and across all enterprises, perceptions of corporate sustainability can vary across hierarchical levels. For there to be truly effective implementation, it's essential to achieve a common understanding, enabling every team member to discern the interconnectedness between the socio-environmental ramifications of their work and its economic viability.

In my view, global warming looms as one of the most critical risks confronting us. While this may be articulated in our reports, how is it internalized by our workforce? Where does the climate crisis rank in priority when servicing our stakeholders? Can we concurrently evaluate and manage both the daily financial risks we face—such as political instability, inflation, receivables, and currency fluctuation—and the non-financial risks like climate change, social inequality, and biodiversity loss?

At Mazars in Türkiye, rather than being despondent over circumstances beyond our immediate control, we choose to operate with a collective sense of hope and enthusiasm. We try to establish an environment characterized by both financial and ethical justice. When speaking of justice, I refer not merely to equitable financial remuneration but also to the justice of recognition, where diversity is embraced; the justice of participation, where voices are heard and leadership roles are distributed equitably; and the justice of income, where labour's worth is meticulously assessed to align with market conditions.

To synchronize the strategic objectives of executive management, employees at various tiers, and other key stakeholders—particularly our clients—we have begun a comprehensive strategic infrastructure assessment. This initiative commenced in late 2022 and is set to extend into 2023, focuses on reevaluating aspects of strategy, marketing, technology, and human resources through the lens of corporate sustainability.

Our goal is to evaluate both the risks and benefits in these four areas. After that, we plan to update our processes to include social and environmental factors, and we'll involve not just our employees but also other stakeholders. Once we've made these changes to better meet our sustainability goals, we'll outline the next steps in our journey to Net Zero.

I firmly believe that these initiatives will not merely advance our commitment to delivering sustainable value to all our stakeholders, but will also raise our organization's accountability to a higher level on our sustainability journey.



**Dr. İzel Levi Coşkun**  
CEO / Corporate  
Sustainability Ambassador  
Mazars in Türkiye





# About Mazars in Türkiye

## Our Corporate Values

### Our Vision

To be the most reputable firm in the sector through our commitment to offer high-quality, reliable and boutique services.

### Our Mission

To generate responsible revenues rooted in core values and focused on employee development; to create sustainable value for our clients and all stakeholders.

### Our Corporate Values

Respect for all creatures on earth, particularly for society and the environment generally, is the basis of the relations established by Mazars in Türkiye with its employees.

This perspective is what enables us to coexist harmoniously despite our differences.

We unify **UTILITARIAN ETHICS**, which aids us in considering the interests of all our stakeholders, including society and nature, with **CARE ETHICS**, which emphasizes the significance of the emotional communication existing between us, thus defining a unique approach to work. Our aim is to integrate this approach into our daily tasks, guided by professional ethics.

What all our stakeholders agree on is that our **BOUTIQUE SERVICE** approach is supported by four daily habits: the attention and time that senior executives allocate to our clients, a commitment to delivering swift and precise outcomes due to immediate access, the capacity to propose creative and unique solutions to client issues, and our proactive attitude.

Starting with our recruitment process, our pursuit of **TECHNICAL EXCELLENCE** is reinforced by on-the-job training, technical training programmes, and competency-based learning. We understand that a constant endeavour to attain technical excellence is the cornerstone of delivering high-quality services and maintaining our operational independence.

We attribute our stakeholders consistently describing us as “honest and objective” to our unwavering **INDEPENDENCE** since our inception as a firm.

Our curiosity, our perpetual questioning mindset, the insights we gain from our experiences, our status as a learning organization, and our openness to innovation embed a culture of **CONTINUOUS DEVELOPMENT** within us, preparing us for the future.

### Mazars in Türkiye by Numbers

7

Offices

38

Partners

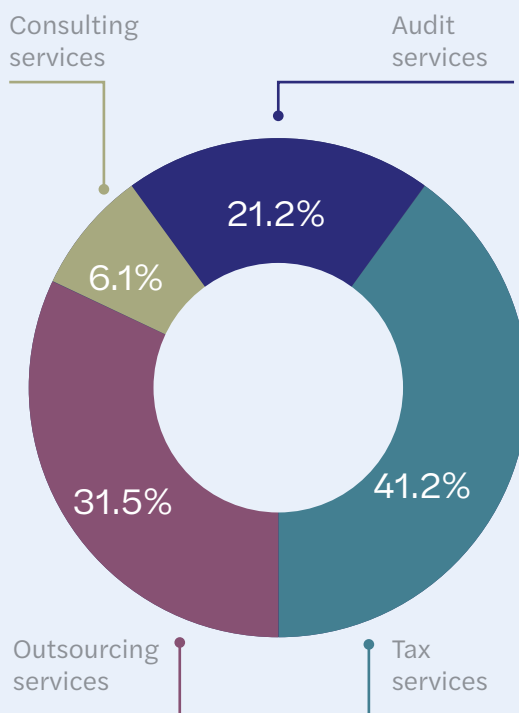
418

Employees

1,416

Customers

### Diversified Revenue Mix: 2022



### Net Profit / Sales

16.7%

2021

16.6%

2022

# About Mazars in Türkiye

## Corporate Profile

### About Mazars

Mazars is an international, integrated and privately held organisation specialising in audit, outsourcing, consulting and tax services. As Mazars, the expertise of our more than 47,000 employees in more than 95 countries enables us to provide the same quality service to all our clients. We are proud to help clients of all sizes, from SMEs to global players, from startups to public organisations, at every stage of their development.

### About Mazars in Türkiye

The foundation of our professional pride lies in Denge Group's strategic alliance with the Mazars Group in 1999, an extension of our inception in Istanbul in 1977. This partnership, built on mutual values, has internationalized our operations. What distinguishes us from our competitors today is the unparalleled quality of our service, enriched by the focused attention we give to our 1,463 clients. These clients benefit from the expertise of 36 partners, 15 of whom operate out of 7 offices across six Turkish provinces, and a committed team of 380 specialized professionals who deliver boutique-level service.

## Our Services

### Tax Services

Full Certification  
Tax Consultancy  
Tax Review  
VAT Refund  
Transfer Pricing  
Tax Due Diligence  
Business and Social Security Consultancy  
Turkish Citizenship by Investment  
Investment Incentive Services  
Tax Cases

### Audit Services

Independent and Special Purpose Audit Services

### Outsourcing Services

Bookkeeping and Declaration  
Submission Payroll and SSI Incentive Consultancy  
International Financial  
Reporting Audit of Accounting Records

### Our Consultancy Services

Corporate Finance  
Strategic Management Consultancy  
Information Technology Audit, Security and Consultancy  
Financial Due Diligence Services  
Corporate Governance, Risk, Control, Internal Audit and Fraud Audit  
Management and Human Resources Consultancy  
Corporate Sustainability Consultancy

### Circulars

Changes in Taxation

### Denge Akademi

Training Services

## Tax Services

Our distinct edge over competitors is evident in how we provide Tax Consulting and Full Certification, Tax Advisory, Review, Transfer Pricing, VAT Refund, and Tax Due Diligence services:

- Our approach to offering specialized and high-quality services in tax consultancy and auditing is tailored to various sectors, including but not limited to manufacturing, chemicals, energy, automotive, telecommunications, fleet leasing, and logistics.
- Efficiency gains within our tax audit teams and workload reduction in our clients' accounting departments are achieved through the ongoing refinement of our Capital Markets audit program.
- Service quality is enhanced via structured quality control audits, spearheaded by our Tax Partner in charge of Tax Services Quality Control.
- Our team stays informed of current developments through monthly technical meetings conducted across all Mazars in Türkiye offices, presided over by the Chairman of the Board of Directors.
- Comprised of Certified Public Accountants (CPAs), specialists, and auditors, our experienced staff offers sector-specific services in all aspects of tax and consultancy. We integrate this expertise to deliver both short-term and long-term solutions to our clients.
- Leveraging extensive industry knowledge and experience, we are committed to adding value in areas such as process improvement, competitive positioning, and risk management. We keep pace with both technological advances and traditional methodologies.
- We keep our clients abreast of changes in tax laws and other pertinent regulations through the distribution of informative circulars and explanatory reports.

## Independent Audit Services

We stand out in delivering International Standard Independent Audit and Special Purpose Audit services includes:

- A unique blend of expertise in insurance and a client-focused approach, gained from our teams' experience on both sides of the industry spectrum.
- The creation of added value through our management letters, which are formulated based on analyses of internal controls and information technologies, thereby pinpointing the underlying risks that form the foundation of the audit.

## Outsourcing Services

What distinguishes us in offering our clients the choice to partially or fully outsource their accounting departments is:

- The generation of added value through a consultative approach, enriched by our partners' international expertise in tax and independent auditing.

## Consulting Services

When offering Corporate Finance, Strategic Management Consulting, Management Consulting and Human Resources, Corporate Governance, Risk, Control, and Forensic Accounting Services, Internal Audit, IT Auditing, Security and Consultancy Services, Financial Services, and Corporate Sustainability, these are the features that help us meet our clients diverse needs:

- A comprehensive approach led by seasoned managers notable for their success stories, and a consulting staff with a track record of interdisciplinary work.
- The efficiency of agile project management practices, executed by a highly competent team attuned to both international and national trends and academic research.
- The global perspective and collaborative strength enabled by Mazars Global, which has 47,000 professional employees across more than 95 countries.

## Denge Akademi

Denge Akademi, serves our employees professional training needs, and also provides tailor-made training sessions to our clients as needed.

# Our Value Creation Model

## Our Material Topics

**In aligning with the integrated thinking approach that informs our strategies and business processes, we identify our material topics based on the expectations of our stakeholders, who are central to our sustainability efforts. Updated biennially with stakeholder input, our materiality analysis assists us in gauging the significance of these material topics. Our most recent update in 2023 will guide our priorities for the years 2023-2024 and serves as a framework for this report.**

While identifying the material topics for inclusion in our stakeholder analysis, conducted as part of our materiality study, we initially based our considerations on global and sectoral trends, industry reports, and GRI and SASB Professional Services Sector Standards.

This year, the Sustainability Committee opted to include two new material topics—Data Security and Employer Branding and Talent Management—while retaining the existing topics on our list. After updating the list, we launched an expansive stakeholder survey through online questionnaires, garnering 300 individual responses. This provided us with a prioritized ranking of material topics based on stakeholder feedback.

In addition to closed-ended queries, the survey included open-ended questions, allowing stakeholders to offer direct feedback on topics like digitalization and our professional competencies. Concurrently with the stakeholder survey, we scheduled and conducted one-on-one interviews

with 23 stakeholders, posing specific questions about each material topic.

We sought to engage in comprehensive dialogues with our stakeholders, specifically to hear their thoughts on areas where we could improve. These conversations provided valuable insights that informed our action plan. As an outcome of this process, we linked our five strategic priority areas with 13 key topics.

Below, we present the Materiality Matrix, which outlines the impact on both our organization and our stakeholders, along with the action plan devised for these material topics. Additionally, we share a table detailing our strategic priorities, the relationship between these 13 material topics and our capital elements, as well as the Sustainable Development Goals to which we contribute.

Upon reviewing the results of the complete analysis, we are pleased to discover that our long-term strategies for value creation align well with our stakeholders' expectations.

### Data security

In 2022, we continued our initiatives to bolster and broaden data security, as well as with projects aimed at enhancing infrastructure reliability. We tracked the completion rates of internal data security training sessions and sent reminders to those who had yet to complete them.

Recognizing the elevated expectations our customers have for information security, we began the ISO 27001 certification process in 2022. We fortified our information system both technically and from a governance standpoint. We aim to commence the certification audit by the first months of 2024 at the latest.

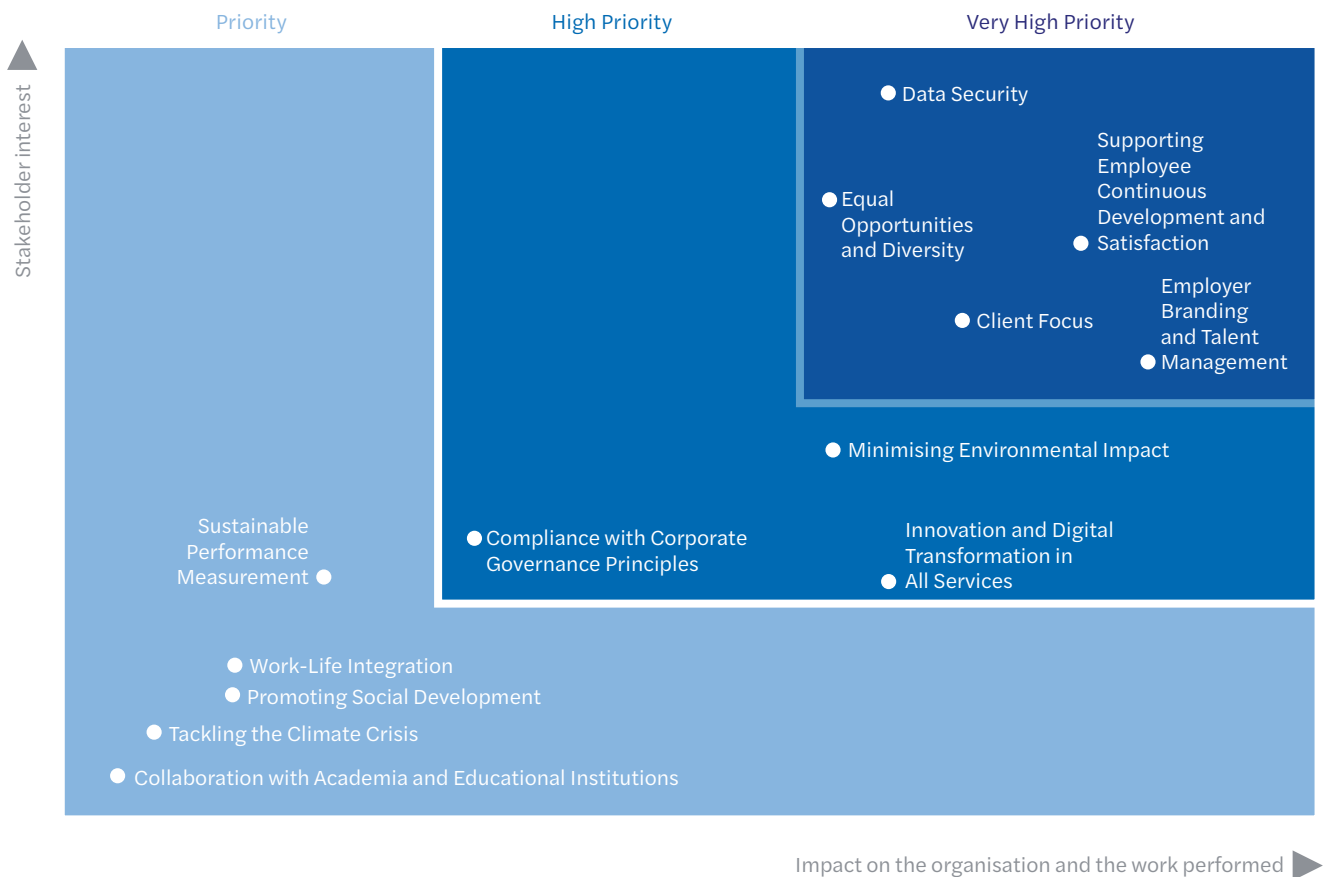
### Employer branding and talent management

Our objective is to become the sector’s most sought-after brand. As such, Mazars in Türkiye strives to initiate high-quality projects that allow us to attract new talent.

We also aim to bolster employee loyalty. To that end, we conducted an employee satisfaction survey in 2022, and our Human Resources team began developing solutions tailored to the needs of our colleagues.

For 2023, we plan to broaden the working group to encompass firm partners, introduce a recognition and rewards system, and enhance employee loyalty through regular internal events.

## Materiality Matrix



Our Strategic Priorities	Relevant	Related Capital Items	SDGs to which we contribute
Supporting Employee Development and Satisfaction	2 Equal opportunities and diversity	Human	
	3 Supporting employee continuous development and satisfaction	Human ; Social and Relational	5 8 10 16
	5 Employer branding and talent management	Human ; Social and Relational	
	10 Work-life integration	Human	
Digital Transformation	1 Data security	Intellectual; Human	
	8 Innovation and digital transformation in all services	Intellectual; Financial	8 9 10
Client Focus	4 Client focus (commitment independent approach and technical excellence)	Social and Relational; Financial	9 16
Sustainable and Responsible Revenue Generation	7 Compliance with corporate governance principles	Financial; Human	8 10 12
	9 Sustainable performance measurement	Financial	16 17
Sustainable Development	6 Tackling the climate crisis	Natural	
	11 Minimising environmental impact	Natural	4 8 10
	12 Promoting social development (co-operation with NGOs on social, cultural and environmental issues)	Social and Relational	12 13 14 15 16 17
	13 Collaborations with academia and educational institutions	Social and Relational	



# Our Value Creation Model

## Stakeholder Engagement

### Stakeholder Engagement

In accordance with our mission to generate sustainable value for all our stakeholders, we identify our material and significant topics based on stakeholder expectations and make it a priority to review them regularly.

