

The logo for Çolakoğlu Metalurji 80years. It features a stylized icon of a building or factory on the left, followed by the text "Çolakoğlu Metalurji" in a bold, sans-serif font, and "80years" in a lighter, italicized font to the right. The entire logo is set against a blue background.

Çolakoğlu Metalurji | 80years

2025

SUSTAINABILITY

REPORT

Future-ready steel
with 80 years of
experience and
the excitement of
day one

1955

1975

1995

2015

80years

Over the 80 years since 1945, we at Çolakoğlu Metalurji have taken pride in being one of the pioneers of our sector in every step we have taken alongside all our partners, in every product we have developed, and in every project through which we have added value to our country. Whilst contributing to the growth of our national economy through the added value we create on our journey of industry and development, we also play a significant role in shaping the future. We are determined to carry this strong legacy into the future through our innovative vision and our commitment to sustainable growth.

Drawing strength from our 80 years of deep-rooted experience, we uphold high-quality standards at every stage of our production and service processes; we continuously improve our efficiency by utilising our resources in the most effective manner. We manage every stage of our operations with a focus on efficiency, from raw materials and production to energy, water, human resources, customer relations and supply chain management. We regard operational excellence as a fundamental driver of sustainable value creation. Through technological investment, engineering expertise and continuous improvement, we continue to increase process efficiency. Our production philosophy, built on high energy and resource efficiency and a low carbon footprint, also supports the green transition of our sector.

Our employees are the driving force behind these achievements. Their knowledge, experience, innovative perspectives and the dedication to our shared goals enable us to improve our efficiency every day. We believe that human capital, collaboration, and collective wisdom are the foundations of sustainable success and long-term value creation.

#Proudly80Years

1945

1965

1985

2005

2025

Contents

	FOREWORD → 4	CORPORATE PROFILE → 6	SUSTAINABILITY STRATEGY → 18	RESPONSIBLE PRODUCTION → 27	VALUE FOR PEOPLE AND SOCIETY → 49	SUSTAINABLE GROWTH AND CORPORATE RESILIENCE → 66	APPENDICES → 93
	About the Report → 4	Çolakoğlu at a Glance → 7	‘Future-Ready Steel’ Strategy → 19	Climate Crisis and Greenhouse Gases → 29	Talent Management → 52	Corporate Governance → 68	Performance Indicators → 94
	Message from the General Manager → 5	Vision, Mission and Values → 8	The Journey Towards Sustainability → 21	Raw Material and Resource Use → 36	Equality, Diversity, and Inclusion → 58	Financial Performance → 75	SDG Index → 102
		Milestones → 9	Materiality Analysis → 22	Energy Management and Efficiency → 37	Occupational Health and Safety (OHS) → 59	Supply Chain Management → 79	GRI Content Index → 103
		Çolakoğlu in Numbers: 2025 → 10	Stakeholder Engagement → 23	Waste Management and Advanced Recycling → 42	Community Contribution and Social Responsibility → 64		Terms and Abbreviations → 109
		Export Markets → 11	Climate-Related Risks and Opportunities → 24	Water Management and Efficiency → 45		Customer Focus and Satisfaction → 84	
		Production Model and Products → 12	2030 Sustainability Targets → 26	Air Quality → 47			
		Value Chain → 14		Ecosystem and Biodiversity → 48			
		Awards and Achievements → 15					
		Corporate Memberships → 17					

About the Report

Çolakoğlu Metalurji reports annually on its sustainability performance. This report sets out 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 1 January 2025 to 31 December 2025.

The Sustainability Report has been prepared with reference to the GRI Standards published by the Global Reporting Initiative (GRI). The performance disclosures included in the report are presented in line with the relevant GRI Standard disclosures. Furthermore, the Sustainability Accounting Standards Board (SASB) and other sector-specific sustainability requirements have also been taken into account. Key issues affecting Çolakoğlu Metalurji's operations – including its steel mill, hot strip mill, bar mill, and energy generation activities – are detailed in the report, and the targets and outcomes relating to these issues are presented transparently to all stakeholders.

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

The data included in the report serves as a benchmark for future reports to be published by Çolakoğlu Metalurji.

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



Message from the General Manager

Dear stakeholders,

We have now marked the 80th anniversary of our journey, which began in 1945 with an iron and steel trading firm in Karaköy. These 80 years form part not only of a Company's history, but also of Türkiye's industrialisation story. From our first rebar rolling mill in Söğütözü to our integrated facilities in Dilovası, and from our first export to our current trade network spanning across four continents, we have ensured at every step that the value we create remains within our country. We present our 2025 Sustainability Report to provide a transparent account of how this long-standing legacy is reflected in our business today.

2025 was not an easy year for the steel sector. Whilst global crude steel production fell by 2 per cent, geopolitical uncertainties and fluctuations in energy costs created margin pressure across the entire sector. Despite this, Türkiye's crude steel production rose by 3.3 per cent to 38.1 million tonnes, with approximately three-quarters of this production achieved using electric arc furnace technology – the method we also favour. The Turkish steel sector's low-carbon production infrastructure will be its strongest competitive advantage in the coming period.

In 2025, a year marked by these developments, we achieved a turnover of TRY 99.2 billion. During the year, we commissioned the Magnetic Stirrer Project, worth USD 12 million, thereby increasing our melting efficiency, and added 16 new steel grades to our portfolio. Our focus on high-value-added products and, in particular, the European automotive supply chain has given our sales portfolio a more balanced and resilient structure.

Sustainability is not merely a reporting topic for us; it is an integral part of our business model. We produce steel using electric arc furnace (EAF) technology, with scrap as our primary metallic input. While the global Scope 1 and Scope 2 greenhouse gas emissions intensity for the blast furnace–basic oxygen furnace (BF-BOF) production route stands at 2.21 tCO₂e per tonne of liquid steel, this figure was 0.309 tCO₂e per tonne of liquid steel at our Steelmaking Plant in 2025. By reducing our Scope 1 and Scope 2 greenhouse gas emissions intensity by 17.8% compared to the previous year, we achieved our 13% emissions reduction target set for 2026 one year ahead of schedule and recorded progress beyond the level we had targeted. During the same period, we also recorded an 8.9% year-on-year reduction in our total Scope 1, Scope 2 and Scope 3 greenhouse gas emissions, including emissions arising from our value chain.

In line with our “Future-Ready Steel” strategy, we are committed to reducing our Scope 1 and Scope 2 emissions by 13% by 2026 and by 55% by 2030, and to achieving net zero by 2050. As the first tangible step towards these targets, we commissioned the rooftop solar power plant at our Çubuk Rolling Mill in 2025. Expected to avoid approximately 1,150 tonnes of CO₂ emissions annually, this investment contributes to our goal of sourcing more than 35% of our electricity consumption from renewable sources by 2030. Our B (Management) score from the CDP Climate Change Program, in which we participated for the first time, demonstrates that the management system we have established is recognized at an international level.

We view the Carbon Border Adjustment Mechanism, which began giving rise to financial obligations in 2026, not as a burden but as a transformation that rewards those who are prepared. In line with this, we have enhanced our emissions calculation and verification infrastructure at product and process level and have worked with our suppliers on the traceability of embedded emissions data. For us, low-carbon production is a competitive strategy rather than merely a compliance obligation.

Assuming the presidency of the World Steel Association for the 2025–2026 term further increases the responsibility, we carry, both as a company and on behalf of the Turkish steel industry.

In the coming period, we will continue our investments in energy efficiency and renewable energy and focus on implementing the medium-term projects outlined in our decarbonisation roadmap. What our 80 years of experience have taught us is this: it is not the fastest-growing company that succeeds, but the one best prepared for change.

I would like to thank all my colleagues who have contributed their efforts to this journey, as well as our customers, suppliers and business partners who have placed their trust in us.

Yours sincerely,



UĞUR DALBELER
GENERAL MANAGER



CORPORATE PROFILE

ÇOLAKOĞLU AT A GLANCE → 7

VISION, MISSION AND VALUES → 8

MILESTONES → 9

ÇOLAKOĞLU IN NUMBERS: 2025 → 10

EXPORT MARKETS → 11

PRODUCTION MODEL AND PRODUCTS → 12

VALUE CHAIN → 14

AWARDS AND ACHIEVEMENTS → 15

CORPORATE MEMBERSHIPS → 17



Çolakoğlu at a Glance

Founded in 1945 by Mehmet Rüştü Çolakoğlu in Karaköy, Istanbul, the Çolakoğlu Group initially operated in the iron and steel trade. Çolakoğlu Metalurji, which began production with the construction steel rolling mill established in Söğütözü, Istanbul, in the 1950s, took its production activities to a new level with the steel mill investment it made in Dilovası, Kocaeli, in 1969.

Çolakoğlu Metalurji began exporting in 1983 and continued its expansion between 1983 and 1990 with investments in wire rod and reinforcing steel production, as well as a second reinforcing steel investment. In 2007, the Company commissioned what was, at the time, the world's largest electric arc furnace, aligning its operations with the best available technologies. In 2010, with its investment in a hot strip mill, Çolakoğlu Metalurji became the first company in Türkiye capable of producing flat steel using slabs produced in an electric arc furnace.

As one of the pioneers of Türkiye's industrial development, Çolakoğlu Metalurji makes a significant contribution to a wide range of industries through its flat steel products, including the automotive, machinery manufacturing, pipe, construction and agricultural equipment sectors. Its reinforcing steel, produced within the long products category, forms a key backbone of the construction industry.

With an annual production capacity of 3 million tonnes of liquid steel and approximately 4.5 million tonnes of hot-rolled flat steel, Çolakoğlu Metalurji also operates power plants with a total installed capacity of 566 MW, which meet part of the energy demand required by its production cycle.

GROUP COMPANIES AND SUBSIDIARIES

 **Çolakoğlu Dış Ticaret**

Çolakoğlu Foreign Trade Inc.

Having exported iron and steel to over 70 countries since 1983, it ranks among Türkiye's leading exporters.

BİLTİM

Biltim Computer Services Inc.

Having commenced operations in 1985, the company provides IT services to the group's affiliated companies.

 **EgeGaz**

Ege Gaz A.Ş.

As 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 sector's largest private organisation and holds a significant position in the international natural gas market.

 **DENAK**

Denak A.Ş.

It has been providing ship agency and chartering services since 1976.

Marmara Elektrik

Marmara Elektrik A.Ş.

Since 2004, it has supplied electricity to eligible consumers sourced from the group's power generation plants and the electricity market.

ServisAir

ServisAir

Operates in the aviation sector.

 **Medtrade Inc.**

Medtrade Inc.

Medtrade Inc. was established in Houston in 2003 as a subsidiary of Çolakoğlu Metalurji A.Ş. to market its long products in the US. Medtrade Inc. has assumed the role of a solution provider for customers in North America.

 **TEB**

TEB (Turkish Economy Bank)

This marks Çolakoğlu Metalurji's entry into the financial sector. Through a partnership established in 2005 with BNP Paribas, one of the world's and the European Union's leading banks, it has become one of Türkiye'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 targets 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

As a company, we take on our share of responsibility in environmental, social and community areas and develop a benefit-oriented approach.

Transparency and Ethical Management

Accountability is the cornerstone of all processes, and we maintain a management philosophy that is committed to ethical principles and responsible conduct.

Innovation

Change is viewed as an opportunity for development; the aim is to achieve continuous improvement through investment in R&D, product development (PD), and digitalisation.

Resilience

By adapting to changing conditions, the organisation is prepared to face environmental, social, and economic risks, and strengthens its capacity to create long-term value by turning crises into opportunities.

Efficiency and Quality

High-quality standards are upheld at every stage of production and service processes; efficiency is enhanced through the effective use of resources.

Sharing and Collaboration

Open, inclusive, and trust-based relationships are established with stakeholders, and partnerships focused on creating value together are encouraged.

People-Centric Approach

Employee well-being, skills development and occupational health and safety are among our core values; an inclusive and supportive working environment is provided.

Milestones



1945
Start of commercial operations

1950
Investment in a rolling mill in Sötlüce

1968 - 1969
Steel Mill investment in Dilovası

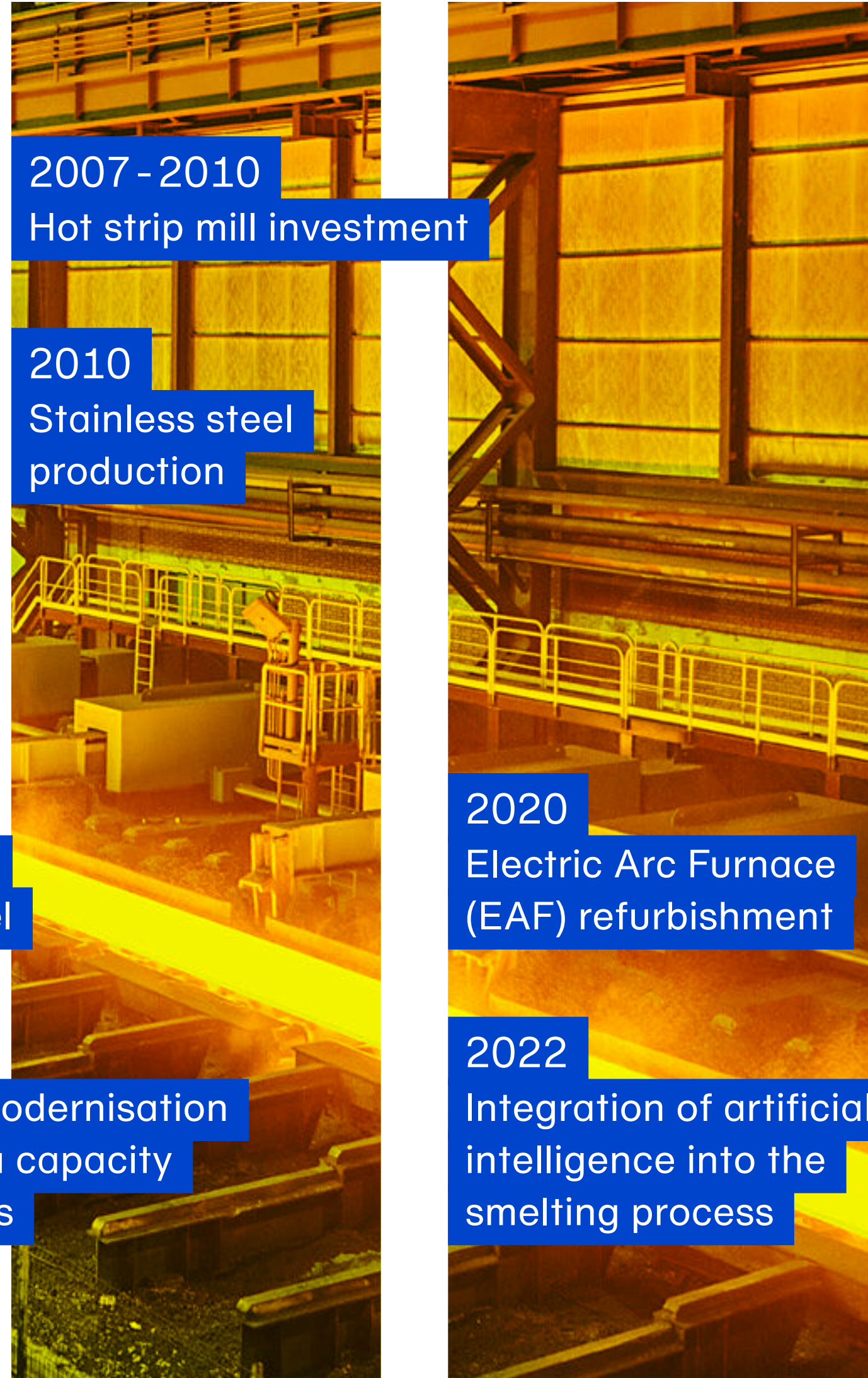


1983
Start of exports

1983 - 1985
Investment in wire rod and structural steel

1988 - 1990
Second investment in construction steel

2004 - 2007
Investment in the modernisation of a steel mill with a capacity of 2.5 million tonnes



