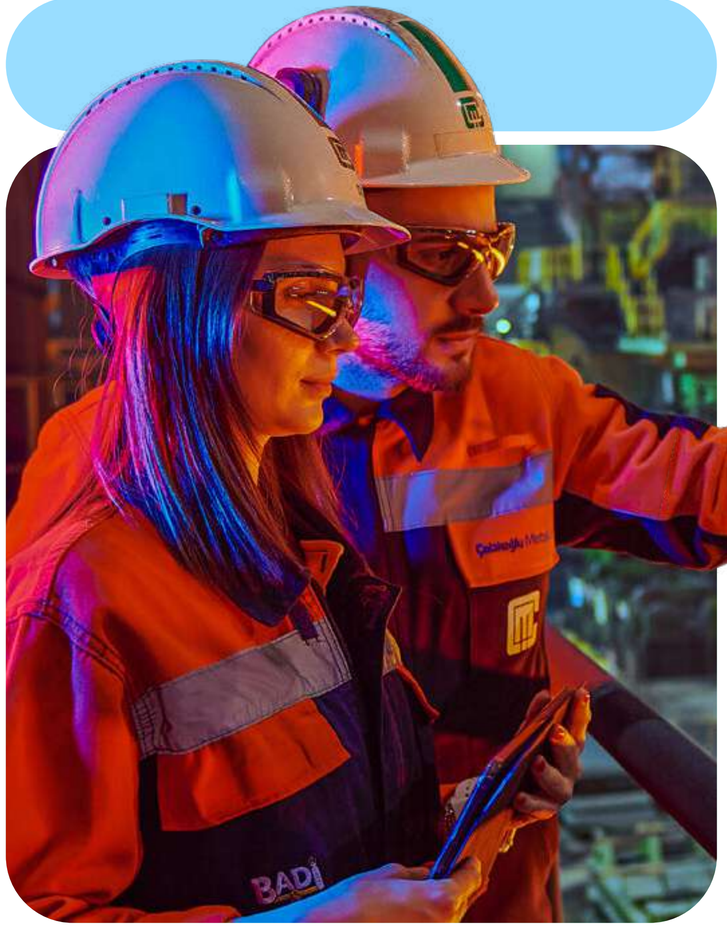
Çolakoğlu Metalurji

Future-Ready Steel



2024
SUSTAINABILITY
REPORT

Since 1945, Çolakoğlu Metalurji has played a significant role in industrial development in Türkiye; today, the company shapes the iron and steel sector with its production and transformation efforts. Thanks to digitalisation initiatives supported by its R&D and P&D investments, the company creates a sustainable impact in every sphere from production to governance, and from the environment to people. By placing digital sustainability at the heart of its operations, the company achieves significant gains in many areas, including resource management, operational efficiency, quality, profitability, customer satisfaction, environmental impacts, and employee safety and well-being. Çolakoğlu Metalurji strengthens both the present and the future with every step, inspiring not only its own sector but the broader industry with its determination in its digital transformation journey.

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About the Report

Çolakoğlu Metalurji publishes sustainability reports on an annual basis. This report presents Çolakoğlu Metalurji A.Ş.'s environmental, social, and governance (ESG) performance, strategic objectives, sustainability vision, and contributions to the United Nations Sustainable Development Goals (SDGs) for the period from 1 January 2024 to 31 December 2024.

The sustainability report is prepared in accordance with the GRI Universal Standards 2021 published by GRI, and performance disclosures are presented mainly within the scope of the GRI Standards indicators.

Additionally, the report accounts for the Sustainability Accounting Standards Board (SASB) guidelines and other sector-specific sustainability requirements. The material topics that affect Çolakoğlu Metalurji's operational activities in the steel mill, hot sheet rolling mill, bar rolling mill, and energy production operations are presented in detail in the report, and relevant targets and their outcomes are disclosed transparently to all stakeholders.

The report only covers Çolakoğlu Metalurji A.Ş.'s production facility in Dilovası, its headquarters, and the related site operations. Data from other group companies, subsidiaries, and overseas operations are not included within the scope of this report.

The data presented in this report shall serve as a benchmark for Çolakoğlu Metalurji's future reports.

Any questions, comments, or suggestions regarding the sustainability report or Çolakoğlu Metalurji's sustainability performance may be directed to surdurulebilirlik@colakoglu.com.tr.

Message from General Manager

Dear Stakeholders,

Drawing strength from our nearly 80 years of deep-rooted history, we at Çolakoğlu Metalurji have resolutely pursued our vision of “Future-Ready Steel” in 2024. During this period marked by global uncertainties, geopolitical fluctuations, and the fight against the climate crisis, we have increased our competitiveness and reinforced our sustainability commitment with our agile production model, scrap-based electric arc furnace (EAF) technology, and integrated management systems.

Breaking Ground in Low-Carbon Production

We have reduced our emission intensity in liquid steel production to just 0.34 tCO_2 per tonne, which is lower than the global average for EAFs. We have launched our decarbonisation roadmap, including absolute reduction targets of 13% by 2026, 55% by 2030, and net zero by 2050. In line with our renewable energy portfolio target, we initiated our first solar power plant investments as of this year.

Harnessing the Power of the Circular Economy

The recycled content ratio of our products has reached 79.64% in flat products and 95.30% in long products. 59% of our total production came from our scrap-based casting route, setting an example for our sector in resource efficiency. We demonstrated our commitment to protecting natural resources once again with our waste management approach, water recovery initiatives, and 318 million m^3 closed-loop water system.

Placing People at the Core of Transformation

In 2024, we delivered a total of 70,535 hours of training, providing an average of 42.6 hours of development per employee. While maintaining zero fatal accidents, we continued improvements aimed at reducing lost-time incidents. With a fully unionised workforce, our equal pay for equal work policy, and inclusive HR practices, we have strengthened our ambition to be recognised as an “employer of choice.”

Creating Shared Value with Our Stakeholders

We expanded our global network by exporting to 38 countries throughout the year. We hosted 60 students on technical visits within the scope of university-industry protocols and offered 80 young people the opportunity to join our 2025 summer internship programme. By renovating the hospital wing in Dilovası and launching youth-oriented sports club projects, we continued to contribute to regional development.

Looking Ahead

In the coming period, with high-efficiency investments such as the Magnetic Stirrer and Power Cooling, we will accelerate both operational excellence and our low-carbon pathway. We will deepen our digitalisation journey with CRM, CM Online, and QPR systems while promoting CBAM-compliant carbon data transparency in our supply chain.

These achievements were made possible by the vision of our Board of Directors, the dedication of our employees, and the trust placed in us by you, our valued stakeholders. We will continue to lead the green transformation of our country with the same commitment in 2025 and beyond. I invite you to join us in progressing toward a sustainable, resilient, and inclusive future, and I thank you for your heartfelt support.

Sincerely,

UĞUR DALBELER
GENERAL MANAGER

Corporate Profile

Çolakoğlu at a Glance

Founded in 1945 by Mehmet Rüştü Çolakoğlu in Karaköy, Istanbul, the Çolakoğlu Group started its business in the iron and steel trade. Çolakoğlu Metalurji began production in the 1950s with a rebar rolling mill located in Sütlüce, Istanbul and accelerated its production activities with its steel mill investment in Dilovası, Kocaeli, in 1969. In 2007, Çolakoğlu Metalurji adapted to the best available technologies by commissioning the world's largest electric arc furnace at the time and in 2010, it became the first company in Türkiye to produce sheet metal using slabs produced by an electric arc furnace thanks to its investment in a sheet rolling mill.

Çolakoğlu Metalurji contributes significantly to many sectors, including automotive, machinery manufacturing, pipe, construction, and agricultural tools with the flat steel it produces. The ribbed rebar produced in the long products category constitutes the backbone of the construction sector.

Leading industrial development in Türkiye, Çolakoğlu Metalurji has annual production capacities of 3.2 million tonnes of liquid steel, approximately 3 million tonnes of hot-rolled sheet, and 622,000 tonnes of ribbed rebar. Operating power plants with a total installed capacity of 566 MW that provide a portion of the energy required for the production cycle at its production facilities, Çolakoğlu Metalurji launched a sheet rolling mill capacity expansion project in 2021, which became operational in the first quarter of 2023. With this project, Çolakoğlu Metalurji's annual sheet metal production reached 4.5 million tonnes.

Exporting to more than 150 countries, Çolakoğlu Metalurji makes a significant contribution to the Turkish economy.

Group Companies and Affiliates

Çolakoğlu Dış Ticaret A.Ş.	It has exported iron and steel to more than 70 countries since 1983 and ranks among Türkiye's prominent exporting companies.
Biltim Bilgisayar Hizmetleri A.Ş.	It began operations in 1985 and provides information technology services to the companies within the group.
Ege Gaz A.Ş.	It is Türkiye's first and only private LNG (liquefied natural gas) facility. Its primary function is to ensure the sustainability of Türkiye's natural gas supply system. Ege Gaz is the largest private entity in its sector and holds an important position in the international natural gas market.
Denak A.Ş.	It has provided ship agency and chartering services since 1976.
Marmara Elektrik A.Ş.	It supplies electricity obtained from the group's power plants and the electricity market to eligible consumers as of 2024.
ServisAir	It operates in the aviation sector.
Medtrade A.Ş.	It was established in Houston in 2003 as a subsidiary of Çolakoğlu Metalurji A.Ş., one of Türkiye's largest steel producers, to sell its long products to the United States. Serves as a solution provider for North American customers.
Türk Ekonomi Bankası A.Ş. (TEB)	It was Çolakoğlu Metalurji's first venture into the financial sector. It became one of Türkiye's leading banks in 2005 by forming a partnership with BNP Paribas, one of the world's and European Union's leading banks.

Vision, Mission and Values

Our Vision

To be one of the leading companies that strengthens its integrated structure to achieve sustainable growth, creates social impact through environmental, local, and national social projects, and operates with low-emission production technology.

Our Mission

Our mission is to lead the steel industry as an institution that transforms life and industry for future generations by producing reliable, innovative, and sustainable steel solutions, and by contributing to both the national economy and global climate goals through products with high energy and resource efficiency and a low carbon footprint.

Our Values

Global Outlook

We operate with a globally competitive vision and adopt a production and management approach aligned with international standards.

Responsible Approach

Assuming its share of responsibility in environmental, social, and societal areas, and developing a benefit-oriented approach.

Transparency and Ethical Governance

We uphold accountability across all processes and maintain a responsible management approach based on ethical principles.

Innovation

We consider change as an opportunity for progress and aim for continuous improvement through investments in R&D, product development, and digitalisation.

Resilience

Adapting to changing conditions, being prepared for environmental, social, and economic risks, and turning crises into opportunities to strengthen the capacity for long-term value creation.

Efficiency and Quality

We uphold high quality standards at every stage of our production and service processes, increasing efficiency through the effective use of resources.

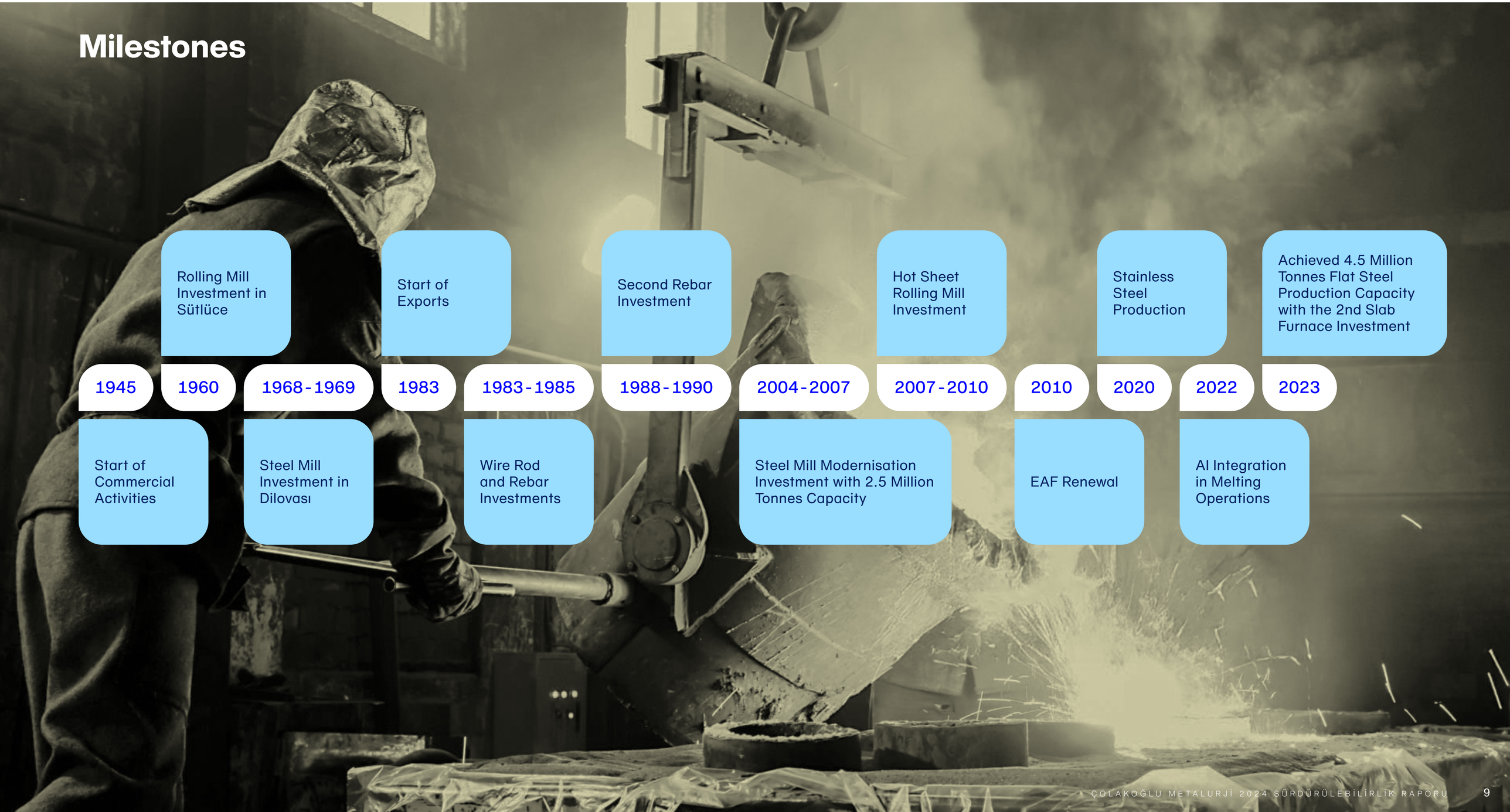
Collective Engagement and Cooperation

We build open, inclusive, and trust-based relationships with stakeholders and encourage partnerships focused on creating shared value.

People-Centred Approach

We prioritise employee wellbeing, talent development, and occupational health and safety, providing an inclusive and supportive working environment.

Milestones



1945 — Start of Commercial Activities

1960 — Rolling Mill Investment in Sütlüce

1968-1969 — Steel Mill Investment in Dilovası

1983 — Start of Exports

1983-1985 — Wire Rod and Rebar Investments

1988-1990 — Second Rebar Investment

2004-2007 — Steel Mill Modernisation Investment with 2.5 Million Tonnes Capacity

2007-2010 — Hot Sheet Rolling Mill Investment

2010 — EAF Renewal

2020 — Stainless Steel Production

2022 — AI Integration in Melting Operations

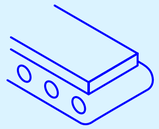
2023 — Achieved 4.5 Million Tonnes Flat Steel Production Capacity with the 2nd Slab Furnace Investment

Çolakoğlu in Numbers: 2024

79 years
of experience

88+ billion TRY
in annual revenue

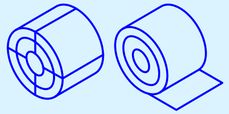
23 new
product developments



14th place
in the ISO Türkiye's Top 500 Industrial Enterprises list

1.500+
employees

4,5 million tonnes
of hot sheet production capacity



89%
customer satisfaction rate

1st place
in the Iron and Steel Sector category in Capital Magazine's "Türkiye's Most Admired Companies Survey"

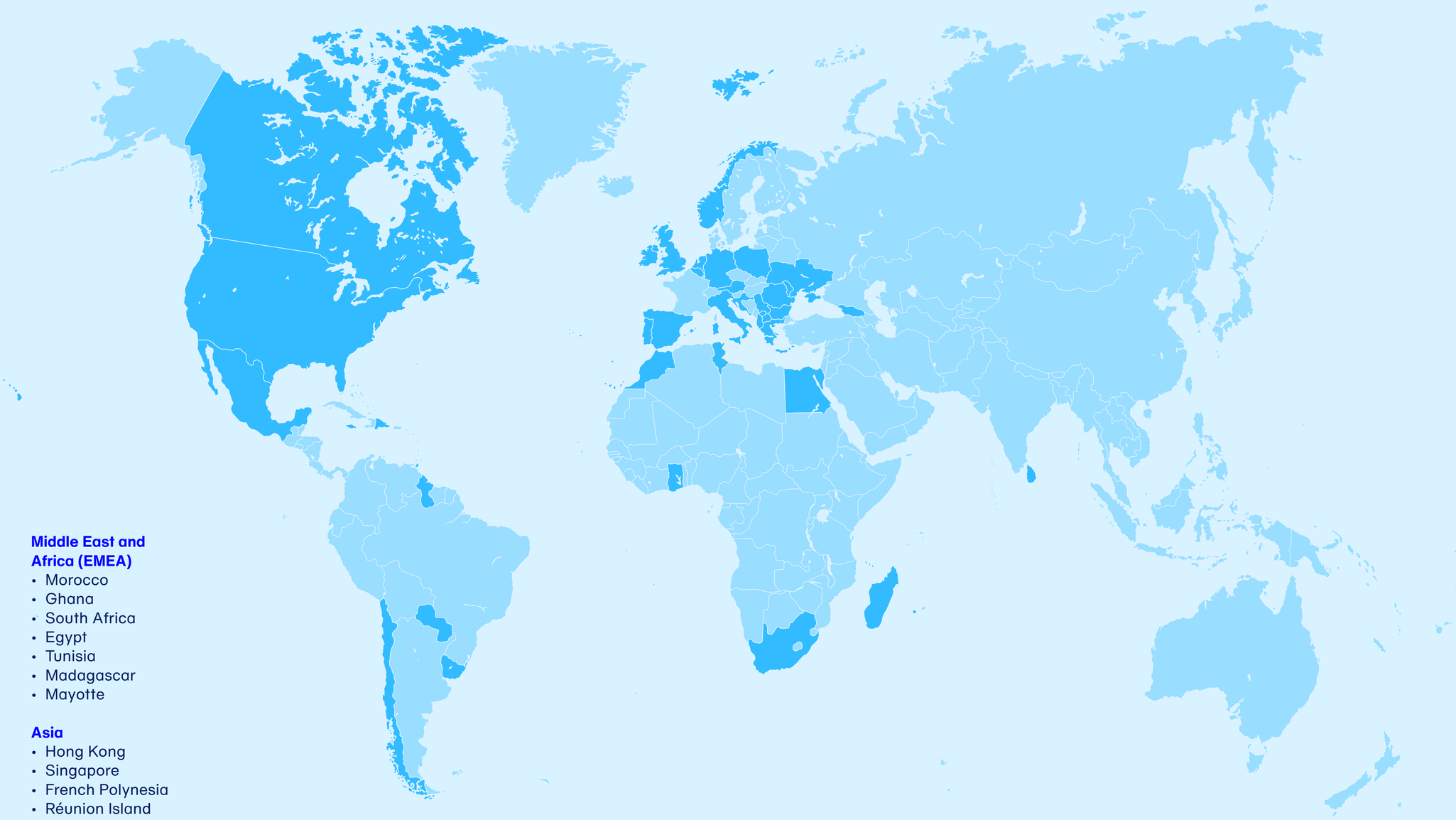
150+
countries with active export operations

3 million tonnes
of liquid steel production capacity

70,535 hours
of training provided to employees

1st place
in the Top Sales Performer category of the "2024 OIZ Stars Research"

Countries of Operation



Americas
- USA
- Canada
- Mexico
- Chile
- Paraguay
- Guyana
- Dominican Republic
- Uruguay
- Curaçao
- Jamaica
- Trinidad and Tobago

Europe
- Germany
- Belgium
- Bulgaria
- Netherlands
- England
- Spain
- Italy
- Portugal
- Ukraine
- Macedonia
- Albania
- Kosovo
- Bosnia and Herzegovina
- Romania
- Austria
- Serbia
- Moldova
- Ireland
- Georgia
- Greece
- Norway
- Poland

Middle East and Africa (EMEA)
- Morocco
- Ghana
- South Africa
- Egypt
- Tunisia
- Madagascar
- Mayotte

Asia
- Hong Kong
- Singapore
- French Polynesia
- Réunion Island

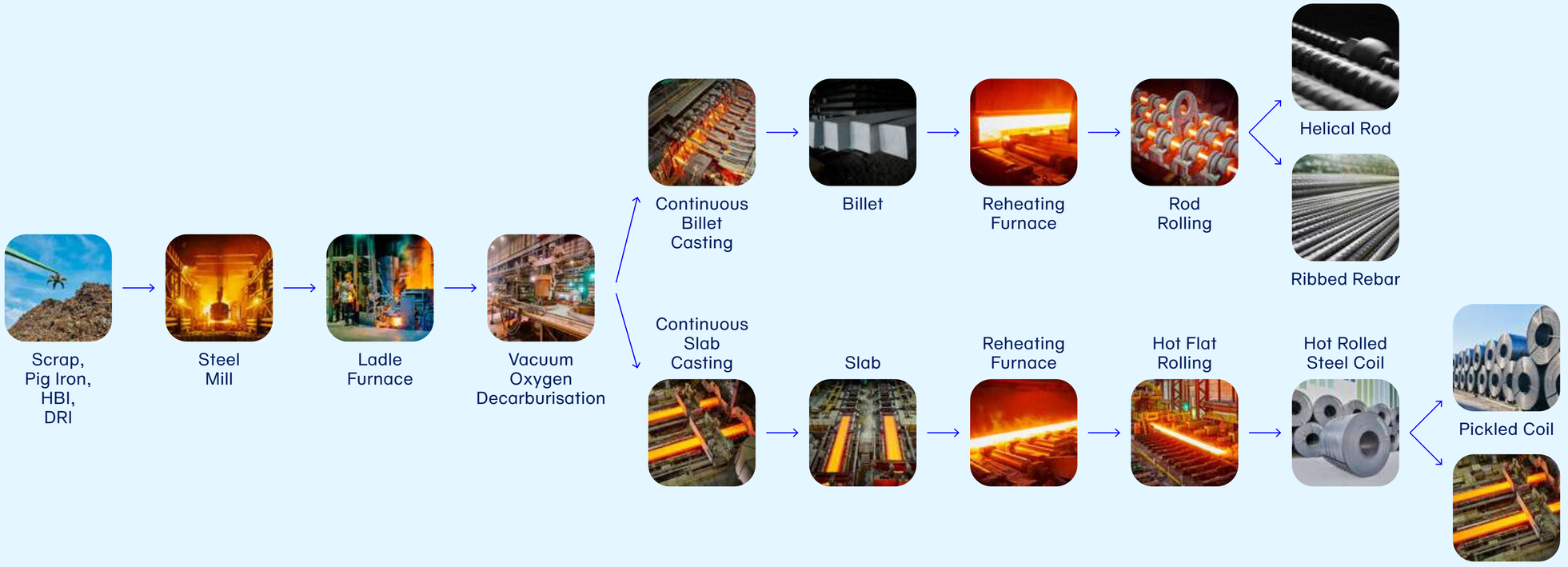
Production Models and Products

Steel is critical in many areas of life, from automotive and construction to energy infrastructure, household appliances, transportation networks, and everyday consumer goods. Thanks to its high mechanical strength, versatile malleability, and recyclability, it is an indispensable input in industries such as automotive, construction, machinery manufacturing, shipbuilding, packaging, electronics, and renewable energy. Its wide range of applications include structural frames, bridge cables, wind turbine towers, and household items, making steel the backbone of modern life. With its diverse applications and strategic importance, steel is a fundamental material that shapes both today's and tomorrow's infrastructure. Therefore, at the heart of life lies steel; and at the heart of steel lies Çolakoğlu.

Çolakoğlu Metalurji's production model is based on scrap-fed Electric Arc Furnace (EAF) technology. The process begins with the acceptance and pre-treatment of scrap, followed by melting in the EAF, refining in the ladle furnace, continuous casting to produce slabs and billets, and subsequent hot rolling to manufacture long and flat products. Supported by integrated quality control laboratories and automation systems, this production model ensures high quality products.

At the heart of life:
Steel.
At the heart of steel:
Çolakoğlu.

EAF Production Model



Çolakoğlu Metalurji carries out large-scale, high-quality production in the iron and steel sector with its scrap-based production model and advanced production lines. With the commissioning of its second slab furnace investment in 2023, flat steel production capacity increased by 50%, reaching a total of 4.5 million tonnes of hot sheet production capacity. Liquid steel production capacity has reached 3 million tonnes, further strengthening the company's global competitiveness and market position.

4.5
million tonnes
hot sheet
production capacity

3
million tonnes
liquid steel
production capacity

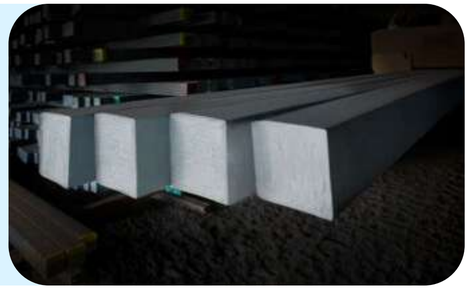
The product portfolio includes both semi-finished and final products, **slabs, billets, hot rolled flat steel coils, and reinforcing steels for concrete.**

Çolakoğlu Metalurji's products were used in the Atatürk Cultural Centre (AKM) project between 2019 and 2020, and in 2023 in the restoration of one of Istanbul's landmarks, the Maiden's Tower. These projects highlight the company's high engineering standards and its community-focused approach.

Maiden's Tower

Atatürk Cultural Centre (AKM)

Billets
Dimensions: 130×130 mm / 150×150 mm / 200×200 mm
Height: 6 - 16 m
Thickness: 200 mm
Capacity: 2,500,000 tonnes



Slabs
Width: 800 – 1,650 mm
Height: 5.80 – 11.80 m
Depth: 200 – 250 mm
Capacity: 3,500,000 tonnes

Hot Rolled Flat Steel Coils
Width: 800 – 1,650 mm
Depth: 1.10 – 25.4 mm
Coil Weight: 10 - 39 ton
Coil Inner Diameter: 762 mm
Capacity: 4,500,000 tonnes

Reinforcing Steels for Concrete
Width: 8 - 40 mm
Heigth: 6 - 18 m
Depth: 8 - 40 mm
Capacity: 1,000,000 tonnes

Awards and Achievements

In 2024, Çolakoğlu Metalurji strengthened its strong position in the industry by receiving prestigious awards.