We formulate our long-term strategies in consultation with our stakeholders, guided by these identified priorities. Multiple communication channels are maintained with our stakeholders, who are central to our approach to sustainability.

We convene at varying intervals based on need, aiming to continually enhance our sustainability performance in response to stakeholder feedback.

Beyond maintaining dialogue through various communication channels, we also employ the AA1000SES Stakeholder Engagement Standard methodology to execute the stakeholder engagement process in a more strategic and comprehensive manner while actioning our material sustainability topics.

Key Stakeholders	Relevant Material Topics	Our Communication Channels	What are we doing?
Customers	<ol style="list-style-type: none"> <li>1</li> <li>2</li> <li>4</li> <li>5</li> <li>7</li> <li>8</li> </ol>	<p>Client visits and meetings, sectoral meetings, seminars/ webinars and conferences, client satisfaction surveys, stakeholder surveys, one-to-one interviews, corporate website (<a href="http://www.mazars.com.tr">http://www.mazars.com.tr</a>), social media accounts, offices, information by e-mail, media, communication campaigns, client contact form, integrated report, circulars, weekly sustainability newsletter</p>	<ul style="list-style-type: none"> <li>• We believe that by prioritizing client satisfaction, we can forge enduring business relationships and contribute to the development of all sectors we serve, including our own. To uphold this philosophy, we annually assess our service quality through regular client satisfaction surveys and track it at the senior management level.</li> <li>• We persist in enhancing our performance by benchmarking it against other countries through Mazars' global client satisfaction survey, initiated in 2021.</li> <li>• Since our inception, we have addressed the needs of all our customers at the senior executive level.</li> <li>• Consistent with our principle of responsible revenue generation, we provide our clients with only those services that truly meet their needs and contribute to their business development.</li> <li>• To forge enduring corporate relationships with our customers, we align with shared values. Both during and after client assessments, the environmental and social impacts of our customers' activities significantly influence the sustainability of our business relationship.</li> <li>• We value our customers' commitment to social responsibility and sustainability initiatives and readily share our expertise and opportunities in these areas with customers who seek it.</li> <li>• We monitor the sustainability initiatives of our customers.</li> <li>• Thanks to our ERP system launched in 2021, we can more consistently and efficiently manage information about our customers. This allows us to better comprehend our customers' needs and integrate them into our organizational memory.</li> </ul>

Key Stakeholders	Relevant Material Topics	Our Communication Channels	What are we doing?
Employees	3 4 5 7 10 12	Departmental meetings, manager meetings, intranet site, focus group meetings, talent management meetings, department leaders' meetings with teams, employee engagement and satisfaction surveys, Move & Mobility programmes, corporate social responsibility projects, NGO Fairs, employee events, internal announcements, trainings, Mazars Live Mobile App, ERP System, ethical line	<ul style="list-style-type: none"> <li>We have developed and begun implementing a hybrid work model that combines remote work—popularized by the Covid-19 pandemic—with traditional office-based work.</li> <li>Orientation training aimed at reducing carbon emissions, a wide array of vocational and technical training, soft skills development programs, and personal growth sessions are offered both in-house and face-to-face, tailored to specific needs.</li> <li>We further developed our ERP system, initially integrated in past years, to continue streamlining processes and saving time for our colleagues.</li> </ul>
Shareholders	4 7 9	Board meetings, periodic reports, corporate website ( <a href="http://www.mazars.com.tr/">http:// www.mazars.com.tr/</a> ), social media accounts, teleconference calls and e-mail correspondence, Advisory Board meetings, integrated report	<ul style="list-style-type: none"> <li>As Mazars in Türkiye, we recognize that unlimited growth is not feasible in a world with finite resources; hence, we prioritize development over mere expansion.</li> <li>We believe that businesses exert considerable social and environmental impacts that extend beyond monetary metrics. At Mazars in Türkiye, we employ a range of key performance indicators for responsible revenue, incorporating not only financial measures like turnover, profitability, and receivables turnover, but also non-financial metrics such as the proportion of pro bono service hours to total available time, per capita social responsibility hours, and per capita carbon emissions.</li> </ul>
Sector Representatives & Competitors	4 6 9 11	Meetings conducted as part of sector association memberships, corporate partnerships, and integrated report	<ul style="list-style-type: none"> <li>By considering our competitors as stakeholders, we exercise caution during client or employee transitions and aim to avoid pricing strategies that could negatively impact the industry.</li> <li>We refrain from bidding on project tenders that we believe will have a detrimental impact on the environment, despite their potential for significant economic returns.</li> <li>We monitor the activities of our competitors.</li> </ul>



Key Stakeholders	Relevant Material Topics	Our Communication Channels	What are we doing?
Public Institutions & Regulatory Authorities	5 8	Regular follow-up of reporting obligations and other information flows stipulated in laws and regulations, periodic audits, related meetings, forums and conferences	<ul style="list-style-type: none"> <li>As a prerequisite and outcome of our sustainability strategy, our responsible business approach is grounded in corporate governance principles that encompass fairness, transparency, accountability, and responsibility.</li> <li>We diligently track all regulations and developments related to our sector and activities, swiftly integrating requisite actions into our operations.</li> <li>Quality control units have been established within the firm to uphold our reputation in regulatory audits and the quality control assessments conducted by Mazars Global every three years.</li> <li>Our quality control unit aims to continually update their expertise while gaining experience through client-focused projects.</li> </ul>
Non-Governmental Organisations and Media	4 6 8 9 11	Joint CSR projects, project meetings, sponsorships, integrated report, corporate website ( <a href="http://www.mazars.com.tr/">http://www.mazars.com.tr/</a> ), memberships	<ul style="list-style-type: none"> <li>We continue to hold senior management positions and project support in Türkiye's leading professional organisations and international trade associations.</li> <li>We believe that backing community initiatives is crucial during these exceptional times, and we are taking tangible steps to expand our volunteer activities.</li> <li>Through online summits and meetings, we persist in making our knowledge and impact accessible to all stakeholders who require it.</li> <li>We build capacity to expand pro bono activities, corporate social responsibility initiatives, and volunteer efforts, while motivating our employees through training sessions.</li> </ul>

# Our Value Creation Model

## Risks and Opportunities

Risk Areas	Elements with the Potential to Create Risks and Opportunities	Related Material Topic
Risks Associated with our Professional Responsibilities	<ul style="list-style-type: none"> <li>▪ Reliable and complete information</li> <li>▪ Protection of personal data</li> <li>▪ Quality control systems</li> <li>▪ Ethical behaviour</li> </ul>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>8</p>
Economic Risks	<ul style="list-style-type: none"> <li>▪ Responsible revenues</li> <li>▪ Receivables policy</li> <li>▪ Prudence</li> <li>▪ Exchange rate policies</li> </ul>	<p>2</p> <p>7</p> <p>8</p> <p>9</p>
Technological Risks	<ul style="list-style-type: none"> <li>▪ Intrapreneurship</li> <li>▪ Innovative solutions</li> <li>▪ Change management</li> <li>▪ Data security</li> <li>▪ Cyber security</li> </ul>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>8</p>
Operational Risks	<ul style="list-style-type: none"> <li>▪ Employee loyalty and satisfaction</li> <li>▪ Productivity</li> <li>▪ Hybrid operations</li> <li>▪ Equal opportunities and diversity</li> <li>▪ Occupational health and safety</li> <li>▪ New generation workforce</li> <li>▪ Transparency</li> <li>▪ Corporate culture</li> <li>▪ Financial fraud</li> <li>▪ Client acceptance and independent stance</li> </ul>	<p>3</p> <p>4</p> <p>5</p> <p>8</p> <p>10</p> <p>12</p>



Risk Areas	Elements with the Potential to Create Risks and Opportunities	Related Material Topic
Climate Crisis Risks	<ul style="list-style-type: none"> <li>▪ Environmental disasters caused by climate change</li> <li>▪ Environmental awareness</li> <li>▪ Environmental impact</li> <li>▪ Resource scarcity</li> </ul>	<div style="text-align: center;">6</div> <div style="text-align: center;">9</div> <div style="text-align: center;">11</div>
Social Risks	<ul style="list-style-type: none"> <li>▪ Sustainable development</li> <li>▪ Epidemic</li> <li>▪ Earthquake</li> <li>▪ Political environment</li> <li>▪ International security issues</li> </ul>	<div style="text-align: center;">6</div> <div style="text-align: center;">13</div>

With 45 years of business experience, Mazars in Türkiye conducts systematic analyses of market risks we can identify.

We view each risk as an integral part of business operations, striving to transform each one into an opportunity.

Our sustainability approach frames each risk as a learning opportunity, aimed at fostering improvement through long-term integrated thinking that accounts for both inputs and outputs in our business model.

Accordingly, we rely on a mix of financial and non-financial data. We update the key performance indicators monthly using data from all our offices and consolidate the findings quarterly.

Mazars in Türkiye selects the Sustainable Development Goals we focus on in consideration of the risks previously mentioned.

### Risks Associated with our Professional Responsibilities

- 1
- 2
- 3
- 4
- 8

**1. Risk of significant errors in client reports and opinions:** One of the biggest risks in audit,

outsourcing and consultancy work that relies on information and interpretation, is the potential for errors in reports prepared or opinions presented. Weekly and monthly technical meetings are organised to turn the prevention of these errors into an opportunity for all employees. In these meetings, instead of destructive competition, sharing of views in a sincere environment is encouraged. Managers participating in these technical meetings freely express the problems encountered during the services provided to stakeholders and suggest solutions, and these are applied using common sense. In addition, the potential for audit risk may increase as the client's inherent risk environment becomes more pronounced due to evolving climate regulations and difficulties in assessing the value of assets and liabilities arising from client preferences.

#### 2. Non-compliance with personal data protection

With the implementation of the Personal Data Protection Law, we identified this as a key risk area and established protocols to be followed within the organization. To address this risk proactively, we set up an internal service unit specifically focused on implementing necessary measures and overseeing compliance responsibilities. Moreover, we've coordinated with cybersecurity and legal firms to offer specialized services to our stakeholders concerning KVKK compliance.

**3. Receiving an adverse report from the KGK, BRSA, or CMB regulatory bodies resulting in license revocation:** We've established quality control units within the firm to ensure our services meet the high standards expected by regulators and in alignment with Mazars Global's triennial quality control assessments. Our Independent Audit Department's Quality Control Unit also delivers independent audit services to clients, thereby enhancing the team's field experience and knowledge levels.

**4. License revocation due to unethical conduct by a licensed senior manager:** Upholding ethics as one of our core values, we maintain open communication channels for all matters concerning ethical conduct. Senior management is encouraged to provide input on ambiguous issues. Our Ethics Committee reviewed 24 employee-submitted cases via the Ethics Line, which were primarily related to desires and wishes. All such matters were escalated from the Ethics Committee to the Advisory Board for resolution.

## Economic Risks

2 7 8 9

1. Inability to generate responsible revenue
2. Doubtful or bad debt
3. Loss of turnover
4. Loss of profitability
5. Exchange rate volatility

In alignment with the principles outlined in the Global Compact, Mazars in Türkiye's management is committed to generating revenues that are in compliance with these standards. From client selection onwards, our firm aims to create value for all stakeholders, which includes society and the environment, adopting an integrated approach throughout all operations. From the perspective of economic risks, our cash flows and reserves are diligently managed by our financial affairs department. Adequate reserves are consistently maintained to ensure that salaries can be disbursed even in scenarios where receivables are not collected. In addition, we exercise caution to ensure that revenue from a single client does not exceed 10% of a department's overall turnover. To minimize the average collection periods, daily receivables are closely monitored by unit managers. Moreover, we

scrutinize the correlation between the total team hours spent on each project and the value generated for stakeholders. We also maintain a balance between foreign currency and Turkish Lira revenues generated from our client base.

Beyond these measures, as the shift towards a sustainable green economy accelerates, Mazars in Türkiye is dedicated to enhancing its competencies and actively engaging in sectors that are making meaningful strides toward a positive environmental impact.

## Technological Risks

1 2 3 4 8

**1. Falling behind technological advancements:** Inside the firm, we foster different innovation projects with the assistance of our Intrapreneurship Unit, while continuously gathering feedback from employees at all hierarchical levels. We employ software developers in both our Izmir and Istanbul offices. Our aim is to create software products that will boost the efficiency of both internal and external stakeholders, leveraging our programming capabilities along with our technical know-how and experience in the services we provide.

**2. Cybersecurity:** We maintain ongoing coordination between our IT Department and the Cybersecurity Service Unit. Collaborative efforts are undertaken among the IT Audit, Security and Consultancy Services, and Risk Management Departments. We are also in constant communication with Mazars Global and other Mazars offices globally to keep abreast of the latest innovations, converting these into tangible benefits both internally and externally.

## Operational Risks

3 4 5 8 10 12

**1. High employee turnover rate:** Recognizing our employees as key stakeholders, the HR and Senior Management are dedicated to enhancing job satisfaction. We aim to contribute to their technical, social, and cultural development while promoting a culture of integrated thinking and a commitment to corporate sustainability. These concerted efforts are designed to mitigate high turnover rates and build a more stable, engaged workforce.

**2. Loss of productivity:** To counter productivity loss, we cultivate a work environment fueled by trust and technological enablement. Employees are encouraged to partake in various innovation projects that contribute not only to the firm's growth but also to their own professional development.

**3. Deviating from company values:** We aim for every employee to internalize and uphold the values that define the culture at Mazars in Türkiye. A trustworthy atmosphere is fostered both in interactions among employees and in dealings with external stakeholders, including clients. We believe that an unwavering commitment to these values fortifies our resilience against market fluctuations and potential crises.

**4. Client acceptance and independence:** Ensuring independence in our audit processes is critical for Mazars in Türkiye. Before entering into any new client engagement, thorough evaluations are conducted to guarantee that our ability to make unbiased audit judgments is not compromised.

**5. Financial fraud:** Accountability is a core principle at Mazars in Türkiye, and we expect both internal and external stakeholders to adhere to this value. Measures are in place to mitigate the risk of financial fraud, ensuring that our operations remain transparent and above board.

## Climate Crisis Risks

6 9 11

**Inability to operate due to climate-induced natural disasters:** At Mazars in Türkiye, we are fully conscious of our environmental responsibility within our limited scope of influence. We prioritize climate crisis awareness among our employees and collaborate with environmental NGOs to broaden our impact. Supplier and client selection processes are carried out with an eye to their environmental footprint. Additionally, we engage in activities to heighten awareness about the climate crisis within the institutions and organizations we are affiliated with. By adopting this holistic approach, we aim to mitigate our risks and contribute positively to the wider environment.

## Social Risks

6 13

**1. Epidemic risks:** In order to adapt to the unprecedented challenges imposed by the pandemic in 2020, Mazars in Türkiye's management upgraded its approach to crisis management. In 2022, what were initially crisis table meetings involving the Chairman of the Board, CEO, CFO, Board Member & Outsourcing Services Department Leader, Executive Board Member & Tax Department Leader, Human Resources & Management Consulting Partner, IT Director, and Marketing & Communication Director, transitioned into more structured Advisory Board meetings.

Among the focus points discussed were the preservation of employee well-being, environmental responsibility, and societal impact—lessons amplified by the pandemic. The board also examined our shift toward greater self-sufficiency, continuation of the hybrid work model, and alignment of crisis management principles with our overarching, integrated approach. Tangible measures were set into motion to address issues such as supply shortages, employee satisfaction, psychological support needs, and shifts in client demands and operational behaviors. Necessary actions have been taken to manage economic risks and the impact of rising inflation on our employees, as described in previous chapters.

**2. Impact of political environment:** As an organization that prioritizes a balanced stance, Mazars in Türkiye is deeply committed to peace and justice, the 16th Sustainable Development Goal. We provide our employees and stakeholders with access to accurate and impartial information, mitigating the risks associated with the political climate.

**3. Earthquake risk:** Considering Istanbul's location in a seismic zone, we conduct regular earthquake drills and offer internal training on emergency preparedness. A preliminary action map has been submitted to our Sustainability Committee by our earthquake-focused working group. Further steps, including both aid and measures for 2023, will be finalized in due course. Our IT department is also implementing safeguard measures to prevent data loss in the event of seismic activity.

**4. International security concerns:** We closely monitor the impact of global security issues on both society at large and our employees. In alignment with Mazars Global, we are taking steps to contribute toward achieving the 16th Sustainable Development Goal, focused on peace and justice.