2007 - 2010
Hot strip mill investment

2010
Stainless steel production

2020
Electric Arc Furnace (EAF) refurbishment

2022
Integration of artificial intelligence into the smelting process



2023
Flat steel production capacity of 4.5 million tonnes achieved with the investment in a second slab furnace

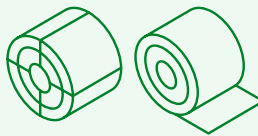
2025
Commissioning of the magnetic stirrer

Çolakoğlu in Numbers: 2025

80 years'
experience

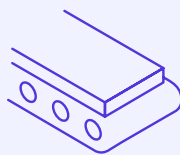


4.5 million tonnes
of hot-rolled sheet
production capacity



17.8%
reduction in
emissions

Development of
16 new
products



Ranked 18th
in the
**'ISO Türkiye's
500 Largest Industrial
Enterprises'** list



1,700+
employees



3 million tonnes
of liquid steel
production capacity



2.24%
reduction in
energy intensity

89%
customer
satisfaction*



**First Prize in the
Iron and Steel Sector Category**
of Capital Magazine's
"2025 Türkiye's Most
Admired Companies
Survey"



Exports to
150+ countries
to date



2.1 MWp
**rooftop solar power
plant at the
Bar Rolling Mill**

11.01%
reduction in
water intensity

71,269 hours
of staff training



**Award in the
'Highest-Selling Company' and
'Highest-Exporting Company'**
categories of the
'2025 OIZ Stars Survey'



Turnover of
TRY 99+ billion



**Magnetic Stirrer
Project**
for operational
efficiency

411 thousand+
tonnes
of waste recovered

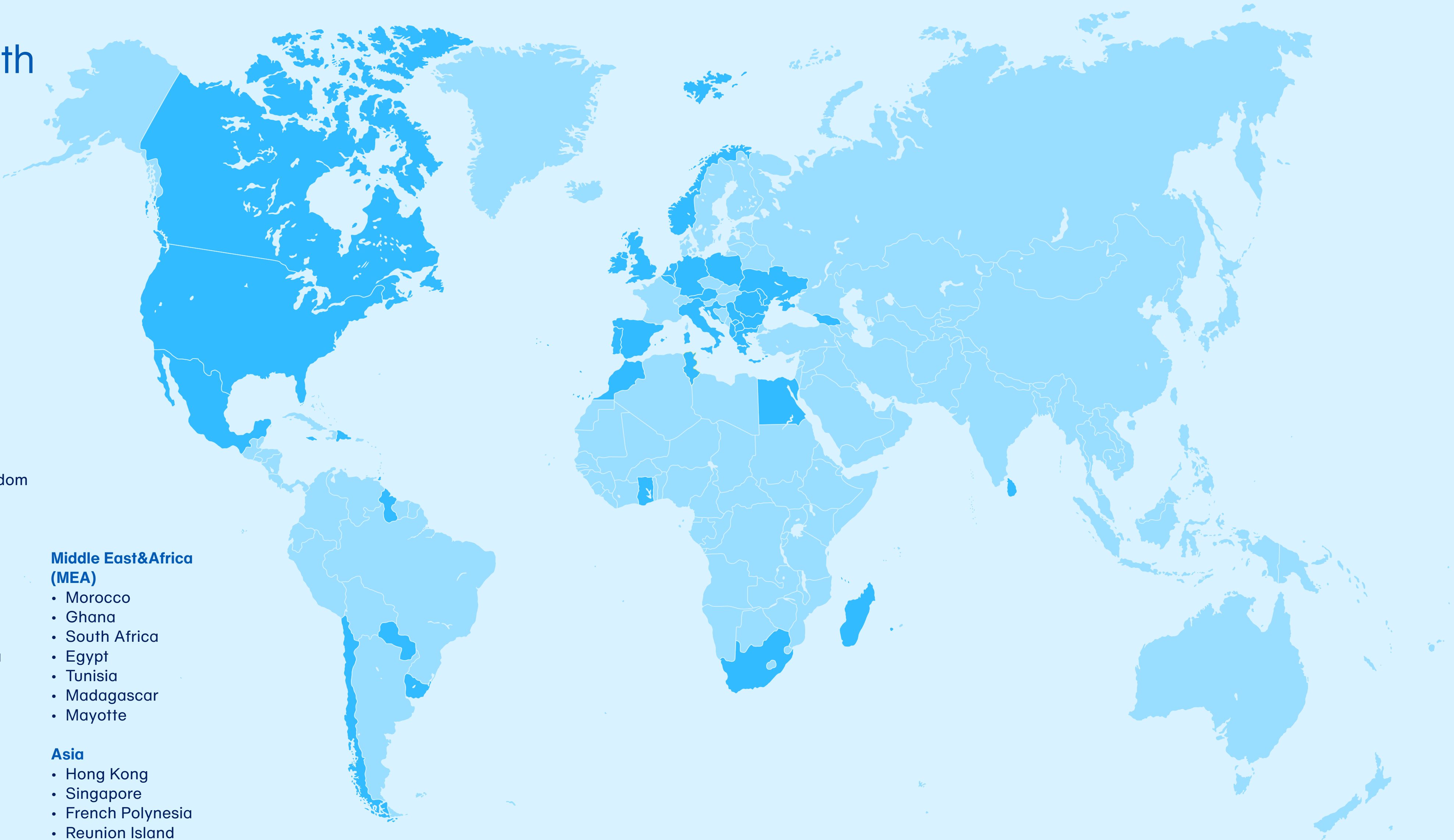
678 hours
of ethics training



* The customer satisfaction survey was conducted in 2024.
It is held every two years.

Export Markets

Export strength
across
4 continents



America

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

Europe

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

Middle East&Africa (MEA)

- Morocco
- Ghana
- South Africa
- Egypt
- Tunisia
- Madagascar
- Mayotte

Asia

- Hong Kong
- Singapore
- French Polynesia
- Reunion Island

Production Model and Products

Steel plays a critical role in many areas of life, ranging from the automotive industry to construction, from energy infrastructure to white goods, and from transport networks to everyday consumer goods. Thanks to its high mechanical strength, versatile workability, and recyclable nature, it serves as an indispensable input in sectors such as the automotive industry, construction, machinery manufacturing, shipbuilding, packaging, electrical and electronic

goods, and renewable energy. Its wide range of applications, extending from building frameworks to bridge cables, from wind turbine towers to household goods, makes steel the backbone of modern life. With this versatile range of applications and its strategic importance, steel is a fundamental material shaping both today's and tomorrow's infrastructure. For this reason, steel is at the heart of life, and Çolakoğlu is at the source of steel.

Çolakoğlu Metalurji's production model is based on scrap-based EAF technology. The process begins with the receipt and pre-treatment of scrap, followed by melting in the EAF and refining in the ladle furnace. Slabs and billets are then produced through continuous casting before being rolled into long and flat products. Supported by integrated quality control laboratories and automation systems, this production model ensures high product quality.

**Steel is at the heart of life;
Çolakoğlu is at the source of steel.**

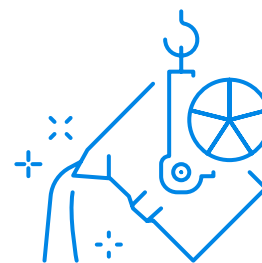


Çolakoğlu Metalurji achieves high-volume, high-quality production in the iron and steel sector through a scrap-based production model and production lines equipped with advanced technologies. Its product portfolio comprises both semi-finished and finished products, including **slabs, billets, hot-rolled flat steel coils, and reinforcing steel** for concrete structures.

4.5
million tonnes
of hot-rolled sheet
production capacity



3
million tonnes
of liquid steel
production capacity



With the commissioning of its second slab furnace in 2023, the Company increased its flat steel production capacity by 50 per cent, reaching a total hot-rolled steel production capacity of 4.5 million tonnes. Its liquid steel production capacity stands at 3 million tonnes. This capacity expansion further strengthens Çolakoğlu Metalurji's global competitiveness and market position. In 2025, the commissioning of the Magnetic Stirrer Project enhanced production efficiency and delivered operational improvements on site.

Çolakoğlu Metalurji's products were used in the Atatürk Cultural Centre (AKM) Project, carried out between 2019 and 2020, and in the restoration of the Maiden's Tower, one of Istanbul's landmark structures, in 2023. These projects demonstrate the Company's high engineering standards and its commitment to creating value for society.



Maiden's Tower



Atatürk Cultural Centre (AKM)

Billet

Width: 130×130 mm,
150×150 mm, 200×200 mm
Length: 6 - 16 m
Capacity: 2,500,000 tonnes



Slab

Width: 800 – 1,650 mm
Length: 5.80 – 11.80 m
Thickness: 200 – 250 mm
Capacity: 3,500,000 tonnes



Hot-Rolled Flat Steel Coil

Width: 800 – 1,650 mm
Thickness: 1.10 – 25.4 mm
Coil Weight: 10 - 39 ton
Coil Inner Diameter: 762 mm
Capacity: 4,500,000 tonnes

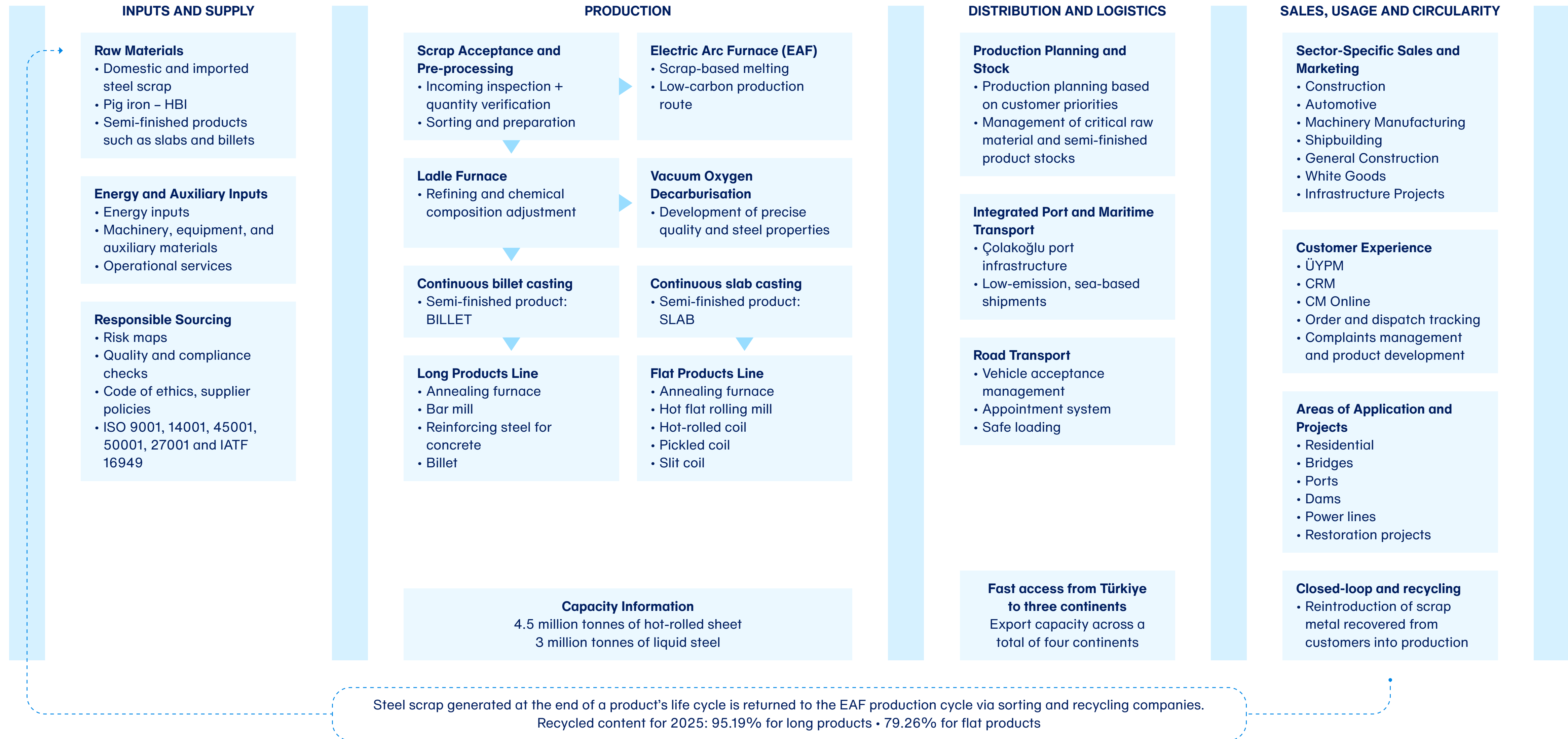


Reinforcing Steel for Concrete

Length: 6 - 18 m
Diameter: 8 - 40 mm
Capacity: 1,000,000 tonnes



Value Chain



Awards and Achievements

LACP Spotlight Awards 2025

Çolakoğlu Metalurji's 2024 Sustainability Report received a Gold Award at the LACP Spotlight Awards, organized by the League of American Communications Professionals (LACP), one of the most prestigious international award programs for integrated annual and sustainability reporting. In addition, the report was included in the “Top 100 Reports Worldwide” list, recognizing its success in international reporting and affirming the company's transparent, reliable, and effective sustainability communication on a global scale.