- For five consecutive years, Çolakoğlu Metalurji has been recognised as the “Most Admired Company in the Iron and Steel Industry” in Capital Magazine’s “Türkiye’s Most Admired Companies” survey, and the company continues to uphold its position as a benchmark brand in the business world.
- In the OIZ Stars Research, the company also received awards in three different categories, demonstrating its impact and contributions to organised industrial zones. The company won the first-place award in the “Company with the Highest Sales in OIZs” category, and it also received awards in the categories of “Company with the Highest Exports in OIZs” and “Company with the Highest Increase in Women’s Employment in OIZs.”

2024 OIZ Stars Research
First Place Award in the
Company with the
Highest Sales Category

OSBÜK
ORGANİZE SANAYİ BÖLGELERİ ÜST KURULUŞU

2024 Türkiye’s
Most Admired Companies
First Place Award in the
Iron and Steel Industry Category

TÜRKİYE'NİN EN BEĞENİLEN ŞİRKETLERİ

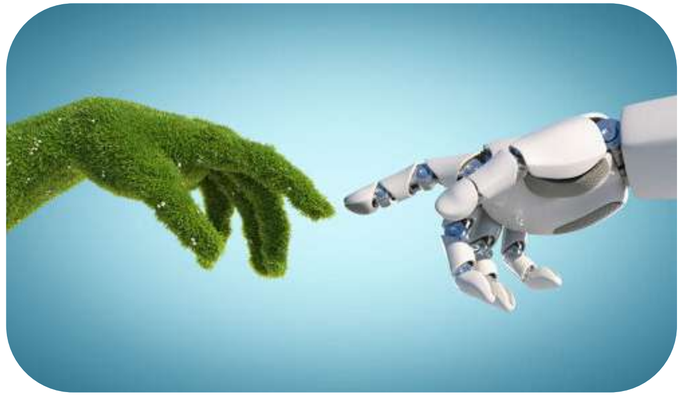
Capital

Corporate Membership

In line with its corporate values, Çolakoğlu Metalurji aims to create value for all stakeholders by establishing strategic partnerships both nationally and internationally. Within the scope of its sustainability goals, the company closely monitors sectoral developments and actively collaborates with various associations, unions, and chambers of commerce to ensure effective management of risks and opportunities.

German-Turkish Chamber of Industry and Commerce	Electricity Producers Association (EÜD)	Kocaeli Chamber of Industry (KSO)	Supply Chain Management Association (TEDAR)	Port Operators Association of Türkiye (TÜRKLİM)
Construct Steel	European Steel Association (Eurofer)	Corporate Communicators Association (KID)	Turkish Constructional Steelwork Association (TUCSA)	Turkish Employers' Association of Metal Industries (MESS)
Turkish Steel Exporters' Association (ÇİB)	Gebze Chamber of Commerce (GEBZETO)	ResponsibleSteel (RS)	Turkish Steel Producers Association (TÇÜD)	Union of Chambers and Commodity Exchanges of Türkiye (TOBB)
Foreign Economic Relations Board (DEİK)	Boiler and Pressure Vessel Industrialists' Association (KBSB)	SteelOrbis	Turkish Foreign Trade Association (TURKTRADE)	International Rebar Exporters and Producers Association (IREPAS)
World Steel Association (WSA)	Kocaeli Dilovası Organised Industrial Zone (KOSB)	Automotive Suppliers' Association of Türkiye (TAYSAD)	People Management Association of Türkiye (PERYÖN)	Flat Steel Exporters and Industry Association (YİSAD)

Sustainability Strategy



“Future-Ready Steel” Strategy

In the 2023–2024 period, Çolakoğlu Metalurji’s strategic governance process was reshaped in line with the principles of developing corporate culture, creating sustainable value, and driving transformation to combat the climate crisis. Within this framework, strategic planning was carried out in three stages.

- In the first stage, on 22–23 September 2023, the **Strategy Development Programme** was held with the participation of all process-owning managers. During the workshop, the company’s cultural foundations, vision, material topics, and long-term strategic roadmap were defined.
- In the second stage, in November 2023, the **Sustainability Department** was established to monitor identified objectives, strengthen governance, and ensure the company-wide adoption of an integrated sustainability approach.
- In the third stage, on 5–6 January 2024, the **Sustainability Workshop** was held with the participation of all process-owning managers. To ensure that the carbon emission reduction initiatives align with national and international reduction targets and avoid potential penalties, the necessary actions were planned, and the **“Future-Ready Steel”** sustainability strategy was established.

Subsequently, in April 2024, **Sustainability Committees** were formed to reinforce sustainability management and ensure the objectives are systematically monitored at the corporate level. In June 2024, based on projects from Çolakoğlu Metalurji’s Sustainability Roadmap, the **Decarbonisation Roadmap** was developed and shared for the first time in Çolakoğlu Metalurji’s GRI-approved 2023 Sustainability Report. The same report also disclosed the company’s **2030 and 2050 Environmental, Social and Governance (ESG) targets**, which are aligned with the Sustainable Development Goals (SDGs).

By integrating its sustainability strategy into every stage of its business processes, Çolakoğlu Metalurji has developed a holistic management approach. At the heart of the strategy lies a double materiality perspective, which considers both the financial impacts of sustainability issues and their environmental and social consequences within the company’s sphere of influence. **The strategy is guided by the materiality analysis and is centred around three core values, along with the fundamental elements underpinning business processes and corporate foundations.**

Sustainability initiatives under these three values will be pursued with a performance-driven approach. Accordingly, the company began establishing key performance indicators and defining targets.

You can access Çolakoğlu Metalurji’s **organizational chart and Sustainability Management Committee** here.

You can access the **Sustainability Policy** here.

Sustainability Strategy

"The "Future-Ready Steel" strategy stems from Çolakoğlu Metalurji's vision of embracing innovation in the steel industry, making pioneering investments, and actively improving processes. With its product and process innovations that shape the industry, the company maintains a corporate culture of testing, evaluating, and implementing new approaches.

Future-Ready Steel

Values	Responsible Production	Value for People and Society	Sustainable Growth and Corporate Resillience	Values
Material Topics	Climate Crisis and Greenhouse Gases	Talent Management	Corporate Governance	Material Topics
	Raw Material and Resource Use	Equality, Diversity, and Inclusion	Financial Performance	
	Energy Management and Efficiency	Occupational Health and Safety (OHS)	Supply Chain Management	
	Waste Management and Upcycling	Social Contribution and Social Responsibility	Customer Focus and Satisfaction	
	Water Management			
	Air Quality			
	Ecosystem and Biodiversity			
Fundamentals	Digital Transformation			Fundamentals
	Operational Efficiency			
	Risk Management			
	Business Continuity			
	Data Privacy and Cybersecurity			

Materiality Analysis

Recognising the sectoral and corporate significance of stakeholder engagement for the continuity of sustainability practices, Çolakoğlu Metalurji seeks to foster development, transformation, and continuous improvement by integrating stakeholder feedback into its business practices. The company also identifies potential risks that could affect its operations at an early stage and strengthens its risk management practices with appropriate action plans.

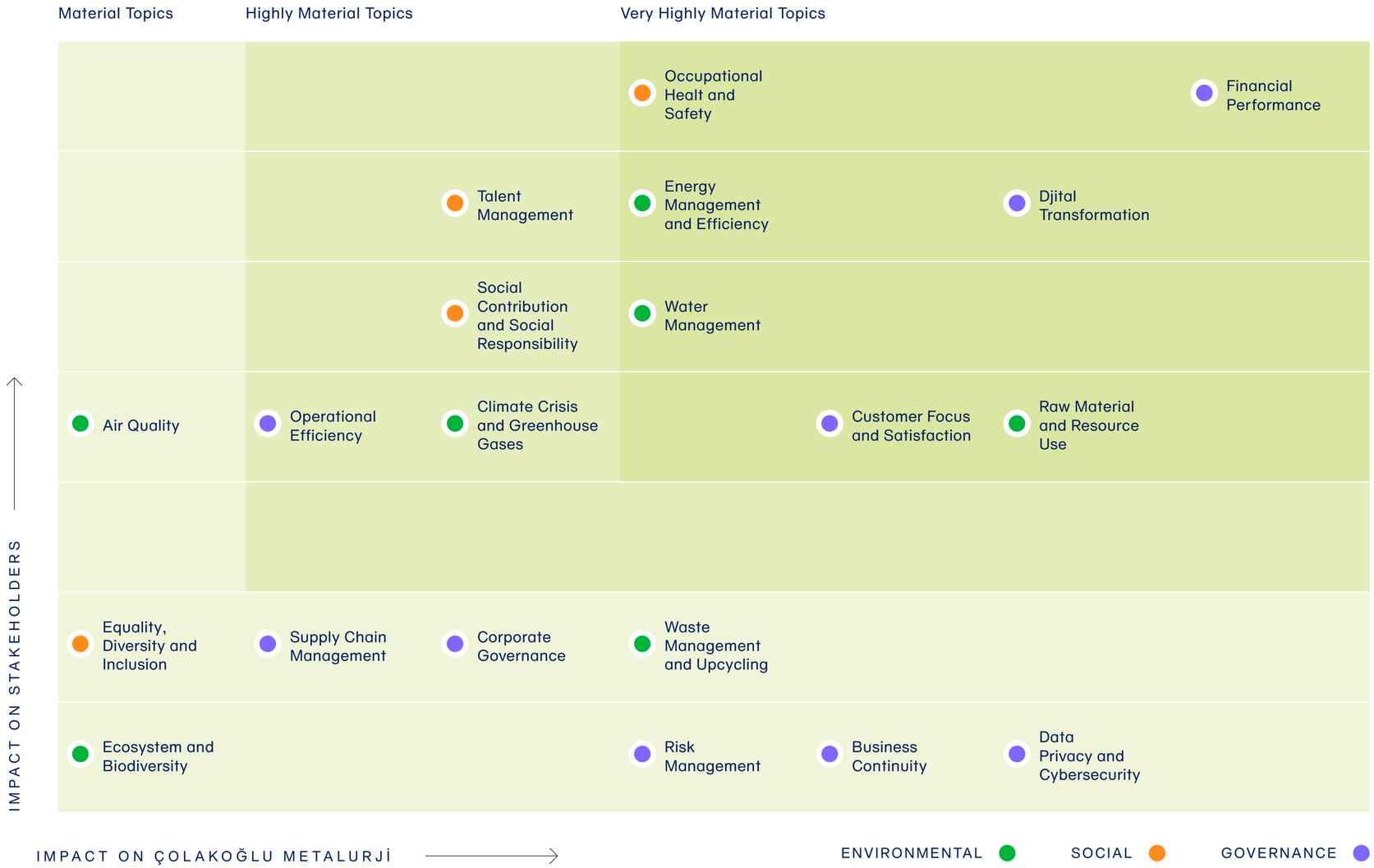
In 2024, Çolakoğlu Metalurji carried out a double materiality analysis in line with its defined expectations. First, a workshop was held on 5-6 January with the participation of all process-owning managers, where they evaluated planned investments for carbon emission reduction in line with national and international carbon emission targets.

Subsequently, the requirements of international sustainability indices, the Sustainable Development Goals, and standards specific to iron and steel industry were reviewed to create an extensive list of topics. In this process, both all topics' corporate and societal impacts were considered. Following internal evaluations, eight different stakeholder groups were consulted through surveys and face-to-face interviews.

The double materiality analysis created by consolidating this data has become a significant input for Çolakoğlu Metalurji's evolving sustainability strategy. In 2024, this matrix was updated and revised in line with existing management requirements and shifting sectoral priorities.

The company aims to develop a roadmap and plan corporate strategies based on this data by the third quarter of 2029.

Double Materiality Analysis



Stakeholder Engagement

One of the key elements of Çolakoğlu Metalurji's sustainability approach is the regular and effective communication it maintains with its stakeholders. Feedback gathered through various communication mechanisms is actively used to shape the company's long-term strategies.

The table below presents the main stakeholder groups and the topics and methods of engagement established with these groups:

Stakeholders	Engagement Topic	Method	Frequency
Company Shareholders	Strategy, Financing	Verbal, Digital, Face-to-Face	Daily
Senior Management	Strategy, Crisis Management, Internal Communication	Verbal, Digital, Face-to-Face	Daily
Employees	Operations, Internal Communication, External Communication, Documentation Management, Motivation and Satisfaction, OHS, Training	Verbal, Digital, Face-to-Face	Regularly
Suppliers and Contractors	Supplier Relations, OHS, Sustainability, Incoming Product Feedbacks	Verbal, Digital	Regularly
Customers	Customer Expectations and Satisfaction, Sales, Feedback Mechanism	Verbal, Digital, Face-to-Face	Regularly
Public Institutions and Organisations	Public Relations, Social Development, Official Procedures	Verbal, Digital, Face-to-Face	Regularly
NGOs, Unions, Sectoral Organisations, Independent Auditing Bodies	Social Development, Sustainability and Environment, Stakeholder Relations, Working Conditions	Digital, Face-to-Face	Monthly
Neighbouring Businesses and Local Communities	Environment, Social Development, Feedback Mechanism	Verbal, Digital, Face-to-Face	Monthly

2030 Sustainability Targets

Target	Performance Indicator	Target Year	Base Year	Related Material Topic	Related SDG
By adopting low-carbon production processes, Çolakoğlu Metalurji aims to reduce its Scope 1 and Scope 2 carbon footprint resulting from its operations by 55% by 2030 and to achieve net-zero emissions by 2050.	Reduction amount of Scope 1&2 greenhouse gas emissions compared to the base year (tCO_2)	2030	2024	Climate Crisis and Greenhouse Gases	
Çolakoğlu Metalurji aims to source more than 35% of its electricity consumption from renewable energy sources by 2030.	Ratio of renewable energy in energy consumption (%)	2030	2022	Energy Management and Efficiency	
Çolakoğlu Metalurji aims to increase the ratio of female employees to 25% by 2030.	Ratio of women employees (%)	2030	2023	Equality, Diversity and Inclusion	
As part of its focus on occupational health and safety, Çolakoğlu Metalurji aims to reach a “zero accident” rate by 2030.	Accident severity rate (%)	2030	2023	Occupational Health and Safety	
Çolakoğlu Metalurji aims to promote social cohesion and adaptation, and to bring together different communities in the Dilovası region, where its production facilities are located, by establishing a sports club to foster equal opportunities.	-	-	-	Social Contribution and Social Responsibility	
Çolakoğlu Metalurji aims to maintain a customer satisfaction rate of at least 85%.	Customer satisfaction rate (%)	-	-	Customer Focus and Satisfaction	

Climate-Related Risks and Opportunities

Climate-related risks and opportunities are becoming increasingly important today. The climate crisis is no longer merely an environmental issue; it has become a direct risk factor for business, financial markets, and economic systems. Therefore, analysing climate risks and opportunities has become essential for companies' long-term sustainability, competitiveness, and financial performance. In this context, climate risks are examined under two categories; physical risks and transition risks. Physical risks are defined as risks that arise from acute or chronic physical events caused by climate change. Transition risks, on the other hand, are linked to the legal, reputational, technological, or market challenges that organisations may face during their transition to a net-zero economy while combatting climate change. In tackling the climate crisis and transitioning to a low-carbon economy, companies face not only risks but also opportunities. These opportunities may range from reducing costs through energy efficiency initiatives to capturing new market shares by changing products and services. While managing their risks, companies must seize opportunities that support sustainable growth.

Çolakoğlu Metalurji manages climate-related risks and opportunities with a proactive approach. Identified risks are reported to the Supply Chain Working Group, Climate Action Plan, Operational and Energy Efficiency Working Group, Corporate Governance and Social Responsibility Working Group, and Marketing and Sales Customer Relations Working Group within the Sustainability Management Structure. The working groups are responsible for identifying the risks, quantifying the risks financially, and determining the necessary action plans. The compiled risk list is then reviewed by the Environmental and Climate-related Financial Risk Management Committee before being submitted to the Board of Directors and the Chair of the Board for the required approval processes.

Çolakoğlu Metalurji considers the following to identify sustainability risks;

- The list of material topics derived from the double materiality analysis, covering environmental and social topics
- Türkiye Sustainability Reporting Standards (TSRS)
- Climate change scenarios (Evaluated scenario include the 1.5°C target scenario and the SSP5-8.5 scenario, which represents the highest level of emissions where no global action is taken)
- Process maps of material issues, covering supply chain and after-sales processes
- Impacts on environmental resources and natural raw materials used as inputs
- Sustainability strategy and targets
- Current and expected legal requirements
- Technological developments
- Market expectations and changing customer preferences
- Risks identified by all departments within the scope of implemented ISO management systems

Risk Category		Risk Identification
Transition Risks	Regulatory Risk	The carbon cost that will take effect in 2026 and is expected to increase gradually within the European Union's Carbon Border Adjustment Mechanism (CBAM) or the carbon costs that will be created by the emission trading system expected to be established within Türkiye are considered as risks.
	Market Risk	The 2030 emission reduction and 2050 carbon neutrality commitments made by countries and companies globally will lead to changes in companies' raw material preferences. Çolakoğlu Metalurji considers the EAF production model, in which gives it an advantage over its competitors in its current operations, and the increasing demand for scrap metal, which it uses as raw material, and the supply chain interruptions and the resulting cost increase as a risk.
Physical Risks	Acute Risk	According to the IPCC AR 6 report, SSP 5- 8.5 scenario, the Mediterranean basin in which Çolakoğlu Metalurji operates has the highest potential to be affected by climate change. All damages that may be caused to the Company's plant, port and nitrogen plant by extreme weather events that are expected to increase have been evaluated within the scope of risk.
Products and Services	Opportunity	Çolakoğlu Metalurji produces with one of the lowest emission methods in the iron and steel industry. While the world average tCO_2 / ton iron ratio produced with BOF technology is 2.21 for Scope 1 and 2 combined, this ratio drops to 0.5 in production with EAF technology, which the Company also uses. Thanks to Çolakoğlu Metalurji's efficiency-oriented approaches, the tCO_2 /ton iron ratio is calculated as 0.34. The fact that Çolakoğlu Metalurji currently produces with an emission value far below the world average has made Çolakoğlu Metalurji a preferred supplier against the newly developing carbon regulations of the market. The Company continues its strategy and investment plans for the zero carbon target and expects this demand to increase further.

Responsible Production

Digital Transformation Projects

Climate Crisis and Greenhouse Gases

Carbon Accounting Software: Automatically collects data from various sources (ERP and process software) to calculate emissions according to different standards. It will also monitor regulations and revise errors. In addition, it will improve the process of creating content for sustainability reporting.

Raw Material and Resource Use

AI-Integrated Systems: Optimised inputs based on raw material quality. Achieved both increased efficiency and reduced emissions.

Scrap Imaging Project: Input control automation will improve raw material quality and ensure the correct scrap mix.

AI-Supported Scrap Analysis: Aims to automate the analysis processes carried out by experts in scrap purchases using image processing and artificial intelligence technologies.

Energy Management and Efficiency

Data Analyses and Management: Ensures the collection of optimal data for all product varieties and increases process efficiency within this scope.

AI-Integrated Systems: Evaluates all collected data and provides efficiency analysis.

Superheat: Improves energy consumption through temperature optimisation in all processes.

Operational Efficiency

Industrial Wi-Fi Project: Implemented to increase accessibility in production facilities and storage areas, this project aims to increase operational efficiency with mobile device integration, real-time data collection, remote access, and advanced security features.

RTLS System: Provides live tracking of machine equipment and work machines and enables the early detection of possible malfunctions or maintenance requirements with the data obtained.

Modernisation of the Online Surface Control System: The existing surface control system in the hot rolling mill has been updated with a higher resolution, AI-supported version. This has improved the accuracy of real-time detection of surface defects.

Laboratory Digital Monitoring System (LDIS): Digital Monitoring System (LDIS) project is drafted and approved with the aim of digitising testing processes and reducing human error. The project will be launched and finalised in 2025.

Ontime: The Ontime digital field platform aims to improve processes and increase efficiency by managing and controlling corporate resources in terms of security, efficiency, authorisation, occupational health and safety, agility and consolidation, and by transferring data in real time to the Datalake environment through artificial intelligence and data analytics applications.

DNAI: This project will create the company's digital transformation roadmap and clarify its digital perspective.

Supportive Digital Tools

QDMS Software: This has enabled all management systems to be transferred to a central digital infrastructure, eliminating the need for printed outputs. At the same time, it has facilitated access for all users, accelerating the approval mechanism and information retrieval.

Asset Information Management: The goal is to increase efficiency through machine learning and artificial intelligence by creating a virtual model of the factory, supported by sensor data, process and equipment documentations.

Climate Crisis and Greenhouse Gases

The climate crisis is one of the most pressing global challenges of our time, profoundly impacting environmental, economic, and social systems. Çolakoğlu Metalurji addresses this crisis as a reality that requires structural transformation, shaping its operations in line with climate adaptation and the transition to a low-carbon economy. In this context, the company closely monitors national and international environmental regulations, particularly the European Green Deal, and carries out operational and managerial preparations for high-impact mechanisms such as the Carbon Border Adjustment Mechanism (CBAM). To reduce climate-related risks, capture opportunities, and create long-term value, Çolakoğlu Metalurji takes concrete steps in energy efficiency, emissions reduction, renewable energy use, and resource efficiency, embedding environmental sustainability across all processes.

Adopting environmental sustainability as one of its core business principles, Çolakoğlu Metalurji implements a robust environmental management system to minimise its impact on nature. The company's environmental management system is in compliance with ISO 14001 and aims to reduce potential negative effects on air, water, and soil.

As part of its Environmental Management Policy, the company has introduced sustainable projects focused on waste reduction, efficient resource use, upcycling, and the protection of natural assets. Accordingly, the company has increased its investments in environment-focused technologies and made progress in environmental performance indicators through process improvements and digital monitoring systems in 2024.

Çolakoğlu Metalurji aims to enhance its operational efficiency through continuous development and improvement initiatives within its business processes. In this context, the company takes a proactive approach to developing projects aligned with its strategic goals by incorporating innovative project ideas from stakeholders as well as customer demands and suggestions.

Çolakoğlu Metalurji operates with high production efficiency with a team of experts and advanced technological equipment. To further enhance operational efficiency, the company continuously monitors and optimises its production processes, expands energy efficiency projects, strengthens waste management, and focuses on process improvements. These strategies enable Çolakoğlu Metalurji to reduce costs, minimise environmental impacts, and improve customer satisfaction.

Among the projects approved with a budget to be implemented in the coming years, the most significant is the Magnetic Stirrer project. With this application to be carried out in the electric arc furnace, efficiency will be increased, and accordingly, production will rise. The magnetic stirrer will enhance production quality by mixing metals more homogeneously and shortening process times. In addition, this technology will optimize energy use, reduce operational costs, and lower the carbon footprint.

As part of its initiatives on Climate Change and Greenhouse Gases, Çolakoğlu Metalurji accounts for the steel industry's high energy demand and corresponding emission intensity. Since 2015, in line with Türkiye's Greenhouse Gas Emissions Regulation, the company's emissions have been calculated annually and verified by organisations authorised by the Ministry. Additionally, Çolakoğlu Metalurji reports in compliance with the Carbon Border Adjustment Mechanism (CBAM) under the European Green Deal. To track embedded emissions, the company works closely with its suppliers to collect the necessary data and communicates with them on reducing emission intensity.

Çolakoğlu Metalurji goes beyond regulatory requirements to calculate and verify its Scope 1, Scope 2, and Scope 3 emissions in line with the ISO 14064-1 Standard to comprehensively manage emissions across its entire value chain. This standard ensures that the environmental impacts of all operational activities are meticulously monitored and reported.

In addition to complying with legal regulations, Çolakoğlu Metalurji calculates and verifies its Scope 1, Scope 2, and Scope 3 emissions in accordance with the ISO 14064-1 Standard in order to comprehensively manage all emissions across its value chain. Furthermore, product-based carbon footprint calculations are carried out within the framework of the ISO 14067 Standard, and Environmental Product Declarations (EPDs) are prepared and shared transparently with stakeholders.

95%
operational efficiency

Çolakoğlu Metalurji's production facilities operate above the industry average with 95% efficiency. This high level of efficiency reflects the company's commitment to excellence in operational processes and its investments in advanced technologies.

Emissions arising from Çolakoğlu Metalurji's core line of business, steel production, are calculated on a yearly basis.

Greenhouse Gas Emissions (tCO_2e)

	Scope 1	Scope 2	Scope 3
2021	517.306	751.981	5.768.728
2022	493.054	725.777	2.821.709
2023	495.035	748.514	4.552.599
2024	566.519	806.969	4.630.955*

* The increase in emissions in 2024 is attributable to the second annealing furnace commissioned in 2023 as part of the capacity expansion project. As sufficient production growth could not be achieved due to market conditions, the emission level appears higher.

You can access the **Environmental Management Policy** here.

As well as being an energy-intensive industry, the iron and steel sector is influenced by the carbon intensity of the raw materials used in its production processes. Çolakoğlu Metalurji's Scope 3 emissions do not stem directly from its own production processes but from the embedded emissions of raw materials within its supply chain. These emissions mainly arise from the procuring iron ore, scrap metal, and other auxiliary materials, particularly ones with a high carbon content.

Although Scope 3 emissions fall outside operational boundaries and are therefore less controllable, Çolakoğlu Metalurji prioritises sustainability criteria in raw material procurement to reduce embedded emissions. Key elements of this approach include choosing raw materials with lower carbon content and ensuring that suppliers comply with sustainability practices.

By conducting detailed analyses of greenhouse gas emissions from its production processes, Çolakoğlu Metalurji aims to reduce product-based carbon intensity and accelerate the transition to a low-carbon economy. The greenhouse gas intensity calculated per tonne of product serves as an important indicator of this transition and is used as a fundamental tool to identify areas for process improvements.

Comprehensive and rigorous monitoring of greenhouse gas emissions, accurate calculations, and verification by independent bodies are all crucial for achieving the company's targets and supporting the transition to a low-carbon economy. Çolakoğlu Metalurji is diligently managing this transition in line with its sustainability goals. As an energy-intensive industry, the iron and steel sector hold a significant share of global carbon emissions, making the shift to a low-carbon economy an essential requirement for contributing to a sustainable future.

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Transition to a Low-Carbon Economy Strategy

At the core of Çolakoğlu Metalurji's low-carbon transition strategy are production processes with a lower carbon footprint. The company uses Electric Arc Furnace (EAF) technology in its production processes, thanks to which the company's Scope 1 emissions remain below the industry average. Compared with the traditional Blast Furnace–Basic Oxygen Furnace (BF–BOF) route, EAF technology produces significantly lower carbon emissions in steelmaking. Accordingly, Çolakoğlu Metalurji's strategy is structured around four main pillars;

1. Raw Material and Operational Efficiency

Among the most critical components of the steel sector's transition to a low-carbon economy are the sustainable use and sourcing of raw materials and the improvement of operational efficiency. Optimising production processes and effectively managing energy and material use also increase operational efficiency and contribute to reducing carbon emissions.