# Our Value Creation Model

## Our Business Model

### Inputs

#### Financial Capital

- Strong equity capital structure
- Ability to generate revenue from different functions
- Risk & opportunity balance

#### Human Capital

- Equal opportunities
- Investing in sustainable employee development
- Career planning and support programmes
- Work-life integration
- Experienced staff

#### Social and Relational Capital

- Sustainable and effective stakeholder communication capacity
- Sustainable client portfolio
- Experience sharing
- Strong collaborations with NGOs and Startups
- Niche training and organisational structuring practices that prioritise client needs
- Sustainable and responsible approach in business partner and client relations

#### Intellectual Capital

- Intrapreneurship perspective
- Digital transformation and information security investments
- Industry expertise
- Certificates, licences held
- Content partnerships with different organisations
- Deep-rooted history and know-how

#### Manufactured Capital

- Investments for the development of sustainable service quality infrastructure

#### Natural Capital

- Continuous improvement and development of environmental performance
- Investments for raising environmental awareness
- Environmental and social impact assessment in supplier selection

### Our Business Activities

#### How do we create value?

For our clients operating in different sectors we provide the following services:

<b>Audit</b>	<b>Outsourcing</b>
<b>Tax</b>	<b>Consultancy</b>

Embracing a boutique approach, we impart our expertise and years of experience to our clients. Our teams adeptly combine technical prowess with a personal touch, resulting in a unique service delivery. Companies, both domestic and international, spanning various sizes, choose us for our unwavering commitment to quality, a commitment we consistently uphold and refine.

#### Our corporate values that guide all our activities:

- **Respect for Life, Nature and Culture**
- **Ethics**
- **Boutique Service Approach**
- **Technical Excellence**
- **Independent Mind-set**
- **Continuous Improvement**
- **Quality**

## Outputs

## The Value We Create and Share

### Financial Capital

- Segment ratios in total turnover
- Net profit / Sales

### Human Capital

- Proportion of female employees
- Ratio of female managers
- Employee turnover rate
- Average training hours per employee
- Employee loyalty and satisfaction measurement results

### Social and Relational Capital

- Increase rate of cooperation
- Ratio of increase in client and employee activities

### Intellectual Capital

- Total number of certificates and licences held by employees

### Natural Capital

- Total energy consumption
- Carbon emissions
- Saving paper
- Digitalisation rate of communication activities

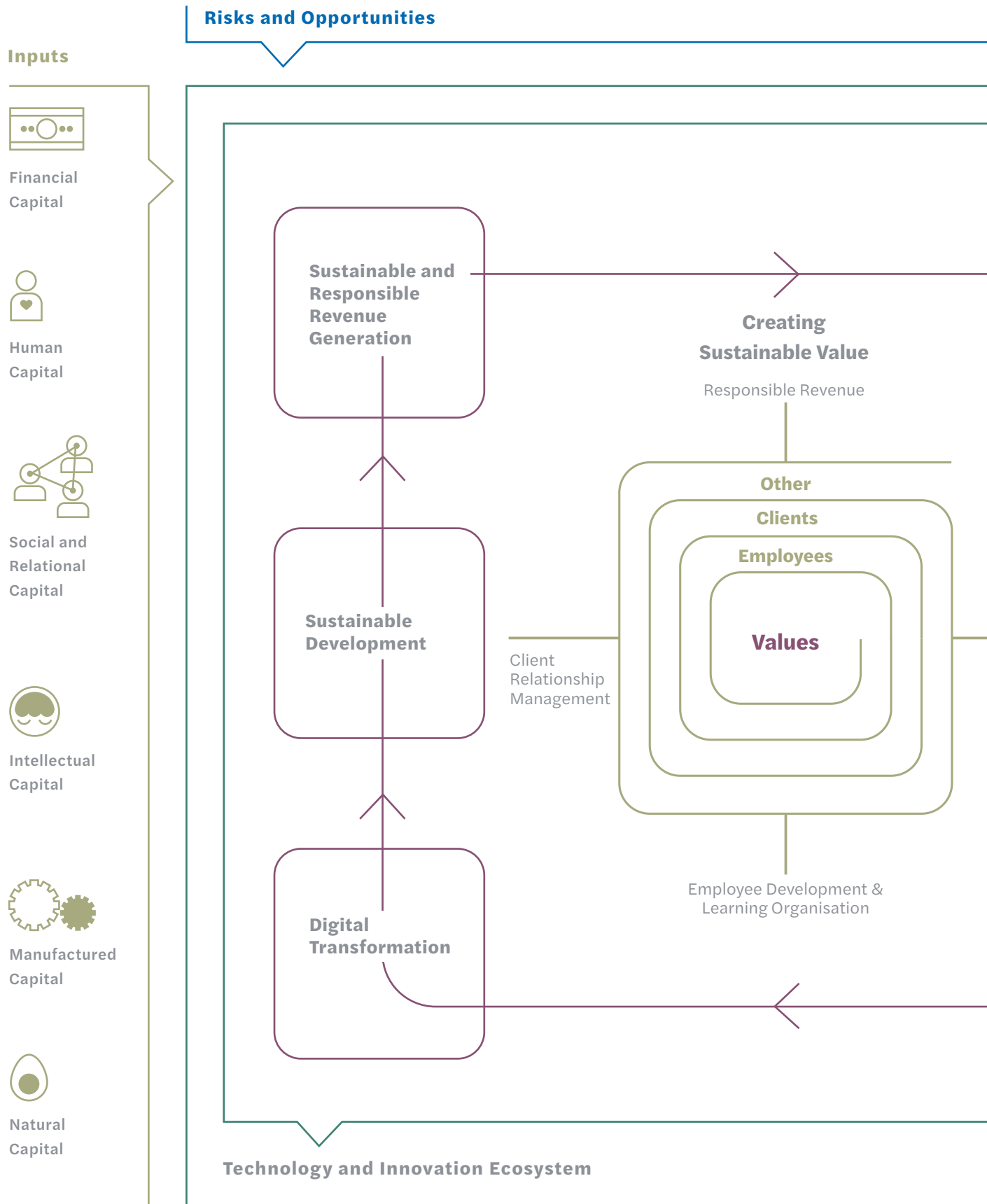
### Value created for Mazars in Türkiye;

- Responsible and sustainable revenue
- Development of sustainable service capacity
- Employee loyalty and satisfaction
- Client loyalty and satisfaction
- Expansion of client portfolio
- Reputation
- Brand value
- Corporate culture
- Highly competent workforce contributes to sustainable service development
- Reduction of direct and indirect environmental impacts

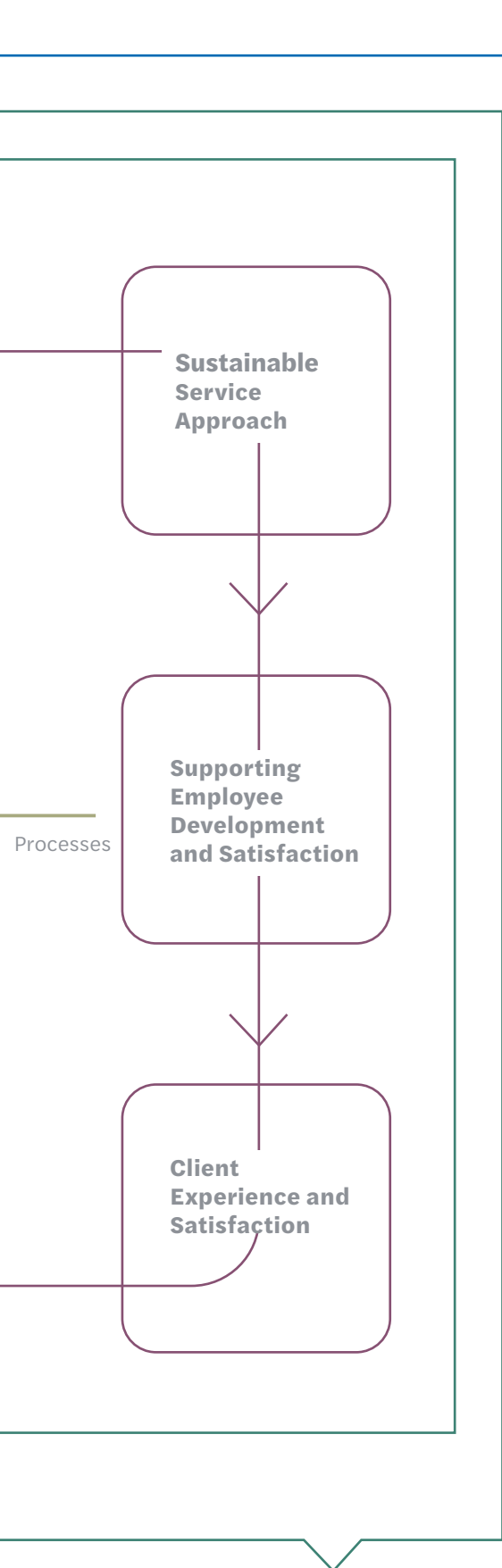
### Value created for the external environment and all stakeholders;

- Responsible management approach that considers society and the future
- Contributing to the development of our industry
- Employees reflect the sustainable perspective in their lives and ways of doing business
- Transfer of skills and knowledge
- Activities contributing to the mitigation of the effects of the climate crisis
- Contribution to programmes supporting sustainable business models of young entrepreneurs
- Contribution to social development through corporate social responsibility projects
- Information security
- Contribution to the corporate sustainability transformation of enterprises

# Our Value Creation Model







## Corporate Governance Principles

## Outputs - 2022 Performance

	<b>Revenue Diversification</b>	2021	2022	Change (points)
	Tax services	40.6%	41.2%	0.6
	Outsourcing services	31.7%	31.5%	-0.2
	Audit services	19.8%	21.2%	1.4
	Consultancy services	8.0%	6.1%	-1.9
<b>Financial Ratios</b>				Net Profit / Sales
	2022			16.6%
	2021			16.7%
	2020			14.8%
		2021	2022	Change (points)
	Ratio of female employees	51.05%	51.44%	0.39% ↑
	Ratio of female managers	42.86%	42.9%	0.04% ↑
	Employee turnover rate	36.22%	29.67%	-9.55% ↓
	Voluntary resignation	34.38%	27.99%	-6.39% ↓
	Average training time per employee (hours)	59.23	39.67	-19.56% ↓
	Number of webinars organised			48
	Number of stakeholders participating in our activities			95,965*
	Digital media access			1,776,394
	Total number of certificates and licences held by employees			282 ↓
		2021	2022	Change
	Electricity consumption (kWh)	188,398	222,849.24	34,452 ↑
	Water consumption (m <sup>3</sup> )	989.22	1,040.192	50.972 ↑
	Amount of recycled glass, plastic, paper (kg)	6,160	12,224	6,064 ↑
	Digitalisation rate of communication activities	100%	100%	-

\*The number of views represents total views and might include multiple views by the same individuals.



## Notes on our Value Creation Model

We have provided some explanations about our 2022 performance in the outputs of our model below.

- The increase in the Audit Services rate is due to the additional gain realised in 2022 through the inflation accounting service.
- The decrease in the Consultancy Services ratio is due to the loss of the PCIDSS portfolio due to the departure of the IT department partner.
- The ratio of female managers is calculated according to the number of managers from the assistant manager level to the highest level.

## We Continue to Work Remotely

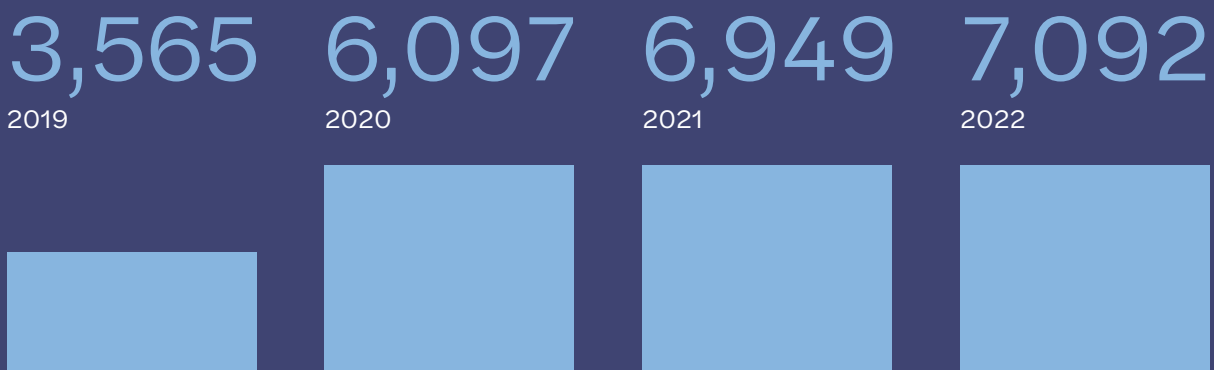
While the health risks associated with the pandemic have lessened over time, the transformation in our work arrangements has become enduring.

We have acclimated to remote work and persist in refining this approach, in collaboration with our team members, to enhance its sustainability and efficacy.

## IT Continues to Support

In 2022, we sustained the home-based hybrid work model that we adopted post-pandemic, extending the flexibility for all teams to operate both remotely and from the office. We renewed our 2021 agreement with a specialized Security Operations Center (SOC) and Endpoint Detection and Response (EDR) team for real-time monitoring across all servers and active network devices. To accommodate current and future data demands, we expanded our data storage capacity and built-in backup space in our data center. Additionally, we updated our email system to the most current version and implemented enhancements to expedite data traffic between servers.

## Support Requests handled by IT







# Strategic Priorities

## 2022 Performance and Forecasts

### Supporting Employee Development and Satisfaction



#### Our Sustainable Human Resources Strategy and Policies

As an organization deeply committed to employee development and which informs our sustainability strategy, the foundational elements of our human resources approach include:

- Recruiting top-tier talent who are amenable to growth and align with our values and culture, with the aim of fostering long-term client relationships. Crafting a workplace that nurtures the professional, technical, and personal growth of our team members.
- Cultivating an inclusive atmosphere where all forms of diversity—be it gender, religion, language, race, sexual orientation, or underrepresented groups—are not only welcomed but seen as enriching assets.
- Offering an ecosystem and career trajectory bolstered by a participatory management style, thereby unlocking our employees potential for innovation and creativity.
- Fostering an organizational culture that encourages our staff to view themselves as integral to Mazars in Türkiye, motivating them to grow both the organization and their own capabilities from an entrepreneurial standpoint.

In order to achieve our vision of being the most reputable firm in the sector;

- Mazars in Türkiye is committed to implementing practices that ensure the full adoption and internalization of our sustainability strategy by every member of our team. We aim to be a trailblazer in extending this strategy not just within our organization, but to all our stakeholders as well.
- All employees of Mazars in Türkiye are encouraged to integrate sustainability into their daily lives, both during their tenure with the company and beyond. To this end, we will engineer processes

aimed at instilling a culture of sustainability that our team members can carry forward.

- Mazars in Türkiye will formulate policies aimed at enhancing the employment of women and promoting their more effective participation in managerial roles, as well as empowering women in the workplace.
- With a focus on dynamic, interconnected, highly competent teams and leaders who believe in continuous growth, Mazars in Türkiye aims to create exemplary units that excel in expertise and values. Through these efforts, we empower individuals to “shape the future,” as reflected in our human resources policies.

#### Human Capital

Total Number of Employees: 418

# 51.44%

Number of Female Employees: 215

# 48.56%

Number of Male Employees: 203

# 5.08

Our employees average years of employment at Mazars in Türkiye

# 16%

Our employees with 10+ years at Mazars in Türkiye

### Distribution by Age and Gender

Gender / Age	18 - 30	31 - 50	50 +	Total
Women	116	88	11	215
Men	87	97	19	203
<b>Total</b>	<b>203</b>	<b>185</b>	<b>30</b>	<b>418</b>
<b>Total (%)</b>	<b>49%</b>	<b>44%</b>	<b>7%</b>	<b>100%</b>

### Breakdown of Employees by Educational Background and Gender

Level / Gender	Women	Men	Total
PhD	0	2	2
Master's	29	32	61
Undergraduate	164	150	314
Associate Degree	6	4	10
High School	12	14	26
Primary/Secondary	4	1	5
<b>Total</b>	<b>215</b>	<b>203</b>	<b>418</b>

### Breakdown of Employees by Title and Gender

Position	Women		Men		Total
	Number	Ratio	Number	Ratio	
Director and above / Department Head	18	28%	47	72%	65
Senior Manager / Manager / Assistant Manager	46	57%	35	43%	81
Supervisor/Senior/Assistant Senior	44	54%	37	46%	81
Assistant / Experienced Assistant	87	54%	75	46%	162
Operational Support Personnel	20	69%	9	31%	29
<b>Total</b>	<b>215</b>	<b>51%</b>	<b>203</b>	<b>49%</b>	<b>418</b>

## Continuous Employee Development and our new Learning and Development Department

In 2022, we continued our commitment to the ongoing development of our employees. By creating our Learning and Development Department, we have added significant momentum to our internal learning and professional growth.