MUSE Creative Awards 2025

Çolakoğlu Metalurji's corporate website, revamped in line with the company's digital transformation vision, has been awarded a Gold Award in the “Website – Manufacturing” category at the MUSE Creative Awards 2025, one of the digital world's most prestigious award programmes.



ISO Türkiye's List of the 500 Largest Industrial Enterprises

In its 80th year, Çolakoğlu Metalurji has been ranked 18th on the “ISO Türkiye's 500 Largest Industrial Enterprises” list, announced by the Istanbul Chamber of Industry and regarded as one of the most respected benchmarks in Türkiye's industrial sector.

OIZ Stars Survey Awards

Çolakoğlu Metalurji was recognised with awards in two separate categories as part of the fifth OIZ Stars Survey. The company secured second place in the ‘Company with the Highest Sales in OIZs’ category and won an award in the ‘Company with the Highest Exports in OIZs’ category, once again demonstrating its strong performance within Organised Industrial Zones.



Dünya Newspaper Social Benefit Award

Çolakoğlu Metalurji Sports Club has been recognised with an award in the “Projects Adding Value to Society – Sport” category as part of the Dünya Newspaper Social Benefit Awards. This achievement, secured in a prestigious event where over 200 projects were assessed, serves as a significant indicator of the company's vision to create social benefit through sport, support the development of young people and add value to Dilovası.



Capital Magazine's 'Türkiye's Most Admired Companies' Survey

Çolakoğlu Metalurji has been selected as "Türkiye's Most Admired Company in the Iron and Steel Sector" as part of the "Türkiye's Most Admired Companies Survey" conducted by Capital Magazine. By achieving this success for the sixth consecutive year, the company has once again demonstrated its strong and stable position within the sector.



Carbon Disclosure Project (CDP) Climate Change Programme B Score

Çolakoğlu Metalurji submitted its first report under the Carbon Disclosure Project (CDP) Climate Change Programme and was assessed at the "Management Level" with a B score. This result demonstrates that the company's approach to managing climate change-related risks and opportunities, its greenhouse gas emissions management practices and its governance structure are in line with international reporting standards. This achievement is a significant indicator of the work being carried out to continuously improve climate performance and achieve low-carbon transition targets.



World Steel Association Presidency

Uğur Dalbeler, who served as Vice-President of worldsteel in 2024–2025 and has been a member of its Executive Board since 2020, assumed the presidency for the 2025–2026 term. His appointment reflects both the Turkish steel sector's growing international representation and Çolakoğlu Metalurji's influence within the global industry.



Presidency of the Dilovası Organised Industrial Zone

Mustafa Türker, Director of Corporate Relations at Çolakoğlu Metalurji, has been re-elected to the post of Chairman of the Dilovası Organised Industrial Zone (DOSB), a role he has held since its establishment.



Türkiye's 50 Most Influential Procurement Managers

Dr Koray Günay, Procurement Director at Çolakoğlu Metalurji, has been included in the 'Türkiye's 50 Most Influential Procurement Managers' list, compiled as part of the 12th annual survey conducted by Ekonomist magazine.



Corporate Memberships

In line with its corporate values, Çolakoğlu Metalurji aims to create value for all its stakeholders by establishing strategic partnerships at both national and international levels. As part of its sustainability objectives, the Company closely monitors sectoral developments and continues to work in active collaboration with various associations, organisations, and trade unions to ensure the effective management of risks and opportunities encountered.

Through memberships within the framework of sustainability, sectoral developments are closely monitored, contributions are made to knowledge sharing, and opportunities for collaboration with various stakeholders are evaluated. Within this framework, the following activities have been carried out:

- Sustainability-focused initiatives led by ÇİB, MESS, TOBB and YİSAD have been monitored, and the latest developments have been incorporated into our activities.
- Participation has been secured in BCSD Türkiye's Sustainable Supply Chain workshops and related meetings, and ideas have been exchanged on best practices.
- Work carried out within TÇÜD has been regularly monitored, and contributions have been made to sectoral assessments regarding decarbonisation in the steel sector, CBAM and the Turkish Emissions Trading System (ETS).
- Current developments in the European steel sector, as published by EUROFER, were monitored.
- Participation in events organised globally by the GSCC has enhanced the organisation's global visibility and supported knowledge sharing and sectoral communication with the international steel sector and its stakeholders.
- Through the sharing of sustainability and sectoral data with the WSA, a contribution has been made to global reporting processes.

German-Turkish Chamber of Commerce and Industry 	Electricity Producers Association (EÜD) 	Dilovası Organised Industrial Zone (DOSB) 	Supply Chain Management Association (TEDAR) 	Port Operators Association of Türkiye (TÜRKLİM) 
Construct Steel 	European Steel Association (EUROFER) 	Kocaeli Chamber of Industry (KCI) 	Turkish Constructional Steel Mill Association (TUCSA) 	Turkish Employers' Association of Metal Industries (MESS) 
Turkish Steel Exporters' Association (ÇİB) 	Gebze Chamber of Commerce (GEBZETO) 	Association of Corporate Communicators (KİD) 	Turkish Steel Producers Association (TÇÜD) 	The Union of Chambers and Commodity Exchanges of Türkiye (TOBB) 
Foreign Economic Relations Board (DEİK) 	Global Steel Climate Council (GSCC) 	Business Council for Sustainable Development Türkiye (BCSD Türkiye) 	Foreign Trade Association of Türkiye (TURKTRADE) 	International Rebar Exporters and Producers Association (IREPAS) 
World Steel Association (WSA) 	Boiler and Pressure Vessel Manufacturers Association (KBSB) 	Automotive Suppliers' Association of Türkiye (TAYSAD) 	Turkish Human Management Association (PERYÖN) 	Association of Flat Steel Exporters and Manufacturers (YİSAD) 



SUSTAINABILITY STRATEGY

[‘FUTURE-READY STEEL’ STRATEGY → 19](#)

[THE JOURNEY TOWARDS SUSTAINABILITY → 21](#)

[MATERIALITY ANALYSIS → 22](#)

[STAKEHOLDER ENGAGEMENT → 23](#)

[CLIMATE-RELATED RISKS AND OPPORTUNITIES → 24](#)

[2030 SUSTAINABILITY TARGETS → 26](#)

‘Future-Ready Steel’ Strategy

During the 2023–2024 period, Çolakoğlu Metalurji’s strategic governance process was reshaped in line with the principles of transformation focused on the development of corporate culture, the creation of sustainable value and tackling the climate crisis. Within this framework, strategic planning activities were carried out within a three-phase structure.

- In the first phase, **the Strategy Development Programme** was implemented. All process-owning managers participated in this workshop. During the workshop, the organisation’s cultural cornerstones, vision, priority focus areas and long-term strategic plan for the period 2024–2029 were defined.
- In the second phase, **the Sustainability Department** was established to ensure the monitoring and management of the defined objectives and the implementation of a holistic approach to sustainability across the organisation.
- In the third phase, **a Sustainability Workshop** was held with the participation of all process-owning managers; the Sustainability Roadmap, which emerged as the outcome of this workshop, has been integrated into the company’s Strategic Plan. To ensure that the initiatives aimed at reducing carbon emissions can meet national and international reduction targets, the necessary actions were planned and the ‘Future-Ready Steel’ sustainability strategy was formulated.

To strengthen sustainability management and ensure the effective monitoring of targets at a corporate level, a Sustainability Management Committee has been established within the Sustainability Department. The Committee comprises Directors or Managers from all departments across the company, and its highest reporting body is the Board of Directors. The Committee meets regularly to review the outputs of the working groups, consider national and international regulations that have come into force, and address strategic issues as required, guiding sustainability initiatives through the decisions it takes.

There are six working groups operating under the Sustainability Management Committee:

1. **Supply Chain Working Group**
2. **Climate Action Plan, Operational and Energy Efficiency Working Group**
3. **Corporate Governance and Social Responsibility Working Group**
4. **Environmental and Climate-Related Financial Risk Management Working Group**
5. **Marketing/Sales and Customer Relations Working Group**
6. **Reporting Working Group**

Çolakoğlu Metalurji has structured its sustainability strategy as a holistic approach by integrating it into every stage of its business processes. At the heart of the strategy lies a dual-materiality approach that takes into account both the financial impacts of sustainability issues and the environmental and social outcomes within the company’s sphere of influence. **Based on a materiality analysis, the strategy** focuses on **three key value areas that guide the way the business operates, and the corporate foundations underpinning its business processes: Responsible Production, Value for People and Society, and Sustainable Growth and Corporate Resilience**

Sustainability activities falling under these three defined value areas are carried out with a performance-focused approach. Within this framework, work is conducted in line with the monitoring of key performance indicators and targets.



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



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

Stakeholder Perspective

Recognizing what already exists and preserving it, restoring and improving it where needed, and ultimately supporting its transformation over time... Sustainability can be considered a reflection, within corporate structures, of the continuity and transformation inherent in life itself. Interpreting the current state through data is the first step in this process, while the ultimate aim is not merely to preserve the existing order, but to focus on its improvement and development. Rather than addressing developments as isolated topics, a holistic structure can be established that recognizes the relationships between different areas. In this way, the focus can extend beyond a single point into different areas, deepen within each of them, and maintain the connections between them. Just as tree roots extend in different directions beneath the soil while remaining interconnected as parts of the same ecosystem, individual contribution, environmental interaction, and shared value are not independent of one another, but mutually influencing elements. As we shape our sustainability approach, we seek to consider this interaction and balance, viewing our initiatives across different areas of impact as interconnected parts of a complementary whole.



Büşra Aytaç
Sustainability Department – Specialist

Sustainability Strategy

The ‘Future-Ready Steel’ strategy stems from Çolakoğlu Metalurji’s vision of embracing innovation in the steel sector, making pioneering investments and taking a leading role in process improvements. It reflects a corporate culture that tests, evaluates and implements product and process innovations that shape the sector.

Future-Ready Steel

Values	Responsible Production	Value for People and Society	Sustainable Growth and Corporate Resilience	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 Advanced Recycling	Social Contribution and Corporate 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 Cyber Security			

The Journey Towards Sustainability

FOUNDATIONS

ISO 9001 Quality Management System certification has been obtained.

ISO 14001 Environmental Management System certification has been obtained.

ISO 50001 Energy Management System certification has been obtained.

ISO 14064 Greenhouse Gas Verification has been completed.

ISO 14067 Product Carbon Footprint Verification has been completed.

2021

The first GRI Standards-compliant Sustainability Report was published.

2023

The Strategy Development Programme was carried out and the 2024–2029 Strategic Plan was drawn up.

The Sustainability Department was established.

Through the Sustainability Workshop, the sustainability roadmap was integrated into the strategic plan and priority sustainability issues were identified.

The ‘Future-Ready Steel’ sustainability strategy was formulated and Sustainability Committees were established.

The “Steel Women of the Republic” project was launched.

A Sustainability Report compliant with GRI Standards and SASB standards was published.

Environmental Product Declaration (EPD) documents were published for HRC and bar products.

For the first time, a SBTi-aligned 2050 Net Zero Decarbonisation Roadmap and emission reduction targets were set out.

2024

Work on the ‘Low-Carbon Steel’ brand has commenced.

Work has commenced on the rooftop solar power plant investment at the Bar Rolling Mill.

CSR targets aligned with the 2030 and 2050 Sustainable Development Goals (SDGs) were shared with the public.

Internal sustainability KPIs were established.

2025

Membership of the Global Steel Climate Council (GSCC) was secured.

The Magnetic Stirrer Project was commissioned.

The Bar Rolling Mill rooftop solar power plant investment was commissioned.

In-house regulations and policies have been updated with a focus on ESG.

An internal ‘Climate Crisis Awareness Survey’ was conducted, and internal ‘Sustainability Training’ was organised on topics identified as requiring further attention.

The first CDP Climate Change report was submitted, achieving a ‘B’ (Management) score.

The Sustainability Report won the LACP Spotlight Awards Gold Award and was included in the Top 100 Reports Worldwide list.

Membership of BCSD Türkiye was secured.

Work carried out under the CBAM (Carbon Border Adjustment Mechanism) has been comprehensively expanded, and compliance efforts have been accelerated.