Çolakoğlu Metalurji seeks to minimise its environmental impacts by improving raw material efficiency and reducing waste. In this context, the company places special emphasis on improving scrap efficiency and applying sustainability criteria in raw material procurement.

Scrap steel is considered the most strategic resource for the sector in advancing towards a low-carbon and circular economy. Çolakoğlu Metalurji is therefore developing various projects to maximise access to this resource.

2. Energy Efficiency

Energy efficiency is one of the most effective ways of reducing carbon emissions in the steel sector. Çolakoğlu Metalurji employs innovative technologies and modern energy management systems to enhance energy efficiency across its production processes. Within the framework of the ISO 50001 Energy Management System, the company continuously monitors and optimises its energy intensity, aiming to reduce both energy consumption and costs through energy efficiency projects.

In line with these objectives, Çolakoğlu Metalurji focuses on minimising energy consumption in production processes by using energy more efficiently.

3. Renewable Energy

Colakoğlu Metalurji aims to reduce carbon emissions and enhance environmental sustainability by investing in renewable energy sources. In this regard, Colakoğlu Metalurji aims to source more than 35% of its electricity consumption from renewable energy sources by 2030. Also, it aims to obtain at least 150 MW of its electricity needs from renewable energy sources by the end of 2030.

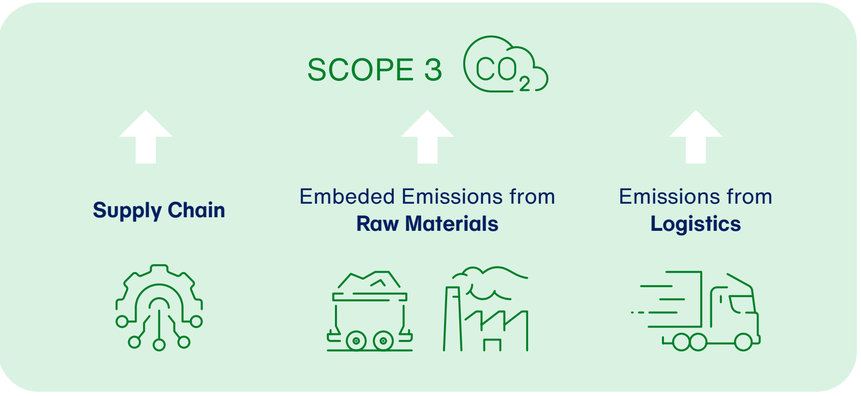
4. Supply Chain Management

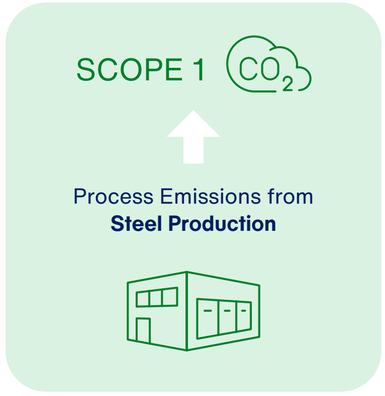
Restructuring the supply chain according to sustainability criteria plays a vital role in reducing the environmental impacts of production processes during the transition to a low-carbon economy. Accordingly, Çolakoğlu Metalurji manages its supply chain not only from an economic perspective but also by considering environmental and climate-based risks.

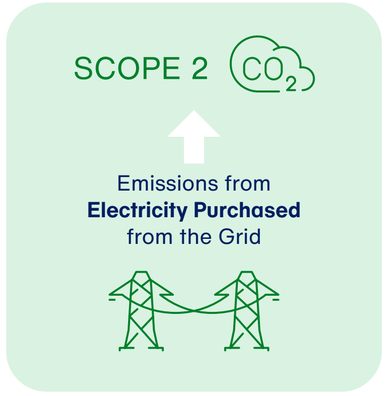
In order to ensure the continuity and quality of raw material supply, efforts are being undertaken to strengthen sourcing infrastructure. Taking into account the uncertainties and resource risks driven by climate change, the supply chain structure is being made climate-resilient, supply routes are being diversified, and strategies for accessing alternative sources are being developed.

In particular, scrap supply processes lie at the center of the low-carbon production approach. To this end, various collaborations and projects are being implemented to reintegrate waste metal into the economy. Within the framework of the circular economy, Çolakoğlu Metalurji establishes sustainable scrap management systems with its suppliers, thereby increasing raw material efficiency while reducing environmental impacts.

In addition, in line with the target of reducing Scope 3 emissions, the carbon footprint of the supply chain is monitored and areas for improvement are identified. In this regard, sustainability criteria are given greater emphasis in supplier selection processes, the environmental performance of business partners is evaluated, and long-term collaborations are shaped based on sustainability principles.







Raw Material and Operational Efficiency

- → Increasing efficiency by increasing the use of high-quality scrap
- → Reducing carbon input by balancing raw material input
- → Using low-carbon alternative raw materials
  Collecting and tracking detailed data through digitalisation
- → AI-based modelling (Process optimisation)
  Using alternative recycled carbon sources for steel production
- → Balancing chemical energy needs with alternative sources

Renewable Energy

- → Meeting electricity demand from renewable sources through solar (PV), hydro, and wind power investments
- → Purchasing renewable electricity through bilateral agreements until investments are completed
- → Managing internal resources with rooftop solar installations and projects to utilise other idle energy sources

Energy Efficiency

- → Reducing energy consumption through projects implemented as a result of comprehensive energy efficiency studies
- → Lowering electricity consumption with projects that shorten melting time in the steel mill
- → Recovering waste heat generated in production processes through heat recovery projects
- → Monitoring processes in detail via digitalisation projects, enabling data analysis and control of energy consumption

Supply Chain Management

- → Establishing an infrastructure for sourcing raw materials from their source in order to ensure continuity of supply and improve raw material quality.
- → Restructuring raw material supply by considering climate-related risks to ensure continuity
- → Restructuring the supply chain with Scope 3 emissions also taken into account

Decarbonisation Roadmap

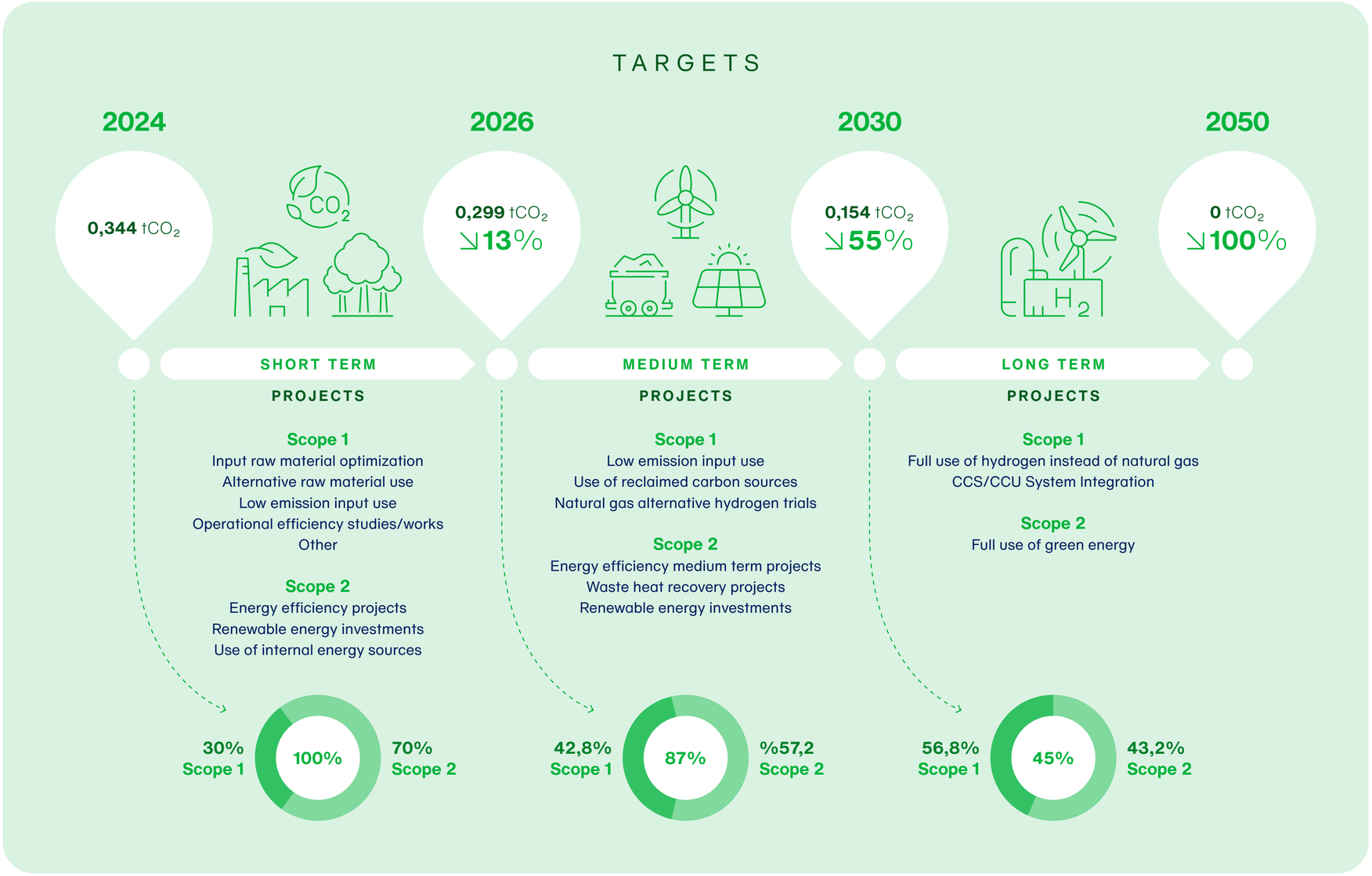
While maintaining its competitiveness at both national and international levels, Çolakoğlu Metalurji takes concrete steps to reduce carbon emissions and regards the transition to a low-carbon economy as a strategic priority. In this context, interim targets for reducing greenhouse gas emissions have been set, and a long-term decarbonisation roadmap has been established.

In line with these targets, the company started developing a comprehensive strategy and action plan by the end of 2023, and project development processes for implementation are currently underway.

The decarbonisation strategy is based on a multidimensional approach that includes integrating innovative and low-carbon technologies into production processes, increasing investments in energy efficiency, expanding the use of renewable energy, and managing the supply chain sustainably.

Additionally, developing waste management practices and implementing technological solutions that reduce carbon emissions are also core elements of this strategy. In line with these elements, Çolakoğlu Metalurji aims to reduce its Scope 3 emissions by 25% by 2030. All these initiatives, pursued in line with the 2050 Net Zero target, reflect Çolakoğlu Metalurji's commitment to fulfilling its environmental responsibilities and its vision of creating a sustainable future.

As part of its efforts to reduce environmental impacts, the company has obtained Environmental Product Declaration (EPD) certificates, which transparently document the environmental performance of its end products throughout their life cycle. These certificates, recognised internationally as a concrete indicator of sustainable production, ensure that the environmental impacts of products are presented with reliable, comparable, and verifiable data.



Raw Material and Resource Use

Çolakoğlu Metalurji regards the efficient, responsible, and sustainable management of raw materials used in its production processes as one of its strategic priorities. In the procurement of iron ore, scrap steel, and alloying elements, minimizing environmental and social impacts is targeted, while the principles of transparency and sustainability are observed across the supply chain. In particular, by increasing the use of scrap steel, both natural resource consumption is reduced and the circular economy approach is supported. Within this scope, priority is given to raw material sources with low energy intensity, recyclability, and minimized environmental impacts.

In terms of resource use, the efficiency of energy, water, and auxiliary materials is carefully monitored. Through continuous improvement initiatives, resource efficiency in production processes is increased, and digitalization and automation projects are implemented to reduce losses. Increasing the share of seawater use, reducing freshwater consumption, and shifting towards processes with lower energy intensity constitute the core elements of resource management. In this way, Çolakoğlu Metalurji advances step by step toward its low-carbon and efficient production goals in the steel sector through responsible raw material and resource management, in line with both national regulations and international sustainability standards.

Energy Management and Efficiency

Energy management holds critical importance in the iron and steel industry, which is among the most energy-intensive sectors. In line with the vision of a sustainable future, steps must be taken to reduce environmental impacts, making it essential to develop energy-efficient and environmentally focused production processes.

Aligned with both Türkiye's and Çolakoğlu Metalurji's carbon emission reduction targets, reducing energy consumption, increasing efficiency, and transitioning to renewable energy sources have become necessities, leading to significant sectoral change and transformation.

As a company certified with the ISO 50001 Energy Management System, Çolakoğlu Metalurji conducts its operations in compliance with the principles outlined in its energy policy while continuously improving its processes. Within the scope of its corporate values and business strategy, Çolakoğlu Metalurji is committed to reducing overall energy consumption, enhancing energy efficiency, and prioritizing the use of renewable energy sources.

The company regards the monitoring and evaluation of energy consumption as a fundamental requirement of an effective energy management system. Accordingly, energy consumption across company facilities is monitored through tracking systems, with data analyzed to evaluate energy performance.

Within the Energy Monitoring System, electricity, natural gas, and compressed air consumption are tracked, while the Level 2 Reporting System enables detailed reporting of consumption data from the Steel Plant, Power Plant, Bar Rolling Mill, and Auxiliary Units.

You can access the **Energy Policy** here.

Electricity

- Primary and control meters at 154 kV level are connected to the Automatic Meter Reading System (OSOS).
- An energy monitoring system is in place for the factory's electricity distribution system.

Natural Gas

- Primary sales meters are equipped with a remote reading system.
- An energy monitoring system is used for facility-based natural gas consumption.

Compressed Air

- An energy monitoring system is used for facility-based air consumption.

Level 2 Reporting System

Energy Consumption and Energy Intensity

The iron and steel sector is a highly energy-intensive industry. The types of energy used in our steel production processes include electricity, natural gas, anthracite, diesel, and LPG.

A significant portion of the electricity demand of our steel facilities is met through our own power generation plants.

Energy Consumption (kWh)

2021	3.450.640.853
2022	3.230.721.740
2023	3.325.676.917
2024	3.628.955.223

Energy Consumption (GJ)

2021	12.425.137
2022	11.633.247
2023	11.975.164
2024	13.067.215

Fuel Consumption (%)

Factory Electricity Consumption

2023	53.2
2024	50.0

Diesel

2023	0.6
2024	0.6

Natural Gas

2023	40.7
2024	42.0

Anthracite

2023	5.5
2024	7.4

LPG

2023	0.003
2024	0.002

Within the framework of the ISO 50001 Energy Management System, one of the most important energy performance indicators monitored is energy intensity. We have been steadily improving our energy intensity each year.

Energy Intensity (kWh/TL)

2021	0,1354
2022	0,0688
2023	0,0542
2024	0,0410

Energy Intensity (GJ/tonne of final product)

Energy Consumption (GJ)

2021	12,425,137
2022	11,633,247
2023	11,975,164
2024	13,067,215

Tonnes of Steel

2021	2,753,484
2022	2,604,062
2023	2,546,326
2024	2,519,230

Energy Intensity (GJ/tonne of steel)

2021	4.5125
2022	4.4673
2023	4.7029
2024	5.1870*

* The increase in energy intensity in 2024 stems from the second annealing furnace commissioned in 2023 as part of the capacity expansion project. Since sufficient production growth could not be achieved due to market conditions, energy intensity appears to be higher.

Use of Renewable Energy

The transition to renewable energy plays a critical role in the adaptation of the iron and steel sector to a low-carbon economy. In line with its 2030 carbon targets, Çolakoğlu Metalurji plans to completely phase out the use of fossil fuels in energy production and to shift toward lower-emission or renewable sources. This transformation will significantly reduce the carbon footprint of energy consumption and contribute to the company's achievement of its environmental sustainability goals.

- Meeting electricity demand from renewable sources through solar, hydro, and wind power plant investments
- Purchasing renewable electricity through bilateral agreements until investments are completed
- Managing internal resources through rooftop solar power installations and projects to utilise other idle energy sources at facilities

The introduction of CBAM and the establishment of the ETS, along with national and corporate carbon reduction targets, will require significant change and transformation across the sector, including reducing energy consumption, increasing energy efficiency, and shifting from fossil fuels to renewable energy sources. In this context, Çolakoğlu Metalurji aims to source more than 35% of its electricity consumption from renewable energy sources by 2030.

In addition, taking a further step in the use of renewable energy, Çolakoğlu Metalurji initiated work in 2024 for the installation of a rooftop solar power plant with an installed capacity of 2.1 MWp at the Çubuk Rolling Mill.

Çolakoğlu Metalurji aims to meet more than 35% of its electricity consumption from renewable energy sources by 2030.

In 2024, work was initiated for the installation of a 2.1 MWp rooftop solar power plant (SPP) at the Bar Rolling Mill.

Waste Management and Upcycling

Çolakoğlu Metalurji contributes to the circular economy through its waste management targets and initiatives.

Proper waste management reduces negative impacts on natural resources while also contributing to the circular economy. The circular economy approach, which aims to reduce waste throughout the product life cycle systematically, prevents waste by optimising labour as well as the use of natural resources and energy.

As steel is a 100% recyclable and sustainable material, steel production facilities are a vital part of the circular economy. Çolakoğlu Metalurji, who uses scrap iron and steel as its main raw material and recovers steel using electric arc furnaces, contributes to the circular economy and the national economy.

Reducing the use of natural resources across all production processes, ensuring that production waste is utilised as alternative raw material or by-products in other sectors, selecting materials accordingly, and increasing recycling in generated waste are key elements of Çolakoğlu Metalurji's sustainability management approach. In this context, the company sets target KPIs relating to raw material and natural resource use, recovery, and efficiency, and defines actions to achieve these targets.

Leading developments in the use of process-related waste from the iron and steel sector as raw material in other industries, Çolakoğlu Metalurji ensures the recovery of flue dust, which is classified as hazardous waste, through Marzinc Marmara Geri Kazanım A.Ş., a licensed recycling company that it co-founded. In addition, the company has initiated numerous projects conducted by the sectoral association to ensure the circularity of operational wastes such as slag, scale, and fly ash.

All Çolakoğlu Metalurji facilities hold the basic level "Zero Waste Certificate" and have waste collection points. Waste collected separately at source is sent to recycling facilities in accordance with the legislation.

Çolakoğlu Metalurji aims to raise environmental awareness among its employees and provides regular environmental training on zero waste, waste classification, separate collection at source and recycling. Periodic site inspections are carried out to monitor waste sorting practices, and any nonconformities identified through these inspections are subject to root cause analyses, with corrective and preventive actions defined and implemented to address the issues.

At the production facilities, waste sorting at source is included as a performance indicator in the scorecards of departments, and any nonconformities must be rectified within due time, with full compliance expected across all facilities. In addition, all environmental considerations in every process are monitored and documented by Environmental Management Engineers.

Çolakoğlu Metalurji takes significant steps to reduce the amount of waste it generates. In this context, the company aims to reduce the amount of waste per unit of production at the steel mill, the hot sheet rolling mill, the bar rolling mill, and the power plant.

Amount of Hazardous Waste (kg/tonne of product)

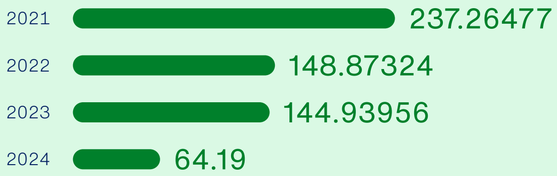
Steel Mill and Hot Sheet Rolling Mill

2021	9.579
2022	9.589
2023	8.515
2024	8.081

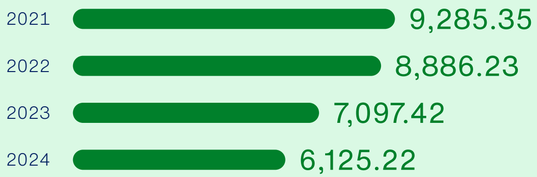
Bar Rolling Mill

2021	0.0364
2022	0.0335
2023	0.0325
2024	0.0493

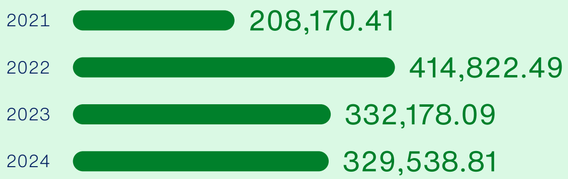
Contaminated Waste per Capita at the Power Plant (kg/person)



Amount of Hazardous Waste (tonnes)



Amount of Recovered Waste (tonnes)



Due to its environmental impacts, Çolakoğlu Metalurji does not prefer the incineration method for waste disposal and has set the target of eliminating the amount of waste sent for incineration and reducing the amount of waste sent to landfill each year.

In iron and steel production, the hazardous waste with the highest environmental impact is the flue dust (waste code 100207) generated in the filtration plant, where dust and gases from the steel mill are treated. The dust is stored in silos and sent for recovery to a recycling facility in which Çolakoğlu Metalurji is a shareholder. As the dust is used directly as raw material at the recycling facility, it is classified as a by-product.

At the facilities, the largest quantities of non-hazardous waste are generated as slag, scale, and fly ash. 70% of the slag is sent to recycling facilities for recovery, while 30% is sent to landfill. The scale waste generated in the rolling mill production process is classified as a by-product in the waste list, as it is utilised as a by-product and alternative raw material in various industries.

Fly ash generated from electricity production is stored in closed silos and disposed of at the company's own landfill facility.

- Waste is sorted into 3 categories in production areas and 5 categories in offices.
- The fundamental principle of waste management is the elimination of waste at source or, if this is not possible, to recover waste as a material that can contribute to the circular economy.
- Process-related wastes from the sector can be used as alternative raw materials, by-products, or direct raw materials in many industries. Their management is ensured through a wide range of customers, minimal on-site storage, and compliance with physical storage requirements.
- Wastes generated at the facilities are collected periodically from department-specific enclosed transfer areas arranged according to waste type, moved to temporary storage areas, and then sent to licensed recycling facilities for disposal.
- All employees receive training on waste sorting.
- Waste sorting practices are monitored on-site through weekly field inspections.
- In 2024, to reduce plastic waste, many departments at the facilities switched from bottled water to tap water.
- Iron and steel producers using scrap metal as raw material are among the sectors that contribute most to the circular economy. With a production capacity of 3,171,271 tonnes, Çolakoğlu Metalurji is one of the key organisations supporting the circular economy.
- Hazardous wastes generated from production activities, such as flue dust, scale, slag, and ash, can be utilised as direct raw materials, auxiliary raw materials, or by-products.
- In 2024, the hot rolled coil (HRC) product contained 79.64% recycled content, while the rebar product contained 95.30%.
- In 2024, there were no spills, leaks, or other incidents with significant environmental impact.

You can access the **ISO 14001 Environmental Management System Policy** here.

Water Management

Çolakoğlu Metalurji considers the sustainability of water resources to be an integral part of its responsible production approach. The company carefully monitors the amount of water consumed in its operations and develops continuous improvement projects to use water as efficiently as possible in its processes.

The cooling water required in the process is supplied from seawater treated at the osmosis plant. The process water obtained by treating seawater and used in production processes is further treated at the water treatment facilities through physical sedimentation and sand filters. It is reused in production without being discharged into receiving environments, ensuring efficient use of water. To compensate for losses caused by evaporation, water is replenished, largely from the osmosis plant. In 2024, a total of 2,348,826 m³ of water was produced at the osmosis plant. Additionally, water efficiency initiatives have steadily reduced water demand year by year.

Process cooling water is cooled in a closed-loop system using titanium heat exchanger technology. This system prevents the use of freshwater and ensures that water is utilised in a sustainable manner. Seawater is used for the cooling process in titanium exchangers without coming into contact with the process water and is subsequently discharged back into the sea.

The quality of the water discharged to the sea is monitored via the Continuous Wastewater Monitoring System (SAİS), and the measurement results are shared with the Ministry of Environment, Urbanisation and Climate Change of the Republic of Türkiye.

To optimise water management processes and support the conservation of natural resources, water consumption ratios per tonne produced (water intensity) are regularly monitored. Water intensity is calculated for each production line and serves as a key tool in identifying areas for improvement in production processes.

All surface water within Çolakoğlu Metalurji's factory area is also collected in a closed-loop system, treated through necessary sedimentation processes, and reused as process water.

Through the effective use of the closed-loop system, a total of 318 million m³ of water was recovered in 2024. This significant recovery improves efficiency in water management processes and greatly contributes to the conservation of natural water resources.

Additionally, the drinking water used in the plant is obtained by filtering and purifying municipal water. Domestic wastewater is discharged to the wastewater treatment plant of the Dilovası Organised Industrial Zone Directorate as per the water connection permit. Wastewater is discharged into the receiving environment.

Water Intensity (m³ water/tonne of product)

Rebar

2021	0.666
2022	0.766
2023	0.830
2024	0.700

HRC

2021	0.571
2022	0.618
2023	0.594
2024	0.496

Water Consumption by Source (m³/year)

Seawater

2023	198,881,280
2024	210,240,000

Municipal Water

2023	12,814
2024	29,770

Water Production at the Osmosis Plant (m³/year)

2021	2,156,840
2022	2,314,922
2023	2,351,615
2024	2,348,826

Amount of Water Recovered and Reused (m³/year)

2021	335,067,840
2022	316,880,640
2023	311,040,000
2024	318,484,999

Air Quality

Çolakoğlu Metalurji is committed to minimising the environmental impact of its activities and carefully manages its processes to protect air quality. Within this scope, the data obtained via the continuous emission monitoring systems installed on the chimneys of the steel mill and the power plant are simultaneously shared with the Ministry of Environment, Urbanisation and Climate Change of the Republic of Türkiye.

At the steel mill, there is a dust collection and filtration facility to capture gas and dust pollutants resulting from production. The dust collection system is designed to capture 30% more gas and dust than would ordinarily be collected during production. The company utilises direct suction systems with exhaust hoods in the electric arc furnace (EAF), ladle furnaces for EAF, thereby capturing leaks emitted during charging, casting, and melting. Produced gases are treated using bag filters. Dust accumulated in bag filters is mixed with water in the pelletising tank and turned into pellets. The dust pellets stored in the pellet silo are discharged into the dump trucks that enter beneath the facility through shut-off valves with pneumatic actuators at the bottom of the silo, preventing dust formation during loading. All conveyor belts used in the facility are enclosed to prevent dusting.

The power plant has two separate boilers, each with a single chimney outlet. Each chimney is equipped with one measurement sensor. The measurement sensors are located in dedicated chambers within the flue ducts. If limit values are exceeded, an audible and visual alarm mechanism is activated in the system. The chimneys are continuously monitored by operators through a camera system.

In the system: when SO_2 levels exceed the limit, lime is added; when CO levels exceed the limit, the combustion system is checked, corrective measures are taken, and air is supplied to the system; when dust values exceed the limit, the electrostatic filters are inspected.

Each chimney is equipped with an electrostatic filter for dust emission control. Dust in the flue gas resulting from combustion is captured. Each boiler is fitted with two electrostatic precipitator (ESP) units, each with five chambers and an electrical capacity of 46.62 kW. The system achieves a 99% purification efficiency of flue gas.