We have organized a dedicated working group that comprises partners responsible for training and our Learning and Development Specialist. We hold twice monthly agenda meetings focused on learning and development, where we collectively make all strategic decisions in this vital area.

We have assembled a team of 30 internal trainers who lead our vocational and technical training sessions. The “Road Map of the Internal Trainer in the Digital World” program, prepared and executed by training architect Özer Koç, has been pivotal in this regard.

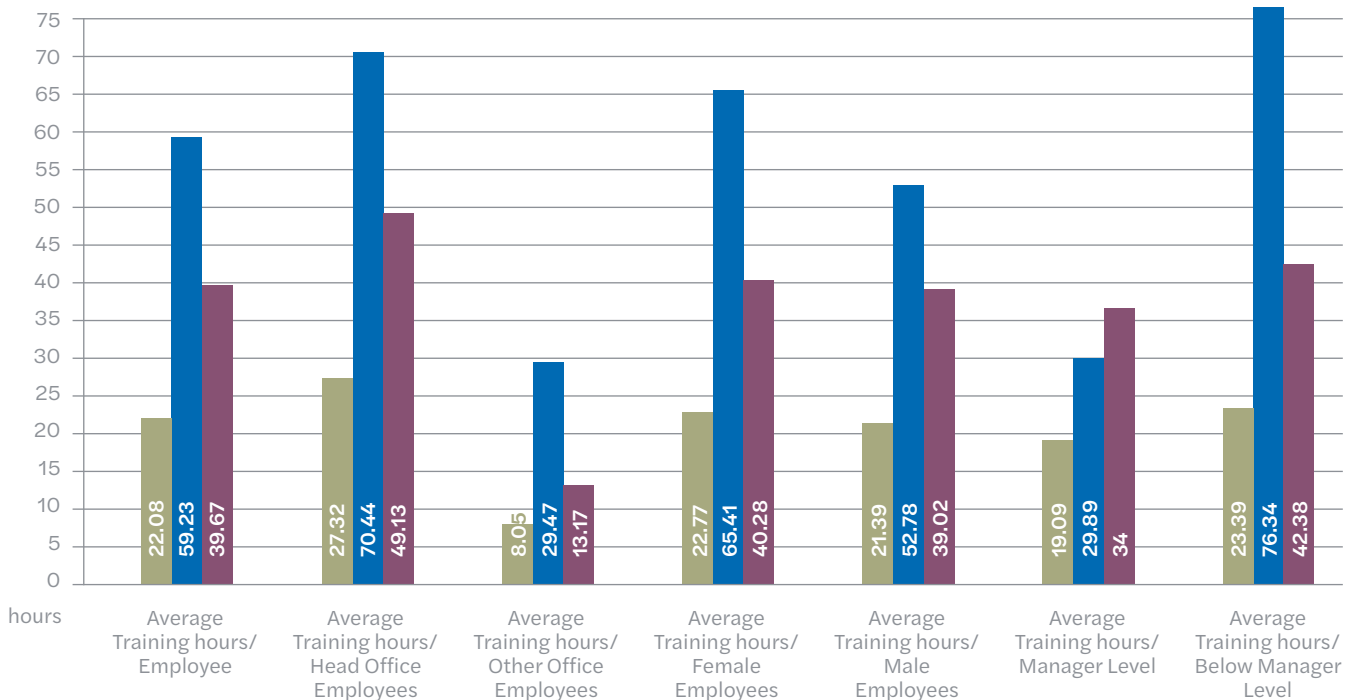
As part of this program, all internal trainers underwent eight hours of hands-on training. Throughout the year, these internal trainers have conducted technical and vocational training sessions.

Additionally, we engaged external trainers, well-regarded in the industry for their expertise, to conduct specialized vocational training sessions. Our goal for average annual training hours per individual for the year 2022 was set at 40 hours. We achieved this target, with the average training hours per person measuring at 40 hours, successfully meeting our objectives for the year.

With the formation of the Learning and Development Department, we have revised our onboarding approach and restructured it into a two-month induction program. Under this revamped approach, new team members undergo orientation training from multiple departments, including Human Resources, Information Technology, Marketing and Communication, Financial Affairs, Finance, and Corporate Sustainability. In 2022, a total of 27 individuals took part in these redesigned orientation sessions. According to survey results, the program received a satisfaction rate of 94%. The mandatory technical, vocational, and personal development trainings that new hires are required to complete are prioritized and scheduled within the first two months of their onboarding. Participation in these training sessions is closely monitored. Moreover, we conduct feedback interviews with our new team members during the orientation process and provide them

Annual Average Training Hours per Employee between 2020-2022

2020 2021 2022



<b>2022 Average Training hours per Employee</b>	<b>Number of people</b>	<b>Total Training Hours</b>	<b>Average Training Hours</b>
All Employees	418	16,582	39.67
Head Office Employees	308	15,133	49.13
Other Office Employees	110	1,449	13.17
Female Employees	215	8,660	40.28
Male Employees	203	7,922	39.02
Employee (Manager Level)	146	5,055	34.62
Employee (Non-Manager level)	272	11,527	42.38

<b>2022 Average hours by Training Type</b>	<b>Number of people</b>	<b>Total Training Hours</b>	<b>Average Training Hours</b>
Technical	418	13,574	32.47
Soft Skills	418	2,584.67	6.18
Orientation	418	423.15	1.01
Soft Skills + Orientation	418	3,007.82	7.20

with support to aid their adaptation to the firm within the initial two-month period.

For our vocational and technical training programs, we predominantly utilized in-house resources along with Mazars University. For our Soft Skills training courses, we continued to leverage offerings from Mazars University and LinkedIn Learning, in addition to utilizing the Vizgo Academy's online platform.

## Remuneration Management

Through our career and remuneration management policy, grounded in transparent, fair, and reliable principles, we aim to recognize and reward high performance, as well as professional, technical, and

personal development. This also includes the added value that our colleagues contribute to our firm. Our career and salary management system adheres to the principle of equal pay for equal work, ensuring that all employees' salaries are determined based on the same rules and principles without discrimination based on religion, language, race, gender, sexual orientation, etc.

In determining the salaries of our new colleagues, factors such as the department they will work in, the responsibilities they will assume, their position, professional competencies, certifications, and experience are taken into account. Salaries are set within a predetermined salary scale for each department and position at the beginning of each year. All employees who meet these criteria receive



the same salary, with gender disregarded as a determining factor.

As of 2022, salary comparisons for individuals working in the same job family and similar positions are set forth below.

A comprehensive comparison is challenging, particularly for those in specialist roles and above, as salaries are differentiated based on factors such as professional competencies, certifications, and overall experience.

The variance in the consultancy unit is attributable to the organizational structure of the consultancy job category, which encompasses multiple and diverse

professional specializations. Additionally, when salary increase studies are conducted, individuals in the same department with similar responsibilities, professional competencies, seniority, and experience are granted the same rate of salary increase, irrespective of gender. However, if there are variations in the criteria considered for setting the base salary, these differences are also reflected in the rates of increase.

In 2022, the ratio between the highest base salary and the lowest base salary within our company is approximately 19-fold. It is our aim to narrow this gap through future studies and adjustments.

<b>Female / Male (% Comparison)</b>	<b>Assistant</b>	<b>Experienced Assistant</b>	<b>Senior / Supervisor</b>
Outsourcing Services	5.66%	-1.70%	2.50%
Audit Services	0.00%	-0.28%	2.50%
Consultancy Services	11.90%	-4.41%	0.00%
Tax Services	-7.27%	1.20%	0.00%
Management	0.00%	0.00%	0.00%

\* The ratios in the comparison table are obtained by dividing the average wages of people working in the same job category and position; the average salaries of female employees by the average salaries of male employees.

## Career Management

Through the career pathways we have established for each function, our employees are aware of the trajectory they will follow from the inception of their careers. Managed in a mentor-mentee relationship from day one, our colleagues can ascend to a higher position when they are professionally and technically prepared. This is contingent upon the recommendations of their managers, their alignment with the technical qualifications and competencies related to the role they will assume, and evaluations conducted by our department managers and our Human Resources Department during Talent Roundtable Meetings.

In departments where our 9-box grid system is utilized, designed based on performance evaluation metrics that serve as inputs for both current performance management and potential promotions, the distribution in 2022 was as follows. According to this distribution, action decisions regarding matters such as career management, recognition, and rewards for our colleagues—either considered as high-potential talents or as high-performing individuals—have been made and partially executed.

Based on the results of 2022, and in accordance with discussions held with department managements

regarding our colleagues in box positions 6-8 and 9 within the system, the following actions were determined:

- Rewarding high-performing employees with performance bonuses.
- Offering extra management training to those among high-performing employees who are at the managerial level.
- Enhancing communication with high-performing employees from both the management and HR perspectives.
- Evaluating high-performing employees as a distinct segment in employee loyalty and satisfaction surveys. Their motivation, loyalty, and satisfaction levels will be monitored, and specific actions for this group are planned for implementation in 2023.

## International Career Opportunities

As highlighted in our previous reports, being a part of Mazars Group enables us to integrate global HR practices and provide our colleagues with the opportunities that come with such integration.

One significant initiative is the International Exchange Programme. Among our employees who applied for this programme, Atiye Ebru Okan from the Tax Department has been permanently relocated to the Ireland office, while Yağmur Erdaç from the Financial Due Diligence Department has been temporarily transferred to the New York office. Additionally, Moustafa Bazzeh from the Mazars Kuwait office joined our Mergers & Acquisitions Department in 2022.

We continue to closely monitor the application processes for those colleagues interested in participating in the programme during 2022.

Location	Competence Assessment	Job Performance Assessment	Outsourcing	TAX	AUDIT
1	Needs Improvement	Needs Improvement	-	-	1
2	Needs Improvement	Meets Expectations	-	-	1
3	Needs Improvement	Exceeds Expectations	-	-	-
4	Meets Expectations	Needs Improvement	1	-	-
5	Meets Expectations	Meets Expectations	62	33	23
6	Meets Expectations	Exceeds Expectations	-	8	2
7	Exceeds Expectations	Needs Improvement	-	-	-
8	Exceeds Expectations	Meets Expectations	-	2	6
9	Exceeds Expectations	Exceeds Expectations	1	6	2

Outsourcing Department (Outsourcing), Tax Services (TAX), Internal Audit (AUDIT)

## Employee Loyalty and Satisfaction

Employee Loyalty and Satisfaction is always high on our list of priorities. We have postponed the second phase of our three-year research study to 2023, due to the extraordinary circumstances impacting our country. However, based on the 2021 survey results, we implemented several measures in 2022, to mitigate the effects of high inflation and challenging economic conditions on our staff. We provided an interim salary adjustment on July 1, 2022, in addition to our regular annual salary increase. We also initiated a travel allowance to assist with commuting expenses for our colleagues who come into the office. Furthermore, we updated the financial assistance provided for foreign language training, courses, and CPA traineeships. We continued our Remote Working Assistance, now termed the Employee Support Package.

For employee development, we established the Learning and Development Department to provide more systematic oversight of learning initiatives. We formed a Learning and Development Working Group that includes partners from various departments. Alongside our Strategic Human Resources Working Group and Employer Branding Working Group, we persist in our endeavors to enhance employee loyalty, satisfaction, and motivation. According to the Employee Loyalty and Satisfaction survey and the Stakeholder Analysis conducted by the Marketing and Communication Department in 2022, our priority issues for the coming period will include supporting the continuous development of employees, establishing recognition and reward systems, improving salaries and benefits in accordance with the current economic landscape, and focusing on career planning.

## Equal Opportunity and Diversity

We uphold the principle of equality in all aspects of our human resources processes, including recruitment, promotion, development, and career management. We expect our employees to be individuals who respect human rights, ethical

values, and diversity, and who are conscious of social responsibility and sustainable development. Our practices are managed in alignment with these principles. In compliance with legal obligations in Türkiye, the employment of individuals with disabilities forms an integral part of our commitment to equal opportunities and diversity. We make sure that our employees with disabilities assume equal responsibilities in technical functions and progress in their careers based on their professional and technical competencies.

The amalgamation of different perspectives and cultures in a harmonious manner constitutes our inclusive and unifying corporate culture. This emphasis on diversity is also reflected in our recruitment policies. Our employees, who have completed their undergraduate and graduate studies at over 40 universities in Europe, America, Asia, and Türkiye, have the ability to communicate in 13 different languages.

Gender equality, which is among the Sustainable Development Goals, is fully incorporated into our practices. In alignment with our policies, Fatma Feyza Külekçi, Gökçen Müftüoğlu Çapa, and Nesli Erdem have made significant strides within the firm. Fatma Feyza Külekçi and Gökçen Müftüoğlu Çapa were appointed as CARL Partners and became international partners. Nesli Erdem has taken on the role of co-chair of the Audit Department.

## Our Ethics Committee and the Ethics Line

We continued to oversee our process for reporting ethical violations through the Ethics Line service. This service offers an anonymous channel where our colleagues can report concerns about ethical matters. Additionally, our Ethics Committee, consisting of one Board Member and two partners independent of senior management, efficiently managed the research, investigation, and sanctioning processes for 24 reports received. All notifications were addressed and concluded in compliance with legal regulations and our code of ethics.



# Strategic Priorities

## 2022 Performance and Forecasts

### Client Focus



Our clients span a diverse array of sectors, with a focus on manufacturing, professional services, and consumer products. The substantial presence of multinational companies among the clients we served in 2022 further solidifies Mazars in Türkiye's international identity—attributable not just to our affiliation with the Mazars network, but also to the caliber of organizations we serve.

#### Client Portfolio – Industry Breakdown

Manufacturing	22%	Technology	7%	Energy	2%
Consumer Products	13%	Pharma and Health	5%	Accommodation and Tourism	2%
Automotive	10%	Property and Construction	3%	Insurance	2%
Chemicals	8%	Media	3%	Not for Profit	1%
Professional Services	7%	Transport and Logistics	3%	Other	12%

Our relationships with our clients are guided by four basic principles.

#### 1. Balanced distribution of high-level attention to all clients

From its inception, Mazars in Türkiye has addressed the needs of all our clients at the senior executive level. Our partners and directors personally oversee each client's requirements, from the initial stages of project planning through to completion.

#### 2. Balancing real needs with effective solutions

In alignment with our principle of responsible revenue generation, we provide our clients only with services that meet their actual needs and that we believe will foster their business growth.

#### 3. Balance between technical excellence and ethical values

We acknowledge that technical excellence alone is insufficient to satisfy our clients' needs; a commitment to ethical values is equally crucial.

We strive to ensure that our employees deliver top-tier service guided by this dual focus.

#### 4. Balance between client satisfaction and long-term relationships

We are committed to continuously enhancing client satisfaction through our dedication to clients, our independent approach, and our technical rigor. We believe that by prioritizing client satisfaction, we can forge enduring business relationships and contribute to the advancement of various sectors, including our own.

Consistent with this philosophy, we annually assess our service quality via regular client satisfaction surveys, the results of which are reviewed at a senior management level.

## Client Satisfaction

In 2021, the introduction of an international client satisfaction system by Mazars Global enabled us to evaluate our service quality on a global scale.

Among the 137 stakeholders engaged in this year's survey, they have expressed their intent to recommend our organization, as evidenced by a Net Promoter Score (NPS) of 62.6. Although our aim was to surpass last year's NPS score of 78.6, we fell short in 2022.

Our department managers promptly addressed this area for improvement.

Due to factors such as portfolio changes, project completions, and decisions to engage with different clients, our client base decreased from 1,463 to 1,416 in 2022.

### NPS Result (Net Promoter Score)

Promoter	63%
Passive	36%
Detractor	1%

## Continuous Improvement in Service Quality

In the second quarter of 2022, we undertook a thorough review of our Outsourcing Services in accordance with the ISO 9001 Quality Management Standard and successfully completed the process revision design project.

With a risk-oriented approach, we established our quality policy to achieve the following objectives: to maximize client satisfaction through the engaged participation of all our employees, to maintain and enhance the effectiveness of the ISO 9001:2015 quality management system, to prioritize efficiency and ongoing improvement, to adhere to ethical values and relevant legal standards in all our operations, and to contribute to global sustainability efforts.

## Our Sustainability Policy in Our Marketing and Business Development Activities

We implemented an ERP system as a pivotal step in our digitalization journey and tailored our reporting system to align with sustainable performance indicators. We also initiated the use of the CRM module, an integral component of the ERP system, and conducted training sessions for users. Additionally, we took the opportunity to update our client data.