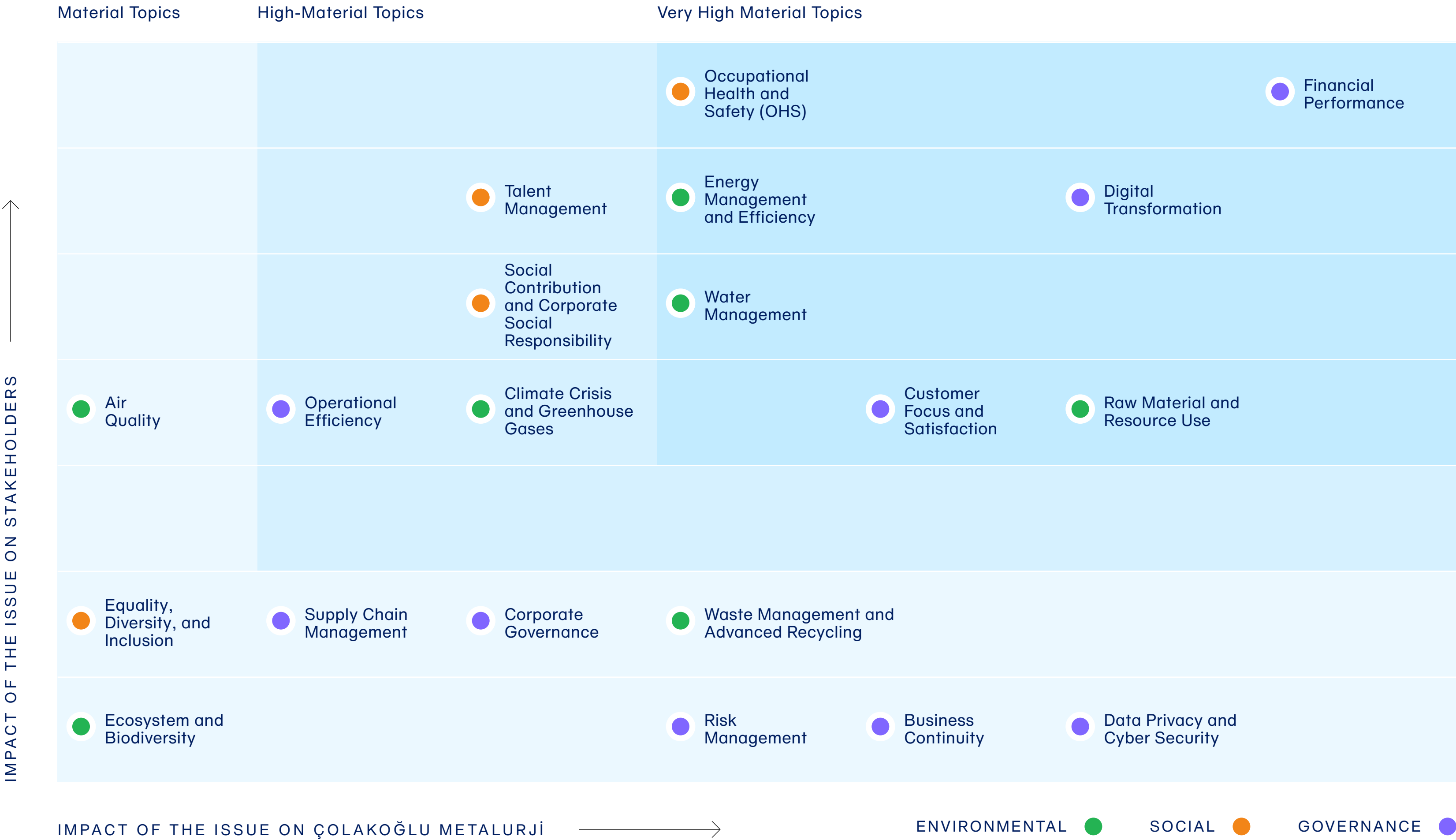
Materiality Analysis

Recognising the sectoral and organisational importance of stakeholder engagement in sustaining its sustainability efforts, Çolakoğlu Metalurji uses stakeholder feedback to support continuous improvement in its business practices and stakeholder engagement processes. Furthermore, it identifies potential risks that may affect its operations at an early stage and enhances its risk management efforts with appropriate action plans.

Within the framework of the expectations it has defined, Çolakoğlu Metalurji carried out a double materiality analysis in 2023. A comprehensive list of topics was drawn up by reviewing the requirements of the SASB and GRI Standards international sustainability indices, the Sustainable Development Goals, and standards specific to the iron and steel industry. Throughout this process, the corporate and societal impacts of all topics were taken into account. Following internal assessments, the eight distinct stakeholder groups identified were engaged through both surveys and face-to-face interviews.

The double-materiality analysis, created by consolidating the data obtained, has been one of the key inputs into the sustainability strategy that Çolakoğlu Metalurji is developing. In 2024, this matrix was updated and revised in line with current management requirements and changing sectoral priorities. In 2025, no changes were made to the matrix.

Double Materiality Analysis



Stakeholder Engagement

One of the key elements of Çolakoğlu Metalurji’s approach to sustainability is the regular and effective communication it maintains with its stakeholders. Feedback obtained through various communication channels is also actively utilised in the formulation of long-term corporate strategies.



The key stakeholder groups, along with the subject matter and methods of communication established with these groups, are set out in the table below:

Stakeholders	Subject of Communication	Method of Communication	Frequency of Communication
Company Shareholders	Strategy, Finance	Verbal, Digital, Face-to-Face	Daily
Senior Management	Strategy, Crisis Management, Internal Communication	Verbal, Digital, Face-to-Face	Day-to-day
Employees	Operations, Internal Communication, External Communication, Documentation Management, Motivation and Satisfaction, Health and Safety, Training	Verbal, Digital, Face-to-Face	Ongoing
Suppliers and Contractors	Supplier Relations, Health and Safety, Sustainability, Feedback on Incoming Goods	Verbal, Digital	Ongoing
Customers	Customer Expectations and Satisfaction, Sales, Feedback Mechanism	Verbal, Digital, Face-to-Face	Ongoing
Public Institutions and Organisations	Public Relations, Social Development, Official Procedures	Verbal, Digital, Face-to-Face	Ongoing
Civil Society Organisations, Trade Unions, Sectoral Organisations, Independent Audit Bodies	Social Development, Sustainability and the Environment, Stakeholder Relations, Working Conditions	Digital, Face-to-Face	Monthly
Neighbouring Businesses and Local Communities	Environment, Social Development, Feedback and Evaluation Mechanism	Verbal, Digital, Face-to-Face	Monthly

Climate-Related Risks and Opportunities

Climate-related risks and opportunities are of critical importance today. The climate crisis has evolved beyond being merely an environmental issue and has become a risk factor that directly affects the business world, financial markets, and economic systems. Consequently, 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 and transition risks. Physical risks are defined as those arising from acute or chronic physical events caused by climate change. Transition risks, on the other hand, are those that organisations may face during the transition to a net-zero economy as part of efforts to tackle climate change, arising from legal, reputational, technological, or market-related factors. In the fight against the climate crisis and the transition to a low-carbon economy, companies face not only risks but also opportunities. These opportunities can manifest in many different ways, ranging from reducing costs in areas such as energy efficiency to gaining new market share through changes to products and services. Çolakoğlu Metalurji manages risks whilst also evaluating opportunities that will support sustainable growth.

At Çolakoğlu Metalurji, the process for managing climate-related risks and opportunities is as follows:

1

The identification of risks and opportunities is carried out in collaboration with all relevant departments under the Sustainability Management Committee. As a result of sector research and trend analysis, all potential risks and opportunities that could have a significant impact on the company, either currently or in the future, are examined. This review is conducted in accordance with the TSRS S-2 (Turkish Sustainability Reporting Standard 2)/IFRS S-2 (International Financial Reporting Standards 2) framework.

3

As a result of the scenario analyses, the risks, and opportunities with the highest financial impact (and therefore the highest priority) are identified, and actions addressing these are linked to sustainability targets. (The significance of climate-related risks and opportunities is assessed based on a financial threshold determined by their impact on turnover (revenue), taking into account their potential effects on the company's financial performance.)

5

Where necessary, action plans are implemented following approval by the Board of Directors; the implementation and monitoring processes are carried out under the responsibility of the relevant departments.

2

The time horizons considered in the analyses are short-term (0–4 years), medium-term (5–15 years) and long-term (16–30 years); risks and opportunities that may arise under climate scenarios of below 2°C and 3.5–4°C are analysed, and their financial impacts are assessed.

4

Based on the assessment results, the company's climate risk and opportunity matrix is drawn up and materiality work is carried out. The identified risks and opportunities are shared with the relevant directorates and the General Manager, and their views and assessments are sought.

6

Assessments of climate-related risks and opportunities are utilised in the GRI Standards-compliant Sustainability Report, CDP reporting, management presentations, stakeholder communications, and internal reporting processes. The risk and opportunity matrix developed within this framework is regarded as one of the key tools supporting decision-making processes.

Çolakoğlu Metalurji Climate-Related Risks and Opportunities

Risk/Opportunity			Risk-1	Risk-2	Opportunity-1
Risk/Opportunity Area within the Organisation’s Value Chain			Downstream (Value Chain)	Direct Operations	Downstream (Value Chain)
Risk/Opportunity Description			Carbon pricing mechanisms	Carbon pricing mechanisms	Carbon pricing mechanisms
Risk/Opportunity Explanation			The CBAM has been implemented by the European Union to price the carbon emissions contained in imported products. As steel production is an energy- and emission-intensive activity, Çolakoğlu Metalurji’s products also fall within the scope of this regulation. From 2026 onwards, importers within the European Union will face financial obligations under the CBAM. The carbon cost arising under the CBAM is determined by factors such as the volume of products exported to the European Union, embedded emissions from raw materials, emissions from the production process, the EU ETS carbon price for the relevant period, the level of free emission allowances allocated to the steel sector, and the carbon price paid in Türkiye. In the short term, costs arising from the CBAM are expected to rise due to the European Union’s gradual reduction of free emission allowances. Whilst the direct financial obligation under the CBAM lies with importers in the European Union, the additional carbon costs that arise have the potential to create indirect effects on price pressure, a reduction in competitiveness and export performance.	Carbon costs are expected to arise for facilities operating in the iron and steel sector under the Turkish Emissions Trading System (TR ETS). Implementation is expected to follow the 2026–2027 pilot phase. With the gradual reduction of free allowances and the rise in carbon prices over time, it is anticipated that carbon costs will put pressure on operating expenses and may adversely affect the company’s profitability and cash flow.	Çolakoğlu Metalurji, which carries out production using Electric Arc Furnace (EAF) technology, produces goods with a lower carbon intensity compared to the integrated (BOF) production method. This situation contributes to keeping the costs arising from the embedded carbon emissions of products relatively low under the CBAM framework, thereby offering the potential to create a competitive advantage in the European Union market. With the rise in carbon prices and the phasing out of free emission allowances, this advantage offered by low-carbon-intensity production is expected to become more pronounced in the coming period. In parallel, further reductions in the carbon footprint through emissions reductions, energy efficiency and investment in renewable energy could help to maintain competitiveness in the European Union market and support export performance.
Impact Range	Short term	(0–4 years)	✓		
	Medium term	(5–15 years)		✓	
	Long term	(16–30 years)			
Impact and Probability Rating	Low				
	Low-medium				
	Medium				
	Medium-high			✓	✓
	High		✓		
Strategic and Financial Impact			Given the strategic importance of the European Union market for the company’s export activities, developments under the CBAM and the Turkish Emissions Trading Scheme (TR ETS) are monitored regularly, and compliance efforts feature among the top priorities. With a view to maintaining low-carbon production capabilities and sustaining competitiveness in international markets, investments aimed at operational efficiency and emissions reduction are considered a strategic priority. To mitigate potential financial and regulatory risks arising under the CBAM and TR ETS, investments in emissions reduction, energy efficiency and renewable energy have been implemented. In this context, the Magnetic Stirrer System and rooftop solar power plant investments, which came online in 2025, aim to enhance the efficiency of production processes, reduce greenhouse gas emissions and limit future carbon costs.		Çolakoğlu Metalurji currently uses Electric Arc Furnace (EAF) technology in its production processes. As EAF technology has lower embedded carbon emissions compared to the Basic Oxygen Furnace (BOF) production route, it provides a natural competitive advantage under the Carbon Border Adjustment Mechanism (CBAM). To maintain this advantage, the Company focuses on improving the operational efficiency of EAF-based production and further reducing carbon intensity through energy efficiency and renewable energy investments. In addition, developments related to CBAM regulations, emissions benchmarks and carbon prices are regularly monitored, while the low carbon footprint of the Company’s products is effectively communicated to customers in the European Union market. Through this approach, the Company aims to turn regulatory developments into a competitive advantage and limit CBAM-related cost pressures. Therefore, no additional investment cost is anticipated specifically for realizing this opportunity.

2030 Sustainability Targets

Target	Performance Indicator	Target Year	Base Year	Related Material Topic	Relevant SDG
By adopting low-carbon production processes, Çolakoğlu Metalurji aims to reduce its Scope 1 and Scope 2 carbon footprint by 55 per cent by 2030 and achieve net-zero emissions by 2050.	Reduction in Scope 1 and Scope 2 greenhouse gas emissions compared to the base year (tCO ₂)	2030 2050	2024	Climate Crisis and Greenhouse Gases	
Çolakoğlu Metalurji aims to meet more than 35 per cent of its electricity consumption from renewable energy sources by 2030.	Ratio of renewable energy in energy consumption (%)	2030	2024	Energy Management and Efficiency	
Çolakoğlu Metalurji aims to increase the proportion of female employees to 25 per cent by 2030.	Ratio of female employees (%)	2030	2024	Equality, Diversity, and Inclusion	
Çolakoğlu Metalurji aims to enhance social cohesion and adaptation within the community and bring together different communities by establishing a sports club in the Dilovası region, where its production facilities are located, in order to ensure equal opportunities.	-	-	-	Social Contribution and Corporate Social Responsibility	
Çolakoğlu Metalurji aims to maintain its customer satisfaction rate at a minimum of 85 per cent.	Customer satisfaction rate (%)	-	2024	Customer Focus and Satisfaction	



RESPONSIBLE PRODUCTION

CLIMATE CRISIS AND GREENHOUSE GASES → 29

RAW MATERIAL AND RESOURCE USE → 36

ENERGY MANAGEMENT AND EFFICIENCY → 37

WASTE MANAGEMENT AND ADVANCED RECYCLING → 42

WATER MANAGEMENT AND EFFICIENCY → 45

AIR QUALITY → 47

ECOSYSTEM AND BIODIVERSITY → 48

EFFICIENCY PROJECTS

GREENHOUSE GAS MANAGEMENT

Carbon Accounting System Software Project

The ESG software is positioned as a tool that supports the execution of emissions management processes in a more systematic, traceable, and reportable manner. The aim is to track activity data within a single digital environment via the software and to carry out emissions calculations using this data infrastructure. This is intended to reduce the risk of errors arising from traditional data collection methods and to manage verification processes more effectively. The digital tracking and reporting capabilities offered by the software will help to minimise time losses that may occur during periodic emissions calculations. Furthermore, it will serve as an improvement tool by enabling the separate tracking of Scope 1, Scope 2, and Scope 3 emissions, allowing for year-on-year comparisons, and providing data of a quality suitable for use in management’s decision-making processes.

RAW MATERIAL AND RESOURCE USE

Magnetic Stirrer Project

As part of its investments aimed at increasing efficiency in its production processes, Çolakoğlu Metalurji has commissioned the Magnetic Stirrer Project. The magnetic stirrer technology used in the arc furnace ensures that molten steel is mixed more homogeneously, thereby improving production quality and process efficiency. The application contributes to the optimisation of processing times and the support of production capacity, whilst also enabling more efficient management of energy consumption. Thus, the project, which helps to reduce operational costs and the carbon footprint, stands out as one of the key investments supporting Çolakoğlu Metalurji’s approach to sustainable production and operational excellence. This technology reduces operational costs and lowers the carbon footprint by optimising energy usage. It will result in a reduction of 33,750 tonnes of CO₂ emissions and an energy saving of 75,000 MWh. The project was commissioned in 2025.

ENERGY EFFICIENCY

Air Separation Plant and Water Treatment Plant Cooling Tower Efficient Fan Blade Replacement

To reduce energy consumption in the cooling towers, aluminium fan blades have been replaced with high-efficiency blades reinforced with glass fibre and carbon fibre. As part of the project, a total of three fan blades were replaced in the tower. Thanks to the new-generation fans, energy consumption has been reduced by between 26 and 32 per cent, and the service life of the equipment has been extended.