The online SCADA system is used to monitor emissions, combustion air temperature, furnace temperature, furnace outer wall temperatures, and oxygen levels before and after the recuperator is operated in rolling mills, ensuring controlled and efficient combustion processes.

To reduce ambient emissions at the facilities, 3 sweeper vehicles and 3 sprinkler vehicles are in operation. At the end of 2024, an additional sweeper vehicle was purchased.

Mobile spray water machines are used during scrap unloading from ships. There are 5 available pulverised water spray machines, which are used regularly during ship unloading.

While transporting dust-generating materials within the plant, truck beds are covered with tarpaulins. These vehicles' tarpaulins are checked at the security gate.

Çolakoğlu Metalurji has taken the necessary steps to protect air quality and reduce particulate emissions in its operations. Thanks to various initiatives, the company achieved the following improvements;

- The gases generated are treated using bag filters. Approximately 12,200 bag filters are in operation at the facility.
- Dust generated during scrap unloading is minimised with pulverised sprays.
- To keep ambient air under control at the facilities, sprinkler and sweeper vehicles operate actively across three shifts.

Ecosystem and Biodiversity

Çolakoğlu Metalurji prioritises the protection of natural ecosystems in all its activities, aligned with its commitment to environmental responsibility. The company takes responsible steps to support biodiversity, protect all species, particularly endangered and endemic ones, prevent land degradation, ensure the continuity of natural habitats, and reduce its impacts on these areas.

Aware of the potential impacts on the areas where its iron and steel production facilities are located and on neighbouring ecosystems, Çolakoğlu Metalurji regularly monitors and improves various metrics such as water use, waste management, emissions, and land use to minimise the environmental impacts of its production activities. The company aims to identify its direct and indirect impacts on ecosystems and to mitigate relevant risks.

A Biodiversity Project is scheduled for 2025 to protect natural life and support the diversity of species. This project aims to compile an inventory of natural assets around the facility, analyse biological diversity, and identify potential threats to implement preventive measures. Nature-based solutions and rehabilitation practices that will contribute to the local ecosystem will also be key components of the project.

By strengthening its environmentally friendly production approach, Çolakoğlu Metalurji will continue not only to protect ecosystems but also to contribute to their restoration. Aware that biological diversity is essential for the continuity of life, the company aims to strengthen and sustain its connection with nature, which cannot be separated from production.

You can access the **Ecosystem and Biodiversity Policy** here.

Value for People and Society

Digital Transformation Projects

1. Talent Management

HR Online (İK Online): Through HR Online applications, the effectiveness and accessibility of human resources processes have been enhanced, initiating the digitalisation process. Critical processes such as training, surveys, leave, overtime, personnel procedures, performance management, rewards, and competency development can be easily tracked via this platform, offering a practical management environment for both employees and managers.

Mobile HR (Mobil İK): Mobile HR is the easily accessible mobile application of HR Online, enhancing the employee experience.

HR Chatbot (İK Chatbot): HR Chatbot will be introduced as an artificial intelligence application that utilises internal system documents to generate responses.

Ideas at Work (İş'te Fikir): Via the 'Ideas at Work' platform on the Mobile HR system, employees can share their observations concerning the improvement of work processes, increased productivity, and occupational health and safety, and each submission is evaluated in detail by the relevant departments.

Steel Academy (Çelik Akademi): Steel Academy is an internal digital training platform that is regularly announced on the company's internal digital communication platform and reinforced with recurring training sessions. In 2024, a total of 642 hours of ethics training was provided to employees on Steel Academy, the company's internal digital training platform.

Quality, Performance, Results (QPR) System: The performance management process is conducted through the QPR system, where the KPIs of all departments are defined in line with the company's vision and strategic goals, and corporate objectives and individual performance are monitored in an integrated manner.

2. Occupational Health and Safety (OHS)

Wellcome: It is a door access control system. The documentation and training requirements for entering the factory have been digitalized, allowing them to be completed online before arriving at the facility.

Real Time Location System (RTLS): RTLS keeps personnel safe while working alone, especially during night shifts. Clearly defining restricted and prohibited areas also helps prevent unsafe behaviours.

OHS Digital Audit Tracking System: The "OHS Digital Audit System" monitors OHS activities by detecting nonconformities, issuing alerts to relevant parties, archiving nonconformities and corrective actions, and informing management in real time. The purpose of this system is to guide the company's OHS objectives and activities and to enable their real-time monitoring.

Digital Safety Systems:

- Communication and alert systems between heavy machinery and personnel helps prevent potential accidents.
- Thanks to advanced cameras and image processing systems, vehicle speeds are monitored and OHS violations within the facility are detected, preventing potential adverse situations.
- The Lean Visual Dashboard: It digitises boards that were previously monitored on paper at the sites, with the aim of increasing efficiency.

Talent Management

Working life at Çolakoğlu Metalurji is centred on protecting employee rights, increasing employee competence and supporting career development, starting with the recruitment phase.

Çolakoğlu Metalurji is committed to strengthening its global position in the iron and steel sector and aligns all business processes with this vision. The company treats employee satisfaction and engagement as top priorities, placing strong emphasis on creating a workplace where employees feel valued, happy, and safe.

For Çolakoğlu Metalurji, employees are the most valuable stakeholders. In this respect, working life at Çolakoğlu Metalurji is centred on protecting employee rights, increasing employee competence and supporting career development, starting with the recruitment phase. Çolakoğlu Metalurji supports its employees by investing in their social and technical development, aiming to stand by them not only in their professional lives but also in their personal growth. Through training programmes, career management processes, and performance development plans, the company encourages continuous improvement while providing a workplace where employees feel secure. Accordingly, the company continues to support employees in maximising their potential.

With the introduction of HR Online applications in 2017, the efficiency and accessibility of human resources processes were enhanced, marking the start of the digitalisation process. Critical processes such as training, surveys, vacations, overtime, personnel procedures, performance management, rewards, and competency development can be easily monitored on this platform, providing a practical management environment both for employees and managers. Simultaneously, the mobile application can be accessed anywhere, enhancing the employee experience.

As of 2025, HR digitalisation initiatives have been further expanded and the employee experience has become more efficient, trackable, and personalised with projects such as the renewal of the intranet system, the HR Chatbot, and Robotic Process Automation (RPA). With this digital transformation, employees' active participation and engagement in human resources processes have been enhanced, leading to the adoption of a more holistic HR approach.

You can access the **Human Resources Policy** here.






Working Life at Çolakoğlu

Employee Rights

Çolakoğlu Metalurji considers the creation of a fair, inclusive, and safe working environment that respects employee rights among its key priorities. The company offers a physically and socially supportive workplace, tailored to the differing needs of white-collar and blue-collar employees.

Employees working across different locations are provided with appropriate social support. For blue-collar employees, a 100% unionisation rate ensures the protection of employee rights. They are entitled to a wide range of social benefits, including holiday allowances, fuel and food aid, annual leave bonuses, child and education support, and assistance for birth, marriage, and bereavement, as well as footwear and hygiene products as per collective bargaining agreements (CBA). Additionally, they are covered by Complementary Health Insurance within the scope of a partnership with the Turkish Employers' Association of Metal Industries (MESS).

The remuneration policy is based on the principle of **equal pay for equal work** and is structured in a fair and competitive manner aligned with employee performance. Performance-based bonus schemes are also implemented within this framework. The remuneration process is managed by transparent and measurable, clearly defined criteria.

100%
of blue-collar employees are unionised.

Fringe benefits vary depending on the employee's role and work location. White-collar employees based at the factory benefit from certain social aids under the collective bargaining agreement, as well as the Complementary Health Insurance. White-collar employees based at the headquarters receive benefits such as private health insurance (PHI) and support for childbirth and marriage. Across the Çolakoğlu Group, depending on title and employment status, additional benefits may include private health insurance, company cars, mobile phones, GSM lines, tablet computers, fuel allowance, and vacation days or holiday bonuses.

As part of maternity and paternity rights, employees whose spouses give birth are entitled to parental leave and receive financial support. They are given a baby care package as a gift, and there is a corporate procedure in place to extend support and congratulations.

All of these practices reflect Çolakoğlu Metalurji's vision of becoming an "Employer of Choice" and its holistic approach to enhancing employee satisfaction, employer branding, and sustainable human resources management.

Employee Training

Çolakoğlu Metalurji organises training programmes to support the professional, personal, technical, and leadership development of its employees. Believing that human capital is the most valuable asset in achieving its strategic goals, Çolakoğlu Metalurji offers training opportunities that enable employees to discover and develop their potential talents, while closely monitoring their performance.

At regular intervals, training programmes are organised to develop employees' professional, personal, technical, and leadership skills, ensuring that employees can access the training they request while managers can provide opportunities tailored to the areas in which their employees seek improvement. Training needs are first assessed based on professional and personal development requirements, which then form the basis for long-term training plans.

Çolakoğlu Metalurji has adopted a comprehensive training approach that fosters a culture of continuous learning. Within this framework, the **"Steel Academy"** digital learning platform is accessible to all employees. The platform regularly offers mandatory training sessions, technical vocational training classes, and personal development programmes throughout the year. Accessible via both desktop and mobile devices, the platform allows employees to manage their learning journeys independently of time and location, offering greater flexibility in shaping individual development plans.

Additionally, personal development modules featured on the platform allow employees to voluntarily enrol in courses aligned with their interests and support their individual growth. This approach aims to enhance employee competencies, encourage internal knowledge exchange, and promote long-term career development.

The Steel Academy platform regularly offers mandatory training sessions, technical vocational training classes, and personal development programmes throughout the year.

Training in 2024	
Academy training	3,878 hours
Personal development training	5,312 hours
Vocational training	5,588 hours
Technical training	4,447 hours
Mandatory training	51,310 hours
Total	**70,535 hours**
Blue-collar training	**39,382 hours**
White-collar training	**31,153 hours**

42.62 hours
Average training hours per employee in 2024

Employee Performance Development and Career Management

Çolakoğlu Metalurji adopts a systematic and data-driven approach to performance management to support employee development and enhance internal career opportunities. The primary goal of promotion and progression processes is to meet management and other staffing needs from within the organisation, thereby supporting employees on their career journeys.

As part of this approach, employees' individual competencies, on-the-job performance, and professional development are evaluated through a multi-dimensional assessment process where promotions and career advancement are planned in line with transparent and objective criteria. This structure provides a fair and sustainable foundation for career development, enabling every employee to realise their potential.

The performance management process is conducted through the **Quality, Performance, Results (QPR) system**. This system defines KPIs for all departments in line with the company's vision and strategic goals, enabling the monitoring of corporate goals and individual performance goals in an integrated manner. The QPR system ensures transparent measurement of performance and contribution across the organisation, strengthens a data-driven feedback culture, and provides a strong decision-support framework for achieving organisational goals.

Participation in Çolakoğlu

Recognising human capital as its most valuable asset, Çolakoğlu Metalurji conducts recruitment processes with fairness, transparency, and a competence-based approach. In line with its Human Resources Policy, the company upholds equal opportunity principles in its selection and placement processes, evaluating candidates based on individual qualifications, performance potential, technical skills, and experience.

Various measurement and evaluation tools are used in the recruitment process for new graduates and experienced candidates, including competency-based interviews, personality inventories, and English language proficiency tests. Candidates' individual profiles are analysed based on criteria such as technical competence, leadership potential, teamwork orientation, and alignment with the company culture, ensuring a transparent, systematic, and objective evaluation process.

Internship programmes offer university students short-term but highly impactful opportunities for development and professional exposure. Applications are accepted via the corporate website, career platforms, and university partnerships, with placements made in relevant departments based on competencies and field of study. During their internships, students complete technical, professional, and personal development training and gain hands-on experience in production or support units. Interns who perform well are prioritised for consideration in full-time job openings in the future.

Every employee who joins Çolakoğlu Metalurji becomes part of not just a workplace, but an ecosystem of growth and engagement. Career journeys are supported through individual development plans, mentoring systems, leadership programmes, and reward schemes. Training and development opportunities, internal promotion prospects, employee relations initiatives, the suggestion system, and recognition and appreciation practices encourage employees to apply their talents to achieve business goals.

In addition, various social events are organized to facilitate employees' adaptation to the corporate culture and to enhance their motivation and engagement. Events such as the New Year Sharing Meeting and iftar gatherings are prioritized to strengthen employees' connections outside the workplace as well.

Rotation in Çolakoğlu

An internal job posting system is in place to evaluate existing talent and provide career development opportunities within the company. Through this system, employees are offered rotation opportunities, enabling them to gain experience in different roles and departments. Open positions are announced periodically and made accessible to all employees, with applications assessed through a fair, transparent, and competence-based process. Thanks to this programme, employees gain experience in different departments, giving them the opportunity to gain multidirectional expertise and achieve their career goals within the organisation.

Employee Satisfaction

Approaching employee satisfaction from a continuous improvement perspective, Çolakoğlu Metalurji develops a range of multi-faceted mechanisms and projects in this area. As one of the cornerstones of corporate culture, employee satisfaction is regarded not only as a driver of individual motivation but also as a strategic factor that enhances organisational efficiency.

In this context, the “İş’te Fikir” (Ideas at Work) platform enables employees to share their ideas and feedback directly with management. Employees can contribute suggestions on improving business processes, increasing productivity, and raising issues related to occupational health and safety through this system, where each submission is carefully assessed by the relevant departments. Contributions are scored based on their impact in terms of human resources, time, and cost, with feedback provided to employees accordingly.

Additionally, the **“İK’ya Sor”** (Ask HR) module facilitates direct communication with the Human Resources department, allowing employees to quickly share any opinions, suggestions, or requests. This module is positioned as an important digital tool that strengthens both the accessibility of HR processes and overall employee satisfaction.

The company-wide “Employee Experience” project is designed to analyse employees’ experiences at different touchpoints and to correctly identify their needs. Data gathered through tailored practices and measurement methods for both factory and head office employees is transformed into strategic improvement actions, ensuring that employee feedback is directly reflected in decision-making.

Institutional practices aimed at improving satisfaction include the suggestion system, social events committee, employee relations management, balanced management of pay and benefits, performance management, promotion and advancement processes, recognition and appreciation practices, and training support, all of which serve this purpose.

In addition, the Employee Assistance Programme helps minimise stress and discomfort by helping employees resolve their work-related and personal problems that may affect their performance and productivity, thereby benefiting both employees and the organisation. This programme offers free 24/7 advisory and information services by expert consultants on any issue that may cause stress.

To encourage participation in social responsibility initiatives based on employees’ interests on a voluntary basis, the “Haydi” Social Events Committee was established in 2017. Comprising volunteer employees, the committee organises a wide range of events every year, including travel-arts, sports, hobbies, and volunteer projects. The company also organises sports tournaments and participates in intercompany competitions. To organise more effective events, the committee conducts a Social Trends Survey at regular intervals to gather employees' expectations, opinions, and suggestions, evaluating results to determine future events.

Çolakoğlu Metalurji also carries out dedicated projects for employees and their families. These include social responsibility initiatives such as the April 23 Drawing Competition and the Environment Week Robotics Coding Workshop, addressing employee experience as part of corporate belonging.

Employees can contribute suggestions on improving business processes, increasing productivity, and raising issues related to occupational health and safety through the “Ideas at Work” platform, where each submission is carefully assessed by the relevant departments.

Employee Engagement and Well-being

Çolakoğlu Metalurji defines employee engagement not only as a sense of belonging to the company but also as each individual feeling valued, supported, and included. Accordingly, the company implements a wide range of multidimensional practices designed to enhance employee well-being and job satisfaction.

Recognition and appreciation practices are carried out under two main categories. The first is a recognition-based reward system that ensures employees are celebrated at their special and meaningful milestones. Within this framework, employees are rewarded for every five years of service and provided with institutional support and recognition for personal life events such as marriage and childbirth.

The second category covers employees who voluntarily participate in continuous improvement activities such as planned maintenance, Kaizen, and 5S. They are evaluated and rewarded based on their contributions to business processes, particularly in terms of efficiency and creativity. In addition, employees who stand out with their instant contributions are directly recognised by their managers and included in the instant reward system. Employees who submit the highest number of suggestions through the “Ideas at Work” platform and those who develop the best OHS proposals are also included in this structure, visibly recognising their contributions to the company. Employees who submit the highest number of suggestions through the “Ideas at Work” platform, as well as those who provide the best occupational health and safety proposals, are also rewarded, recognising their contributions at the corporate level.

Coaching and mentoring practices support new employees during their orientation process, helping them reach their individual development goals more effectively. These practices also foster knowledge exchange among employees and support the development of an internal culture of learning.

Another important element that drives employee engagement is enabling employees to create value not only through their roles but also through participation in corporate decision-making processes. The “Ideas at Work” platform was designed with this purpose in mind, offering employees a direct channel to submit their ideas to management. Their views and contributions are actively integrated into the company’s development processes.

Equality, Diversity and Inclusion

Çolakoğlu Metalurji views equality, diversity, and inclusion not only as part of its human resources policy but also as an inseparable aspect of its corporate culture. One of the company's key priorities is to create a workplace where all employees feel safe, can express their views freely, and have access to fair development opportunities.

Employees receive equal pay for equal work and merit-based promotion and appointment opportunities. No form of discrimination based on ethnicity, age, gender, religion, language, physical condition, or any other personal characteristic is tolerated. Accordingly, there were no cases of discrimination in 2024.

Çolakoğlu Metalurji attaches great importance to an equal approach in its workforce. Within this framework, the company aims to increase the proportion of women employees to 25% by 2030.

Çolakoğlu Metalurji aims to increase the proportion of women employees to 25% by 2030.

In 2024, no cases of discrimination were reported at Çolakoğlu Metalurji.

You can access the **Equality, Diversity and Inclusion Policy** here.

Occupational Health and Safety (OHS)

Çolakoğlu Metalurji regards the health and safety of its employees as one of its core values and aims to ensure a healthy and safe working environment across all its operations and areas of activity. In line with its Occupational Health and Safety (OHS) Policy, all relevant processes are carried out with diligence and developed on the basis of continuous improvement.

Çolakoğlu Metalurji's OHS management system is fully aligned with the ISO 45001:2018 Occupational Health and Safety Management System standard. The company complies with national and international regulations and takes the necessary measures against risks to which all employees may be exposed.

OHS activities are carried out under the OHS Department, which reports to the Operations Directorate. The directorate employs an OHS Manager, an OHS Supervisor, 22 Occupational Safety Specialists, an on-site physician, and other healthcare staff.

In compliance with the Occupational Health and Safety Law No. 6331, a Workplace Health and Safety Unit is established and employs certified specialists and physicians authorised by the Ministry of Labour and Social Security of the Republic of Türkiye, ensuring full compliance with legal requirements. Additionally, there are infirmaries that are accessible 24/7 at the factory, with healthcare staff operating across three separate locations.

Within the framework of identifying potential hazards, assessing risks, and taking appropriate measures;

- Risk analyses are conducted using the Fine-Kinney methodology,
- Assessments are based on factors such as statutory timeframes, technological developments, and process changes,
- Evaluations are carried out in five categories (workplace, task, equipment, chemicals, and general),
- Hazards are assessed in relation to past accident data, existing measures are analysed, and risk scores are calculated using frequency, probability, and severity multipliers.

The key practices that form the basis of the OHS management system are as follows;

- OHS Board and department-level meetings
- Daily site inspections and safety walks
- Mandatory and supplementary OHS training, toolbox talks, and one-point lessons
- OHS management of subcontractors, contractors, and suppliers
- Root cause analysis of hazardous situations, incidents, and accidents
- Digital monitoring of audits and corrective actions
- Personal Protective Equipment (PPE) management
- Occupational hygiene measurements
- Work permit processes (EKED)
- "Ideas at Work" reward system
- Information screens, bulletins, and posters
- OHS Culture Development Projects

OHS-related data are collected and analysed through ISO 45001:2018, Law No. 6331, Ironic OHS Pro, the Wellcome gate entry control system, the Ideas at Work platform, QPR, and Excel programmes.

One of the most important parts of the OHS system is employee participation. Employees;

- Can provide feedback on hazards in the field through HR department applications,
- Are included in OHS Board meetings via employee representatives and the personnel involved in accidents.
- Share their opinions in training sessions and accident investigation meetings,
- Employee awareness is enhanced through OHS knowledge competitions and
- Are regularly informed through tools such as posters, banners, and digital screens.

The Occupational Health and Safety Directorate continuously monitors risk processes, conducts resource planning, sets targets, and coordinates improvement activities to ensure practices comply with legislation, national/international standards, and technological innovations.

You can access the **Occupational Health and Safety Policy** here.

OHS Performance

Incident and Accident Investigations

At Çolakoğlu Metalurji, the 5W1H and fishbone methods are used to identify the root cause(s) of near-miss incidents and work accidents. First, the questions of what, when, where, how, and who are answered. Next, people, the accident site, machinery and equipment at the site, and relevant documents are examined.

Based on all the data obtained, critical factors and root causes are identified; for each critical factor, a corrective action is defined and assigned to the person responsible.

In 2024, the company introduced the following improvements

1. An end-of-line tundish platform was built in the steel mill to ensure employees move safely along the line.
2. Personal CO exposure measurement devices and emergency escape masks were delivered to the steel mill units, crane maintenance unit, and steel mill electrical & electronics unit.
3. A rail car system was installed to guide the arc furnace bottom repair machine onto its stand, preventing personnel from having to go under the machine to position it.
4. For boiler interior works at the vacuum facility, a boiler interior platform was manufactured.
5. Within the scope of lockout/tagout (LOTO) and work permit procedures, stations and offices were established, and the practice was implemented across the entire factory.
6. Guardrails were installed on the arc furnace cover to prevent falls from height.
7. A rough rolling platform was built in the hot sheet rolling mill (HSR).
8. In the coil wrapping area, notifications are triggered when personnel enter designated zones identified by artificial intelligence support.
9. A rail system was installed between two towing relays, enabling movement without the use of human power.
10. A ladder platform was installed for access to the H1 crane cabin, allowing personnel to enter the cabin directly without stepping onto the crane track or being exposed near electrical busbars.
11. All staircases across the bar rolling mill (BRM) were revised to comply with standards.
12. By changing the movement direction of the BRM S1 and S2 cranes, barcodes were positioned at the rear of the truck, eliminating the risk of tripping or falling for personnel attempting to scan them.
13. Protective covers were installed on crane wheel motors and energy boxes in the BRM to prevent personnel from stepping on them, thereby eliminating tripping, falling, and electrical hazards.
14. All electrical panels in the port area, including LV/MV/HV, were secured with industrial-type locks.
15. Chain and sling lifting operations in the scarfing area were replaced with a magnetic lifting apparatus.
16. The old pedestrian walkway on Pier 1 was improved to make it safer and to increase its active use.
17. A pilot zone within the factory with potential for speeding was equipped with AI-based speed detection cameras. Notifications are received for vehicles exceeding the designated speed limit.
18. The most frequently used hammer types were identified and procured in compliance with standards, while damaged hammers were repaired, and the use of non-standard hammers was prevented.
19. Within the scope of Phase 1 of the OHS Culture project, surveys, focus group meetings, and presentations to senior management were completed.

In 2024, no fatal accidents or serious injuries occurred at the factory, and a total of 66 lost-time accidents were recorded. In 2024, there were 4 occupational illnesses diagnosed by Türkiye's Social Security Institution.

Accident Frequency Rate (%)

Accident Severity Rate (%)

In 2024, no fatal accidents or serious injuries occurred at the factory.

As part of its occupational health and safety priority, Çolakoğlu Metalurji aims to achieve a 'zero accident' rate by 2030.

OHS Awareness Activities

Information on occupational health and safety is provided to employees through the Integrated Management System of Quality Documents via Çolakoğlu Metalurji's online systems, or by means of notice boards, TV screens in social areas, and for approved external parties, through the SMS notification system of the relevant application.

OHS Meetings

- Management review meeting (annually)
- OHS board meetings (monthly)
- Departmental OHS meetings (monthly)
- Subcontractor foremen meetings (as required)
- OHS evaluation meetings (weekly)
- Subcontractor OHS evaluation meetings (as required)
- Incident and accident investigation meetings (as required)

Employees are obliged to comply with the rules, prohibitions, and measures set by occupational health and safety boards to protect and improve health and safety. However, when they detect deviations in health and safety measures, they may report them to the department manager and to the OHS Board Chair, who is the Operations Director. The report is assessed, and the final decision is communicated to the employee in writing. However, in emergencies such as earthquakes or fires, this procedure does not apply, and the employees have the right to stop work immediately and move to a safe area.

Training Sessions

Çolakoğlu Metalurji regularly organises training sessions to raise employees' sense of responsibility and to ensure the adoption of an OHS culture.

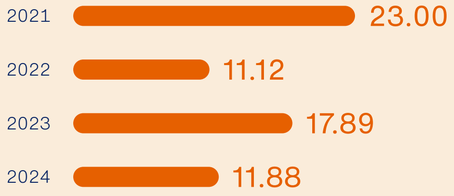
Visitor Information Cards

All visitors to the Çolakoğlu Metalurji plant are informed about facility rules and precautions to be observed in case of emergencies.

Contractor On-the-Job Talks

By including contractors in on-the-job talks, their active participation in management system processes is continuously maintained.

OHS Training Hours per Employee (hours)



OHS Board and Committee	2021	2022	2023	2024
Total Number of OHS Board Members	24	27	27	27
Number of Employee Representatives on the OHS Board	2	2	2	2
Number of OHS Board Meetings	12	12	12	12

OHS Training Provided	
Accident Investigation and Root Cause Analysis Training	Accident investigation team
OHS Orientation Training	Newly recruited employees
Special Training for Employee Representatives	Employee representatives
Occupational Health and Safety Training (Headquarters)	Headquarters employees
Occupational Health and Safety Awareness Training	Senior management
Return-to-Work Orientation Training	Employees returning after a work accident or extended sick leave
Special Training for Board Participants	Board members
Basic Occupational Health and Safety Training	All factory employees
Work Permit (LOTO) Training	All employees
Occupational Health and Safety Information Training	All employees

OHS Project and Improvements

Ongoing Projects

Occupational Health and Safety (OHS) Culture Project

In order to elevate our OHS culture to a higher level, we have initiated project work with Dekra, a globally recognized company in Behavior-Based Safety (BBS).

One of the first steps of this project is the assessment of the current state of our OHS culture. As the key factor in achieving safety excellence, organizational culture will be measured and evaluated, with strengths, areas for improvement, and high-level recommendations identified. A program will also be implemented to develop the safety-focused leadership skills of selected leaders, including assessment, training, and coaching processes.

Speed limit control on port vehicle routes

To ensure speed monitoring within the factory site, a project is being developed using artificial intelligence–based cameras to control vehicle speeds on the port access routes.