“Client satisfaction is always at the top of our list. We're happy to share that we've now received our ISO 9001 certification, and we're on track to get our ISO 27001 too. We've also taken a deeper look at our quality management system, filled in the gaps, and set up new routines focused on constant improvement. ”

— Doğa Özsoy, *Partner at Mazars in Türkiye Outsourcing Services, Executive Committee Member*



Our total number of followers

36,942

Unique social media posts created and shared

767

Our social media engagement

1,776,394

Website click volume

218,731

### Our Events

In 2022, we conducted 48 webinars that reached a tracked audience of 95,965 stakeholders. Through these webinars, 302\* of our internal stakeholders received a total of 1,208 hours of professional training.

Our Tax Services Partner, Ahmet Kartal, took on the role of President for the Turkish Accounting Professionals Association (TMUD), representing Mazars in Türkiye at various events throughout the year.

Additionally, Yaman Alkan, our Sustainability Services Partner, spoke on the "Future Reporting Standard in Businesses: Integrated Reporting" panel at the 21.st Turkish Accounting Congress, organized by TÜRMOB.

Mehmet Eronat, our Management and HR Consultancy Partner, spoke at the "Performance Management from a Sustainability Perspective" session during the Performance Management Summit hosted by HR Magazine.

Ahmet Şahin Savcı, another of our Tax Services Partners, was re-elected as the President of the Ankara Chamber of CPAs for 2022.

We were also honoured to host Mazars Global CEO Hervé Hélias and Board Member Veronique Ryckaert at our Istanbul office, where we celebrated our shift to renewable energy and announced our commitment to achieving Net Zero by 2030.

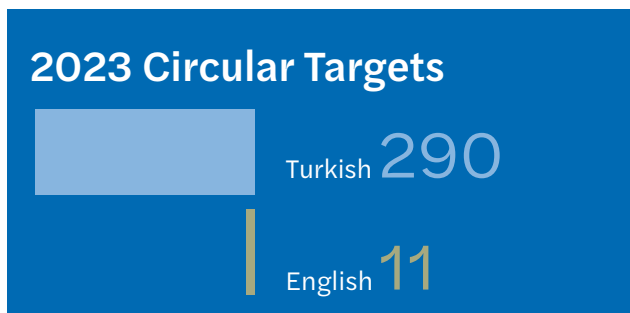
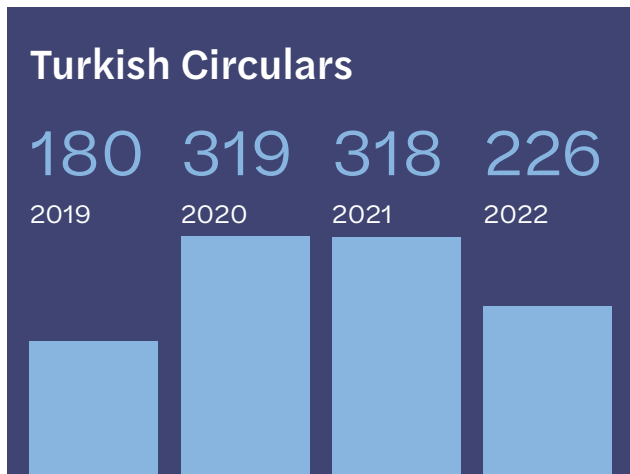
To keep our stakeholders updated on sustainability issues and to communicate the COP27 agenda first-hand, we collaborated with EkoIQ for this special project.

\*The number of views represents total views and might include multiple views by the same individuals.

EkolQ's Barış Doğru and Director of Marketing & Communication Barlas Hünelp led the "COP27 Express" program, a series of discussions examining daily developments at the COP27 summit. The program, consisting of 14 sessions, garnered over 100,000 views on YouTube.

As part of this initiative, we hosted Fazeela Gopalani and Vikas Aggarwal, two prominent figures from ACCA. In partnership with Aposto, we also produced a COP27 publication, offering updates in both Turkish and English. Following the summit, we released our first global report, titled "COP27 Uncovered."

We concluded the year on a high note, hosting a New Year's Eve party organized in collaboration with our HR team, to which all our colleagues were invited.



## Sponsorships

We place a high value on our sponsorship activities across various sectors and stakeholders.

### Turkish National Youth Philharmonic Orchestra (TUGFO)

At Mazars in Türkiye, we have a strong commitment to promoting art and music. In alignment with this, we extended our support to TUGFO, an organization dedicated to encouraging young talent in the arts.

### TÜSİAD Bu Gençlikte İş Var! (This Youth Means Business!)

We marked our sixth year as a gold sponsor of the TÜSİAD BGİV program, which has transitioned into a sustainability initiative. Through this program, we have engaged with hundreds of students across all regions of Türkiye.

### MardinUP

Emphasizing the importance of fostering an entrepreneurial ecosystem, we became a sponsor for the MardinUP Entrepreneurship Conference.

### Internal Audit Institute of Türkiye (TIDE)

We served as a gold sponsor at the 26th Turkish Internal Audit Congress organized by TIDE. Our CEO and Corporate Sustainability Ambassador, Dr. İzel Levi Coşkun, and our Consulting Services Partner & Risk, Internal Audit and Control Leader, Fatma Feyza Külekçi, participated in the event as speakers.

## 2023 Communication Targets

1. Keeping our sustainability communication between 20% - 25% in content marketing
2. Increase our reach in digital channels by 25%
3. Increase our media access by 25% by 2022
4. Increasing the number of LinkedIn followers, our main communication channel, by 30%
5. Switching to an e-mail marketing system in internal communication
6. Increasing our digital offering by 20%
7. Publishing for COP28



# Strategic Priorities

## 2022 Performance and Forecasts

### Digital Transformation



As an organization committed to technological advancement, we employ customized software solutions aligned with our quality standards and unique business approach. We conduct our tax audits through the Computerized Audit Program (CAP), a tool technically developed by Futurecom and enriched by our long-standing expertise.

In 2022, we initiated a pilot for the Signals program in our Outsourcing Department to further streamline our clients' experience. In our Independent Audit operations, we use Mazars' Atlas program ensuring secure and synchronized services across multiple countries. We serve not only as users but also as contributors in the development and implementation of these platforms.

#### Intrapreneurship

Our Intrapreneurship unit has welcomed a range of innovations under new management. We set up a strategic group focused on technology and innovation to boost efficiency and foster innovative work. In line with our 2023 objectives, we gathered a representative from each department to define our long-term goals and develop our strategic roadmap.

One of our early project ideas was to assess, inventory, and evaluate the software tools currently in use across the organization.

We're also in the process of creating a system where all team members can submit and take ownership of their ideas and projects, and monitor their development.

#### ERP System

In use since January 2021, our ERP system has been continually enhanced with new modules and is currently utilized by our Istanbul office. We plan to roll it out to our other locations in 2023.

“When it comes to corporate sustainability reporting, we’re really looking at three main developments. First, “double materiality” is becoming a big deal. This means companies need to talk not just about their financial risks, but also about their impact on the planet. Second, long-term planning is key. If you're only thinking short-term, you might miss some big risks or opportunities down the line. And third, it’s not just about money and resources anymore. To get a fuller picture, companies should also consider intellectual, human, natural, and social assets. This integrated approach helps us understand how financial and non-financial factors are interconnected.”

— Yaman Alkan, *Mazars in Türkiye Corporate Sustainability Services Partner*

### Information Security

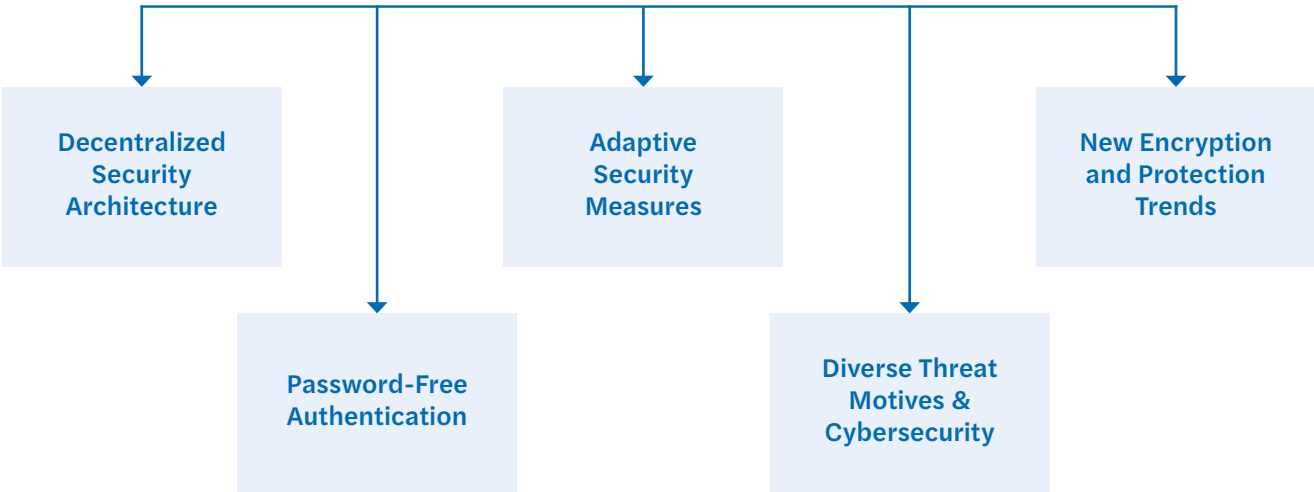
At Mazars in Türkiye, we take information security seriously and have set up a dedicated committee to manage it. This team is made up of key members with high levels of responsibility. Our focus goes beyond just safeguarding our IT infrastructure; we aim to set the stage for future security trends as well. We've recalibrated our approach in 2022, especially in light of the Covid-19 pandemic, integrating information security into our broader sustainability goals.

To maintain the trust of our stakeholders, we've adopted a distributed security approach. This ensures that our teams and corporate information resources are managed optimally and used responsibly through secure channels.

With the right managerial, technical, and physical mechanisms in place, we're not just reacting to security issues but proactively planning for them.

We continue to improve all of our systems and processes, focusing on the reliability, confidentiality, and availability of data. This is a crucial part of our IT governance and aligns with our long-term, strategic focus on information security.

Our commitment doesn't stop here. We continually monitor our security measures and evaluate suggestions for improvements, coordinating our efforts to provide a prudent, systematic, and proactive approach to information security.





“We're always updating and investing in our information security measures, but it's crucial that everyone involved is clued up on this too. So it's not just about new systems and tech, but also about ongoing training for everyone.”

— Görgün Uçar, *Mazars in Türkiye IT Director*

# Strategic Priorities

## 2022 Performance and Forecasts

### Sustainable and Responsible Revenue Generation



Our focus on Sustainable and Responsible Revenue Generation has five main components.

#### 1. Development instead of Growth

Mazars in Türkiye understands that endless growth isn't feasible on a planet with finite limits. We focus more on sustainable development rather than continuous expansion. Our approach to sustainability aims to shift from a profit-centered, consumption-driven economy to a model that benefits everyone—our stakeholders, nature, and society as a whole. Achieving this balance means weighing economic gains against social and environmental impacts.

#### 2. Ethics

Our ethical framework is grounded in the idea of multi-benefit utilitarianism, combining utilitarian and care ethics. This approach is evident in how we treat our competitors as stakeholders and our circumspect attitude to client or employee transfers. We avoid harmful pricing tactics and share our expertise with the industry through collaborations like CAP software. We also steer clear of bidding on projects that could have negative social or environmental impacts, even if they promise substantial economic returns.

#### 3. Respect for the Local

We don't buy into the notion that the global drive for growth should overshadow the importance of preserving local qualities. In line with our geographic development policy, we expect our regional offices to honour key values like people, environment and social protection, quality, trust, client focus, and technical excellence. Beyond that, we also value the cultural nuances that each region brings to the table. We are considerate of regional differences and steer clear of micromanaging daily operations. Rather than imposing a centralized management system, we aim to foster local institutional structures through sharing knowledge. Similarly, we focus

on developing services locally from the ground up, instead of merely exporting them from a central hub.

#### 4. Shifting from Monetary to Sustainable Metrics

We understand that businesses create impacts that go beyond monetary measures. At Mazars in Türkiye, our responsible revenue KPIs include more than just financial indicators like revenue, profitability, and receivables turnover rate. We also look at metrics such as the percentage of pro bono service hours to total work hours, social responsibility hours per person, and per capita carbon emissions. Alongside Mazars Global's WeCheck system, which enhances client onboarding processes, we've set up our own system to assess potential clients on their industry focus and ESG reputations.

#### 5. Employee Rights

At Mazars in Türkiye, our values align with more than just legal requirements and the Working Conditions article in the Global Compact. We see our responsibility as extending to areas like boosting the number of female managers, supporting work-life balance, and fostering both professional and cultural growth for all employees, including those from the LGBTQI community. Our commitment also includes valuing all forms of diversity, increasing diverse representation in decision-making, fostering open communication, among other initiatives.

# Strategic Priorities

## 2022 Performance and Forecasts

### Sustainable Development



### Tackling the Climate Crisis

The 2022 IPCC 6th Assessment Report underscored the red-alert status of our planet due to climate change. The report makes it clear that without urgent action, the growing impact on people, ecosystems, economies, and biodiversity will only escalate. While the number of governments and organizations pledging net-zero targets is rising, commitment alone isn't enough; more concrete policies and actions are needed.

As part of the Mazars Group, which has joined the Science Based Targets initiative (SBTi), Mazars in Türkiye is also firmly committed to becoming a net-zero enterprise in alignment with climate science. We understand the pressing need for action and are conscientiously working to mitigate our environmental footprint. Specifically, we are taking measured steps to manage and eventually eliminate our greenhouse gas emissions.

- In 2022, we took significant strides to reduce our environmental impact at our headquarters. We transitioned to renewable energy, effectively eliminating our Scope 2 emissions from electricity use, which made up 9% of our total greenhouse gas emissions.

- Additionally, we offset about 239 tonnes of carbon from our Scope 1 and 2 emissions at our head office by purchasing carbon credits.
- Our long-term vision is to achieve net-zero status by 2030. We formally shared this commitment with our stakeholders in a signing ceremony featuring key figures such as Mazars Global CEO and Chairman Hervé Hélias and Mazars Global Executive Board Member Veronique Ryckart.

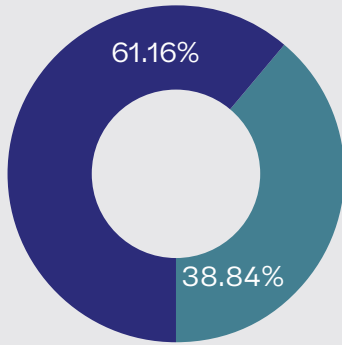
### Minimising our Negative Environmental Impact

Throughout our service cycle, we're committed to minimizing the environmental impact of not just our operations but also that of our clients and suppliers. We calculate our carbon footprint in accordance with the Greenhouse Gas Protocol, covering Scope 1, 2, and 3 emissions.

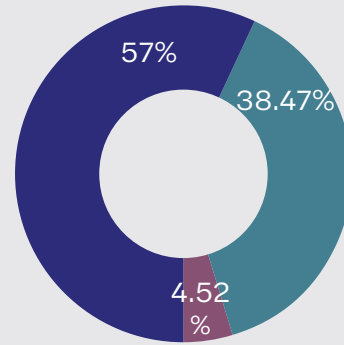
To enhance the precision of our data, we updated our CO<sub>2</sub> calculation tool in 2022, integrating it with the tool used by the Mazars Group. This update included additional metrics not accounted for in our prior calculations, leading to higher but more accurate results.

Greenhouse Gas Emissions (tCO <sub>2</sub> equivalent)	Head Office		All Offices	
	2021	2022	2021	2022
Scope 1	130.91	238.51	390.82	334.20
Scope 2	77.74	0	187.44	39.25
Scope 3	36.4	375.62	78.96	495.24
<b>Total tCO<sub>2</sub></b>	<b>245.05</b>	<b>614.13</b>	<b>657.22</b>	<b>868.69</b>
Total Scope 1 and 2 Greenhouse Gas Emissions per employee (tCO <sub>2</sub> e/person)	0.76	0.77	1.52	0.89
Total Scope 1 Greenhouse Gas Emissions per employee (tCO <sub>2</sub> e/person)	0.47	0.77	1.03	0.80
Total Scope 2 Greenhouse Gas Emissions per employee (tCO <sub>2</sub> e/person)	0.28	0.80	0.49	0.09

**Mazars in Türkiye  
Greenhouse Gas Emissions  
Head Office (2022)**



**Mazars in Türkiye  
Greenhouse Gas Emissions  
All Offices (2022)**



● Scope 1  
● Scope 2  
● Scope 3

For Scope 1, or Direct Emissions, we've made refinements in our calculations. For the first time, we've included the refrigerant gas used in our Istanbul head office's ventilation system, resulting in 106.16 tCO<sub>2</sub>e during 2022. Additionally, we shifted from fuel consumption estimates to tracking company car usage by kilometers, clocking 719,453 km in 2022. Meanwhile, natural gas use decreased in our non-Istanbul offices.