Slab Machine Closed-Circuit Cooling Water Pump Replacement

The old pumps in the slab machine’s closed-circuit cooling system have been replaced with new generation pumps due to high energy consumption and efficiency losses. This replacement has improved hydraulic efficiency and enabled operational requirements to be met using less energy.

Furnace Cooling Pump Coating Application

A coating application is being carried out on furnace cooling pumps to improve efficiency. Four pumps were coated in 2025.

USE OF RENEWABLE ENERGY

Rooftop Solar Power Plant (SPP)

The Çolakoğlu Metalurji A.Ş. Rooftop Solar Power Plant (SPP) was established in 2024 on the premises of the Çolakoğlu Bar Rolling Mill facility, located in Section 5 of the Dilovası Organised Industrial Zone. The plant has an installed capacity of 2,167.83 kWp/2,000 kWe. The Çolakoğlu Rooftop Solar Power Plant was commissioned in July 2025 and has commenced electricity generation. As the first implementation of our investments in energy transition, the Çolakoğlu Rooftop Solar Power Plant is projected to meet the annual electricity consumption of an average of 1,500 households and prevent 1,150 tonnes of CO₂ emissions per year.

Climate Crisis and Greenhouse Gases

Combating the Climate Crisis

Çolakoğlu Metalurji shapes its approach to addressing the climate crisis within the framework of the ISO 14001 Environmental Management System and manages its environmental impacts related to emissions, energy, water, waste and air quality through a holistic approach.

The climate crisis is one of the most significant global challenges of our time, exerting profound effects on environmental, economic, and social systems. The climate crisis extends beyond greenhouse gas emissions. It encompasses interrelated environmental pressures, including resource depletion, biodiversity loss, water stress, extreme weather events and ecosystem change. However, from the perspective of the iron and steel sector, greenhouse gas emissions are the key driver of climate change. Owing to its energy-intensive production processes, the sector is regarded as one of the most critical actors in the transition towards reducing global greenhouse gas emissions.

Çolakoğlu Metalurji regards the climate crisis as a reality that requires structural transformation and shapes its operations in line with climate change adaptation and the transition to a low-carbon economy. In this context, national and international environmental regulations, particularly the European Green Deal, are closely monitored, while operational and managerial preparations are undertaken for initiatives with significant trade implications, such as the Carbon Border Adjustment Mechanism (CBAM). To mitigate climate-related risks, capitalize on opportunities and create long-term value, concrete steps are being taken in the areas of energy efficiency, emissions reduction, renewable energy use and resource efficiency, with environmental sustainability embedded across all processes.

Çolakoğlu Metalurji shapes its approach to addressing the climate crisis within the framework of the ISO 14001 Environmental Management System and manages its environmental impacts related to emissions, energy, water, waste and air quality through a holistic approach. The Company aims to minimize potential adverse impacts in these areas and, accordingly, implements projects focused on waste reduction, efficient use of resources, upcycling practices and the conservation of natural assets. In this regard, investments in environmentally focused technologies were increased in 2025, while improvements in environmental performance indicators were achieved through process enhancements and digital monitoring systems.



You can access the **Environmental Management Policy** [here](#).

Stakeholder Perspective

Whilst carrying our organisation's 80-year-old legacy into the future, we regard operational efficiency as one of the fundamental elements of our approach to environmental responsibility. As the Environmental Management Department, we are resolutely continuing our efforts to ensure the efficient use of natural resources, reduce waste generation at source, increase recycling rates, and effectively manage environmental impacts. In addition, we are implementing projects that contribute to reducing our carbon emissions through the use of renewable energy sources, energy efficiency measures, process optimisation, and the effective management of resource consumption. Thanks to our digital monitoring systems and data-driven environmental management approach, we regularly track our environmental performance and proactively assess opportunities for improvement. Drawing on our eighty years of experience, we are steadfastly continuing our sustainable practices, which go beyond regulatory compliance, support the low-carbon transition and aim to leave a more liveable environment for future generations.



Buse Naz Ateş
Environmental Management –
Senior Engineer

Greenhouse Gas Management

Given the iron and steel industry’s high energy demand and associated emissions intensity, Çolakoğlu Metalurji has calculated its emissions annually since 2015. Calculations are performed in accordance with Türkiye’s Greenhouse Gas Emissions Regulation and verified by organisations authorised by the Ministry. In addition, Çolakoğlu Metalurji reports in accordance with the CBAM rules set out under the European Green Deal. It works in close collaboration with suppliers to track embedded emissions, collect the necessary data and engage in dialogue to reduce emission intensities.

Çolakoğlu Metalurji calculates and verifies its Scope 1, Scope 2 and Scope 3 emissions in accordance with ISO 14064-1. This enables the company to manage emissions across its value chain while also meeting applicable regulatory requirements. This standard ensures that the environmental impacts of all its operations are meticulously monitored and reported. In addition, the ISO 14067 verification processes for calculating the product carbon footprint have been successfully completed.

In 2025, total Scope 1, Scope 2, and Scope 3 greenhouse gas emissions decreased by 8.9 per cent compared to the previous year.

Greenhouse gas emissions arising from steel production, Çolakoğlu Metalurji’s core business activity, are calculated and monitored annually. In 2025, total Scope 1, Scope 2, and Scope 3 greenhouse gas emissions decreased by 8.9 per cent compared to the previous year.

Greenhouse Gas Emissions (tCO₂e)

	Scope 1	Scope 2	Scope 3
2023	495,606	748,766	4,913,811
2024	565,519	806,969	5,493,688
2025	454,793	697,759	5,105,175

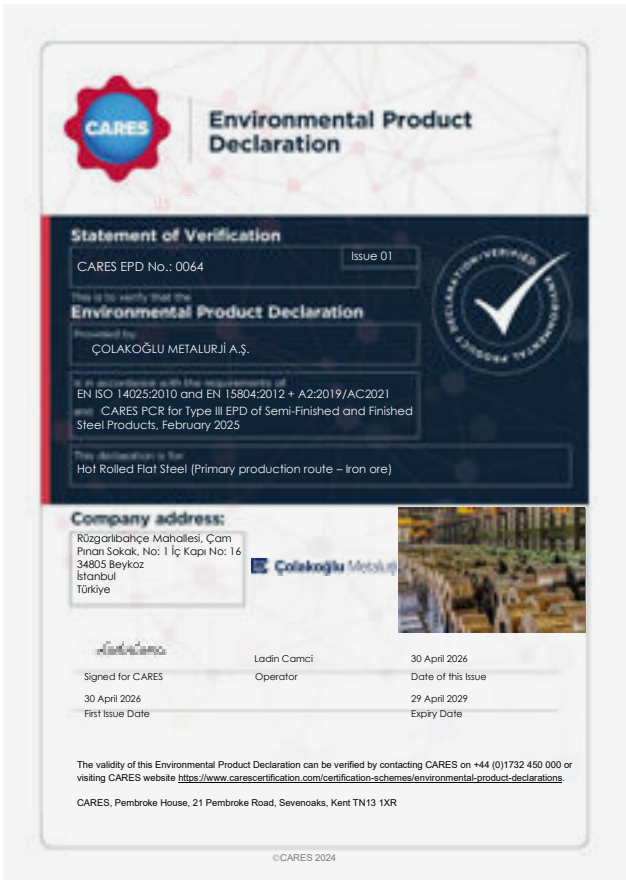
The iron and steel sector is not only an energy-intensive industry but is also affected by the carbon intensity of the raw materials used in its production processes. Çolakoğlu Metalurji’s Scope 3 emissions stem not from direct production processes, but from the embedded emissions of raw materials within the supply chain. These emissions arise particularly from the procurement of iron ore, scrap metal, and other auxiliary materials with high carbon content.

Furthermore, Environmental Product Declaration (EPD) certificates have been obtained, which transparently demonstrate the environmental performance of the final products throughout their life cycle. These documents are recognised internationally as a concrete indicator of a sustainable production approach; they ensure that the environmental impacts of the products are presented using reliable, comparable, and verifiable data.

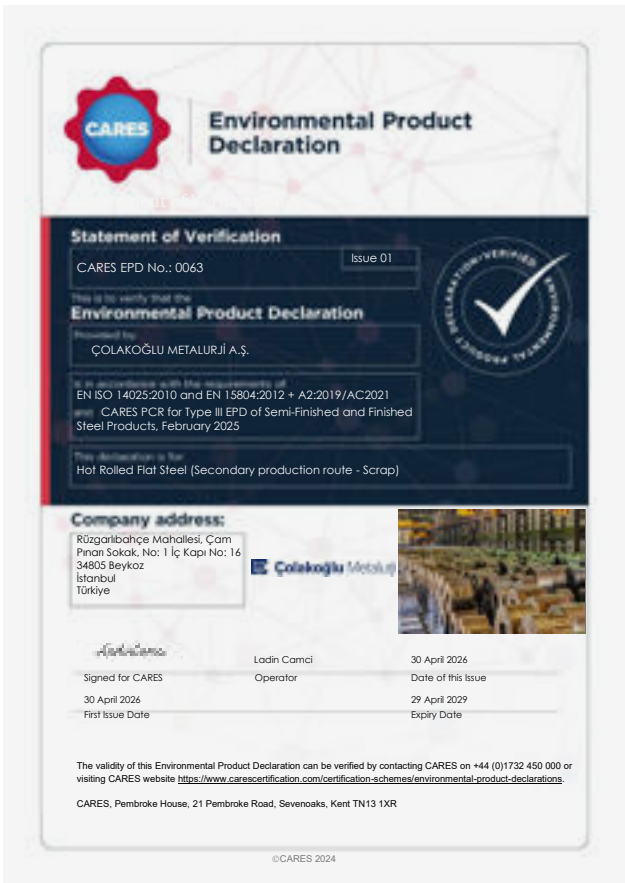
Environmental Product Declarations (EPDs)



Reinforcing Steel



Hot-Rolled Flat Steel – EAF Slab



Hot-Rolled Flat Steel – BOF Slab

Although Scope 3 emissions lie outside the company's production boundaries, thereby limiting its ability to exercise control in these areas, Çolakoğlu Metalurji is taking steps to reduce embedded emissions by prioritising sustainability criteria in its raw material procurement processes. In this context, the preference for raw materials with a lower carbon content and ensuring that suppliers comply with sustainability practices form the key elements of these efforts.

Çolakoğlu Metalurji aims to reduce product-based carbon intensity and accelerate the transition to a low-carbon economy by conducting a detailed analysis of greenhouse gas emissions arising from its production processes. The greenhouse gas intensity calculated for each tonne of product produced serves as a key indicator of this transition and is used as a fundamental tool for identifying areas for improvement within the processes.

The comprehensive and meticulous monitoring of greenhouse gas emissions, ensuring the accuracy of calculations and having them verified by independent organisations, is of great importance for achieving set targets and facilitating the transition to a low-carbon economy. Çolakoğlu Metalurji is meticulously managing the transition to a low-carbon economy in line with its sustainability objectives. The iron and steel sector is an energy-intensive industry and accounts for a significant share of carbon emissions. Consequently, the transition to a low-carbon economy has become an absolute necessity for our sector to contribute to a sustainable future.

The CBAM process requires Çolakoğlu Metalurji to develop a more detailed, verifiable, and product-based approach to its emissions calculation and reporting processes. In particular, the calculation of embedded emissions for products exported to the European Union necessitates a more detailed monitoring of consumption data within production processes.

In this context, Çolakoğlu Metalurji's emissions calculation methodology has been reviewed; work has been carried out to disaggregate direct and indirect emissions by product and process. Efforts have been made to strengthen data management processes for CBAM reporting, enhance data traceability, and ensure compliance with external verification requirements. Data collection schedules for the reporting periods have been established, and work is ongoing to develop control mechanisms to address missing or inconsistent data.

Facility inspections have been carried out in accordance with the circulars published under the current regulation governing the Turkish ETS, and work will be carried out on improvement projects in this regard.

Carbon Accounting System Software Project

The ESG software is positioned as a tool that supports the execution of emission management processes in a more systematic, traceable, and reportable manner. The aim is to track operational data within a single digital environment and to carry out emission calculations using this data infrastructure. This is intended to reduce the risk of errors arising from traditional data collection methods and to manage verification processes more effectively. The digital tracking and reporting capabilities offered by the software will help to minimise time losses that may occur during periodic emissions calculations. Furthermore, it will serve as an improvement tool in terms of separately tracking Scope 1, Scope 2, and Scope 3 emissions, enabling year-on-year comparisons and providing data of a quality suitable for use in management's decision-making processes.



Strategy for the Transition to a Low-Carbon Economy

At the heart of Çolakoğlu Metalurji's strategy for the transition to a low-carbon economy lie production processes with a low carbon footprint. Çolakoğlu Metalurji utilises Electric Arc Furnace (EAF) technology in its production processes; thanks to this technology, Scope 1 emissions are at lower levels compared to the sector average. The EAF method is a production process that results in lower carbon emissions in steel production compared to traditional Blast Furnace–Basic Oxygen Furnace (BF-BOF) technology. The strategy developed in this regard is structured under four main headings:

1. Raw Material and Operational Efficiency

Among the most critical components of the transition to a low-carbon economy in the iron and steel sector are the sustainable use and supply of raw materials, and the improvement of operational efficiency. Furthermore, the optimisation of production processes and the effective management of energy and material usage also contribute to reducing carbon emissions by enhancing operational efficiency.

Çolakoğlu Metalurji aims to reduce its environmental impact by improving raw material efficiency and minimising waste. In this context, it places great importance on increasing scrap efficiency and applying sustainability criteria in its raw material procurement processes.

Iron scrap is recognised as the most strategic resource for the sector in the transition to a low-carbon and circular economy. Çolakoğlu Metalurji is also developing various projects to secure this resource at the highest possible level.

2. Energy Efficiency

Energy efficiency is one of the most effective ways of reducing carbon emissions in the iron and steel sector. Çolakoğlu Metalurji utilises innovative technologies and modern energy management systems in its production processes to improve energy efficiency. By continuously monitoring and optimising energy intensity within the framework of the ISO 50001 Energy Management System, Çolakoğlu Metalurji aims to reduce energy consumption and costs through its energy efficiency projects.

In line with these objectives, the company focuses on minimising energy consumption in its production processes by using energy sources such as electricity, natural gas, diesel, and LPG more efficiently.