Artificial Intelligence Projects Planned for 2024

1. Detection of personnel in hazardous zones during SSH coil wrapping and automatic machine shutdown.
2. Detection of PPE (safety belt) usage on crane runways.
3. Safe area limitation for the ÇHH labeling pool.
4. Development of an AI-based prototype project to detect unsafe behaviors in the port area, covering the following zones and processes;

- Detection of visitor personnel leaving the designated port walkway.
- Detection of contractor personnel working under suspended loads.
- Detection of personnel entering the restricted area of SS5 and SS6 port cranes, as well as identifying equipment such as hyaps positioned on the movement path of SS5 and SS6 cranes.
- Detection of personnel within one meter of vehicles such as Cometto, Kamag, forklift, or mafi while the vehicle engine is running.
- Detection of interactions between portal cranes and forklifts in the closed stockyard.
- Detection of unauthorized interventions in electrical panels.
- Prevention of drivers from leaving their vehicles during coil loading operations (open stockyard).

PPE Vending Machine Project

The project was launched to legally record the distribution of Personal Protective Equipment (PPE) and to ensure the consistent supply of PPE that complies with standards and is appropriate for the job. A PPE inventory list was created on a personnel basis, and based on this list, a distribution system was developed for individual cards, the main distribution warehouse, and PPE vending machines.

Completed Projects

Zero Accident, BADİ Project

In the field of occupational health and safety, Çolakoğlu Metalurji has adopted the Behaviour-Oriented Safety Management approach within the “Zero Accident” project, referred to as BADİ. With the slogan “We Don’t Want One Tonne of Steel Produced with Risk” and launched with the participation of the General Manager of Çolakoğlu Metalurji, the Zero Accident, BADİ Project is built on six fundamental principles to achieve its primary objective;

- All accidents and occupational illnesses are preventable.
- Management and managers are responsible for the overall occupational health and safety performance.
- High-performance business results require high-performance occupational health and safety practices.
- Employees must work in a safe and healthy environment.
- All employees and subcontractor personnel are primarily responsible for occupational health and safety. Their awareness and training are essential.
- OHS is an integral part of management processes.

10 Golden Rules

As part of the Occupational Health and Safety Management System, employees jointly selected the “10 Golden Rules.”

BADİ Actual Information Brochures

Within the scope of the Zero Accident, BADİ Project, all employees are kept continuously informed. “BADİ Actual” brochures are prepared to draw lessons from incidents and accidents and to prevent their recurrence.

Occupational Health and Safety Handbook

Çolakoğlu Metalurji’s primary objectives are to manage the risks faced by employees in compliance with legal requirements, to prevent work accidents and occupational illnesses, and to make every effort necessary in this regard. As an extension of procedures and instructions, the Occupational Health and Safety Handbook explains fundamental rules related to occupational health and safety that all employees must comply with.

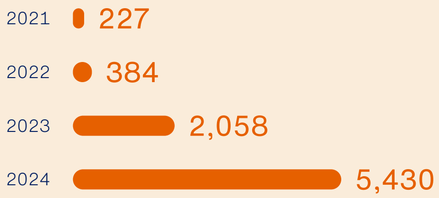
Hard Hat Renewal Project

As part of the occupational health and safety culture that Çolakoğlu Metalurji has built since its establishment, the hard hats used on the factory site have been renewed to increase visibility by reflecting employees’ roles and responsibilities. The renewed hard hats include identifiers such as employees’ names and surnames, the site they are assigned to, their department, professional skills, and certifications.

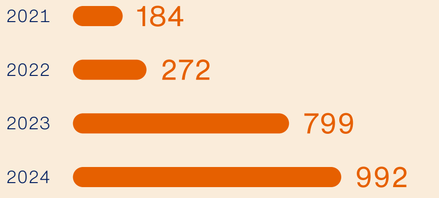
İş'te Fikir (Ideas at Work) Project

With this project, Çolakoğlu Metalurji aims to ensure employees participate more actively in occupational safety and to make access to OHS easier. Since employee involvement is extremely important in the evaluation, development, and implementation of the OHS system, the "Ideas at Work" individual suggestion platform collects employees' opinions and ideas on OHS topics such as risk assessments, incident and accident analyses.

Number of "Ideas at Work" Notifications



Number of Hazard Notifications



Project Gains

- In the project, easier access was first provided to employees for OHS problem-solving and for generating ideas. While suggestions previously had to be submitted in writing, the new system enables employees to take a photo and upload it immediately, allowing their feedback to reach the desired department more quickly and easily.
- Through the near-miss and hazard reporting system, information on incidents in the field can be delivered to the relevant departments in the fastest way possible, ensuring systematic consistency in the actions required for near-miss cases.
- A platform has been created that enables employees to easily share their suggestions and project ideas with their departments, while also allowing them to submit feedback anonymously.
- The application also provides flexibility, allowing employees to use it at any time.
- The "Ideas at Work" awards include a wide product range, and an online shopping platform has been established so that all family members can make their selections together.
- Root cause analyses are conducted for reported hazards and near-miss incidents, which fosters a proactive approach. As a result, the number of near-miss reports has increased while the number of accidents has decreased.
- There has been an increase in ideas related to active OHS topics.

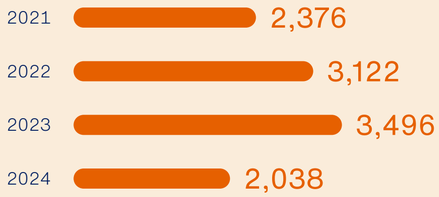
Similarly, employees can also use the same application to report potential near-miss incidents, hazards they believe may pose a threat to OHS, or work-related health issues. The reported issue is evaluated by the occupational safety specialist or workplace doctor, and various modules are used for the control measures identified by the evaluation.

OHS Digital Audit Tracking System

The "OHS Digital Audit System" monitors OHS activities to identify nonconformities, warn relevant parties, archive nonconformities and actions, and inform management in real time. The aim of this system is to guide the company's OHS objectives and activities and to enable real-time monitoring.

Actions are determined based on OHS notifications that are received via the Ideas at Work application, safety walks carried out within factory work areas, field inspections, periodic checks conducted in line with legal regulations, and OHS meetings held with departments. Actions are then tracked through the application.

Number of Actions



System Gains

- Nonconformity records have been created through the Digital Audit Tracking System.
- Nonconformity actions have been tracked.
- With the facilitation of action tracking, the closing of completed actions has been carried out in a more orderly manner.
- Whether the actions taken have caused any other risks has been verified.
- Notifications have been sent to the responsible units regarding actions not closed by the deadline. Thanks to automatic reminder e-mails sent through the system up to department managers, nonconformities have been resolved more quickly.
- With the increase in the number of hazardous situations and nonconformities detected in the field, near-miss incidents and work accidents have decreased.

Health surveillance is also carried out through the Digital Audit Tracking System. All examinations, illnesses, and work accident records are managed systematically. The tests determined according to workplace risks are listed below. In addition, periodic heavy metal tests and, when necessary, toxicological tests are also conducted. These tests are as follows; Chest X-ray (PA), liver function, urea, creatinine, calcium, potassium, sodium, HbA1c, blood count, lead, chromium, zinc, aluminium, manganese, nickel, phenol, hippuric acid, pulmonary hypertension, urinalysis, eye examination, ODYC.

Work Permits and LOTO Practices

It is the control system established by Çolakoğlu Metalurji to ensure that routine and non-routine activities with potential hazards in the plant are conducted under safe conditions and circumstances.

Gate Entry Application Project

Visitor, subcontractor, and supplier management is conducted digitally through the “Gate Entry Application” programme. The purpose of this application is to ensure, in compliance with Law No. 6331, that the required documents of visitors/contractors/suppliers are monitored systematically before entering the plant site, to provide notifications on the validity of the documents uploaded to the system, and to enable rapid and easy communication and information sharing with all stakeholders via SMS in case of emergencies.

With this application, it is easier to provide training amid the high circulation of visitors/contractors, and visitors/contractors are informed about the factory’s occupational safety rules.

Project Gains

- People who do not want to waste time at the factory gate can complete their training on their phones before arriving.
- Security staff can see trained individuals in the system, and their commitment letters can be printed automatically when they arrive at the factory.
- With the Gate Entry Application, guests can register via self-service and print their own personalised commitment letter with a photo. In addition, without being affected by congestion at the gate, they can access information and briefings more quickly and automatically, and they also have the option of taking an online test.
- Visitors/contractors/suppliers coming to the factory for the second time can use and update their registered information and documents. Their training remains valid for the period determined by the OHS unit.
- Employees without smartphones can complete their training on tablets placed in training or break rooms.
- With the survey module, the HR department can conduct employee surveys through the system and send notifications via SMS.
- For documents with expired validity periods, the contractor company is automatically notified by SMS or e-mail.

Process Safety Studies

Within the scope of process safety, major accident scenario documentation studies have been completed. During these studies, the most realistic scenarios were created in line with HAZOP, the Dow Fire and Explosion Index, the ARAMIS Methodology, the ICI MOND Index, the Fire, Explosion and Toxicology Index, and Hazardous Equipment Grouping Criteria. The necessary actions were then taken together with the responsible department managers.

Ergonomic Covering Project in Ladle

In the Steel Mill Department’s Refractory Unit, ergonomic solutions have been developed for ladle covering to minimise the physical effort required for covering work.

Next Generation Safety Gate

With this project, instead of personnel manually cleaning the slag mouth with the help of a forklift, cleaning has been automated through the Next Generation Safety Gate System. This project is the first and only implementation of its kind in Türkiye to date. Thanks to the Next Generation Safety Gate System, slag mouth cleaning operations have been conducted without human intervention. In the previous risk assessment study, the risk score was calculated to be high; following the project, the score was reduced to the desired level by eliminating the source of danger.

Construction Machinery Red/Blue Light Project

Red and blue light applications are implemented to ensure a safe distance is maintained when working with construction machinery.

Overhead Crane Rail Scanning Project

In production areas, people may be present on the rails for purposes such as repair and maintenance while the overhead cranes move along their axis. The presence of people on these elevated rails poses a significant risk while cranes are in motion. In this project, the aim has been to eliminate such potential risks, prioritising human safety.

Project Gains

- The operator has been enabled to simultaneously control all crane movement directions from within the cabin.
- A three-stage warning system has been established, which is activated when human presence is detected on the rail route.
  - Low-Risk Distance: Audible warning
  - Medium-Risk Distance: Crane speed reduction + Audible warning
  - High-Risk Distance: Complete crane stoppage + Audible warning
- Unplanned stoppages have been prevented, and operational efficiency has been increased.

Pedestrian Walkways Project

Within the scope of the pedestrian walkways project, visual signage has been increased, the main entrance pedestrian path has been repainted, stencils have been applied, and the canopies have been renewed. Along the main entrance pedestrian path, precast elements have been installed, cat's eyes reflectors and fences have been mounted, and sliding gates have been placed at points where crossings are likely to occur.

Emergency Management

At Çolakoğlu Metalurji, within the scope of occupational health and safety practices, a top priority is being prepared for various emergencies such as fires, earthquakes, floods, storms, chemical accidents, explosions, epidemics, traffic accidents, and workplace accidents.

Accordingly, a comprehensive management system is implemented for different types of emergencies, based on the following elements;

- Identifying preventive measures for potential hazards and identifying ways to limit these hazards,
- Defining intervention methods to be followed during an incident,
- Developing evacuation procedures for special risk groups,
- Establishing emergency response teams and defining their roles, and
- Conducting periodic inspection and maintenance of emergency equipment (fire extinguishers, fire cabinets, hydrant systems, detection systems, etc.) by authorised accredited companies.

As part of emergency preparedness, emergency teams consisting of personnel assigned to firefighting, protection, rescue, first aid, communication, and power shutdowns actively carry out their duties.

To evaluate the preparedness levels of all these teams and the awareness levels of other employees, emergency drills are conducted at least once a year. The practices are conducted within the framework of the Emergency Action Plan, prepared in compliance with legal requirements.

Social Contribution and Social Responsibility

Social Responsibility

Athletes of Çolakoğlu Metalurji Sports Club won 11 medals at the Türkiye finals, marking a major achievement by improving their personal bests 22 times during the season and becoming a source of pride both for their families and the club.

Çolakoğlu Metalurji has built its corporate reputation on a social responsibility approach that is sensitive to the needs of the region where it operates and prioritises local development. The company designs its social investments with the goal of creating long-term value and with the principle of “starting with what’s closest,” aiming to generate social benefit through localised solutions while also providing sustainable contributions to its surroundings.

One of the company’s most prominent social responsibility investments in 2024 was the Çolakoğlu Metalurji Sports Club. This investment aims to support the physical, social, and psychological development of young people and has been designed to provide sustainable social contribution in the Dilovası region.

Founded with the aim of training athletes in Olympic disciplines, Çolakoğlu Metalurji Sports Club (ÇMSC) has established a broad support network within its own organisation that includes existing amateur sports clubs in Dilovası. Offering equal opportunities to girls and boys, ÇMSC has contributed to the wider participation in sports at the local level.

In its first year, the club achieved significant sporting successes. In swimming, athletes participating in the Age 11–12 National Development Project League earned the right to compete in the Balıkesir regional finals with 27 B2 qualifying times, then advanced to the Türkiye finals with 14 A1 qualifying times. They won 11 medals in the finals and improved their personal bests 22 times throughout the season.

At the jersey handover ceremony organised by the Sports Club, more than 1,800 pieces of sports equipment were distributed to young athletes. With the motto “We Support, You Achieve,” this project supported Dilovası Belediyespor, Diliskelesispor, Çerkeşlispor, Tavşancılspor, Dilovası Yıldızlar Spor, Dilovası Gençlik Spor, school sports clubs, and a total of 450 athletes in the district.

With this project, Çolakoğlu Metalurji strengthens the local sports infrastructure and continues its approach of creating value for regional development through social investment.

Partnerships

Çolakoğlu Metalurji believes that knowledge-based production is the most important driving force of sustainable development and sectoral progress. In this regard, it considers establishing partnerships that support education and competency development to be a cornerstone of its corporate culture.

Within the framework of university-industry partnerships, Çolakoğlu Metalurji has signed partnership protocols with **Yıldız Technical University, Gebze Technical University, Istanbul Technical University, Yeditepe University, and Kocaeli University.** Through these partnerships, the company aims to bring young talents into the sector, increase practical learning opportunities, and integrate scientific knowledge into production processes.

Within the scope of the partnership, a total of 5 technical visits were planned and successfully conducted for students from Yıldız Technical University, Kocaeli University, and Istanbul Technical University. During these technical visits, a total of 60 students were hosted at the factory, given field tours, and provided with detailed information. In addition, one-on-one meetings were held with the students, and surveys and feedback studies were successfully completed.

Technical visit with Yıldız Technical University

Technical visit with Kocaeli University

Technical visit with Istanbul Technical University

Çolakoğlu Metalurji A.Ş. – Kocaeli University Protocol

The protocol signed with Kocaeli University aims to establish partnerships in many areas, such as R&D, consulting, internships, seminars, and postgraduate studies.

On 27 September 2024, a partnership protocol was signed between Çolakoğlu Metalurji A.Ş. and Kocaeli University. Within the framework of this protocol, the following objectives have been set;

- Joint scientific and/or technological research projects to be conducted by both parties,
- Articles, papers, and publications resulting from joint projects and testing activities,
- R&D projects and consultancy services,
- Infrastructure work aimed at increasing the university's experimental capacity,
- Projects in which faculty members will act as consultants,
- Undergraduate theses, internships, and graduation projects carried out in collaboration with the company, and
- Organisation of joint seminars, conferences, and promotional events in various fields.

In 2024, a total of 4 people were permanently employed by the training and apprenticeship programmes for high school and vocational high school graduates, as well as for 9th–12th grade students.

In addition, a postgraduate programme has been designed in partnership with Kocaeli University. Within the scope of this programme, Çolakoğlu employees will be included in the “Engineering Management” master’s programme. The required course plans and infrastructure preparations have been completed, and the programme is planned to begin in the upcoming autumn or spring semester with the approval of senior management.

Within the scope of university-industry partnership projects, the company continues to offer internship opportunities to students at the target universities. This year, internship applications were received in May, and around 80 students are expected to complete their internships in the factory’s management and production departments during the summer of 2025.

Within the scope of the **Blue-Collar Pool Project**, the **training programme and the apprenticeship project** are among the leading initiatives carried out through school-industry partnership. As part of the training programme, vocational high school graduates were included in the company and given practical on-the-job training. This training process was monitored at regular intervals, supporting the students’ development in line with the corporate culture, and ultimately offering permanent job opportunities within the company. As part of the apprenticeship project, 9th, 10th, 11th, and 12th grade students studying in relevant fields and continuing their education were employed at the factory. These students work five days a week at the company and continue their schooling one day a week. At the end of 12th grade, students who successfully complete their apprenticeship and are deemed suitable by the relevant departments are included in the company’s staff. As a result of these processes, a total of 3 trainees and 1 apprentice have successfully completed the project and began their professional careers within Çolakoğlu Metalurji. Currently, 23 apprentices continue to actively work. This programme provides an effective solution by ensuring the employment of qualified personnel raised within the corporate culture.

Blue-Collar Project (Training Programme and Apprenticeship Project)

Sustainable Growth and Corporate Resilience

Digital Transformation Projects

1. Corporate Governance

IEC 62443 Standard: Çolakoğlu Metalurji has enhanced its automation security level through IEC 62443 security certifications under the supervision of the international auditing organisation TÜV Austria. It is the first institution in both Türkiye and the global iron and steel sector to receive this certification.

Conformance Metrics: For the purpose of monitoring information and cybersecurity, Conformance Metrics structures have been established along with security breach forms and follow-up mechanisms.

Security Operations Centre (SOC) and Security Orchestration, Automation and Response (SOAR): With SOC and SOAR platforms, security incidents are automatically detected, analysed, and responded to, ensuring the uninterrupted and secure operation of digital assets and supporting the progress of digitalisation processes on a solid security foundation.

SAP S/4HANA Project: As part of its digital transformation, Çolakoğlu Metalurji successfully completed and implemented the SAP S/4HANA project to transform its business processes flexibly and rapidly, achieving a fully integrated and standardised structure both internally and externally.

Qlik Management Cockpit Project: This project will enable senior management to access all company information through a single application; the purpose of this project is to achieve sustainable growth and competitive advantage by responding more flexibly and quickly.

Updated Intranet System: The updated intranet system has strengthened internal communication and interaction by enabling all employees to easily access up-to-date company information, announcements, and developments.

Updated Website: The website was updated to improve user experience, strengthen corporate identity, and increase digital communication capacity.

2. Supply Chain Management

Pregate ve Appointment System Projects:

- The Automatic Recognition System (OTS): OTS allows vehicles that pass entry checks to be admitted in a controlled manner based on queue management, with drivers completing all procedures electronically via RFID systems without leaving their vehicles.
- Appointment System: Through the Appointment System, vehicles arrive throughout the day in balanced numbers, reducing waiting times and ensuring more efficient use of resources.

Robotic Process Automation (RPA) Project: The RPA Project aims to ensure that tasks across all processes are conducted automatically and efficiently through digital robots.

3. Customer Focus and Satisfaction

Customer Relationship Management (CRM): This digital platform project systematically tracks customer preferences, past interactions, and purchasing behaviours, thus enhancing the ability to understand customers and provide improved service, while strengthening customer relationships and ensuring sustainable customer loyalty.

CM Online: This is a digital platform where customers can directly access their accounts online, view their balances, track order statuses, issue delivery instructions, and share feedback.

Corporate Governance

Corporate Governance and Organisational Chart

Çolakoğlu Metalurji shapes its corporate structure based on ethical values, transparency, accountability, and its commitment to responsibility. The company adopts a management approach that recognises its responsibilities to society, the environment and all stakeholders, while upholding its corporate values across all activities.

At Çolakoğlu Metalurji, the highest governing body is the Chairman of the Board of Directors. The corporate governance structure is designed for relevant directorates, which are led by the General Manager, to implement the strategies and investment plans determined under the leadership of the Board of Directors. The management systems implemented across the company form the basis of the sustainable management model, strengthening interdepartmental coordination and supporting a culture of continuous improvement.

In addition to its existing management model, Çolakoğlu Metalurji has established a sustainability management structure to integrate sustainability into its business processes in line with the growing expectations of shareholders and customers. This structure identifies the teams responsible for leading the transformation and ensures that they are accountable for internalising the principles of a low-carbon economy and sustainability across the company and for managing the transition period.

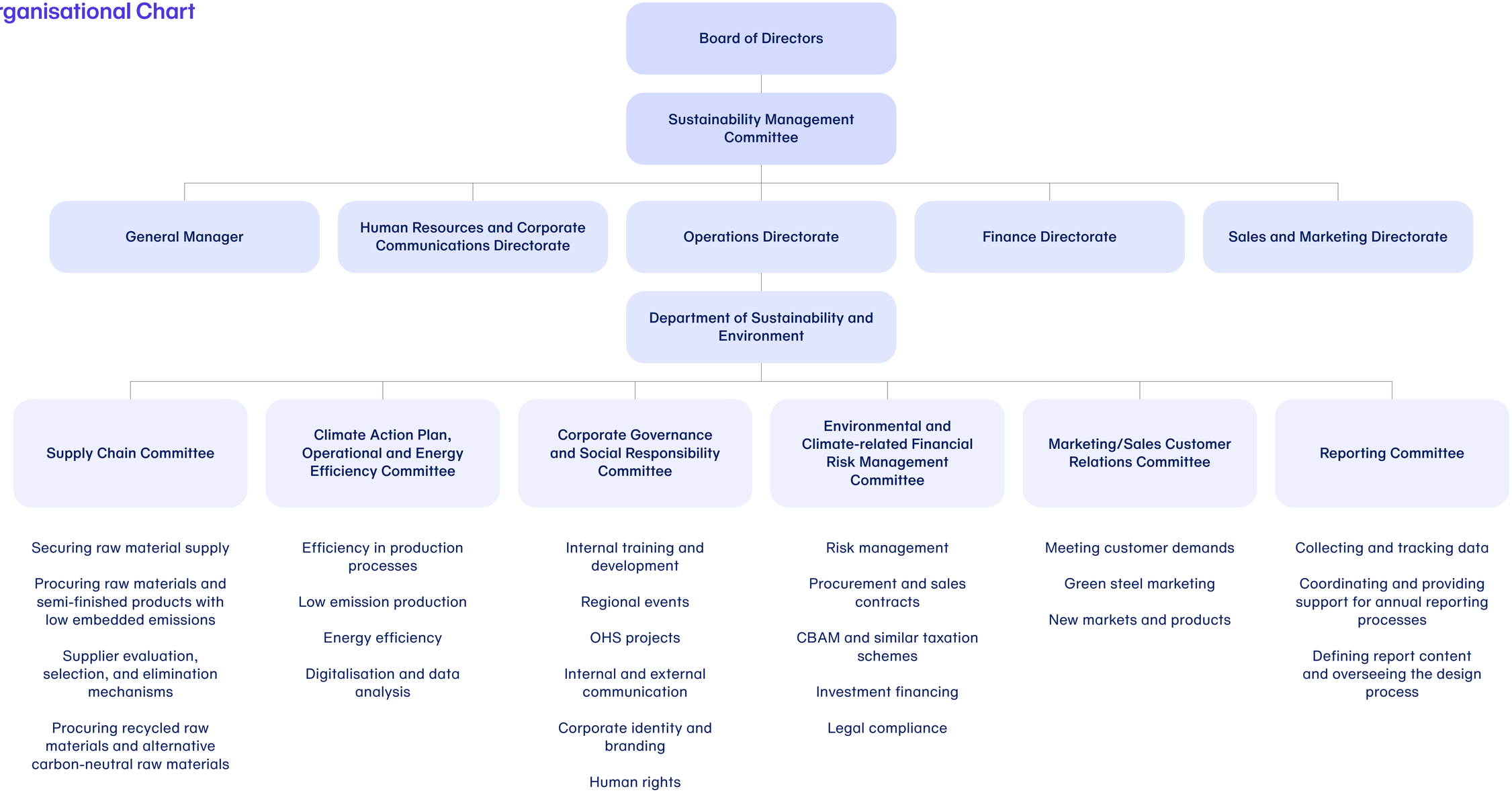
As the transition to a low-carbon economy is a major strategic undertaking that requires substantial investment, ultimate authority for this transition has been assigned to the Board of Directors. The members of the Sustainability Committee, which reports to the Board of Directors, are the General Manager, the Human Resources and Corporate Communications Director, the Production Director, the Finance Director, and the Sales and Marketing Director.

Working committees are identified within this structure to promote company-wide adoption of sustainability, and a total of six sub-committees have been established;

- Supply Chain Committee
- Climate Action Plan, Operational and Energy Efficiency Committee
- Corporate Governance and Social Responsibility Committee
- Environmental and Climate-related Financial Risk Management Committee
- Marketing/Sales Customer Relations Committee
- Reporting Committee

All work carried out by these committees is evaluated by the Sustainability Manager and the Sustainability Supervisor before being submitted to the Sustainability Committee. Thanks to this structure that promotes new ideas and helps mould projects, the company aims to minimise negative environmental impacts, to generate value for society, and to ensure long-term sustainable growth.

Organisational Chart



Ethical Guidelines

Çolakoğlu Metalurji conducts all its activities in full compliance with national and international legislation and regulations, adopting a management approach that is transparent, fair, honest and accountable. The **business ethics** approach forms the basis of the corporate culture; it goes beyond mere compliance with legislation and represents an understanding that prioritises trust in relations with all stakeholders and responsibility and integrity in internal processes. The **fight against corruption and bribery** is an important component of this understanding and is addressed as an integral part of the company's ethics-based management approach and regarded as one of the key elements of the way business is conducted.

Its management practices have enabled Çolakoğlu Metalurji to obtain the **Authorised Economic Operator (AEO) Certificate**, developed with the aim of enhancing reliability and efficiency in the company's customs and trade processes and making international trade operations faster and smoother. In all decision-making and implementation processes, compliance with the **Çolakoğlu Metalurji Ethical Guidelines** is observed and the use of company assets and financial resources for personal gain, as well as practices such as gifts, donations and political support, are strictly prohibited. A zero-tolerance policy is pursued against corruption, bribery, bullying and similar unethical conduct.

You can access the Çolakoğlu Metalurji **Ethical Guidelines** here.

A total of 642 hours of ethics training was delivered to employees via the internal digital training platform Steel Academy throughout 2024.

The Ethical Guidelines are made available to all employees through the Personnel Regulations and Employee Handbook, the email address etik@colakoglu.com.tr, and the internal communication platform "Artemis," which offers easily accessible and secure reporting mechanisms in cases of uncertainty. An ethics hotline has also been established within the company.

With the aim of promoting an ethical culture across the organisation, Çolakoğlu Metalurji seeks to raise awareness starting from the recruitment process; ethical principles are introduced to employees during onboarding training. They are also regularly shared through the company's internal digital communication platform and reinforced with recurring training sessions at set intervals. In this context, a total of 642 hours of ethics training content was delivered to employees via the internal digital training platform Steel Academy (Çelik Akademi) throughout 2024.

The company expects employees and all third parties representing the company to act in accordance with professional confidentiality, legal regulations, the protection of personal data and their internal organisational responsibilities. Çolakoğlu Metalurji adopts a zero-tolerance policy against child labour and forced labour and requires the same approach from all its business partners and suppliers. The aim is to establish a supply chain that respects human rights, fully complies with ethical values and upholds a strong sense of social responsibility.