Under Scope 2, or Energy Indirect Emissions, we've made strides by sourcing 100% of our electricity from renewable energy at our head office starting January 2022. This significantly reduces our Scope 2 emissions. Moreover, electricity usage dropped at our other locations last year.

For Scope 3, Other Indirect Emissions, we saw an uptick due to the increased frequency of client visits and Mazars Global meetings after the onset of the Covid-19 pandemic. This category includes emissions from activities we don't directly control but are a consequence of our operations, like outsourced tasks.

We've fine-tuned our estimate of office-generated household waste to enhance the accuracy of our Scope 3 emissions calculations. Our focus on precision has led to significant updates this year, expanding the metrics to include hotel stays, commuting, remote work, courier services, and various outsourced functions like legal and marketing support. This broader approach provides us with a more nuanced understanding of our indirect environmental impact.

### Greenhouse Gas Emissions Summary

Our greenhouse gas emissions table quantifies the seven gases outlined in the Kyoto Protocol, converting them to their carbon dioxide equivalent (CO<sub>2</sub>e) where measurable. These gases include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), nitrogen trifluoride (NF<sub>3</sub>), sulfur hexafluoride (SF<sub>6</sub>), and perfluorocarbons (PFCs). This approach enables a more comprehensive view of our environmental impact.

Greenhouse gas (GHG)	Global warming potential (coefficient)	tGHG/ pa	tCO <sub>2</sub> e/ pa
CO <sub>2</sub>	1	483	483
CH <sub>4</sub>	29.8	0.0153	0.455
N <sub>2</sub> O	273	0.00787	2.15
HFC-410a	2,255.50	0.021	47.4
R <sub>22</sub>	1,960	0.03	58.8
CO <sub>2</sub> e	1	276	276
<b>Total</b>			<b>867</b>

## Environmental Indicators

Emission sources		Consumption (2022)
<b>Business travel</b>		
Air travel	Average flight duration, average class	265,085 passengers km
Bus	City bus	28,240 passengers km
	Intercity bus	2,252 passengers km
Employee cars	Average car (all fuel types)	85,546 km
Hotels	Hotel stays	146 nights
Railway transport	Domestic / intercity train	3,354 passengers km
Taxi	Average taxi	32,874 km
<b>Capital products</b>		
Capital products	Fixtures and fittings	402 USD
	IT and office equipment	179,171 USD
	Motor vehicles	23,012 USD
<b>Commuting</b>		
Bus	City bus	537,696 passengers km
Employee cars	Average car (all fuel types)	197,362 km
Motorbikes	Motorbike	916 km
Walking & cycling	Cycling	13,349 km
<b>Company owned/rented vehicles</b>		
Cars	Average car (all fuel types)	938,503 km
	Average diesel car	28,606 km
	Average petrol car	11,323 km
<b>Working from home</b>		
Working from home		38,976 days
<b>Facility</b>		
Electricity	Renewable consumption	136,616.24 kWh
	Non-renewable consumption	86,233 kWh
Stored waste	Landfill waste	7,804 kg
Natural gas	Natural gas consumption	164,448 kWh
	Natural gas consumption	11,646 m <sup>3</sup>
Recycled waste	Closed loop recycling - glass	3,772 kg
	Closed loop recycling - paper	8,452 kg
Refrigerant loss and other fugitive emissions	R22 emissions	30 kg
	R410a emissions	21 kg
Water	Water (supply and treatment)	178,432 l
	Water (supply and treatment)	862 m <sup>3</sup>

## Sustainable Supply Chain

We're committed to achieving sustainable development through collaborative efforts, especially with our suppliers. In 2022, as part of our Sustainable Supply Chain initiative, we rolled out the Mazars in Türkiye Supplier Principles guide.

This document consolidates 10 key principles from both the Mazars Group and the Global Compact. In 2023, our goal is to share these principles with all our suppliers, obtain their commitment to adhere to them, and further support their sustainability transformation through targeted training.

## Supporting Social Development

As a proud participant in the UN Global Compact, we fully recognize our societal responsibilities—viewing the community as an essential stakeholder alongside our employees and clients. We're committed to driving social progress by offering pro bono or discounted auditing and consultancy services to NGOs, as well as by engaging in events that promote societal development.

Throughout 2022, our CEO Dr. İzel Levi Coşkun actively championed sustainability. He raised awareness about the subject at various forums, drawing special attention to Generation Z's shifting attitudes. He delved into the behavioural transformations of the next generation at Yapı Kredi Sustainability Talks and highlighted the urgency of transitioning to a carbon-neutral economy on Aposto's Pareto podcast.

Dr. Coşkun also spoke at notable platforms like the Harvard Business Review Türkiye's Sustainability Summit and the Turkish Capital Markets Congress. Additionally, he was a guest speaker in training programs and webinars conducted by organizations such as Enerjisa Üretim, TAİDER, and TÜSİAD, among others.

Furthermore, Dr. İzel Levi Coşkun participated as a guest speaker in training programs and webinars facilitated by respected organizations like Enerjisa Üretim, TAİDER, and TÜSİAD.

These programs didn't just focus on sustainability but also offered valuable entrepreneurship training and mentoring.

## Community

- Rotary Bursa
- Sen de Gel Association
- Toplum Gönüllüleri Vakfı

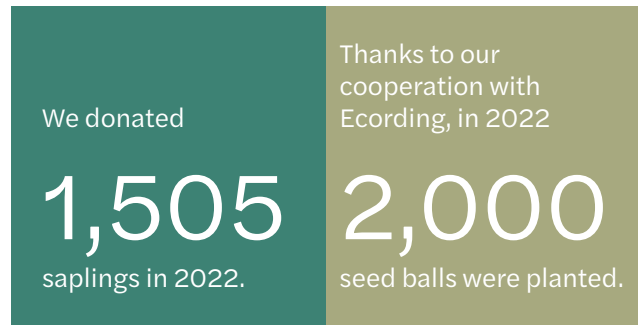
## Culture

- Cultural Awareness Foundation (KBGV)

## Environment

- Marine Life Conservation Society (DYKD)
- Çekül Foundation

In addition to these associations and foundations, we also extend low-cost outsourcing and independent audit services to various other non-profit organizations and foundations.



## Pro Bono Projects

Our sustainability strategy revolves around fostering social responsibility awareness, engaging in voluntary initiatives, and providing support to non-governmental organizations. We motivate our employees to participate in social responsibility projects by granting them annual social responsibility leave. In 2022, Mazars in Türkiye collectively contributed around 996 hours of pro bono service. Our goal is to increase this figure further in the coming year.





## Collaborating with Academia

To address the scarcity of internship opportunities in B2B marketing, we are collaborating closely with our HR Department. The Next Marketing internship program, developed in partnership with The Next Marketing, continued to be deployed. We selectively onboarded interns from prominent universities across Türkiye.

As part of our equal opportunity policy, we maintained a higher percentage of women interns. Throughout the internship program, we facilitated interactions between our interns and leaders from various sectors, fostering networking opportunities. We are pleased to have successfully seen off 6 interns who joined us in 2022.

Moreover, our CEO Dr. İzel Levi Coşkun actively participated in a range of events, including the Environment and Sustainability Days webinar hosted by Arel University, the Sustainable Ecosystem Days organized by ITU, the 360-degree Business and Audit Program training series organized by Marmara University, and the Sustainability in Entrepreneurship webinar organized by Koç University.



Please scan the QR code to listen to Dr. İzel Levi Coşkun in the podcast episode hosted by Esmiyor.

## From Continuity to Sustainability

15,000 copies of the third edition of 'From Continuity to Sustainability', the book authored by our CEO and Corporate Sustainability Ambassador, Dr. İzel Levi Coşkun, was widely circulated throughout Türkiye, in collaboration with Fortune Türkiye magazine. Fortune's impactful piece also reached international audiences through English and Chinese translations.

Dr. İzel Levi Coşkun extensively discussed the themes outlined in his book, highlighting the contrast between continuity and sustainability, in a webinar hosted by the Sustainability Steps Association. His engagement further extended to podcasts, where he featured on the Sustainable Living School and Esmiyor podcasts, delving into the same subject matter. Additionally, he attended an event organized by FODER Young Book Club, where the book was the focal point of discussion.

In February, Dr. İzel Levi Coşkun participated in the SES Equality and Solidarity Association's "Thinking with SES" series as a guest speaker. During this occasion, he emphasized the collective responsibility we all bear and the urgency to take prompt action for sustainability.

In 2022, Dr. İzel Levi Coşkun dedicated more than 62 hours to various sustainability-related activities and training sessions.

**“Only a limited number of individuals possess the capacity to view the realm of business objectively. Transforming the foundational principles of entities focused on 'continuity' into the ethos of 'sustainability' represents a challenging pursuit that only a select few can undertake. At Esmiyor, we recognize the imperative of reshaping businesses to instigate systemic transformations. The profound impact of our interaction with İzel has magnified this awareness, underscoring its significance in a compelling manner.” — Esmiyor Podcast team**

## Sustainability Research: Sustainable 350

Emphasizing the significance of sustainability communication within our broader outreach efforts, we have collaborated with Inbusiness, a renowned Turkish magazine. Together with the Inbusiness team, we curated a dedicated June edition titled "Sustainable 350." Underpinning this initiative, we conducted comprehensive research, compiling a roster of over 350 enterprises in Türkiye that are signatories of the UNGC. Our analysis encompassed their sustainability and integrated reports, culminating in the creation of a sustainability glossary and assorted content featured in the magazine.

## Weekly Sustainability Newsletter

We've established a Weekly Sustainability Newsletter aimed at updating our clients, colleagues, and all stakeholders on global sustainability and ESG advancements. This newsletter is carefully curated and shared every week through our LinkedIn account, ensuring worldwide outreach as it's presented in English.



Please scan the QR code to review and subscribe our Weekly Sustainable Newsletter.

## Corporate Sustainability Consulting

In its second year, the Corporate Sustainability Consulting team continues to offer products to facilitate our clients' journey towards sustainability transformation, enabling them to surpass responsible revenue generation, expand their sustainable service portfolio, and reduce their impact on the external environment – all of which constitute the cornerstone of Mazars in Türkiye's value creation model:

- **Sustainability and ESG Strategy:** We provide expert guidance to our clients' shareholders, investors, and senior management in the sustainability and ESG space. Our objective is to empower our clients to actively participate in the transformation process.

- **HR Integration:** We assist our customers in prioritizing and identifying critical areas of focus. At a secondary stage, we offer advice on practical and realistic targets for establishing business processes and key performance indicators.
- **Training:** Sharing knowledge on sustainability by preparing special training programmes and workshops not only for clients but also their suppliers, as well as other stakeholders such as associations and NGOs.
- **Sustainability and Integrated Reporting:** Creating reports indexed against the United Nations Sustainable Development Goals, using different methodologies such as GRI, ESRS, SASB, TCFD, SBTi, etc.
- **Sustainability Communication:** Helping our clients to communicate their sustainability efforts to their target audiences through various social and other media channels.
- **Assurance:** Providing audit and assurance services for reports issued by other providers to our clients to whom we do not provide Corporate Sustainability Consultancy.
- **Corporate Social Responsibility:** Helping create CSR Projects aligned to our clients' sustainability strategies and helping them to communicate these projects.

The Corporate Sustainability Consultancy team offers consulting services on topics of both national and international importance, including the European Green Deal, CSRD, and ISSB regulations.

It collaborates closely with reporting associations such as ERTA, ACCA, and TAİDER North Star.

## Our B-Corp Process

In our journey towards becoming a B-Corp, we addressed the development areas identified during the initial assessment conducted in 2021. Our official application was submitted in February 2022.

However, due to the high demand at B-Lab Europe, the process was hindered as an auditor could not be assigned in 2022. We are focused on advancing through the audit process once an auditor is appointed in 2023.

# Corporate Governance and Risk Management

**As a direct consequence of our sustainability strategy, our corporate governance principles include fair management, transparency, accountability, and responsibility which constitutes our understanding of acting responsibly in our business dealings.**

In line with Mazars Global International TRANSPARENCY Principles, our accounts have been audited by Crowe Horwath, an independent audit firm, since 2009. The results are consolidated and published on Mazars' website.

We take care to ensure stakeholder participation in our actioning on our strategies for issues that are important enough to affect our organizational performance and are related to sustainable development, so that we are ACCOUNTABLE; offering reliable information to all our stakeholders.

We know that revenue generation is not our only aim and that we have an obligation to carry out social and environmental RESPONSIBILITIES while creating value for our stakeholders.

We expect the firm's management to adopt the principle of equity in all its activities and, in particular, we expect management to use FAIR MANAGEMENT principles which means placing the firm's interests above their own and to be objective in decision making.

## Our Corporate Governance Structure

Our firm's partners also make up the management as heads of their teams, departments or the office. They assume managerial or functional responsibilities according to their job descriptions.

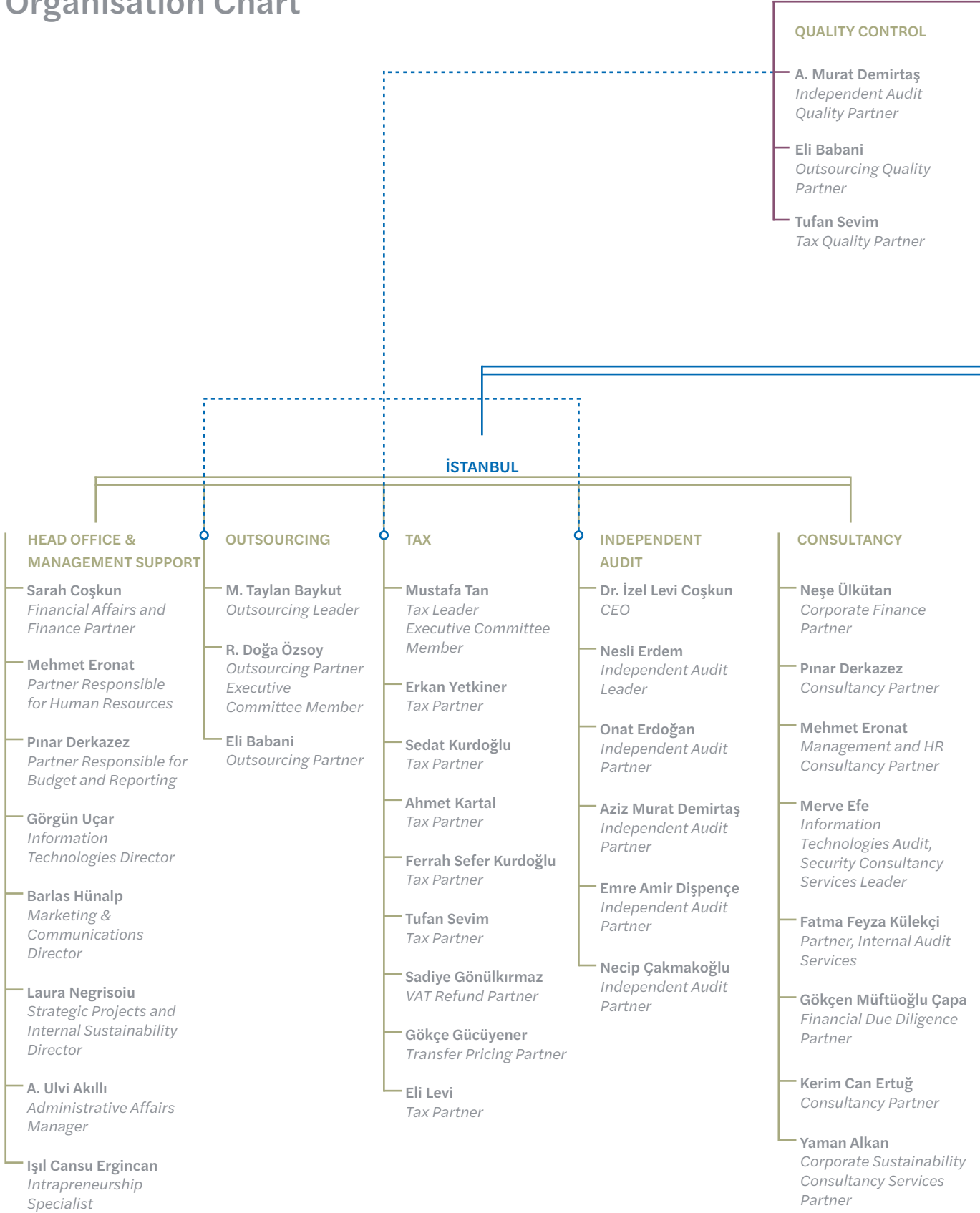
Our partners can also be members of both the Board of Directors and the Executive Board at the same time.