3. Renewable Energy

Çolakoğlu Metalurji aims to reduce carbon emissions and enhance environmental sustainability by investing in renewable energy sources. To this end, Çolakoğlu Metalurji aims to meet more than 35 per cent of its electricity consumption from renewable energy sources by 2030 and to increase its installed renewable energy capacity to at least 150 MW.

4. Supply Chain Management

In the transition to a low-carbon economy, restructuring the supply chain in line with sustainability criteria plays a key role in reducing the environmental impact of production processes. In this regard, Çolakoğlu Metalurji approaches supply chain management in a way that encompasses not only economic but also environmental and climate-related risks.

To ensure the continuity and quality of raw material supply, efforts are being made to strengthen the infrastructure for sourcing materials directly from their origin. Taking into account the uncertainties and supply risks caused 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 procurement processes lie at the heart of the low-carbon production approach, and in line with this, various partnerships and projects are being implemented to reintroduce scrap metal into the economy. Within the framework of the circular economy, Çolakoğlu Metalurji is establishing sustainable scrap management systems with its suppliers; thereby both increasing raw material efficiency and reducing its environmental impact.

Furthermore, in line with the objective of reducing Scope 3 emissions, the carbon footprint across the supply chain is being monitored and areas for improvement identified. In this context, greater emphasis is being placed on sustainability criteria in supplier selection processes, the environmental performance of business partners is being assessed, and long-term partnerships are being shaped on the basis of sustainability.



Raw Material and Operational Efficiency

- Increasing efficiency by expanding the use of high-quality scrap
- Reducing carbon input through raw material input balancing
- Using alternative raw materials with lower carbon content
- Ensuring detailed data collection and monitoring through digitalisation
- Modelling with artificial intelligence for process optimisation
- Producing steel using alternative recycled carbon sources
- Balancing chemical energy requirements with alternative sources

Energy Efficiency

- Reducing energy consumption by implementing projects identified through comprehensive energy efficiency studies
- Lowering electricity consumption through projects that shorten melting time in the steelmaking plant
- Recovering idle energy generated during production processes through waste heat recovery projects
- Monitoring processes in detail, analysing data and controlling energy consumption through digitalisation projects

Renewable Energy

- Meeting electricity needs from renewable sources through solar, hydroelectric and wind energy investments
- Purchasing renewable electricity through bilateral agreements until the investments are completed
- Managing internal resources through rooftop solar power plant installations at facilities and projects aimed at utilising other idle energy sources

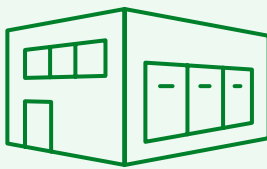
Supply Chain Management

- Establishing sourcing infrastructure at origin to ensure raw material continuity and improve raw material quality
- Restructuring raw material procurement to ensure continuity of supply, taking climate-related risks into account
- Reshaping the supply chain by considering Scope 3 emissions

SCOPE 1



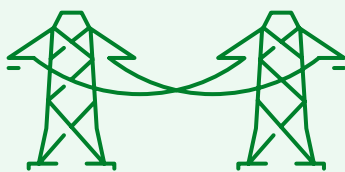
Process Emissions from **Steel Production**



SCOPE 2



Emissions from **Electricity Purchased** from the Grid



SCOPE 3



Supply Chain



Embedded Emissions from **Raw Materials**



Emissions from **Logistics**



Decarbonisation Road Map

Accordingly, Çolakoğlu Metalurji achieved a 17.8 per cent reduction in emissions intensity in 2025 compared with the 2024 base year.

Çolakoğlu Metalurji takes concrete steps to reduce its carbon emissions while maintaining its competitiveness at both national and international levels and regards the transition to a low-carbon economy as a strategic priority. In this context, interim targets have been established for reducing greenhouse gas emissions, and a long-term decarbonisation roadmap has been developed. In line with these targets, work to develop a comprehensive strategy and action plan was initiated at the end of 2023, while project development activities aimed at implementation are still ongoing.

The decarbonisation roadmap has been structured on the basis of Scope 1 and Scope 2 greenhouse gas emissions intensity per tonne of liquid steel, so as to directly reflect the carbon performance of production activities. 2024 has been established as the base year for the roadmap, and emissions reduction performance is monitored against this indicator.

For Scope 1 and Scope 2 emissions, Çolakoğlu Metalurji aims to achieve:

- 13 per cent reduction by 2026,
- 55 per cent reduction by 2030, and
- Net-zero emissions by 2050, corresponding to a 100 per cent reduction.

In line with these targets, Scope 1 and Scope 2 emissions intensity:

- stood at 0.376 tCO₂e per tonne of liquid steel in 2024, and
- decreased to 0.309 tCO₂e per tonne of liquid steel in 2025.

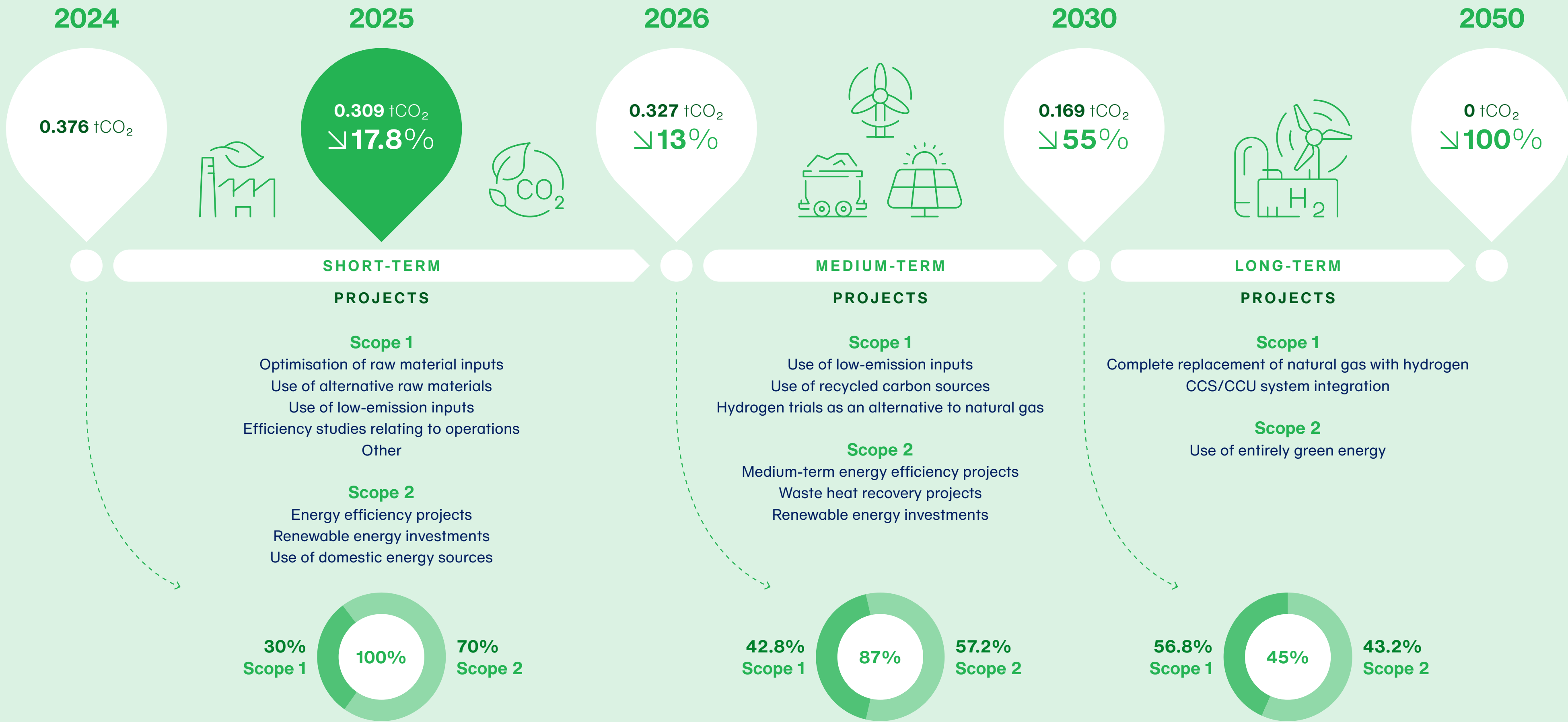
Accordingly, in 2025, Çolakoğlu Metalurji reduced its emissions intensity by 17.8% compared to the 2024 base year, achieving its 13% emissions reduction target set for 2026 one year ahead of schedule. As a result, the Company recorded a performance beyond the reduction level targeted for 2026.

The improvement achieved in 2025 demonstrates that Çolakoğlu Metalurji's efforts to increase energy efficiency, optimise production processes, develop low-carbon production technologies, and expand the use of renewable energy are progressing in line with its decarbonisation roadmap. In the coming period, the Company aims to continue its projects and investments in operational efficiency, energy transition, and low-carbon production in order to achieve its medium- and long-term emissions reduction targets.

All of these efforts undertaken 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.



T A R G E T S



In 2025, Çolakoğlu Metalurji reduced its emissions intensity by 17.8 per cent compared to the 2024 base year, achieving its 13 per cent emissions reduction target set for 2026 one year ahead of schedule and delivering performance beyond the targeted reduction rate.

Raw Material and Resource Use

Çolakoğlu Metalurji regards the efficient, responsible, and sustainable management of the raw materials used in its production processes as one of its strategic priorities. The aim is to minimise environmental and social impacts in the procurement of iron ore, scrap steel, and alloying elements; principles of transparency and sustainability are upheld throughout the supply chain. In particular, increasing the proportion of scrap steel used helps to reduce the consumption of natural resources whilst contributing to the circular economy approach. In this context, priority is given to raw materials that are low in energy intensity, recyclable and minimise environmental impacts.

In terms of resource utilisation, the efficiency of energy, water and auxiliary materials is meticulously monitored. Through continuous improvement initiatives, resource efficiency in production processes is enhanced, and digitalisation and automation projects are implemented to reduce losses. Increasing the use of seawater, reducing freshwater consumption, and shifting towards low-energy-intensity processes form the core elements of resource management. Thus, Çolakoğlu Metalurji is steadily progressing towards low-carbon and efficient production targets in the steel sector through responsible raw material and resource use, in line with both national legislation and international sustainability standards.

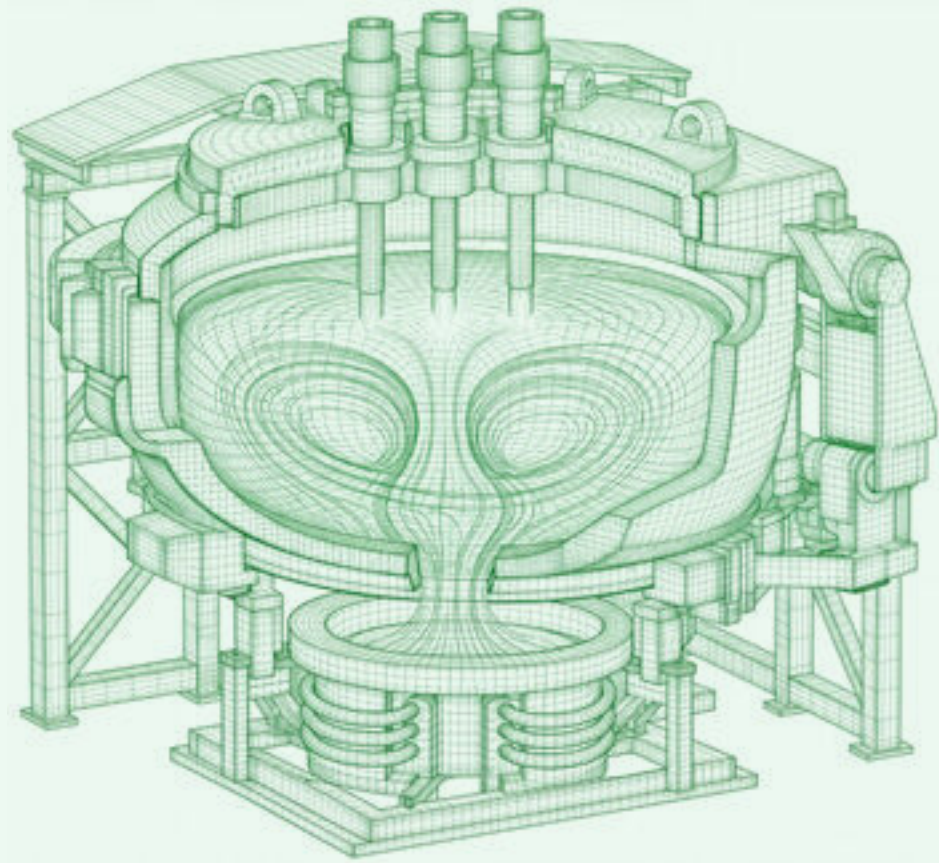


Total Production Volume (tonnes)

	Liquid Steel (Steel mill)	HRC (Hot Strip Mill (HSM))	Bar (Bar Rolling Mill)
2023	2,566,190	2,868,530	647,429
2024	2,539,693	3,427,838	667,335
2025	2,416,956	3,091,352	692,963

Magnetic Stirrer Project

As part of its investments aimed at increasing efficiency in production processes, Çolakoğlu Metalurji has implemented the Magnetic Stirrer Project. The magnetic stirrer technology used in the arc furnace ensures that molten steel is mixed more homogeneously, thereby improving production quality and process efficiency. The application contributes to the optimisation of processing times and the support of production capacity, whilst also enabling more efficient management of energy consumption. Thus, the project, which helps to reduce operational costs and the carbon footprint, stands out as one of the key investments supporting Çolakoğlu Metalurji's approach to sustainable production and operational excellence. This technology reduces operational costs and lowers the carbon footprint by optimising energy usage. It will result in a reduction of 33,750 tonnes of CO₂ emissions and an energy saving of 75,000 MWh. The project was commissioned in 2025.



Energy Management and Efficiency

Energy Consumption and Intensity

The iron and steel sector is one with high energy requirements. The types of energy used in iron and steel production processes include electricity, natural gas, anthracite, diesel, and LPG. A significant proportion of the electricity requirements of Çolakoğlu Metalurji's iron and steel plants is met by its own electricity generation facilities. Electricity generated at the imported coal-fired power station, which utilises fluidised bed technology, is used in the iron and steel plants. The company also operates a Natural Gas Combined Cycle Power Station.

Çolakoğlu Metalurji regards the monitoring and evaluation of energy consumption as a fundamental requirement of an effective energy management system. In this context, the consumption of energy resources at our company's facilities is monitored using tracking systems; energy consumption data is analysed and energy performance is assessed.