Legal Compliance

As a fundamental principle, Çolakoğlu Metalurji adopts full compliance with national and international legislation in all areas of its operations. Accordingly, the monitoring of legal regulations and the assessment of their applicability are carried out with an expertise-based, systematic approach.

New laws and regulations published in Türkiye are monitored through the Official Gazette, and written opinions are obtained from specialist law firms regarding legislative changes that may affect Çolakoğlu Metalurji's areas of activity. Legal regulations relating to overseas operations are monitored under the guidance of local law firms in the relevant countries. In addition, the Lexpera system is actively used for monitoring domestic legislation and case law.

Internal information processes regarding new regulations are conducted by distributing information notes prepared by the Legal Counsellor to the relevant business units. In 2024, information and training activities were organised under the headings of Competition Law, Personal Data Protection Law, International Sanctions Law, and Labour Law to enhance employees' legal awareness.

Compliance with competition law and the principles of competitive conduct are regarded as a critical area of responsibility within Çolakoğlu Metalurji's legal compliance approach. In this context, regular internal audits are conducted via computers and mobile phones in units with potential contact with competitors, and awareness-raising training sessions are organised for employees in line with the audit outcomes. This practice not only ensures compliance with the law but also strengthens the culture of ethical business conduct at the corporate level.

Information Security

With technological advancements and digitalisation processes, the risks and severity of cyberattacks are increasing. Simultaneously, cyberattacks adversely affect business continuity and undermine customer trust. Therefore, cybersecurity plays an important role in ensuring information security and safeguarding the confidentiality, integrity and availability of information assets. Cybersecurity and information security are also of particular importance for the iron and steel sector. The main objectives of cybersecurity and information security are as follows;

- Reducing or eliminating operational security threats,
- Ensuring the protection of critical infrastructure,
- Increasing employee safety,
- Ensuring intellectual property and data security, and
- Meeting legal compliance and standards.

Çolakoğlu Metalurji assesses potential cybersecurity risks and eliminates threats through necessary infrastructure improvements and controls. The core components of these controls are up-to-date endpoint security, continuous monitoring of attack surfaces and penetration tests. Strict measures are implemented with due care to ensure the confidentiality of employee and customer data. Accordingly, data loss prevention systems are used to identify areas that need to be reinforced against internal and external threats, thereby preventing security breaches.

- A cybersecurity infrastructure has been established within the IEC 62443 – Industrial Cybersecurity Certificate.
- A cybersecurity capability model self-assessment has been initiated in line with the requirements of the Turkish Energy Market Regulatory Authority (EMRA) for critical energy (electricity) infrastructure.
- Through the National Institute of Standards and Technology Cybersecurity Framework (NIST Framework), the company plans to establish a monitoring structure and set up a Cybersecurity Operations Centre.

Enhancing its level of security in automation with IEC 62443 security certifications, Çolakoğlu Metalurji is the first institution in the iron and steel sector in Türkiye and worldwide to obtain this certification.

In the field of information security, investments are being made, and necessary measures are systematically implemented. The main objectives of the activities conducted in line with the ISO 27001 standard are to conduct risk analyses, establish comprehensive information security policies, perform regular audits, and operate continuous improvement processes.

In our system infrastructure, multi-layered security systems are used; these systems are supported by next-generation firewall solutions, organised into distinct segments, and operate on the principle of High Availability. Network traffic can be analysed in detail, including delays.

Data backup processes are conducted either automatically or periodically, and a replication-based backup architecture has been established over WLAN within the company's systems. New improvement initiatives are planned for all these structures, and security tests are performed on a regular basis.

Through its investments and preventative measures, Çolakoğlu Metalurji provides the following benefits for the company: protecting the organisation's critical data against leakage, loss and unauthorised access; ensuring business continuity in the event of cyberattacks or disasters; complying with regulations such as ISO 27001, KVKK and GDPR; building trust among customers and business partners through a strong security infrastructure; preventing major financial losses that could result from attacks such as data breaches and ransomware; ensuring the use of the most appropriate and up-to-date technological components; and making effective use of acquired knowledge and experience.

Çolakoğlu Metalurji carries out work to strengthen its own systems and also to raise cybersecurity awareness and implement improvements across its business ecosystem. Within this scope, digital suppliers are monitored through **Cyber Threat Intelligence (CTI)** applications; expectations, risks and recommendations for improvement in the field of cybersecurity are shared with suppliers and customers. Accordingly, the company aims to jointly enhance the level of security within the digital supply chain.

In 2024, the system access model was re-evaluated to meet more advanced security criteria, and planning was completed to transition to a stronger structure as of 2025. This transformation enhances data security within the company and reinforces the relationship of trust established with business partners.

Within the Çolakoğlu Group, there are Information Security Policies, KVKK Clarification Texts, Information Security Manuals and an Integrated Management Guide. In line with the requirements of the obtained certifications, these documents are reviewed for continuity and audited and inspected annually.

Best practices in cybersecurity and information security in 2024

- **Transition to ISO 27001:**2022 version
- Cybersecurity Capability Model Analysis Projects in line with EMRA requirements
- Web Application Firewall configurations for web applications
- Virtual Vault Management (Privileged Access Management) in systems

Conformance Metrics structures have been established for monitoring data on information security and cybersecurity. Security breach forms and a monitoring mechanism have been created. Personnel awareness training and social engineering tests are conducted regularly.

The company tracks the number of suppliers monitored with defined targets. In 2024, 50 critical suppliers were monitored.

You can access the **Information Security Policy** here.

Corporate Reputation Management

Çolakoğlu Metalurji regards corporate reputation as a multidimensional structure built on transparency, ethical management, social contribution and the trust established with employees. In this respect, strong communication is maintained with stakeholders, and corporate reputation is continuously reinforced through practices that enhance internal visibility, active participation in industry events, and social responsibility projects contributing to regional development.

Internal Communication Activities

In order to strengthen corporate reputation among internal stakeholders, employee-focused communication projects are implemented. These projects aim both to foster the internalization of the corporate culture and to enhance employee engagement.

“One of Us” Series

Through this project, where employees share their individual experiences, observations about the company, and personal stories, the corporate culture is made visible from the employees’ own perspectives, bringing a sincere and inclusive dimension to internal communication processes.

“Shaping Our Course” Series

This platform, where managers convey their knowledge and expertise, aims to spread the leadership approach throughout the company and enhance interaction with inspiring content for employees.

Drawing Contest for Employees’ Children

Organized to strengthen internal social interaction and support family bonds, the traditional drawing contest was successfully held again in 2024. With the participation of employees’ children, this event not only provided an opportunity for creative expression but also contributed to the intergenerational sharing of corporate culture.

Perspektif

Published quarterly, this internal e-bulletin includes updates on sustainability, sectoral innovations, and company success stories for employees. By promoting transparency and participation in internal communication processes, the bulletin enhances employee engagement.

All these practices are positioned as part of an inclusive, value-oriented corporate communication approach that encourages employee participation.

External Communication and Reputation Activities

In order to strengthen corporate reputation among external stakeholders, active participation was ensured in numerous sectoral events both in Türkiye and abroad throughout 2024, with a focus on knowledge sharing, collaboration opportunities, and enhancing brand visibility.

Social Media Communication

“Facts from Steel” Series
Launched by Çolakoğlu Metalurji to enhance sustainability and sectoral awareness among external stakeholders, the “Facts from Steel” series shares current and lesser-known insights on the environmental impacts of the steel industry, energy efficiency, carbon footprint reduction, sustainable production practices, and innovation. Through this initiative, the Company disseminates sustainability awareness among industry stakeholders and strengthens its corporate reputation in the context of environmental and social responsibility.

Industry Engagements and Conferences

January 2024
Kazım Selim Özkan, Çolakoğlu Metalurji's Human Resources and Corporate Communications Director, shared the company's human resources approach, social responsibility projects, and sustainability initiatives with the public on the "Nasıl Bir İK" (What Kind of HR) programme.

March 2024
Çolakoğlu Metalurji contributed to the Eurometal Steel Day and the YİSAD Flat Steel Conference, which was held in Istanbul. Tayfun İşeri, Çolakoğlu Metalurji's Director of Business Development and International Subsidiaries, delivered a speech.

April 2024
Between 15–19 April, Çolakoğlu Metalurji participated in the Tube&Wire Fair held in Düsseldorf, Germany, which provided an opportunity to engage with the industry's international stakeholders.

May 2024
Between 6–9 May, Çolakoğlu Metalurji participated in the AISTECH 2024 Iron and Steel Technology Conference in Ohio, USA, where three technical projects on hot strip mill, crane systems and secondary metallurgy processes were recognised with certificates.

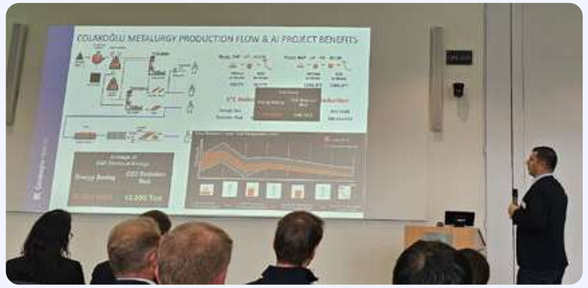
On 22 May 2024, at the SAP Business Women's Network seminar held at Radisson Vadi Collection, Çolakoğlu Metalurji's Chief Financial Officer E. Sevinç Özşen contributed with a speech at the panel named "Leaders Driving Transformation."

June 2024
On 6–7 June, Çolakoğlu Metalurji contributed to the EFRS'2024 9th International Iron and Steel Symposium in Izmir as a "Supporting Producer." During the symposium, Kazım Selim Özkan, Director of Human Resources and Corporate Communications, and Özgür Özsoy, Director of Operations, took part as speakers, while Murat Günerdi, Steel Plant Manager, served as session chair in the "Carbon Neutral Steel" session.

On 5 June, World Environment Day, Çolakoğlu Metalurji was a Gold Sponsor for ÇevreFest, an event which had the theme of "We Have Only One World" and was organised by the Ministry of Environment, Urbanisation and Climate Change of the Republic of Türkiye. At the event, Sustainability and Environment Manager at Çolakoğlu Metalurji, Burak Armutçu, gave a speech providing corporate contribution.

In June, Çolakoğlu Metalurji participated in the AIST 3rd International Symposium on Advances in Plate Steels held in Colorado, USA. Within the scope of the company's R&D activities, the technical paper titled "Improving the Strength Properties of S700MC Grade Steels with Bainitic Structure Using Phase Transformation and Strength Prediction Models" was presented, showcasing the company's innovation-oriented approach to the international community.

September 2024
Between 19–21 September, Çolakoğlu Metalurji acted as a supporting sponsor of the 22nd International Metallurgy and Materials Congress, held at the Istanbul Expo Centre under the theme of “Humanity and Artificial Intelligence.” At the opening ceremony, Özgür Özsoy, Director of Operations, was presented with a commemorative plaque.



On 24–25 September, at the Schaeffler Centre of Excellence in Buehl, Germany, Çolakoğlu Metalurji shared best practices in “Energy Saving and Carbon Emission Reduction” at the 3rd Supplier Sustainability Innovation Automotive Europe Summit 2024, which was attended by 150 participants. In the same event, the presentation titled “AI and Electro Magnetic Stirrer implementing to EAF” by Murat Kula, Sales Manager for the Manufacturers Segment, received the highest score from participants and was recognised among the most appreciated practices..

Between 19–21 September, Çolakoğlu Metalurji also participated in the ANKIROS 2024 Fair, held at the Istanbul Expo Centre.

November 2024
On 4–5 November, Çolakoğlu Metalurji contributed to the Eurometal Steel Trade Day Conference held in Düsseldorf, Germany, with a speech delivered by Özgür Özsoy, Director of Operations.

Between 26–28 November, Çolakoğlu Metalurji contributed to the Factory Automation Solutions event, held at the Engineering and Technology Centre Machine Hangar, with a speech delivered by Serkan Özsu, Manager of Machinery Maintenance and Auxiliary Operations

December 2024
Çolakoğlu Metalurji was a platinum sponsor of the 19th Steel Conference “New Horizons in Steel Markets” organised by SteelOrbis and actively participated in the event where sectoral developments were discussed.

Representation and Awards

The appointment of Çolakoğlu Metalurji’s General Manager, Uğur Dalbeler, as Vice Chairman of the World Steel Association for the 2024/25 term has significantly enhanced the Company’s international representation.

Çolakoğlu Metalurji’s Purchasing Director, Dr. Koray Günay, was included in Ekonomist Magazine’s “Top 50 Purchasing Managers in Türkiye” list, contributing to the Company’s corporate reputation through his individual achievements.

Financial Performance

Steel is a key commodity that shapes the direction of economic activity through global pricing dynamics. Steel prices have a decisive impact on industrial production and investment decisions. Steel pricing is driven by raw material costs, energy prices, and logistics expenses; it serves as a critical indicator for the outlook of core sectors such as construction, automotive, and machinery manufacturing.

Steel Industry in the Global Economy

Global steel demand is expected to increase by approximately 1% in 2025.

In 2024, weakening demand has directly affected global steel markets. A contraction has been observed in the manufacturing industry in the United States and Japan, while in the Eurozone, weak demand and high energy costs continue to drive a contractionary trend similar to 2023. These developments are leading to a decline in steel consumption volumes and increased price volatility, further intensifying pressure on global supply chains.

Despite the decline in the global manufacturing sector, positive growth and developments in the services sector have supported the economy and acted as a driving force.

Along with developments and fluctuations in the manufacturing sector, in 2025 the global steel industry will be directly affected by the outcomes of the United States' trade policy. Despite expectations of an increase in global steel demand, pressure and volatility in production and prices remain likely.

In 2024, global crude steel production declined by 0.9% year-on-year to 1,839 million tonnes, while the drop in China's output in the second half of the year was offset by increases in countries such as India, Türkiye, and Brazil, keeping production levels in line with 2023.

In 2025, investments in capacity expansion are expected to continue, further increasing the global excess capacity. The sector is anticipated to continue to be affected by the redirection of China's surplus output to exports due to declining domestic consumption, the United States' trade and tariff policies, geopolitical developments, as well as the ongoing impacts of green steel investments and carbon border adjustments.

Although this remains below the long-term average growth in annual steel consumption of around 3%, global steel demand is expected to increase by approximately 1% in 2025.

Steel Sector in Türkiye

In 2024, Türkiye's steel exports increased significantly, rising by 27.6% in volume to 13.4 million tonnes and by 17.7% in value to 9.7 billion USD.

Türkiye's average monthly crude steel production in 2024 reached 3.1 million tonnes, 9% above the previous year; capacity expansions by domestic producers contributed to this increase in output. On an annual basis, crude steel production rose by 9.4% compared to 2023, reaching 36.9 million tonnes. In December 2024, finished steel consumption increased by 11.4% to 3.3 million tonnes, while for the year as a whole it rose by 0.6% to 38.3 million tonnes.

In 2024, Türkiye's steel exports increased significantly, rising by 27.6% in volume to 13.4 million tonnes and by 17.7% in value to 9.7 billion USD. In 2024, imports of steel products rose by 1.7% in volume to 17.4 million tonnes, while in value terms they dropped by 9.9% to 13.2 billion USD. Türkiye's trade balance in the steel sector also moved in a favourable direction, with the export-to-import coverage ratio increasing from 56.6% in 2023 to 74% in 2024.

Financial Management at Çolakoğlu

By balancing capacity and costs, Çolakoğlu Metalurji aims for sustainable growth and in 2024 maintained its 14th place in ISO's ranking of Türkiye's Top 500 Industrial Enterprises.

Given the nature of the sector in which it operates, the company is directly affected by global and domestic economic developments; to mitigate these effects, the company conducts regular business planning and effective risk management processes. At the same time, due to a diverse product portfolio supported by advanced technology, the company achieves its sustainable growth objectives supported by a properly structured cash flow cycle, a well-managed balance sheet, and liquidity management aligned with its business structure. In addition, through the use of various derivative instruments, the impact of economy- and sector-specific fluctuations is minimised, safeguarding financial stability.

Despite the stagnation in global demand, Çolakoğlu Metalurji's capacity expansion that was completed in 2023 has supported the company in continuing its consistent growth over the years, thanks to its capacity to export to more than 150 countries, its extensive domestic customer network, and its deep-rooted experience.

Çolakoğlu Metalurji achieved a turnover of **88.4** billion TRY in 2024.

The company's financial policy is determined by many factors, mainly technological progress and compliance with legal regulations in line with customer preferences, risk management, and adherence to corporate governance principles. All supply and sales markets continue to operate within the scope of these key factors.

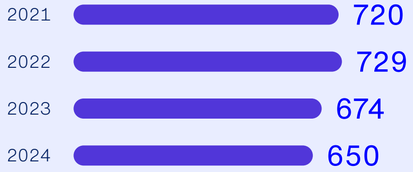
Çolakoğlu Metalurji monitors financial risk under two main categories, market risk and credit risk, and sets its policies accordingly. Credit risk is assessed on a customer basis, with a system of customer-specific guarantees and limits ensuring a prudent sales policy. Market risk is monitored under four main headings: liquidity risk, interest rate risk, foreign exchange risk, and commodity price risk. In line with competitive conditions, market opportunities, Çolakoğlu Metalurji's needs, and its risk management criteria, costs and financial returns are optimised through short, and medium and long-term policies designed according to its business cycle. The impact of fluctuations caused by changes in interest rates and exchange rates is controlled through various derivative instruments. Thanks to this comprehensive and integrated approach to financial management, Çolakoğlu Metalurji achieved a turnover of 88.4 billion TRY in 2024.

With its product management-oriented approach, Çolakoğlu Metalurji has succeeded in delivering innovative solutions and bringing high value-added steel products to the right users at the right time. Thanks to this strategy, the company maintained its position in the market in 2024.

Annual Turnover (TRY)

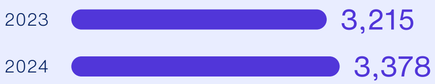
Flat Steel Sales Volume (ktonne)

Long Steel Sales Volume (ktonne)

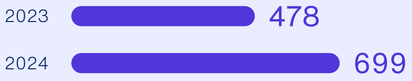


Total Domestic and International Sales Volume (ktonne)

Domestic (Flat + Long)



International (Flat + Long)



Supply Chain Management

At Çolakoğlu Metalurji, supply chain activities are carried out under two main structures, the factory and the head office, coordinated by two separate directorates. The supply chain consists of specialised procurement processes focusing on direct production inputs, as well as general procurement activities covering large-scale equipment and service purchases.

The Purchasing Directorate at the head office is responsible for procuring the essential raw materials required for steel production. Within this structure, there are four separate units;

- Purchasing (Raw Materials) – Domestic Scrap
- Purchasing (Raw Materials) – International
- Purchasing (Semi-finished Products)
- Purchasing (Alternative Input)

These units manage the procurement of domestic and imported scrap, semi-finished products such as slabs and billets, and energy inputs ensuring the direct supply of production processes. Raw materials such as pig iron, hot briquetted iron, and similar inputs are also procured within this scope. This structure operates with a specialised approach, focusing on inputs with advanced technical properties that contribute directly to the production processes.

In addition, the Supply Chain Directorate located at the factory manages the procurement processes for non-production or indirect inputs such as machinery, equipment, auxiliary materials, and office supplies. Within this scope, purchases of items such as production equipment and fasteners are carried out, working with a wide supplier network. On the factory side, the focus is primarily on meeting general procurement and operational support needs.Due to this separation, procurement processes at Çolakoğlu Metalurji are managed effectively both for production inputs requiring technical expertise and for operational requirements. Following the purchasing and procurement process, there are stages such as quality control, quantity verification, and production planning, with all processes progressing within an integrated system from production to marketing.

Supply Chain Management

In its relations with suppliers, Çolakoğlu Metalurji upholds ethical standards and principles of conduct; the company carefully selects and evaluates the suppliers it will work with to ensure an effective and sustainable supply chain. Throughout the collaboration process, Çolakoğlu Metalurji continuously monitors its suppliers in terms of the quality of the materials and services they provide with regard to their corporate governance practices and environmental impacts.

Preferring to work with suppliers that uphold ethical standards and principles of conduct, Çolakoğlu Metalurji considers the following key criteria when selecting a new supplier or evaluating existing ones;

Suppliers' Working Principles and Sustainability Culture: Suppliers must comply with all legal regulations relating to free trade. In addition to full compliance with all laws, suppliers are expected to demonstrate management practices that ensure decent working conditions and environmental protection, are attentive to human rights and ethical guidelines, and are supportive of economic and social development. The rules suppliers must follow are published on Çolakoğlu Metalurji's website under the heading **"Ethical Guidelines and Working Principles for Suppliers."**

Supplier Experience and Certifications: To ensure the desired level of service performance, it is important that suppliers have relevant experience and certifications recognised by the industry.

Reliability: The supplier must adhere to contractual terms and commitments, respect business confidentiality, and comply with delivery schedules.

Process Capability and Quality Management Level: The supplier's production/service process must be sufficient to ensure the desired quality level.

Production Flexibility and Technical Competence: Flexibility is evaluated in terms of the supplier's ability to adapt to changes in design specifications, delivery dates, and delivery volumes. Technical competence is assessed with regard to improvements in business processes and designs.

Supply Capability and Material Quality: The supplier's quality and delivery performance must meet Çolakoğlu Metalurji's requirements.

Price Level and Performance: Prices are expected to be proportionate to those paid by comparable companies for the same services.

Financial Strength: The supplier's financial position must be stable, and the prices offered must be reasonable and consistent for both the buyer and the supplier.

Authorised Economic Operator (AEO) Status: Within the framework of the Regulation on the Facilitation of Customs Procedures, this status grants certain privileges and simplifications in customs procedures to reliable companies that meet customs obligations, have a regular and traceable record-keeping system, fulfil financial adequacy and security standards, and operate with an internal control mechanism.

Warranty and Service Capability: The scope and duration are expected to align fully with Çolakoğlu Metalurji's needs. In all material, service, and investment contracts with suppliers, alongside technical and commercial terms, the "Çolakoğlu Metalurji Ethical Guidelines and Working Principles for Suppliers" incorporates the requirements of management systems, respect for freedom of association and the right to collective bargaining, prohibition of forced labour and abuse, prohibition of child labour, combating discrimination, employee health and safety, working hours and wages, environmental issues, confidentiality, anti-corruption including threats and bribery, conflict of interest, transparency, and integrity, which form an integral part of the contract. In addition, supplementary specifications are in place for jobs and situations that involve intensive labour and high occupational health and safety risks.

Different certificates are required from suppliers depending on the procurement groups, in order to document their management systems;

- ISO 9001 Quality Management System
- ISO 27001 Information Security Management System
- ISO 17025 Laboratory Accreditation Certificate
- ISO 50001 Energy Management System
- ISO 14001 Environmental Management System
- ISO 45001 Occupational Health and Safety Management System
- IATF 16949 Automotive Quality Management System

For human rights and decent working conditions, the company considers whether the relevant International Labour Organisation (ILO) conventions or the United Nations Global Compact (UNGC) have been signed by the supplier or the supplying country.

By supporting local procurement, Çolakoğlu Metalurji continues to contribute to the Turkish economy and supports the development and institutionalisation of local suppliers. Çolakoğlu Metalurji requires periodic compliance checks within the framework of national and international trade rules and working principles for prospective suppliers and also all its existing suppliers. The accuracy of the information contained in the documents provided by the supplier is verified through publicly available sources.

In the periodic evaluations of new suppliers to be added to its portfolio or existing ones, Çolakoğlu Metalurji follows different processes based on risk maps created according to material and supplier groups. According to these risk maps, decisions are made on the weighting of the evaluation criteria, the tools to be used for the assessment, the need for on-site audits, and the composition of the audit teams.

From the start of the procurement of goods and services, the supplier's operational performance and compliance with contracts and evaluation criteria are monitored. The expected performance level of suppliers, along with the methods for monitoring and evaluating this performance, are determined in procurement and/or service contracts, technical protocols, or purchase orders.

Part of the monitoring process includes supplier visits conducted with different content and frequency. These audits are of critical importance for maintaining and improving Çolakoğlu Metalurji's sustainability standards within the supply chain and were further intensified in 2024 with the participation of auditors from various disciplines.

By evaluating all its current suppliers together, Çolakoğlu Metalurji conducts an annual **Periodic Success Rating**. These assessments guide commercial relations with suppliers and provide key data for **Supplier Development Programmes**, which are prepared and monitored in collaboration with them.

Çolakoğlu Metalurji uses five main evaluation forms for suppliers;

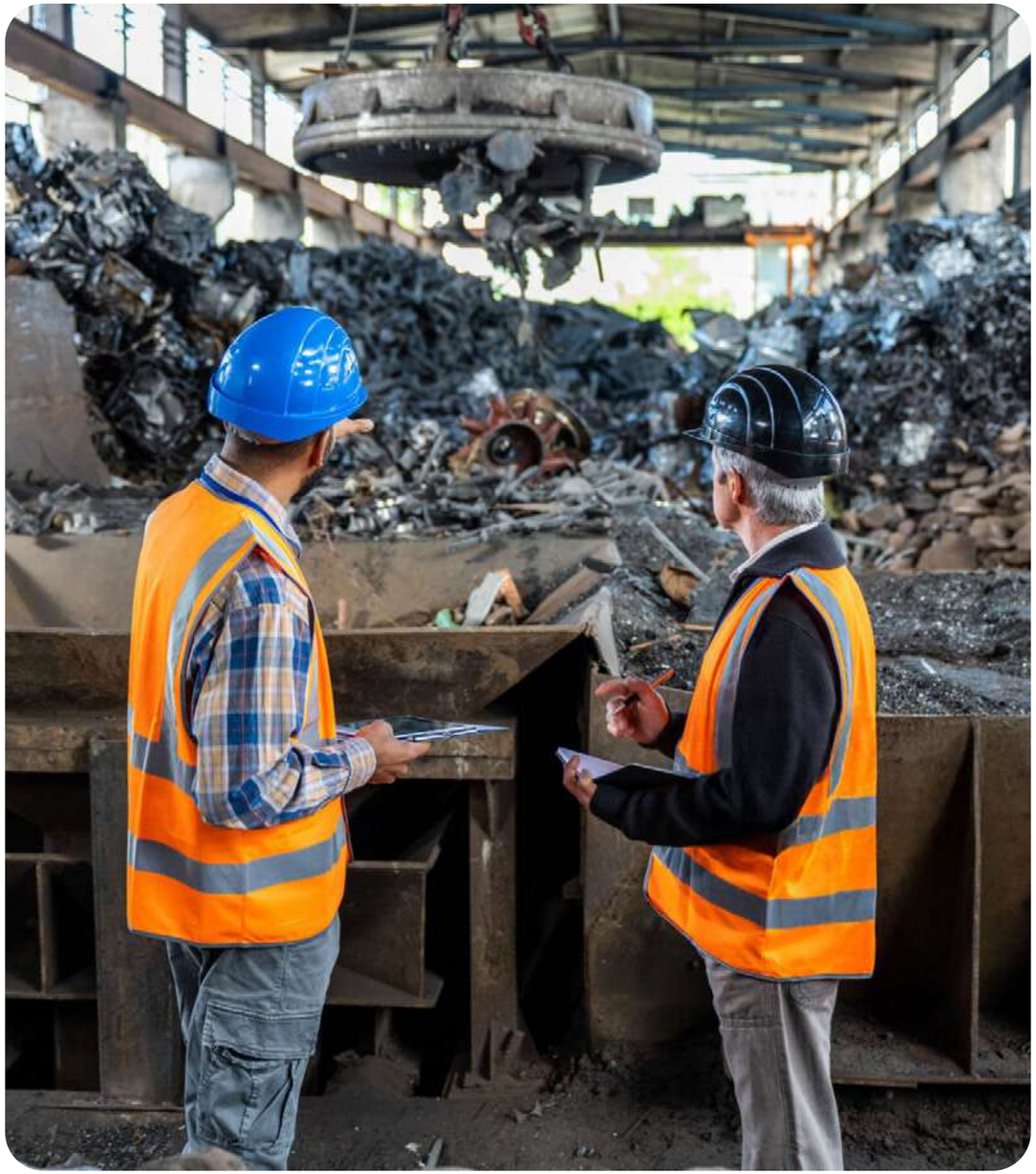
- Supplier Evaluation Risk Analysis Form
- Supplier Process Audit Form
- Supplier Performance Evaluation Form
- Supplier Environmental Audit Form
- Supplier On-site Evaluation Form

These forms score on a scale of 100, and performance levels are determined based on the scores obtained. Based on the evaluations derived from performance levels, the company determines which suppliers to work with. The company does not work with suppliers that receive a performance level of 29% or below. Çolak Metalurji also does not work with companies with a performance level between 30% and 69% at this stage; however, if potential is identified, a quality improvement plan is requested, and the evaluation is repeated. The company does work with suppliers with a performance level between 70% and 100%.