We have a two-tier senior management system formed of the Board of Directors and the Executive Board. Our Board of Directors has a total of 6 members, including three partners from Istanbul, two from Ankara and one from Bursa. Our Executive Board has six members, including three partners from Istanbul, one each from Bursa, Ankara and Izmir. There is one woman member in the Executive Board.

**“The North Star project, successfully conducted by TAİDER (Turkish Family Business Association) for 6 years, provides businesses with guidance to assess their position in their sustainability journey. Companies engage with evaluators by responding to question sets related to Business Model, Employees, Society, Family and Future Generations, Environment, and Corporate Governance. Through on-site visits and discussions, companies explore these aspects and the resulting report acts as a compass for their sustainability journey. The project stands out for its focus on family and future generation planning and corporate governance processes, setting it apart from other sustainability initiatives. We extend our gratitude to Dr. İzel Levi Coşkun, who played a foundational role in shaping the project, contributed to each question, and provided personal input throughout. A North Star project without his involvement would have been unimaginable.”**

**— Berna Aşıroğlu, TAİDER Board Member**

# Corporate Governance and Risk Management Organisation Chart



## BOARD OF DIRECTORS

Leon Aslan Coşkun  
Chairman

Dr. İzel Levi Coşkun  
CEO  
Corporate Sustainability  
Ambassador  
Board Member

R. Uğur Kaylan  
Tax Partner  
Board Member

Şevki Boran  
Tax Partner  
Board Member

M. Taylan Baykut  
Outsourcing Partner  
Board Member

A. Şahin Savcı  
Tax Partner  
Board Member

### ANKARA

R. Uğur Kaylan  
Tax Partner

A. Şahin Savcı  
Tax Partner

Taner Altan  
Tax Partner  
Executive Committee  
Member

Emre Yayla  
Tax Partner

### BURSA

Şevki Boran  
Tax Partner

Nazan Boran  
Tax Partner  
Executive Committee  
Member

Emre A. Dişpençe  
Independent Audit  
Partner

Osman Bacanlı  
Tax Partner

### DENİZLİ

Mehmet Erdoğan  
Outsourcing Partner

### GAZİANTEP

Mehmet Kalkınoğlu  
Tax Partner

### İZMİR

Anıl Taşkoyan  
Outsourcing Partner  
Executive Committee  
Member

## Our Risk Management Strategy

The objectives of Mazars in Türkiye's Corporate Governance and IT Compliance function;

- to be ready in advance against internal and external risks that may occur
- to ensure the effectiveness and efficiency of operations
- to maintain a reliable reporting infrastructure
- to align firm procedures with laws such as data privacy ( KVKK, GDPR, etc.)

Aligning the compliance framework with these principles, our organization is committed to upholding the highest ethical and quality standards. In pursuit of this, we have developed risk maps for all our units, and processes have been refined.

We are a forward-thinking organization, dedicated to crafting and overseeing effective risk management plans. We continually refine our risk mitigation strategies to ensure they're robust and dynamic. Insights from our risk assessments play a crucial role in shaping and executing internal control activities across our firm. Given the shift to remote work during the pandemic, we've prioritized addressing both the mental strain on our team and health-related risks, as well as environmental concerns. Our Advisory Board actively manages and mitigates risks in these areas to maintain our commitment to the well-being of our employees and our environment.

## Awareness of our Responsibility

The performance of businesses within the society they operate in, and their environmental impact are closely intertwined. As such, our corporate governance system is pivotal for ensuring smooth operations and evaluating overall performance.

This dynamic underscores the need for a harmonious coexistence of robust ecosystems, social equity, and effective corporate governance to ensure sustainable business practices.

An ethical approach in the audit sector extends the bounds of responsibility to individuals within society. This means that even the slightest error in tax declarations, full attestation reports, or independent audits can lead to mistakes resonating through the chain of responsibility down to ordinary citizens.

Such errors could potentially mislead the general public. This underscores the significant societal awareness demanded by our profession.

This ethos of social responsibility illustrates the interconnectedness of all stakeholders, from employees and clients to competitors, public institutions, professional chambers, the state, educational institutions, NGOs, and individuals.

Each link in this chain necessitates a uniform commitment to responsibility, open communication, and effective sharing among all units at Mazars in Türkiye, regardless of department or seniority.

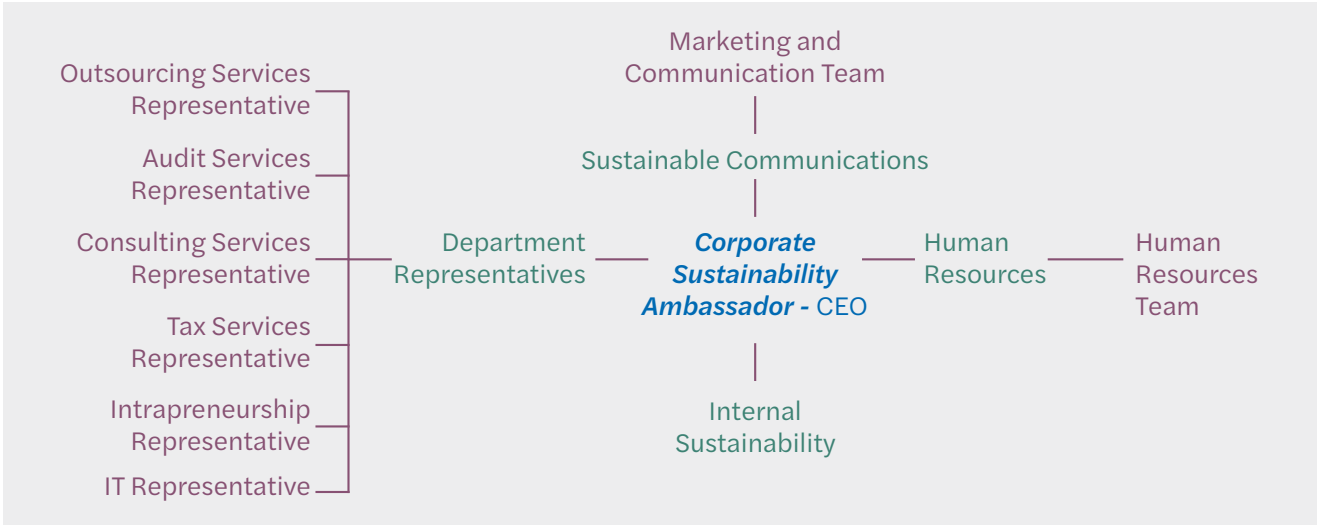
## Sustainability Management

Chaired by the CEO, our Sustainability Committee convenes on a regular basis to formulate sustainability strategies and ensure the seamless integration of an encompassing perspective into our daily operations. Throughout 2022, our committee diligently convened bi-weekly to further these objectives.

Dr. İzel Levi Coşkun	CEO	Corporate Sustainability Ambassador
Laura Negrisiou	Strategic Projects and Internal Sustainability Director	Strategic Projects and Internal Sustainability Director
Mehmet Eronat	Human Resources and Management Consultancy Partner	Human Resources Policies Representative
Seda Korkut	Human Resources Manager	Human Resources Representative
Merve Iğdır	Senior Human Resources Specialist	Human Resources Representative
Fatma Selin Varol	Learning and Development Specialist	Human Resources Representative
Barlas Hünalp	Marketing and Communication Director	Sustainable Communication Representative
Halil İbrahim Topal	China Desk Coordinator	Sustainable Communication Representative
Aslıhan Pala	Marketing and Business Development Manager	Sustainable Communication Representative
Laure Chevalier	French Desk Coordinator & CRM Manager	Sustainable Communication Representative
Büşra Nur Uçan	Marketing and Communication Assistant	Sustainable Communication Representative
Rahşan Yasdıman	Outsourcing Director	Outsourcing Services Representative
Cemile Binnur Tanrıverdi	Outsourcing Director	Outsourcing Services Representative
Aziz Murat Demirtaş	Independent Audit Services Partner	Independent Audit Services Representative
Yaman Alkan	Corporate Sustainability Services Partner	Consultancy Services Representative
Deniz Can Minak	Mergers and Acquisitions Manager	Consultancy Services Representative
Sedat Kurdoğlu	Tax Services Partner	Tax Services Representative
Mihrimah Nur Kontaz	Tax Expertise	Tax Services Representative
Işıl Cansu Ergincan	Intrapreneurship Expert	In-house Entrepreneurship Representative
Görgün Uçar	IT Director	IT Representative
Tuba Ayhan	CEO Assistant	







### Ethical Principles

Mazars in Türkiye has established policies and procedures that provide reasonable assurance on its compliance as a legal entity and that of its employees with ethical principles, including, but not limited to, the following:

<b>Integrity</b>	<b>Impartiality</b>
<b>Professional competence and due care</b>	<b>Client confidentiality</b>
<b>Appropriate professional conduct</b>	

Our additional guidelines and protocols related to professional ethics are outlined in various documents such as MQAM-2.1 Independence and Objectivity, Mazars Risk Management and Quality Manual - Ethics, and Mazars' Code of Conduct for Objectivity and Independence (CCOI). These documents align with the Code of Ethics for Independent Auditors released by the International Ethics Standards Board (IESBA) under the International Federation of Accountants (IFAC). Additionally, our Tax Services Quality Manual and the Ethical Principles Section of the same documentation further underscore our commitment to ethical practices.

### Quality Control Systems

The Public Oversight Authority's Quality Control Standard 1 (QCS 1), titled Independent Audits, Reviews and Other Assurance Audits of Financial Statements and Related Services, outlines the responsibilities audit firms have concerning quality control systems for independent audits, reviews of financial statements, and other assurance engagements, as well as related services.

The primary goal of QCS 1 is to achieve the following objectives:

- Ensure the firm and its employees adhere to professional standards and relevant legal and regulatory requirements.
- Establish and maintain a quality control system that provides reasonable assurance that the reports issued by the firm are suitable for the specific circumstances in which they are presented.

Our quality control system incorporates policies and procedures developed with consideration for the following elements:

- Applicable ethical provisions
- Client relationship and audit engagement acceptance and continuance
- Human resources management
- Conduct of audits
- Ongoing monitoring.

As a member of Mazars Group, we are obliged to comply with the provisions of their Mazars Quality Assurance Manual (MQAM) which is harmonised with QCS I.

## Annexes

### Annex 1: UN Global Compact: The Principles and Mazars in Türkiye

**As a signatory to the UN Global Compact we follow its Sustainable Development Goals in our sustainability strategy, prioritizing *the elimination of discrimination in respect of employment and occupation, supporting precautionary approaches to environmental challenges, delivering initiatives to promote greater environmental responsibility of all kinds and working against corruption in all its forms including extortion and bribery in all our operations as well as our internal practises.***

#### Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights

#### Principle 2

Businesses should make sure that they are not complicit in human rights abuses

#### Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

#### Principle 4

Businesses should uphold the elimination of forced or compulsory labour

#### Principle 5

Businesses should uphold the effective abolition of child labour

#### Principle 6

Businesses should uphold the elimination of discrimination respective employment and occupation

#### Principle 7

Businesses should support a precautionary approach to environmental challenges

#### Principle 8

Businesses should undertake initiatives to promote greater environmental responsibility

#### Principle 9

Businesses should encourage the development and diffusion of environmentally friendly technologies

#### Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery



## Annexes

### Annex 2: Supplier Standards

We promote sustainability in the following areas when choosing suppliers:

#### **Environmental:**

- Water and energy consumption
- Carbon footprint
- Waste (paper, plastic, glass, technological waste separation) management
- The impact of products and services on the environment
- Awareness of using less material

#### **Social:**

- Application of our discrimination principles to our suppliers
- Ethics in business relations
- Contribution to employee development and competencies
- Contribution to campaigns and projects that support social well-being
- Creating a healthy and safe work environment for our suppliers' employees

- The presence of an occupational health and safety specialist
- The presence of a workplace physician
- Implementation of risk analysis and actions in the business environment
- OHS Board with the participation of employee representatives
- Number of occupational accidents and diseases

#### **Legal practices:**

- Timely settlement of employee salaries, and proper monitoring of their payroll
- No employees below the minimum wage
- Regular use of annual holidays
- Timely notification of recruitment and terminations to the relevant authorities
- Severance and notice compensation payments
- Proper employment contracts
- Provision of maternity leave
- Prevention of child and forced labour
- Freedom of Association and Collective Bargaining

## Annexes

# Annex 3: Our Human Resources Performance Indicators and 2023 Targets

### Our Team's Distribution by Region

Region / Gender	Women		Men		Total	
	Person	Ratio	Person	Ratio	Person	Ratio
Istanbul	164	53%	144	47%	308	74%
Ankara	30	42%	42	58%	72	17%
Bursa	15	71%	6	29%	21	5%
Gaziantep	1	25%	3	75%	4	1%
Denizli	0	0%	4	100%	4	1%
Izmir	5	56%	4	44%	9	2%
<b>Total</b>	<b>215</b>	<b>51%</b>	<b>203</b>	<b>49%</b>	<b>418</b>	<b>100%</b>

### Average Seniority at Mazars: By Region & Gender (Years)

Region / Gender	Women			Men			Total		
	Person	Total Seniority (Years)	Average Seniority (Years)	Person	Total Seniority (Years)	Average Seniority (Years)	Person	Total Seniority (Years)	Average Seniority (Years)
Istanbul	164	722	4.40	144	910	6.32	308	1.632	5.30
Ankara	30	122	4.07	42	179	4.27	72	301	4.18
Bursa	15	68	4.53	6	25	4.17	21	93	4.43
Gaziantep	1	2	2.00	3	17	5.67	4	19	4.75
Denizli	0	0	0.00	4	38	9.50	4	38	9.50
Izmir	5	17	3.40	4	22	5.50	9	39	4.33
<b>Total</b>	<b>215</b>	<b>931</b>	<b>4.33</b>	<b>203</b>	<b>1,191</b>	<b>5.87</b>	<b>418</b>	<b>2,122</b>	<b>5.08</b>

### Average Professional Seniority by Region and Gender (Years)

Region / Gender	Women			Men			Total		
	Person	Total Seniority (Years)	Average Seniority (Years)	Person	Total Seniority (Years)	Average Seniority (Years)	Person	Total Seniority (Years)	Average Seniority (Years)
Istanbul	164	1,623	9.89	144	1,989	13.81	308	3,612	11.73
Ankara	30	275	9.17	42	479	11.41	72	754	10.48
Bursa	15	177	11.77	6	89	14.78	21	265	12.63
Gaziantep	1	2	2.27	3	49	16.26	4	51	12.76
Denizli	0	0	0.00	4	137	34.26	4	137	34.26
Izmir	5	50	10.08	4	69	17.17	9	119	13.23
<b>Total</b>	<b>215</b>	<b>2,127</b>	<b>9.89</b>	<b>203</b>	<b>2,812</b>	<b>13.85</b>	<b>418</b>	<b>4,938</b>	<b>11.81</b>

## 2022 Employment Type and Labour Contract by Gender

	Type of Work	Men	Women	Total	Grand Total
Employment Type	Full Time	203	213	416	418
	Part Time	0	2	2	
Employment Contract	Permanent	203	215	418	418
	Temporary	0	0	0	

### Number of Employees on Maternity and Paternity Leave in 2022

Female employees	10
Male employees	4

### Breakdown of Total Employees Recruited and Resigned in 2022 by Age

Age	18-30	31-50	+51	Total
Recruited	136	29	1	166
Resigned	92	30	2	124

### Numbers Returning/Resuming Work post-Maternity Leave

Number of female employees who took leave during the reporting period and returned at the end of their leave	4
Number of female employees who took leave in the previous reporting period, whose leave ended in the current reporting period and returned to work	3
Number of employees on maternity leave	3
Of the employees who returned to work following the end of their maternity leave, the number of employees who left their jobs within 12 months following their return	0