Under the Energy Monitoring System, electricity, natural gas, and air consumption are monitored, and consumption data from the steel mill, HSM, bar rolling mill and auxiliary operations can be reported in detail via the Level 2 Reporting System.



Electricity

- Main and control meters at the 154 kV level for billing purposes are part of the OSOS (Automatic Meter Reading System)
- An energy monitoring system is in place for the factory's electricity distribution system.

Natural gas

- Meters used for billing purposes are connected to a remote reading system
- Energy monitoring system for site-based natural gas consumption

Air

- Energy monitoring system for facility-based air consumption

Level 2 Reporting System



Stakeholder Perspective

As part of our carbon reduction targets, we analyse the data collected from the site using our engineering approach and transform it into energy efficiency projects across the entire facility. By integrating our processes with more efficient technologies, we are optimising our use of resources and gradually reducing our energy intensity. Through these efforts, we are not only advancing towards our own sustainability targets but also driving the green transition of our sector.

Erdoğan Aydemir

Energy Efficiency – Specialist

In-House Energy Consumption

Natural Gas (GJ)

2023	4,944,277
2024	5,520,975
2025	5,052,902

Diesel (GJ)

2023	72,714
2024	75,479
2025	123,656

Electricity Purchased from the Grid (kWh)

2023	866,818,385
2024	847,631,303
2025	750,699,029

Energy Consumption (kWh)

2023	3,325,676,917
2024	3,628,955,223
2025	3,382,481,102

Energy Consumption (GJ)

2023	11,975,164
2024	13,067,215
2025	12,179,706

Fuel Consumption (%)

Factory Electricity Consumption

2023	52.932
2024	49.967
2025	50.514

Natural Gas

2023	40.908
2024	42.034
2025	41.186

LPG

2023	0.003
2024	0.002
2025	0.002

Diesel

2023	0.607
2024	0.578
2025	1.015

Anthracite

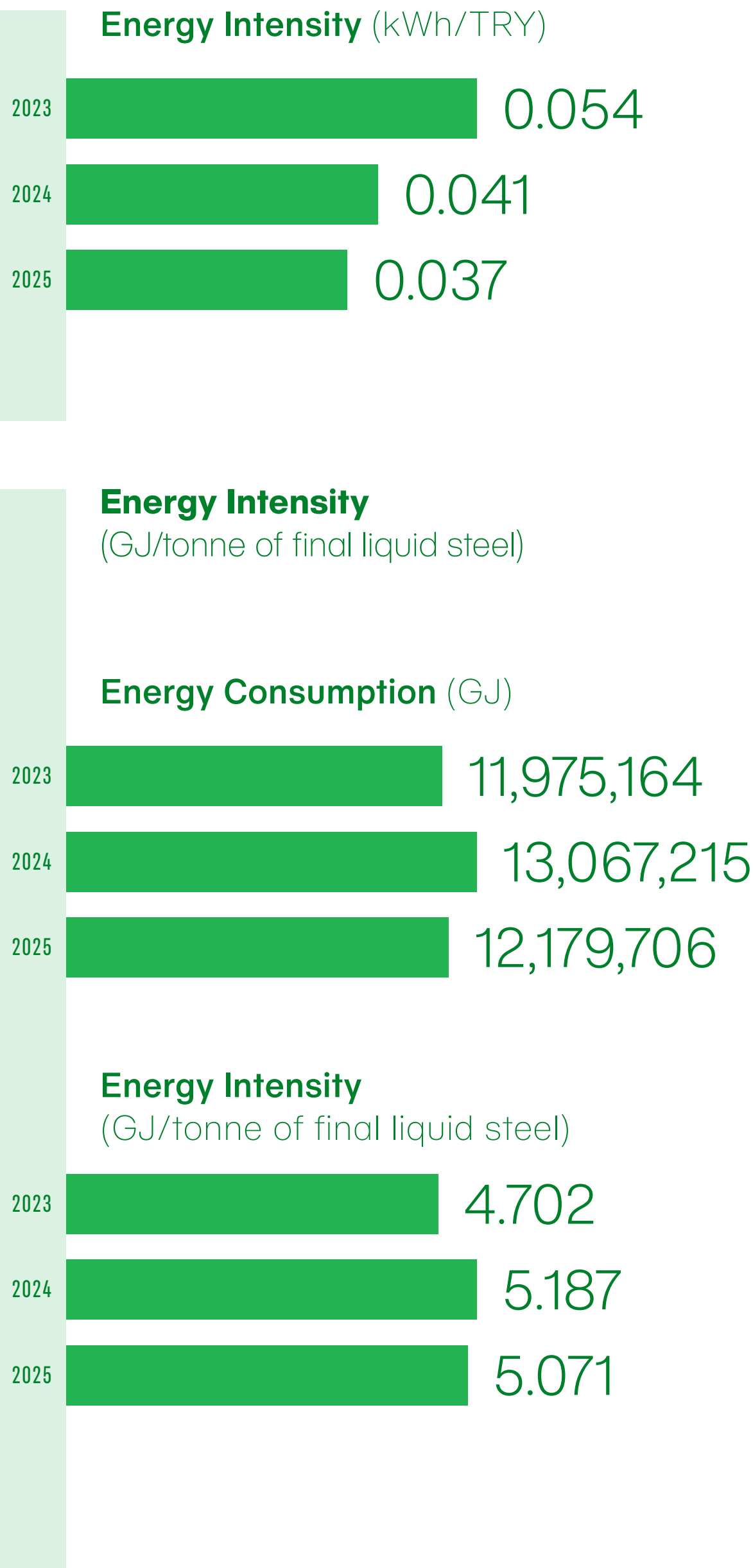
2023	5.548
2024	7.419
2025	7.282

In 2025, energy intensity per tonne of final liquid steel production decreased by 2.24% compared with the previous year.

Energy intensity is one of the key energy performance indicators monitored under the ISO 50001 Energy Management System. Çolakoğlu Metalurji regularly monitors its energy intensity performance and continues its efforts to improve energy efficiency in line with this indicator. Through the systematic monitoring of energy intensity and the implementation of efficiency measures, the aim is to continuously improve energy performance.



You can access the [Energy Policy](#) here.



Energy Efficiency

With its electric arc furnace production model, Çolakoğlu Metalurji's electricity consumption and associated indirect emissions account for a significant proportion of its total carbon footprint. In facilities using electric arc furnace production, electricity consumption is of strategic importance both in terms of operational costs and corporate carbon management. The development of the CBAM and the National ETS in Türkiye, the potential for carbon regulations in the EU to expand over time, and the growing demand from customers for low-carbon products will make the carbon intensity of electricity supply increasingly critical in the medium and long term. For this reason, increasing the use of renewable energy sources, investments in energy efficiency and the procurement of low-carbon electricity are among Çolakoğlu Metalurji's strategic priorities.

Air Separation Plant and Water Treatment Plant: replacement of cooling tower fan blades with high-efficiency models

To reduce energy consumption in the cooling towers, the aluminium fan blades have been replaced with high-efficiency blades reinforced with glass fibre and carbon fibre. As part of the project, a total of three fan blades were replaced in the tower. Thanks to the new-generation fans, energy consumption has been reduced by between 26 and 32 per cent, and the service life of the equipment has been extended.

Replacement of closed-circuit cooling water pumps on the slab machine

The old pumps in the slab machine's closed-circuit cooling system have been replaced with new generation pumps due to high energy consumption and efficiency losses. This replacement has improved hydraulic efficiency and enabled operational requirements to be met using less energy.



Coating application on furnace cooling pumps

A coating application is being carried out on the furnace cooling pumps to improve efficiency. Four pumps were coated in 2025.

Use of Renewable Energy

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

The transition to renewable energy plays a significant role in the iron and steel sector's adaptation 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 transition to lower-emission or renewable sources instead. This transition will significantly reduce the carbon footprint of energy consumption and contribute to the company achieving its environmental sustainability targets:

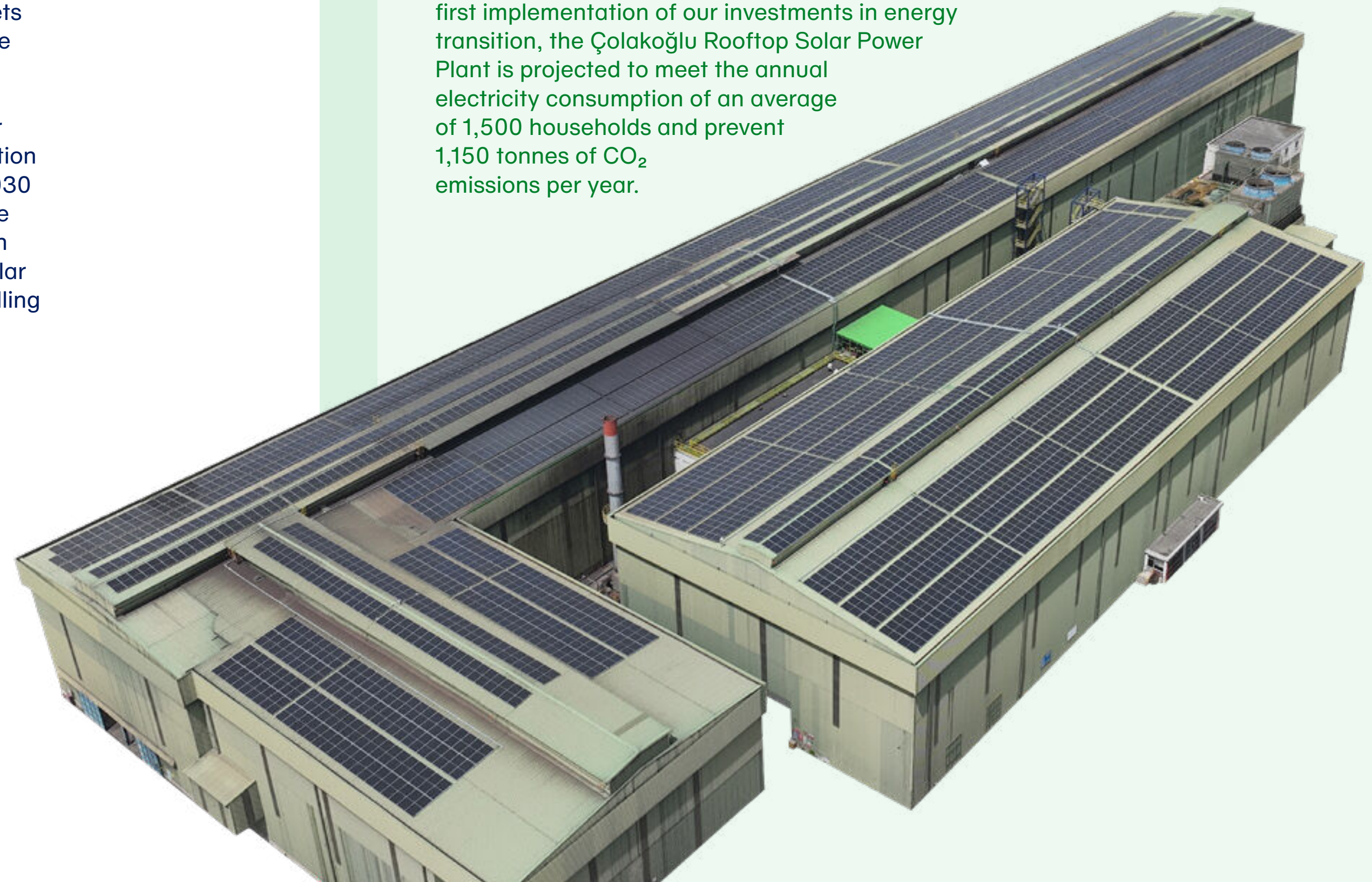
- Meeting electricity needs through investments in solar, hydro and wind power.
- Purchasing renewable electricity through bilateral agreements until the investments are completed.
- Management of internal resources through projects such as the installation of rooftop solar power plants at facilities and the utilisation of other unused energy sources.

The implementation of CBAM, the establishment of an ETS, and the need to reduce energy consumption, improve energy efficiency and shift towards renewable energy sources instead of fossil resources in line with both national and corporate carbon reduction targets will require significant sectoral change and transformation.

Çolakoğlu Metalurji aims to meet over 35 per cent of its electricity consumption from renewable energy sources by 2030 and to increase its installed renewable energy capacity to at least 150 MW. In line with this objective, the rooftop solar power plant investment at the Bar Rolling Mill was commissioned in 2025.

Rooftop Solar Power Plant (SPP)

The Çolakoğlu Metalurji A.Ş. Rooftop Solar Power Plant (SPP) was established in 2024 on the premises of the Çolakoğlu Bar Rolling Mill facility, located in Section 5 of the Dilovası Organised Industrial Zone. The plant has an installed capacity of 2,167.83 kWp/2,000 kWe. The Çolakoğlu Rooftop Solar Power Plant was commissioned in July 2025 and has commenced electricity generation. As the first implementation of our investments in energy transition, the Çolakoğlu Rooftop Solar Power Plant is projected to meet the annual electricity consumption of an average of 1,500 households and prevent 1,150 tonnes of CO₂ emissions per year.



Waste Management and Advanced Recycling

Waste Amount and Reduction

All facilities are equipped with waste collection points and hold a basic level 'Zero Waste Certificate'.

Çolakoğlu Metalurji supports the use of process waste as a raw material in other sectors. Flue dust, which is classified as hazardous waste, is recovered through Marzinc Marmara Geri Kazanım A.Ş., a licensed recycling company that Çolakoğlu Metalurji helped establish. Furthermore, the company is the initiator of numerous projects run by the sector's trade association aimed at ensuring the circularity of operational waste such as slag, dross, and fly ash.

The types of waste that may have a significant impact within the scope of Çolakoğlu Metalurji's plant operations are classified as hazardous waste, waste oils, contaminated packaging, and waste from filter dust collection systems. All facilities are equipped with waste collection points and hold a basic level 'Zero Waste Certificate'. All waste generated at the facilities is collected separately at source in accordance with the Waste Management Regulation and environmental legislation and is stored in temporary storage areas following appropriate labelling and coding. The transport, recovery and disposal of waste are carried out exclusively through companies licensed by the Ministry of Environment, Urbanisation and Climate Change. Waste suitable for recovery is first directed to recovery facilities, whilst waste that cannot be recovered is sent to licensed disposal facilities. Waste tracking is carried out via the MOTAT and Mass Balance System digital environmental management systems.