Çolakoğlu Metalurji monitors the carbon footprint of suppliers, one of their most significant environmental impacts, through the Carbon Border Adjustment Mechanism (CBAM) and the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH). These practices are conducted with great diligence to reduce the environmental impacts of suppliers and to ensure that they meet sustainability targets. Within this requirement, the company requests and records data on carbon emissions from all semi-finished and finished construction steel producers.

Çolakoğlu Metalurji sources all of the scrap it procures from the domestic market through recycling and separation companies. Aiming to increase the number of companies, Çolakoğlu Metalurji runs a continuous and effective supplier engagement process to ensure that it receives services in line with its high working standards.

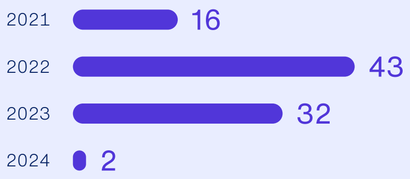
For scrap procurement, Çolakoğlu Metalurji has specific requirements that include additional provisions regarding human health and the environment, which are shared with all suppliers via its website.



Business Continuity

Çolakoğlu Metalurji rejects raw materials that do not meet the standards set out in the “Internal and External Scrap Procurement Specification,” where criteria for quality, environment, and human health are clearly defined. Over the past four years, the Supply Chain Directorate has terminated relations with 93 suppliers that failed to comply with the specified criteria.

Number of Suppliers Removed from the Supplier Pool



Under the Supply Chain Directorate, work has started on the “Supplier Portal” and the “Appointment System for Shipments” projects, aiming for implementation in 2025.

Within the scope of the RPA Project, analyses are ongoing for the MIGO transaction and the Automatic Offer Process Triggering projects.

Due to its production model, advanced circular economy practices are crucial for Çolakoğlu Metalurji. Accordingly, Çolakoğlu Metalurji has initiated industrial partnerships to improve scrap quality and ensured that scrap is collected directly from its source. As a result of these business models applied in the domestic market, the separate delivery of scrap has been encouraged, which has increased the share of single-type scrap to 61% of total scrap purchases.

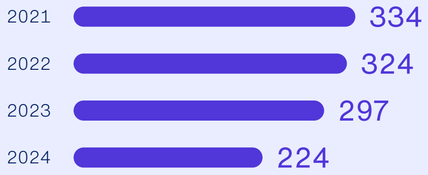
Suppliers providing auxiliary services at Çolakoğlu Metalurji’s facilities are included in the priority group for selection, monitoring, evaluation, and development plans. For this group, 2024 has been marked by intensive implementation of awareness programmes, the sharing of best practices, joint audits, and improvement plans. Training and audits on occupational health and safety, waste management, environmental management, and 5S (Sort, Set in Order, Shine, Standardise, and Sustain) have been intensified.

In 2024, Çolakoğlu Metalurji made its e-commerce platform more effective and efficient to increase local sourcing opportunities and to manage the process in a more transparent and streamlined way. Accordingly, an open, transparent, and responsive procurement process has been supported for all suppliers registered in the system who wish to provide goods and services to Çolakoğlu Metalurji. In addition, Çolakoğlu Metalurji plans to launch the Supplier Portal project in 2025 to accelerate effective and efficient information and data sharing with suppliers. The RPA Project aims to automate processes and ensure that the transferred process is conducted by a robot. Within this scope, analyses are ongoing for the MIGO transaction and the Automatic Offer Process Triggering projects.

In product shipments and the transportation of purchased materials, Çolakoğlu Metalurji largely uses sea transport, which has the lowest emission impact, and mainly uses its own port operated as a Coastal Facility Operator. In the Çolakoğlu Metalurji Port, one of the largest ports in the Northern Marmara Region for dry bulk and general cargo, all necessary measures are taken to meticulously ensure the safe berthing and departure of vessels, as well as the safe loading and unloading of all cargo, including hazardous materials. In 2024, the port successfully passed all inspections, and its operating licence was renewed.

One of the main focus areas in 2024 has been improving the safety of the traffic created by transport vehicles arriving at Çolakoğlu Metalurji’s facilities by road. Vehicles that pass acceptance checks are admitted in a controlled manner according to queue management, while drivers remain in their vehicles and complete all procedures electronically via RFID systems. Work has begun on the “Appointment System for Shipments” project, which is planned to be commissioned in 2025 as the next phase. Accordingly, by ensuring that vehicles arrive in balanced numbers throughout the day, waiting times will be reduced and available resources used more efficiently.

Number of Suppliers and Contractors Evaluated



Contracts with companies that provide road transport services include provisions for load capacity and for the selection of appropriate vehicles for the load, securing of loads, tarpaulin covering, other measures to prevent dusting and spillage, the required driver certifications, and full compliance with all legal requirements. These practices were also subject to regular inspections in 2024.

The Supply Chain Directorate considers ensuring business continuity as a critical priority and implements various practices to maintain uninterrupted processes. Remote access is provided by a system infrastructure established for units not required to be physically present at the factory, thereby ensuring the continuity of operations even under extraordinary circumstances.

To prepare for possible risk and crisis scenarios, all potential risks have been identified in the RSK.5 Risk Analysis document with a focus on sustainability, and the necessary actions have been defined for each risk.

In the iron and steel sector, business continuity is key to ensure the uninterrupted progress of production, supply, and delivery processes. Disruptions in the supply chain can lead to many negative consequences such as order delays, inventory problems, logistical setbacks, cost increases, quality deviations, and reduced customer satisfaction; in the long term, this can adversely affect the company’s operational efficiency and corporate reputation.

As part of compliance with international standards in business continuity management, training processes for ISO 22301 (Business Continuity Management Systems) have been completed, the relevant committee has been established, and the certification process has begun.

Material Use

In line with the responsible purchasing approach, which is one of the most important steps in sustainable transformation within the supply chain, Çolakoğlu Metalurji structures its procurement processes according to environmental, social, and governance criteria. The systematic processes developed for the selection, evaluation, and monitoring of suppliers focus not only on quality and cost performance, but also on their compliance with sustainability principles.

Procurement processes are based on criteria such as material quality, compliance with international standards, financial adequacy, and environmental sustainability. These evaluations are conducted by the Purchasing Department officials and the Quality Control teams in partnership, in line with Environmental, Quality, and Sustainability policies. In addition, compliance with standards such as ISO 9001, ISO 14001, ISO 50001, IATF 16949, and OHSAS 18001 is among the primary requirements in supplier selection.

To strengthen sustainable procurement practices, suppliers are scored on their annual performance and compliance with ISO and IATF international standards; corrective and preventive improvement activities are implemented for companies whose scores fall below the standards. At the same time, suppliers are informed of updated environmental and sustainability regulations, and the necessary documents and declarations are collected.

In 2024, the procurement of scrap from suppliers without an Environmental Permit and Licence, or whose permits had expired, was halted; these companies were automatically blocked in the system.

In 2024, the procurement of scrap from suppliers without an Environmental Permit and Licence, or whose permits had expired, was halted; these companies were automatically blocked in the system. The validity of permits and licences of all suppliers was updated, and organisations that failed to submit the required documents were blacklisted and had their contract processes suspended. To ensure the continuity of domestic scrap procurement, direct partnership methods have been developed with local manufacturers and industrial companies.

Within the scope of sustainable supply chain management, in addition to key performance indicators such as quality, delivery time, and price, sustainability criteria including carbon footprint, environmental impact, and ethical compliance are also monitored. For newly registered suppliers in the system that are subject to environmental inspections, licence documents are requested, and this information is shared with the relevant environmental units.

To minimise the environmental impacts of the supply chain, suppliers and logistics service providers are required to meet a set of conditions ranging from compliance with international environmental standards, emission management, waste disposal, and energy efficiency practices, to the use of modern, low-emission vehicles. In this way, potential adverse environmental impacts are proactively controlled through audits, document verification, and performance monitoring.

The Purchasing Directorate admits 100% of new suppliers into the system on the condition that they meet international standards in line with social, environmental, and occupational safety criteria. Çolakoğlu Metalurji does not work with companies without certifications of compliance with international standards.

In semi-finished product procurement, part of the billets and solid fuel products are sourced from domestic producers. The share of local supply within total procurement in the semi-finished group stands at 12.4% (62% of billet purchases and 46% of solid fuel purchases are domestically sourced). On the raw material side, 20% of the materials used are domestic, while 80% are imported.

In raw material procurement, various compliance certificates are requested from suppliers per the company's policies. Operations in the supply chain and all related areas of responsibility are monitored under the QDMS system in accordance with the defined procedures HSEF056, SCS.100, HSA.001 and other relevant company policies.

At Çolakoğlu Metalurji, critical imported raw materials such as slabs and HBI are particularly important to ensure uninterrupted production. Any disruption in supply can cause setbacks both in production planning and in fulfilling commitments to customers. To minimise these risks, the following measures are implemented;

- For all critical raw materials and semi-finished products, particularly slabs and HBI, alternative suppliers meeting technical specifications have been identified. This approach is also applied to other raw material groups such as scrap, pig iron, and billets.
- Sufficient levels of raw material and semi-finished product stock are maintained to ensure continuity of production, thereby preparing for short-term supply disruptions.
- In case of problems with main suppliers, shipments for the relevant product groups continue with approved alternative suppliers.
- Supply contracts include provisions for delivery time guarantees, force majeure situations, and alternative sourcing.

The Purchasing Directorate admits 100% of new suppliers into the system on the condition that they meet international standards in line with social, environmental, and occupational safety criteria.

This approach ensures uninterrupted production and fulfilment of commitments to customers.

2024 Supplier and Contractor Data	
Number of active local suppliers	411
Number of active foreign suppliers	159
Number of suppliers removed from the supplier pool	30
Number of suppliers and contractors evaluated	343

To secure business continuity, the Purchasing Directorate applies a strategy of supplier portfolio backup and geographical diversification; each year, new alternative suppliers aligned with corporate principles are added to reduce dependence on a single region and increase resilience against global developments. In parallel, department employees are equipped through cross-training programmes to take over each other's roles and responsibilities; accordingly, the impact of personnel- or supplier-related disruptions on production and supply flow is minimised.

The Procurement Directorate monitors global market trends and financial dynamics, conducts risk analyses in the supply chain, and manages potential risks that may arise within supply chains accordingly.

The Purchasing Directorate implements a systematic approach aimed at optimising material use and reducing consumption levels. Regular meetings are held with the planning and technical units to increase production efficiency; technical parameters such as product quality, dimensional limits, and chemical composition are reviewed together to ensure a material flow that is both cost-effective from a procurement perspective and efficient from a production perspective. For the raw materials used in steel mill production, weekly evaluation meetings are organised to ensure the procurement of the most cost-effective material in the correct quantity, thereby preventing waste.

Material procurement is carried out within clearly defined boundaries through technical specification documents. Scrap and semi-finished product purchases are made according to the technical requirements of the relevant units; in domestic scrap purchases, the limits set out in the Spek.600 document are applied. In compliance with international customs regulations, imported scrap is accepted at a maximum of 1.5 m in length, 0.5 m in width, and 0.5 m in height. For semi-finished products, slab widths are limited to the range of 900 mm–1,650 mm and lengths to 5,800 mm–11,850 mm; billet purchases are standardised at 150 × 150 mm section and 12 m length.

Recycled content holds a significant share in the material portfolio. Steel scrap accounts for 80% of imported and domestic raw material purchases and consists entirely of recycled material. This both supports the circular economy approach and reduces the carbon footprint associated with raw materials.

Within its process management, the Procurement Directorate actively monitors the carbon emissions of its suppliers. In line with Çolakoğlu Metalurji's environmental policies, the company aims to reduce its carbon footprint by prioritizing suppliers with lower carbon emissions in the supply chain.

Customer Focus and Satisfaction

R&D and Innovation

At Çolakoğlu Metalurji, sustainability-oriented R&D and innovation processes focus on developing solutions that reduce environmental impact, increase production efficiency, and provide innovative responses to customer needs. Projects are managed systematically with interdisciplinary teams.

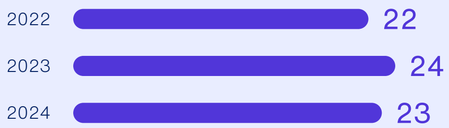
To ensure the highest standards of quality and reliability, Çolakoğlu Metalurji complies with ISO 17025 (Laboratory Accreditation Certificate) standards and applies internationally recognised quality benchmarks in its production and service activities.

Investments made, projects implemented, and their outputs in the context of sustainability are summarised below;

Material and Raw Material Optimisation: Mechanical and chemical tests are applied to final products to enable more efficient use of raw materials and materials in different steel grades; by remaining within safe tolerance ranges, raw material consumption is optimised. This process is conducted dynamically for each newly developed product; it enhances resource efficiency and reduces costs.

Product Innovations and Diversity: Sustainability-focused R&D activities can bring innovative changes and diversity to steel products. For example, this ensures the development of steel grades with high strength and reduced weight, and the customisation of existing standard grades to meet customer needs; this process continues dynamically. Every stage is accompanied and evaluated, from raw material selection to production, and then to the identification of the chemical, physical, and structural properties of the final product. This approach has made a positive contribution to customer satisfaction, market share, and brand loyalty.

Number of New Products Developed (Units)



Industrial Collaborations and Partnerships: R&D processes have been enriched through project partnerships developed with external stakeholders. Studies carried out together with supervisors and expert partners have contributed not only to product and process development but also to international recognition through academic publications.

Innovative Production Technologies: The planned “Power Cooling” investment for the Hot Sheet Rolling Mill aims to introduce a more effective cooling system into the production line. Accordingly, the final product properties of existing grades (hot-rolled flat steel coils) will be improved, and the production of certain special grades that could not previously be manufactured will become possible. All processes are conducted together with the production teams.

SEM (Scanning Electron Microscope) Investment: With the recently purchased SEM device, steel materials are characterised at the micro level. Its contributions to product and process development, R&D, and sustainability can be summarised as follows:

- **Material/Defect Characterisation:** By examining and characterising the micro-level phase structures and inclusion contents of steel materials, quality improvement and defect source identification are facilitated. The data obtained from these examinations are used to optimise production processes. Accordingly, product quality is enhanced, customer expectations are met, and efficiency is supported.
- **Surface Examination:** By examining surface defects, the sources of defects are identified, and measures are taken to prevent such cases in the future. This information particularly supports the resolution of customer feedbacks and the improvement of customer satisfaction.

Technical Evaluation of Customer Feedback: Technical analyses carried out by the Quality Metallurgy and R&D Directorate use the data obtained from customer feedbacks effectively in product and process improvements. Addressing feedbacks quickly and with a solution-oriented approach both increases customer satisfaction and strengthens confidence in the company’s sustainability commitments.

Product Quality and Safety

Çolakoğlu Metalurji follows globally recognised systems and national standards regarding product quality and safety. It regards product quality and safety as a requirement of customer satisfaction and also as a fundamental component of structural safety, reduced environmental impact, and long-term sustainability. Accordingly, at every stage of production, it addresses quality with the principles of traceability, compliance with standards, and continuous improvement, testing all its products in line with national and international standards to ensure quality and safety.

The technical properties of the products offered to various sectors, particularly construction, automotive, and manufacturing, such as strength, impact resistance, weldability, and surface quality, ensure high performance throughout the product's lifetime. The quality-focused production approach meets project-based customer expectations and minimises maintenance and renewal need during the product's use phase, thereby contributing to lower life cycle costs and reduced environmental impacts.

Thanks to continuous process controls applied on the production line, advanced testing infrastructure, and improvement mechanisms based on customer feedback, Çolakoğlu Metalurji has integrated quality into its sustainability performance. This systematic emphasis on quality supports both the fulfilment of current demands and also long-term project success and brand trust.

Standards monitored by Çolakoğlu Metalurji:

- CE – European Conformity Certificate
- IATF 16949: 2016 - Automotive Quality Management System
- ISO 14001: 2015- Environmental Management System
- ISO 17025: 2017 - Laboratory Accreditation Certificate
- ISO 27001: 2022 - Information Security Management System
- ISO 45001: 2018 - Occupational Health and Safety Management System
- ISO 50001: 2018 - Energy Management System
- ISO 9001: 2015 - Quality Management System
- REACH (EC 1907/2006) – Registration, Evaluation, Authorisation and Restriction of Chemicals
- ROHS (2011/65/EU) – Restriction of Hazardous Substances Directive
- TS 708: 2016 - Steel – Reinforcing Steel for Concrete

Activities conducted within the scope of product quality and safety:

- Final products are certified through mechanical, chemical, and surface quality tests within the scope of EN 10204 3.1/3.2 certificates.
- The chemical laboratory measuring devices and testing equipment used are operated in accordance with the calibration and verification procedures under ISO 17025 (Laboratory Accreditation Certificate).
- To ensure information security, all quality data, customer information, and production records are safeguarded under ISO 27001 (Information Security Management System).

Throughout 2024, Çolakoğlu Metalurji conducted a series of strategic improvements in its production lines, laboratory infrastructure, and digital quality management systems to elevate product quality and safety.

Modernisation of the Online Surface Inspection System

The existing surface inspection system on the hot rolling line has been upgraded to a higher-resolution, AI-supported version. Accordingly, the real-time detection of surface defects has become more precise.

Laboratory Digital Monitoring System (LDIS)

To digitalise testing processes and reduce human error, the conceptual design of the Laboratory Digital Monitoring System (LDIS) project has been prepared and approved. The project work will be launched and finalised in 2025. It is expected to provide significant advantages in terms of reporting product test results, traceability, measuring machine & equipment efficiency, and faster response times to customer requests.

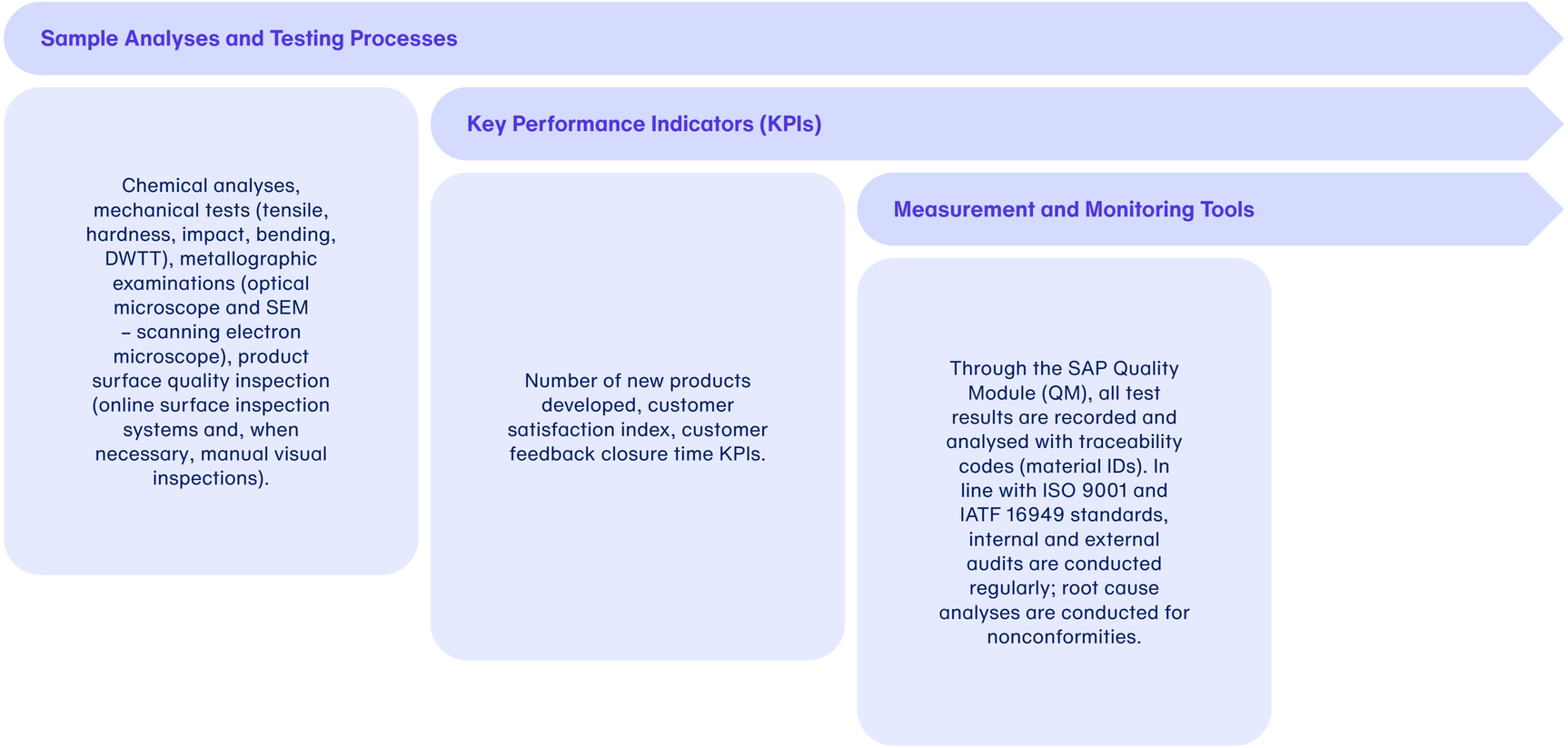
Dissemination of IATF 16949-Compliant Automotive Quality Processes

In shipments to the automotive sector, process FMEA (Failure Modes and Effects Analysis), control plans, and traceability structures have been reviewed, thereby strengthening the zero-defect approach towards automotive customer requirements.

Due to these efforts, product quality has been sustainably improved, while both internal process efficiency has increased and the performance safety of products reaching the end user has been strengthened.

At Çolakoğlu Metalurji, product quality is systematically monitored at all stages of production, from raw material to final product, and tracked through measurable key indicators (KPIs). This process is illustrated schematically below.

Thanks to this structure, at Çolakoğlu Metalurji, quality is managed proactively not only at final control points but at every stage of production, supporting a culture of continuous improvement. These processes are structured to ensure full compliance with customer specifications and to increase internal process efficiency.



Sustainable Product

Through this production model, the share of recycled content is 95.30% in the long products group and 79.64% in the flat products group. As of 2024, 59% of total production consists of products originating from scrap, which represents the sustainable production route.

Çolakoğlu Metalurji positions the “green steel” approach as a strategic priority in the transition to a low-carbon economy and continues to expand its climate-friendly product portfolio. Due to its high energy consumption and carbon emissions, the iron and steel sector is a critical industry for global climate targets; in this context, the concept of “green steel” refers to products produced with minimised emissions in the production processes, using recycled raw materials, and having low environmental impact.

At Çolakoğlu Metalurji, sustainable products are defined as products that are manufactured from scrap-based and recycled content. All products manufactured through the company’s casting route are included in the sustainable product category, because they are based on scrap production. Through this production model, the share of recycled content is 95.30% in the long products group and 79.64% in the flat products group. As of 2024, 59% of total production consists of products originating from scrap, which represents the sustainable production route.

A cornerstone of the sustainable product operation is the production of high value-added and special products (e.g., 700MC, DP600, etc.) using Çolakoğlu Metalurji’s own scrap-based slabs. These products, in particular, meet the expectations of sectors with stringent emission criteria, such as the automotive industry. In addition, by creating closed-loop models for customers, such as using scrap collected from domestic customers in production, contributions are made to the circular economy.

The sustainable product approach is not limited to the production site but also lies at the heart of the marketing strategy. By offering customers recycled-content products that reduce their carbon footprint, it also contributes to customers’ sustainability goals. In this regard, by sharing transparent data and issuing green product declarations, the company builds its sustainability-focused customer relations and carries its vision of “Future-Ready Steel” to the product level.

Customer Experience and Satisfaction

Çolakoğlu Metalurji combines its deep expertise in sectoral trends with strong communication skills to accurately interpret customer needs and provide transparent, consistent solutions to potential issues. This approach focuses on customer satisfaction and manifests itself effectively in after-sales processes and across all business processes. Since its marketing strategies are based on data-driven decision-making and creativity, the products stand out and are preferred in the market; the company's trusting relationship with customers is strengthened by its ability to adapt quickly to changing market dynamics, the sector-based sales organisation, and the integrated production and planning units.

The Product and Management Performance Directorate (PMPD) operates within Çolakoğlu Metalurji to systematically monitor customer satisfaction. PMPD records all feedback received through multiple communication channels such as telephone, e-mail, and the website; it analyses each feedback to identify potential product or service defects; and it coordinates corrective actions with the relevant quality and production units. This structure enables the continuous improvement of products and services, directly contributing to the efficiency of production processes.

The company's customer satisfaction performance is monitored at regular intervals; product quality, delivery performance, feedback process management, customer-oriented financial solutions, customised new product development, and the supply of low-carbon products are tracked as key indicators. The holistic feedback management of PMPD is supported by the planning team working together with the sales unit to plan production in line with customer priorities, thus ensuring timely and consistent responses to customer expectations.

Focus areas for ensuring customer satisfaction

Product Quality and Diversity

The company provides high-quality, value-added products tailored to customer requirements.