### Breakdown of Total Employees Recruited and Resigned in 2022 by Gender

Gender	Women	Men	Total
Recruited	89	77	166
Resigned	68	56	124

### Breakdown of Employees Leaving Work in 2022

Gender	Women	Men	Total
Voluntary resignation	62	55	117
Dismissed	6	1	7

## Mazars in Türkiye Human Resources Key Performance Indicators and 2023 Targets

HR Func-tions/ Priority areas	Key Performance Functions	Related Material Topics	2022 Targets	2022 Achieved	2023 Targets
Corporate Training and Development	<ul style="list-style-type: none"> <li>Increasing total training hours per individual</li> <li>Increasing Technical/ Vocational and On-the-job training hours</li> <li>Increasing competence and personal development training hours</li> <li>Increasing the overall number of hours</li> </ul>	<b>3</b> <b>10</b>	Creation of the Learning and Development Department and commencement of operations	Learning and Development Department was established and commenced operations	Maintaining the average training hours per person of 40 hours
			<ul style="list-style-type: none"> <li>Raising the average training hours per individual to 40 hours</li> <li>Setting technical and vocational trainings at 25 hours per individual</li> <li>Allocating 15 hours per individual for competence development and personal growth training</li> </ul>	<ul style="list-style-type: none"> <li>Average of 40 training hours per individual</li> <li>Allocating 32 hours per person for technical and vocational trainings</li> <li>Designating 8 hours per person for competence development and personal growth training</li> </ul>	<ul style="list-style-type: none"> <li>25 hours of technical and vocational training per person on average</li> <li>15 hours of competence development / personal development training on average per person</li> </ul>
	Overall satisfaction rate for each employee post-training	<b>3</b>	A minimum 80% overall satisfaction target for each employee after the training	Post training questionnaires show an average satisfaction rate of 95.5% was achieved.	A minimum 80% overall satisfaction target for each employee after the training
	Increasing knowledge around corporate sustainability	<b>3</b> <b>6</b> <b>12</b>	A minimum of 40 people to participate in the Sustainability Training programmes and modules developed by Mazars Global	120 people successfully completed at least one of the sustainability modules	A target of 130 people to participate in the Sustainability Training programmes and modules developed by Mazars Global
	Participation in seminars, excursions and film screenings on Culture, Human Rights, Diversity, etc. to raise knowledge and awareness	<b>6</b> <b>10</b> <b>11</b> <b>12</b>	Online NGO Fair	189 colleagues participated in the online NGO fair that hosted 7 NGOs	Organisation of the Online NGO Fair
	Development of internal trainers	<b>3</b>	Minimum 35 hours of per individual competency training for internal trainers (in-house and external)	20 hours per person of Vocational Technical Competencies and Behavioural Competencies was achieved	20 hours targeted
	Extending the use of the MazarsU E-Learning Platform	<b>3</b> <b>10</b>	Target 200 people to use the platform's training programmes	393 people have used the platform's training programmes	200 people targeted

B-Corp	<p>7</p> <p>9</p> <p>12</p>	Completion of B-Corp certification process	The preparation for the B-Corp Certification process was successfully concluded as planned and the official application was submitted in February 2022. However, due to the high workload faced by B-Lab Europe, the organization responsible for the certification process, the appointment of an auditor was not feasible in 2022.	Ensure compliance with the audit program in alignment with the guidelines from B-Lab Europe and to successfully complete the audit tasks, thereby initiating the certification processes.
Increasing the time allocated for social responsibility	<p>10</p> <p>11</p>	To achieve a minimum of 2 hours of social responsibility activities per person. Additionally, we will continue to provide 2 days of paid social responsibility leave for employees who wish to dedicate more time to social responsibility projects.	No progress on social responsibility leave.	Our goal for 2023 is to maintain a minimum of 2 hours of social responsibility activities per person. Moreover, we will continue offering 2 days of paid social responsibility leave for employees interested in contributing extra time to social responsibility projects.
Performance Management	7	Implementation of the new performance appraisal system in the Independent Audit department, incorporating a 360-degree competency measurement and integrating business objectives into the evaluation process.	Incorporating the 2022 targets into the new performance evaluation system of the Independent Audit Department, we assessed 2022 performances based on target card data and 360 Degree Feedback notifications for Manager and above positions. Similarly, employees in Assistant - Senior Assistant and Specialist roles had their business targets evaluated, and the assessments were conducted using 360 Degree Feedback results. Consequently, employees who exceeded expectations in business targets and competency assessment received bonuses as a recognition of their exceptional performance.	
HR Systems	8	Full implementation of the HR module within the ERP system, along with its functionalities.	The work on transitioning to the ERP system continued throughout 2022. The module for personnel management, leave requests, and HR processes has been successfully implemented. Ongoing development efforts are focused on the recruitment and training module. Furthermore, the cost system and the Project-based Declaration of Independence module have also been activated for the Independent Audit Department.	

**Internal  
Communi-  
cations**

Continuing the "We are Listening to You" application and monitoring the implementation of action plans.

**10**

In 2021, detailed analyses were conducted at the partner team level to examine the results of the Employee Loyalty and Satisfaction Survey and perform root cause analyses. Subsequently, study, analysis, and action planning meetings were carried out.

In the 2021 survey results, the priority improvement areas were;

- Improvements in wages and fringe benefits
- Taking tangible improvement steps in employee development and learning
- Implementation of practices that will facilitate managers in appreciation and rewarding
- Providing training on feedback

Based on the 2021 Employee Loyalty and Satisfaction Survey results, comprehensive analysis and action planning meetings were conducted at the partner team level. The following actions were undertaken:

- To mitigate the impact of high inflation and challenging economic conditions in our country, we introduced an interim wage adjustment effective from July 1, 2022, in addition to our annual wage increase.

- To support our colleagues with commuting expenses, we implemented a travel allowance scheme for days spent at the office.
- We updated the compensation amounts for foreign language skills, foreign language training support, CPA internship course support, and additional payments to provide economic assistance to our colleagues.
- We continued the pandemic 'teleworking assistance' program, renaming it the 'employee support package'.
- To enhance employee development and learning oversight, we established the Learning and Development Department and formed a Working Group involving partners from various departments.
- An appreciation and rewarding model was developed through the Employer Brand Working Group on appreciation and recognition; however, its implementation was deferred to a later date.
- Planned Feedback Training for 2022 had to be postponed due to a busy calendar.

In 2022, the Strategic Human Resources working group, the Employer Branding working group, and the Learning and Development Working Group collaborated to assess the outcomes of the 2022 Employee Loyalty and Satisfaction Survey. Their joint effort involved thorough analyses to pinpoint underlying factors and challenges, followed by in-depth study, analysis, and action planning sessions.

- In the 2022 survey results, among the priority improvement areas;
- Continuing to improve wages and fringe benefits in line with economic opportunities
- Continuing the activities initiated in 2022 on employee development and learning and contributing to the creation of a corporate culture focused on employee development and learning
- We commissioned the Appreciation and Rewarding Model
- Implementation of the "Human Resources Management Programme for Managers" for managers and above



	Kick off meetings for Independent Audit, Tax etc. departments	<b>3</b> <b>10</b>	Conduct biannual General Information meetings with the Independent Audit, Tax, Outsourcing and Consultancy business teams	General Information meetings were conducted for the Independent Audit Business Family on October 28, 2022. However, similar meetings were not organized for the Tax and Outsourcing Business Family	Conducting biannual general information meetings with the Independent Audit, Tax, Outsourcing and Consultancy business families.
	HR - Communication meetings with departments	<b>10</b>	Organizing Human Resources Feedback meetings with the Independent Audit, Tax, Outsourcing and Consultancy business families a minimum of three times annually	No progress in 2022	Facilitating Human Resources Feedback meetings with the Independent Audit, Tax, Outsourcing and Consultancy business families on a quarterly basis at minimum.
<b>Recruitment</b>	Developing cooperation with universities	<b>13</b>	The ongoing collaboration initiatives with universities will predominantly remain online. Our goal is to engage in university partnerships through a minimum of 5 activities	In our capacity as the Human Resources team, we actively engaged in virtual Career Festival events hosted by Istanbul University. Additionally, our CEO, Dr. İzel Levi Coşkun, delivered speeches at 4 distinct university events as a guest speaker	Cooperation activities with universities will continue to be carried out online as much as possible. Cooperation with universities is targeted in at least 5 activities
	Protecting diversity	<b>2</b>	Striving to maintain a minimum female employee ratio of 50%, we are committed to enhancing the effectiveness of our female managers at the Middle and Senior Levels both qualitatively and quantitatively.	51.44% was achieved.	With the goal of maintaining a female employee ratio of at least 50 percent, our focus remains on enhancing the qualitative effectiveness of female managers at the Middle and Senior Levels, while also achieving quantitative growth.
	Average seniority	<b>3</b> <b>4</b>	We aim for the average seniority to reach a minimum of 5.5 years.	5.08	We aim for the average seniority to reach a minimum of 5.5 years.

- |   |   |
|---|---|
| <b>1</b> Data security  | <b>9</b> Sustainable performance measurement                        |
| <b>2</b> Equal opportunities and diversity  | <b>10</b> Work-life integration                                     |
| <b>3</b> Supporting the continuous development of employees and employee satisfaction | <b>11</b> Supporting social development                             |
| <b>4</b> Client focus   | <b>12</b> Tackling the climate crisis                               |
| <b>5</b> Employer branding and talent management                                      | <b>13</b> Collaborations with academia and educational institutions |
| <b>6</b> Minimising environmental impact  |   |
| <b>7</b> Compliance with corporate governance principles                              |   |
| <b>8</b> Innovation and digital transformation in all services                        |   |

# Annexes

## Annex 4: GRI Standards Index

Mazars in Türkiye has reported the information in the GRI content index below for the period 1 January - 31 December 2022 in accordance with GRI Standards.

GRI Standard	Declaration	Page number, source or direct answers
GRI 2: General Notifications 2021	<b>Establishment and reporting</b>	
	2-1	7
	2-2	7-8
	2-3	3
	2-4	In 2022, we adopted a revised methodology for calculating greenhouse gas emissions, enhancing the accuracy and precision of our results. Consequently, our reported emission amount has increased compared to the previous year due to the inclusion of additional emission sources. For further insights, please refer to the emission tables.
	2-5	Not externally audited.
	<b>Activities and employees</b>	
	2-6	8-9, 13-15
	2-7	27-28
	2-8	A significant portion of our activities are carried out by our own employees. There are no significant differences in the number of employees on the basis of contract type, gender and office.
	<b>Governance</b>	
	2-9	47-50
	2-10	47
	2-11	48-49
	2-12	47
	2-13	48-49
	2-14	52
	2-15	Client relationships are established under the guidance of our audit department's risk control partners, following rigorous checks conducted through the Wecheck system. Employees assume their roles only after confirming their independence concerning the projects they are engaged in. Moreover, each Board of Directors member undergoes a thorough independence assessment to prevent conflicts of interest among members.
	2-16	Important matters are introduced for discussion during routine weekly and monthly meetings of the Advisory Board, the Board of Directors, and pertinent managers. In instances where it is deemed essential, the Advisory Board can convene special agenda meetings. Detailed records of these sessions are disseminated to all relevant stakeholders to ensure effective follow-up.
	2-17	Members of the Board of Directors, like all other shareholders and managers, undergo routine technical and non-technical training annually, encompassing ESG-related subjects.
	2-18	The Board of Directors informs the shareholders of the firm at the annual General Assembly meetings.
	2-19	30
2-20	30	
2-21	Since Mazars in Türkiye is privately held, no information on this subject is disclosed.	

GRI Standard	Declaration	Page number, source or direct answers
	<b>Strategy, policies and practices</b>	
	2-22	10-15, 20-23, 40-46
	2-23	27,30,34,44,53
	2-24	25,34,40, 41
	2-25	41-46
	2-26	32
	2-27	53
	2-28	3, 46, 54
	<b>Stakeholder engagement</b>	
	2-29	13-15
	2-30	There is no unionisation and collective bargaining agreement in our sector. All Mazars in Türkiye employees are subject to the same terms and conditions.
<b>GRI 3: Priority Issues 2021</b>	<b>Strategy, policies and practices</b>	
	3-1	10
	3-2	12
<b>GRI 201: Economic Performance 2016</b>	3-3	18, 33, 40
	201-1	23
	201-2	18-19
	201-3	27,31
	201-4	During the reporting period, Mazars in Türkiye did not receive any financial support from the government.
<b>GRI 202: Market Asset 2016</b>	3-3	31
	202-1	30 Mazars in Türkiye adopts a gender-neutral wage policy for all its employees, above the minimum wage determined by the Minimum Wage Determination Commission established by the Ministry of Labour and Social Security. Mazars in Türkiye adopts a gender-neutral wage policy for all its employees, above the minimum wage determined by the Minimum Wage Determination Commission established by the Ministry of Labour and Social Security.
	202-2	Mazars in Türkiye's senior management team are all Turkish citizens.
<b>GRI 203: Indirect Economic Impacts 2016</b>	3-3	41-46
	203-2	44-45
<b>GRI 205: Anti-Corruption 2016</b>	3-3	47,50,53
	205-1	54 Mazars in Türkiye acts in compliance with all anti-corruption laws and regulations in carrying out its activities.
	205-2	54,55
	205-3	During the reporting period, there were no confirmed cases of corruption.

<b>GRI Standard</b>	<b>Declaration</b>	<b>Page number, source or direct answers</b>
<b>GRI 206: Anti-Competitive Behaviour 2016</b>	3-3	40,53
	206-1	During the reporting period, there were no lawsuits related to anti-competitive behaviour, anti-trust and monopoly activities.
<b>GRI 302: Energy 2016</b>	3-3	41-42
	302-1	41-43
	302-2	41-43
	302-3	41-43
	302-4	41-42
	302-5	41-42
<b>GRI 303: Water and Wastewater 2018</b>	303-5	43
<b>GRI 304: Biodiversity 2016</b>	304-2	44
<b>GRI 305: Emissions 2016</b>	3-3	41-42
	305-1	41
	305-2	41
	305-3	41
	305-4	41-42
	305-5	41-42
	305-7	42
<b>GRI 306: Waste 2020</b>	306-3	43
	306-4	43
	306-5	43
<b>GRI 308: Supplier Environment Evaluation 2016</b>	3-3	44,55
	308-1	44,55
	308-2	Mazars in Türkiye cares that all its suppliers act within the framework of Mazars in Türkiye Supplier Principles and monitors their compliance with these principles. During the reporting period, no actual or potential negative environmental impacts related to suppliers were identified.
<b>GRI 401: Employment 2016</b>	3-3	27
	401-1	27, 57
	401-2	27
	401-3	27, 57
<b>GRI 402: Employee/ Management Relations</b>	402-1	The notice periods specified in the Turkish Labour Law regulating these matters are applied; Mazars in Türkiye does not have a collective bargaining agreement during the reporting period.

<b>GRI Standard</b>	<b>Declaration</b>	<b>Page number, source or direct answers</b>
<b>GRI 403: Occupational Safety 2018</b>	403-1	The Occupational Health and Safety Committees, which are structured within the framework of internal regulations, include an Occupational Health and Safety Specialist, Occupational Physician and Employer Representative, as well as employee representatives and a Human Resources representative.
	403-2	16
	403-3	The Occupational Health and Safety Committees, which are structured according to internal regulations, include an Occupational Health and Safety Specialist, Occupational Physician and Employer Representative, as well as employee representatives and a Human Resources representative.
	403-9	During the reporting period, no work-related accidents, occupational diseases, lost days and absenteeism were encountered.
	403-10	During the reporting period, no work-related accidents, occupational diseases, lost days and absenteeism were encountered.
<b>GRI 404: Training and Development 2016</b>	3-3	29
	404-1	27-32
	404-2	27-32
	404-3	27-32
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	3-3	31
	405-1	47
	405-2	30
<b>GRI 406: Prevention of Discrimination 2016</b>	3-3	31,32
	406-1	Non-compliance was not reported during the reporting period.
<b>GRI 407: Right to Organise and Collective Bargaining 2016</b>	407-1	During the reporting period, no violation of the right to freedom of association and collective bargaining was encountered. At Mazars in Türkiye, the right to organise and collective bargaining is protected by law.
<b>GRI 408: Child Labour 2016</b>	408-1	Mazars in Türkiye has no activities that pose a risk in terms of child labour cases. For suppliers, the issue of child labour is also monitored through various channels.
<b>GRI 409: Forced or Compulsory Labour 2016</b>	409-1	Mazars in Türkiye has no activities that pose a risk in terms of forced or compulsory labour cases. For suppliers, the issue of forced or compulsory labour is also monitored through various channels.
<b>GRI 413: Local Communities 2016</b>	413-2	Mazars in Türkiye does not have any operations that would have a negative impact on the local community.
<b>GRI 414: Supplier Social Assessment 2016</b>	3-3	44,55
	414-1	44,55 Mazars in Türkiye cares that all its suppliers act within the framework of Mazars in Türkiye Supplier Principles and monitors their compliance with these principles.
	414-2	Mazars in Türkiye monitors all of its suppliers against its Supplier Principles in response to existing and potential negative impacts related to labour practices in the supply chain; during the reporting period, no existing and potential negative impacts were encountered.
<b>GRI 417: Marketing and Labelling 2016</b>	417-1	34-36
	417-2	No incidents of non-compliance.
	417-3	No incidents of non-compliance.
<b>GRI 418: Customer Privacy 2016</b>	3-3	11, 38
	418-1	No incidents of non-compliance.





# Contact

Mazars in Türkiye  
denge@mazarsdenge.com.tr

Founded in 1977 with a partnership of 2 people, Denge was integrated with Mazars in 1999. Mazars in Türkiye provides services with more than 350 professionals to around 1,500 clients from its six provincial offices located in Istanbul, Ankara, Bursa, Izmir, Denizli and Gaziantep.

[www.mazars.com.tr](http://www.mazars.com.tr)

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