Customer Relations

Long-term relationships are established with customers, closely monitoring their ever-changing requirements; products tailored to special requests are designed and manufactured to respond quickly to these needs.

On-Time Delivery

Effective logistics and distribution solutions are offered to ensure customers have timely and reliable access to products.

Technical Support and Service

Expertise and support are provided to customers in product selection, usage, and application techniques.

The feedback mechanisms and other improvement processes are carried out as follows;

All customer feedbacks regarding products are reported to the Product and Management Performance Directorate (PMPD) under the Sales and Marketing Directorate.

PMPD conducts a preliminary assessment of the feedbacks, coordinates the production and quality teams, and ensures the necessary communication with the customer through verbal and written channels. Customer suggestions and feedbacks are technically evaluated by the Quality Metallurgy and R&D Directorate and are responded to as quickly as possible. The necessary actions are taken to prevent similar issues from recurring.

Customer-specific actions and solutions are provided. On-site visits are carried out when necessary.

In order to eliminate the nonconformities that caused the feedback, a Corrective and Preventive Action (CAPA) is initiated via the QDMS system, and the follow-up of actions is ensured.

Çolakoğlu Metalurji evaluates its performance through a customer satisfaction survey that is conducted every two years by an independent third-party organisation. Thanks to its commitment to quality service, the company enjoys high customer satisfaction and increases its customer base every year.

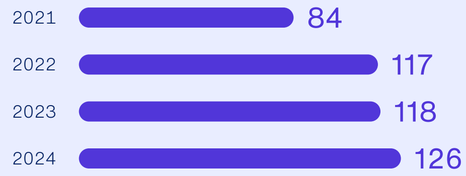
The CRM Project and the new phase developments of the CM Online portal are being implemented to digitalise feedback management. Accordingly, customer access to the platforms will be facilitated, and the time required to receive and respond to feedback will be significantly accelerated.

CRM (Customer Relationship Management): This is a digital platform project that enables systematic tracking of customer preferences, past interactions, and purchasing behaviour, thus improving the ability to understand customers and deliver enhanced services, while strengthening customer relations and ensuring the sustainability of customer loyalty. The project aims to strengthen and maintain relationships with existing customers and enhance the customer experience, to identify and follow up on opportunities, and additionally, to create records and establish contact with potential customers.

CM Online: This is a digital platform that customers can directly access online to view their current accounts, track their order status, issue delivery orders, and share their feedback.

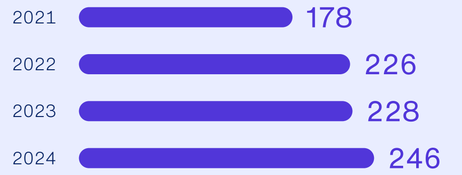
Çolakoğlu Metalurji aims to maintain a customer satisfaction rate of at least **85%**

Number of Long Steel Customers



Customer Satisfaction Rate (%)

Number of Flat Steel Customers



Competitive Advantage

As a fundamental building block of industry and the economy, the iron and steel sector plays a strategic role in the development and industrialisation of countries. With its ability to adapt rapidly to global transformations, its agile business models, and its strong industrial infrastructure, Türkiye has secured an important position in this sector. When combined with the logistical and strategic advantages offered by our country and the growing sustainability potential through the transition to renewable energy, these factors become key elements enhancing the competitiveness of iron and steel producers.

With effective project management, Çolakoğlu Metalurji delivers high-quality products and services both locally and internationally. With its products, the company plays a major role in many significant projects worldwide, including renewable energy, restoration, residential and commercial construction, gas distribution, drinking water supply, power transmission lines, ports, dams and water pipelines, as well as natural gas, energy, and oil pipelines.

In 2024, Çolakoğlu Metalurji strengthened its market presence, gained new customers, continued trial productions for the automotive main and supply industries, and achieved higher overall sales figures. At the same time, the product portfolio was diversified with nine new grades developed to meet customer needs, further deepening the company's competitive advantage.

As of 2024, Çolakoğlu Metalurji operates in 38 countries. These countries are as follows; Kosovo, Ukraine, Serbia, the United Kingdom, Egypt, Romania, Bulgaria, Spain, the USA, North Macedonia, Albania, the Netherlands, Morocco, Moldova, Germany, Ireland, Canada, Georgia, Greece, Tunisia, Belgium, Ghana, Australia, Réunion Island, Bosnia and Herzegovina, Paraguay, Madagascar, Norway, Guyana, the Dominican Republic, Uruguay, Poland, Curaçao, Jamaica, Trinidad and Tobago, Mayotte, and French Polynesia. (Türkiye is not included in the country count.)

Brand Strength and Reliability

Strategic Location and Logistics Power

A geographical position providing access from Türkiye to three continents in a short time and an integrated port infrastructure enabling fast supply and shipment capacity

Low-Carbon Scrap-Based Production

Cost advantage with low carbon footprint thanks to expertise in scrap-based production and investments in renewable energy

Wide, High-Quality Product Range & Continuous Improvement

Wide portfolio of high-quality products; introduction of new value-added steel grades through ongoing capacity investments

Strategic Sales/Marketing & Agile, Experienced Team

Sector-based sales organisation, data-driven marketing approach, and agile staff able to respond instantly to customer demands

Customer Relationship Management & After-Sales Service Quality

Established customer relations and after-sales support

Local and International Partnerships

Collaborative ecosystem that strengthens market share through strategic partnerships and global networks

Appendices

Performance Indicators

Environmental Performance Indicators

Total Production Amount (Tonss)				
	2021	2022	2023	2024
Steel Mill	2.753.482	2.604.063	2.546.326	2.519.230

Total Raw Material Consumed (Tonss)				
	2021	2022	2023	2024
Scrap Steel	3.102.562	2.934.308	2.884.521	2.874.619
Other Auxiliary Materials	212.383	272.568	299.471	287.489
Anthracite	506.907	403.177	469.353	492.274

Greenhouse Gas Emissions (tCO_2e)				
	2021	2022	2023	2024
Scope 1	517.306	493.054	495.035	566.519
Scope 2	751.981	725.777	748.514	806.969
Scope 3	5.768.728	2.821.709	4.552.599	4.630.955

In-house Energy Consumption				
	2021	2022	2023	2024
Natural Gas (GJ)	5.071.156	4.745.385	4.944.277	5.492.635
Diesel (GJ)	33.974	46.128	46.128	75.479
Electricity from Grid (kWh)	1.032.440.503	1.075.663.491	866.818.385	847.631.303

	2021	2022	2023	2024
Energy Consumption (kWh)	3.450.640.853	3.230.721.740	3.325.676.917	3.628.955.223

	2021	2022	2023	2024
Energy Consumption (GJ)	12.425.137	11.633.247	11.975.164	13.067.215

	2021	2022	2023	2024
Energy Intensity (kWh/TL)	0,1354	0,0688	0,0542	0,041

Energy Intensity (GJ/ton of final product)				
	2021	2022	2023	2024
Energy Consumption (GJ)	12.425.137	11.633.247	11.975.164	13.067.215
Tons of Steel	2.753.484	2.604.062	2.546.326	2.519.230
Energy Intensity (GJ/ton of steel)	4,5125	4,4673	4,7029	5,1870

Fuel Consumption (%)		
	2023	2024
Factory Electricity Consumption	53,2	50
Natural Gas	40,7	42
LPG	0,003	0,002
Diesel	0,6	0,6
Anthracite	5,5	7,4

	2021	2022	2023	2024
Osmosis Plant Water Production (m^3/year)	2.156.840	2.314.922	2.351.615	2.348.826

Water Intensity (m^3 water/ton of product)				
	2021	2022	2023	2024
Rod	0,666	0,766	0,83	0,7
HRC	0,571	0,618	0,594	0,496

Water Use by Source (m^3/year)				
	2021	2022	2023	2024
Sea Water	198.881.280	198.881.280	198.881.280	210.240.000
Mains Water	0	6.987	12.814	29.770

	2021	2022	2023	2024
Amount of Water Recycled and Reused (m^3/year)	335.067.840	316.880.640	311.040.000	318.484.999

Annual Amount of Wastewater by Discharge Method (m^3)				
	2021	2022	2023	2024
Receiving Environment	1.095.552	1.095.552	1.095.552	1.095.552
Waste Water Channel	85.465	189.137	210.537	179.319

Amount of Hazardous Waste (kg/Tons of product)				
	2021	2022	2023	2024
Steel Mill and Hot Rolling Mill	9,579	9,589	8,515	8,081
Rod Mill	0,0364	0,0335	0,0325	0,0493

	2021	2022	2023	2024
Amount of Hazardous Waste (Tonss)	9.285,35	8.886,23	7.097,42	6.125,22

	2021	2022	2023	2024
Amount of Recovered Waste (Tons)	208.170,41	414.822,49	332.178,09	329.538,81

Social Performance Indicators

Number of Employees	2021	2022	2023	2024
Male	1.382	1.454	1.474	1.557
Female	89	104	105	115
Total	1.471	1.558	1.579	1.672

Number of Employees by Category		2021	2022	2023	2024
White Collar	Male	442	460	481	481
	Female	89	101	102	106
Blue Collar	Male	940	994	993	1.076
	Female	0	3	3	9

Number of Employees by Employment Type		2021	2022	2023	2024
Full Time	Male	1.382	1.454	1.474	1.557
	Female	89	104	105	115
Part Time	Male	0	0	0	0
	Female	0	0	0	0

Number of Employees by Education Level	2021	2022	2023	2024
Primary Education and Below	271	277	257	250
High School	591	643	652	737
University and Above	598	638	670	685

Number of Employees with Disabilities	2021	2022	2023	2024
Male	34	37	34	36
Female	8	9	8	9

Number of Employees by Region		2021	2022	2023	2024
Türkiye	Male	1.382	1.454	1.474	1.557
	Female	89	104	105	115
Abroad	Male	0	0	0	0
	Female	0	0	0	0

Number of Employees by Contract Type		2021	2022	2023	2024
Fixed Term	Male	1	9	5	102
	Female	0	0	0	4
Indefinite Term	Male	1.381	1.445	1.469	1.454
	Female	89	104	105	112

Senior Management Structure	2021	2022	2023	2024
Male	10	10	10	12
Female	5	5	4	4

Senior Management Structure by Nationality	2021	2022	2023	2024
Indigenous	15	15	14	16
Foreigner	0	0	0	0

Senior Management Structure Age Distribution				
	2021	2022	2023	2024
Under 30	0	0	0	-
Between 30-50 Years	3	3	3	3
Over 50 Years	12	12	11	13

Mid-Level Management Structure				
	2021	2022	2023	2024
Male	34	34	35	32
Female	5	5	7	6

Mid-Level Management Structure Age Distribution				
	2021	2022	2023	2024
Indigenous	39	39	42	38
Foreigner	0	0	0	0

Number of New Hires				
	2021	2022	2023	2024
Male	153	170	196	198
Female	17	25	29	19

Unionization Rate of Blue Collar Workers				
	2021	2022	2023	2024
Male	100%	100%	100%	100%
Female	0	100%	100%	100%

Average Years of Seniority by Gender				
	2021	2022	2023	2024
Male	9,40	9,67	8,58	10,09
Female	5,85	5,80	5,81	6,06

	2021	2022	2023	2024
Employee Turnover Rate (%)	3,36	5,69	7,67	10,60

Training Duration Provided to Employees by Gender (hours)				
	2021	2022	2023	2024
Male	52.553	96.441	70.361	64.545
Female	3.354	9.119	6.461	5.990
Total	55.907	105.560	76.822	70.535

Training Duration Provided to Employees by Category (hours)				
	2021	2022	2023	2024
White Collar	20.181	52.616	34.838	31.153
Blue Collar	35.726	52.944	41.984	39.382
Total	55.907	105.560	76.822	70.535

Number of Employees Attending Trainings				
	2021	2022	2023	2024
Male	1.352	1.584	1.632	1.739
Female	87	118	130	145
Total	1.439	1.702	1.762	1.884

	2021	2022	2023	2024
Training Duration per Employee (Hours)	38,66	69,02	49,44	42,62

Number of Employees on Maternity & Paternity Leave				
	2021	2022	2023	2024
Male	82	72	60	72
Female	2	1	2	5

Number of Employees Returning from Maternity & Paternity Leave				
	2021	2022	2023	2024
Male	82	72	60	72
Female	2	1	2	4

	2021	2022	2023	2024
Rate of Return to Work after Maternity & Paternity Leave	100%	100%	100%	100%

	2021	2022	2023	2024
Staying at Work One Year After Returning from Maternity & Paternity Leave	100%	100%	100%	100%

Number of Employees Quitting				
	2021	2022	2023	2024
Male	150	150	227	172
Female	8	13	12	8

Age Distribution of Employees Who Quit Their Jobs				
	2021	2022	2023	2024
Under 30	36	67	73	78
Between 30-50 Years	82	74	135	93
Over 50 Years	40	22	31	9

OHS management within the scope of international standards or legal requirements				
	2021	2022	2023	2024
The number of people involved in such a system, including subcontracted workers	1.959	2.058	2.259	2.186
Number of those involved in such a system, including subcontracted workers, and audited by the Agency	ÇM and subcontractor workplaces are continuously monitored. There is no numerical data.	ÇM and subcontractor workplaces are continuously monitored. There is no numerical data.	ÇM and subcontractor workplaces are continuously monitored. There is no numerical data	ÇM and subcontractor workplaces are continuously monitored. There is no numerical data.
Number of those involved in such a system, including subcontracted workers, who are audited by external auditors	Audit is carried out by Cares audit organization. There is no numerical data.	Audit is carried out by Cares audit organization. There is no numerical data.	Audit is carried out by Cares audit organization. There is no numerical data.	Audit is carried out by Cares audit organization. There is no numerical data.

Number of Employees Attending OHS Trainings				
	2021	2022	2023	2024
Total	1.106	2.537	2.223	2.380

	2021	2022	2023	2024
OHS Training Duration per Employee	23,00	11,12	17,89	11,88

Absenteeism Rate Due to Accidents				
	2021	2022	2023	2024
Number of Lost Days	2.189	9.758	10.122	1.802
Total Working Time (hours)	3.100.112	3.075.323	3.338.545	3.373.645
Loss due to Occupational Accidents (hours)	25.365	19.185	20.355	12.596
Ratio	0,008	0,006	0,006	0,004

OHS Board and Committee				
	2021	2022	2023	2024
OHS Board Total Number of Members	24	27	27	27
OHS Board Number of Employee Representatives	2	2	2	2
Number of OHS Committee Meetings	12	12	12	12

	2021	2022	2023	2024
Accident Frequency Rate	22	24	31	25

	2021	2022	2023	2024
Accident Severity Rate	0,70	0,69	0,68	0,53

Number of Active Suppliers				
	2021	2022	2023	2024
Local	1.349	1.389	1.356	1.352
Foreigner	155	130	150	137

Economic Performance Indicators

	2021	2022	2023	2024
Turnover (TL)	25.514.763.202	46.991.904.349	61.369.393.529	88.472.772.690

Investment (TL)				
	2021	2022	2023	2024
Water Facilities	16.827.483	21.152.214	34.290.607	32.069.221
Dust Collection	962.365	6.180.870	40.161.114	80.666.462
Slag Plant	1.094.916	442.663	1.234.565	10.844.890
Environment Department	10.674.346	21.292.027	35.627.778	85.744.007
Sustainability Department	x	x	x	x
Occupational Health and Safety (OHS) Department	x	x	x	45.103.442
Total (TL)	29.559.110	49.067.774	111.314.063	254.428.022

Business (TL)				
	2021	2022	2023	2024
Water Facilities	20.440.128	43.370.931	79.238.806	133.207.124
Dust Collection	8.158.557	17.514.983	27.881.123	34.552.713
Slag Plant	13.883.973	41.849.509	63.095.971	105.131.277
Environment Department	19.523.076	41.084.277	61.906.203	137.297.746
Sustainability Department	x	x	x	x
Occupational Health and Safety (OHS) Department	x	x	x	41.188.191
Total (TL)	62.005.734	143.819.700	232.122.104	451.377.052

GRI Content Index

Content Index - For the Essentials Service, GRI Services has reviewed that the GRI content index is presented in a manner consistent with the reporting requirements of the GRI Standards and that the information in the index is presented clearly and is accessible to stakeholders. The service was performed on the Turkish version of the report.

Statement of use	Çolakoğlu Metalurji A.Ş. has reported in accordance with GRI Standards for the period 1 January 2024 - 31 December 2024.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard		Disclosure	Subject Heading	Page Number, Sources and/or Direct Answers	Additional Information/Reasons of Omission
GRI 2: General Disclosures 2021	2-1	Organizational details	About the Report, Çolakoğlu at a Glance, Contact Information	4, 7	
	2-2	Entities included in the organization's sustainability reporting	About the Report	4	
	2-3	Reporting period, frequency and contact point	About the Report	4	
	2-4	Restatements of information		There has been no significant change compared to the previous reporting period.	
	2-5	External assurance		No external assurance has been obtained for the sustainability report.	
	2-6	Activities, value chain and other business relationships	Çolakoğlu at a Glance	7	
	2-7	Employees	Social Performance Indicators	82	
	2-8	Workers who are not employees	Social Performance Indicators	82	
	2-9	Governance structure and composition	Corporate Governance and Organisational Chart	59-60	
	2-10	Nomination and selection of the highest governance body	Corporate Governance and Organisational Chart	59-60	
	2-11	Chair of the highest governance body	Corporate Governance and Organisational Chart	59-60	
	2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance and Organisational Chart	59-60	
	2-13	Delegation of responsibility for managing impacts	Corporate Governance and Organisational Chart	59-60	

GRI Standard		Disclosure	Subject Heading	Page Number, Sources and/or Direct Answers	Additional Information/Reasons of Omission
GRI 2: General Disclosures 2021	2-14	Role of the highest governance body in sustainability reporting	About the Report	4	
	2-15	Conflicts of interest	Supply Chain Management	68-70	
	2-16	Communication of critical concerns	Ethical Guidelines	61	
	2-17	Collective knowledge of the highest governance body	Message from the General Manager	5	
	2-18	Evaluation of the performance of the highest governance body	Employee Performance Development and Career Management	43	
	2-19	Remuneration policies	Employee Rights	42	
	2-20	Process to determine remuneration	Employee Rights	42	
	2-21	Annual total compensation ratio			Confidentiality Constraints: The company's annual land rent rate is not one of the company's publicly available information. Therefore, the relevant data cannot be shared.
	2-22	Statement on sustainable development strategy	“Forging the Steel of the Future” Strategy	17-18	
	2-23	Policy commitments	Responsible Production, Supply Chain Management, Employee Rights	23-38, 68-70, 42	
	2-24	Embedding policy commitments	Responsible Production, Supply Chain Management, Employee Rights	23-38, 68-70, 42	
	2-25	Processes to remediate negative impacts	Ethical Guidelines	61	
	2-26	Mechanisms for seeking advice and raising concerns	Ethical Guidelines	61	
	2-27	Compliance with laws and regulations	Legal Compliance	61	
	2-28	Membership associations	Corporate Memberships	15	
	2-29	Approach to stakeholder engagement	Stakeholder Engagement	20	
	2-30	Collective bargaining agreements	Employee Rights	42	

GRI Standard		Disclosure	Subject Heading	Page Number, Sources and/or Direct Answers	Additional Information/Reasons of Omission
Material topics					
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Materiality Analysis	19	
	3-2	List of material topics	Materiality Analysis	19	
Climate Crisis and Greenhouse Gases					
GRI 3: Material Topics 2021	3-3	Management of material topics	Climate Crisis and Greenhouse Gases	25-29	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Climate Crisis and Greenhouse Gases	25-29	
	305-2	Energy indirect (Scope 2) GHG emissions	Climate Crisis and Greenhouse Gases	25-29	
	305-3	Other indirect (Scope 3) GHG emissions	Climate Crisis and Greenhouse Gases	25-29	
	305-4	GHG emissions intensity	Environmental Performance Indicators	82	
	305-5	Reduction of GHG emissions	Climate Crisis and Greenhouse Gases	25-29	
	305-6	Emissions of ozone-depleting substances (ODS)	Environmental Performance Indicators	82	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environmental Performance Indicators	82	
Raw Material and Resource Use, Waste Management and Upcycling					
GRI 3: Material Topics 2021	3-3	Management of material topics	Raw Material and Resource Use, Waste Management and Upcycling	30, 34-35	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Waste Management and Upcycling	34-35	
	306-2	Management of significant waste-related impacts	Waste Management and Upcycling	34-35	
	306-3	Waste generated	Waste Management and Upcycling	34-35	
	306-4	Waste diverted from disposal	Waste Management and Upcycling	34-35	
	306-5	Waste directed to disposal	Waste Management and Upcycling	34-35	
Energy Management and Efficiency					
GRI 3: Material Topics 2021	3-3	Management of material topics	Energy Management and Efficiency	31-33	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Energy Consumption – Energy Intensity	32	
	302-3	Energy intensity	Energy Consumption – Energy Intensity	32	
	302-4	Reduction of energy consumption	Energy Management and Efficiency	31-33	
	302-5	Reductions in energy requirements of products and services	Energy Management and Efficiency	31-33	

GRI Standard		Disclosure	Subject Heading	Page Number, Sources and/or Direct Answers	Additional Information/Reasons of Omission
Occupational Health and Safety					
GRI 3: Material Topics 2021	3-3	Management of material topics	Occupational Health and Safety	47-53	
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Occupational Health and Safety	47-53	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Occupational Health and Safety	47-53	
	403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety	47-53	
	403-3	Occupational health services	Occupational Health and Safety	47-53	
	403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	47-53	
	403-5	Worker training on occupational health and safety	Occupational Health and Safety	47-53	
	403-6	Promotion of worker health	Occupational Health and Safety	47-53	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	47-53	
	403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety	47-53	
	403-9	Work-related injuries	Occupational Health and Safety	47-53	
Financial Performance					
GRI 3: Material Topics 2021	3-3	Management of material topics	Financial Performance	65-67	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Financial Performance	65-67	
	201-2	Financial implications and other risks and opportunities due to climate change	Climate-related Risks and Opportunities	22	
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Equality, Diversity and Inclusion	46	

GRI Standard		Disclosure	Subject Heading	Page Number, Sources and/or Direct Answers	Additional Information/Reasons of Omission
Water Management					
GRI 3: Material Topics 2021	3-3	Management of material topics	Water Management	36	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Water Management	36	
	303-2	Management of water discharge-related impacts	Water Management	36	
	303-3	Water withdrawal	Water Management	36	
	303-4	Water discharge	Water Management	36	
	303-5	Water consumption	Water Management	36	
Talent Management					
GRI 3: Material Topics 2021	3-3	Management of material topics	Talent Management	41-45	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Employee Training	42	
	404-2	Programs for upgrading employee skills and transition assistance programs	Employee Training	42-43	
	404-3	Percentage of employees receiving regular performance and career development reviews	Talent Management	41-45	
Supply Chain Management					
GRI 3: Material Topics 2021	3-3	Management of material topics	Supply Chain Management	68-70	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Material Use	72-73	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Supply Chain Management	68-70	
	308-2	Negative environmental impacts in the supply chain and actions taken	Supply Chain Management	68-70	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Supply Chain Management	68-70	
	414-2	Negative social impacts in the supply chain and actions taken	Supply Chain Management	68-70	
Data Privacy and Cybersecurity					
GRI 3: Material Topics 2021	3-3	Management of material topics	Sustainable Growth and Corporate Resilience	57-80	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security	62	

GRI Standard		Disclosure	Subject Heading	Page Number, Sources and/or Direct Answers	Additional Information/Reasons of Omission
Ecosystem and Biodiversity					
GRI 3: Material Topics 2021	3-3	Management of material topics	Ecosystem and Biodiversity	38	
GRI 304: Biodiversity 2016	304-2	Significant impacts of activities, products and services on biodiversity	Ecosystem and Biodiversity	38	
Equality, Diversity and Inclusion					
GRI 3: Material Topics 2021	3-3	Management of material topics	Equality, Diversity and Inclusion	46	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	2030 Sustainability Targets	21	
	405-2	Ratio of basic salary and remuneration of women to men	Equality, Diversity and Inclusion	46	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Equality, Diversity and Inclusion	46	
GRI 401: Employment 2016	401-3	Parental leave	Employee Rights	42	
Corporate Governance					
GRI 3: Material Topics 2021	3-3	Management of material topics	Corporate Governance	59-64	
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Ethical Guidelines	61	
	205-2	Communication and training about anti-corruption policies and procedures	Ethical Guidelines	61	
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Legal Compliance	61	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Employee Rights	42	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Ethical Guidelines	61	
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Ethical Guidelines	61	
Operational Efficiency					
GRI 3: Material Topics 2021	3-3	Management of material topics	Digital Transformation Projects	24, 40, 58	
Digital Transformation					
GRI 3: Material Topics 2021	3-3	Management of material topics	Forging the Steel of the Future through Digital Transformation	17	

GRI Standard		Disclosure	Subject Heading	Page Number, Sources and/or Direct Answers	Additional Information/Reasons of Omission
Air Quality					
GRI 3: Material Topics 2021	3-3	Management of material topics	Air Quality	37	
Social Contribution and Social Responsibility					
GRI 3: Material Topics 2021	3-3	Management of material topics	Social Contribution and Social Responsibility	54-55	
Business Continuity					
GRI 3: Material Topics 2021	3-3	Management of material topics	Business Continuity	71	
Customer Focus and Satisfaction					
GRI 3: Material Topics 2021	3-3	Management of material topics	Customer Focus and Satisfaction	74-80	
Risk Management					
GRI 3: Material Topics 2021	3-3	Management of material topics	Materiality Analysis	19	

Abbreviations

AIST	Association for Iron & Steel Technology
AISTECH	AIST Iron & Steel Technology Conference & Exposition
AMR	Automatic Meter Reading System
BF-BOF	Blast Furnace–Basic Oxygen Furnace
CAPA	Corrective and Preventive Action
CBA	Collective Bargaining Agreement
CHS	Complementary Health Insurance
CM	Customer Management
CRM	Customer Relationship Management
EAF	Electric Arc Furnace
EFRS	European Ferroalloys & Refractories Symposium
EN 10204 3.1 / 3.2	Material Inspection and Test Certificate Standard
EPD	Environmental Product Declaration
ERP	Enterprise Resource Planning
HR	Human Resources
HRM	Hot Sheet Rolling Mill
HSEF	Health, Safety, Environment Form
ISO	International Organisation for Standardisation
KPI	Key Performance Indicator
LEED	Leadership in Energy and Environmental Design
LPG	Liquefied Petroleum Gas
OIZ	Organised Industrial Zone
PMPD	Product and Management Performance Directorate
QDMS	Quality Document Management System
QPR	Quality Performance Reporting
R&D	Research and Development
RPA	Robotic Process Automation
RS	Responsible Steel
SAP S/4HANA	SAP's 4th Generation Enterprise Resource Planning Solution
S4U	Çolakoğlu Metalurji SAP S/4HANA Transition Project
SEM	Scanning Electron Microscope
WSA	World Steel Association

Çolakoğlu Metalurji

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