Aiming to raise environmental awareness among its staff, Çolakoğlu Metalurji provides regular environmental training on zero waste, waste classification, source separation, and recycling. Field inspections carried out at specific intervals monitor waste separation practices; root cause analyses are conducted for any non-conformities identified during these inspections, and the necessary corrective and preventative actions to address these issues are determined and implemented.

At production facilities, waste segregation at source is monitored as a performance indicator in the scorecards of business units. Non-conformities identified in this area are expected to be corrected in a timely manner, with 100 per cent compliance maintained across all facilities. Furthermore, environmental considerations in all processes are monitored and documented by Environmental Management Engineers.

Çolakoğlu Metalurji, which does not favour incineration as a waste disposal method due to its environmental impacts, has set the target of reducing the volume of waste sent for incineration to zero and of reducing the volume of waste sent for landfill each year.

Having taken significant steps to reduce waste volumes, Çolakoğlu Metalurji aims to lower the amount of waste per unit of production for its steel mill, hot sheet rolling mill, bar rolling mill and power generation plant.

Çolakoğlu Metalurji provides regular environmental training on zero waste, waste classification, separate collection at source and recycling.



You can access the **ISO 14001 Environmental Management System Policy** [here](#).

Waste

Amount of Hazardous Waste (tonnes)

Recovery

2023	781.474
2024	810.890
2025	545.370

Disposal

2023	6,315.950
2024	5,314.330
2025	3,946.710

Amount of Non-Hazardous Waste (tonnes)

Recovery

2023	331,396.620
2024	328,727.920
2025	386,003.470

Disposal

2023	304,097.736
2024	292,103.430
2025	130,912.450

Waste Generation per Unit of Production (kg/tonne of product)

Steel mill and Hot Strip Mill (HSM)

2023	8.515
2024	8.081
2025	7.896

Bar Rolling Mill

2023	0.032
2024	0.049
2025	0.023

Circular Economy

In 2025, the amount of waste recovered increased by 24.79% compared with the previous year, reaching 411.2 thousand tonnes.

Çolakoğlu Metalurji integrates a circular economy approach into its production processes, based on the efficient use of resources, the prevention of waste generation, and the expansion of recovery practices. Through the targets established and practices implemented in this context, the Company aims to reduce the consumption of natural resources, return waste materials to the economy, and minimise environmental impacts.

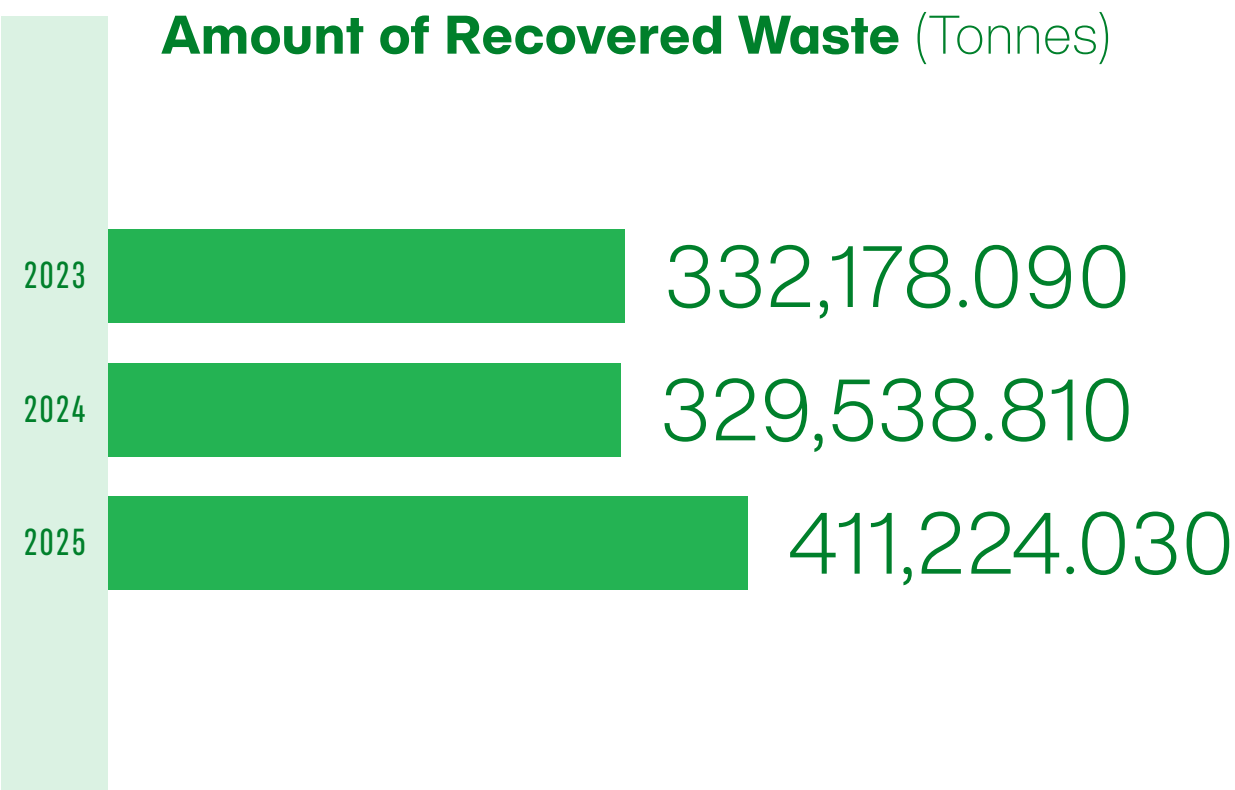
Effective waste management practices contribute not only to reducing pressure on natural resources but also to strengthening the circular economy. This approach, which aims to systematically reduce waste generation throughout the life cycle of products, supports the more efficient use of natural resources, energy and labour, thereby helping to prevent wastefulness.

The fact that steel is 100 per cent recyclable without any loss of quality makes the steel sector one of the key components of the circular economy. Using iron and steel scrap as its main raw material and converting scrap back into steel through electric arc furnace technology, Çolakoğlu Metalurji makes a significant contribution to both resource efficiency and the national economy.

The Company considers reducing the use of natural resources across all production processes, supporting the use of by-products and waste generated from production as alternative raw materials in different sectors, increasing recovery rates, and reducing waste generation at source to be among the fundamental elements of its sustainability management approach. The primary principle of waste management is to eliminate waste at source wherever possible and, where this is not possible, to ensure its recovery as a material that contributes to the circular economy. In this context, key performance indicators (KPIs) are established for resource efficiency, recovery and waste management, and improvement initiatives aimed at achieving these targets are implemented on a regular basis.

Process waste generated by the sector can be used in many industries as alternative raw materials, by-products or direct raw materials. Waste generated as a result of production activities, including flue dust, mill scale, slag and ash, can be utilised as direct raw materials, auxiliary raw materials or by-products. The management of these waste streams is supported through a broad range of potential customers, minimum on-site storage, and compliance with the relevant physical storage requirements.

Significant improvements were made in waste management practices in 2025. Scrap screening waste, which had previously been disposed of as hazardous waste, was reclassified as non-hazardous waste following analyses and began to be managed using appropriate methods. In addition, practices for the separate collection of all waste at source were expanded across the facility, while additional on-site segregation activities significantly reduced waste contamination.



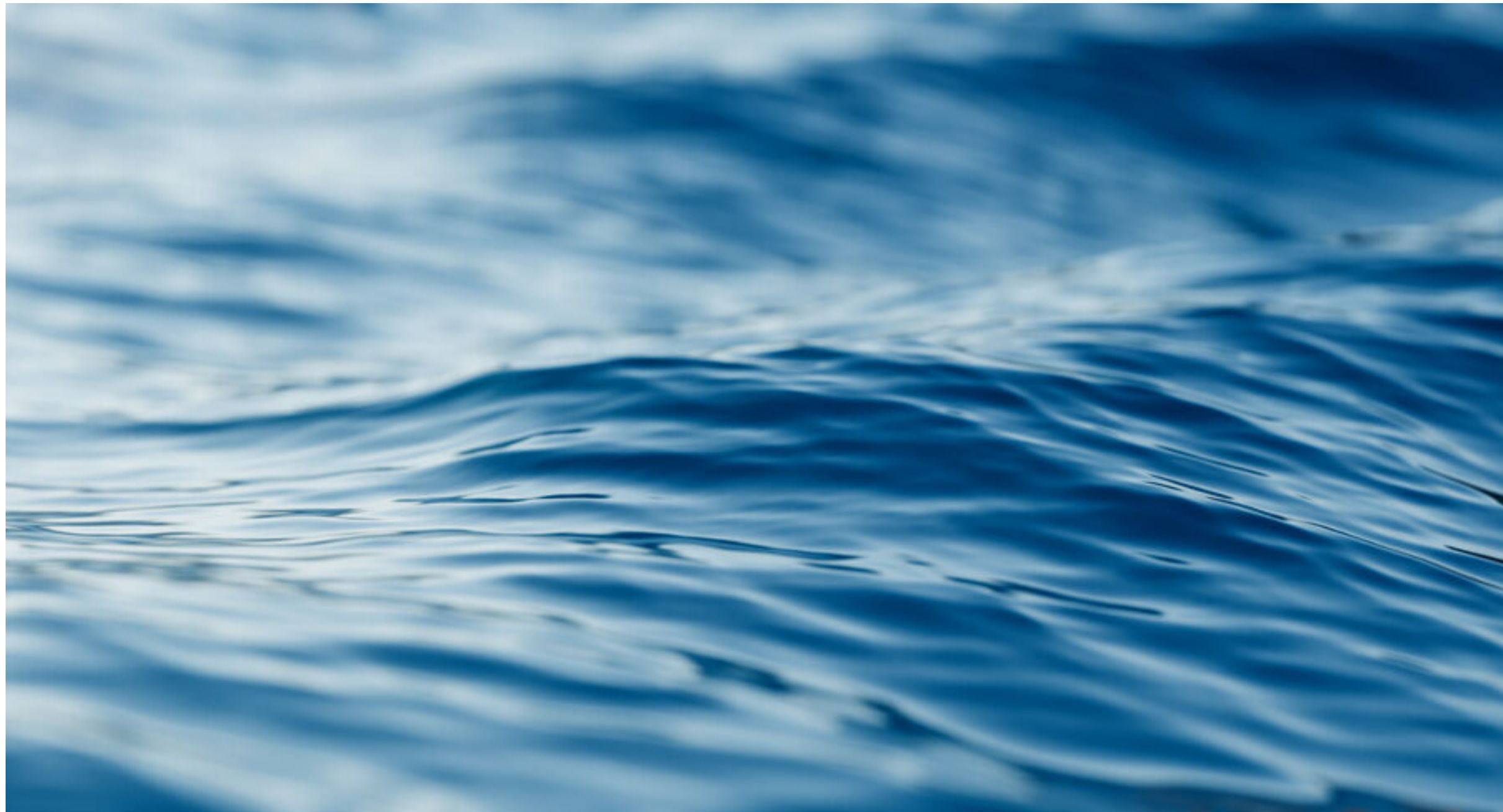
As a result of these practices, the recovery of packaging waste, effective segregation of municipal waste and reduction of contaminated waste significantly decreased the generation of hazardous waste. In line with these improvements, hazardous waste containers that had previously been sent to disposal facilities on a weekly basis began to be dispatched once every three weeks, while the amount of waste disposed of through incineration was reduced to zero as of 2025. Furthermore, the amount of hazardous waste generated per unit of production at the Gebze Branch was reduced compared with the previous year, representing a significant improvement in waste management performance. In addition, Çolakoğlu Metalurji increased the amount of waste recovered by 24.79 per cent in 2025 compared with the previous year.

Water Management and Efficiency

Water Consumption and Intensity

Çolakoğlu Metalurji regards the sustainability of water resources as an integral part of its responsible production philosophy. It carefully monitors the volume of water consumed in its operations and develops projects focused on continuous improvement to use water as efficiently as possible in its processes.

The cooling water required for the process is supplied from seawater treated at the reverse osmosis plant. The process water obtained through seawater treatment and used in production processes is treated in water treatment facilities using physical settlers and sand filters and subsequently reused in production. This enables the efficient use of water. To compensate for losses caused by evaporation, make-up water is supplied, primarily from the reverse osmosis plant. In 2025, a total of 2,151,921 m³ of water was produced at the reverse osmosis plant.



Stakeholder Perspective

In our water treatment plants, which form a critical infrastructure for the continuity of steel production, we approach water management not merely as a resource utilisation process, but as a strategic activity that directly impacts production performance and the resilience of our operations. In line with this approach, the efficient operation of closed-loop systems, the re-utilisation of water within the process, and ensuring consistent water quality tailored to the needs of different application areas are among our key priorities. By combining the experience gained from eighty years of production with technological advancements and a continuous improvement approach, we enhance resource efficiency and support process reliability. We believe that every improvement implemented in our water facilities adds value not only to operational performance but also to the responsible use of resources and our company's long-term sustainability vision.



Elif Kont
Senior Specialist – Water Facilities

Process cooling water is cooled using a closed-loop system and titanium heat exchanger technology. This system prevents the use of fresh water and ensures the sustainable utilisation of water. Process water, which is reused repeatedly in a closed-loop system and becomes heated, is cooled using seawater. Seawater carries out the cooling process in a contactless manner with the process water via titanium heat exchangers, after which it is discharged back into the sea. The quality of the water discharged into 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.

Çolakoğlu Metalurji uses seawater and municipal water as water sources in its operations. In 2025, 210,240,000 m³ of seawater and 81,593 m³ of municipal water were used. By meeting a significant portion of the water demand in production processes with seawater, the Company aims to limit its reliance on municipal water.

To optimize water management processes and support the conservation of natural resources, water consumption per tonne of production (water intensity) is regularly monitored. Water intensity is calculated for each production line, and the resulting data are used as a key tool for identifying areas for improvement in production processes. In 2025, water intensity per tonne of liquid steel production decreased by 11.01% compared to the previous year.

In 2025, water intensity per tonne of liquid steel production decreased by 11.01% compared with the previous year.

Water Intensity

(m³ water/tonne of liquid steel)



Water Efficiency and Recovery

In 2025, a total of 318 million m³ of water was recirculated and reused within closed-loop systems.

All surface water within Çolakoğlu Metalurji's plant site is collected through a closed-loop system and, following the necessary sedimentation processes, reused as process water. In 2025, a total of 318 million m³ of water was recirculated and reused within closed-loop systems. This significant level of water recovery enhances the efficiency of water management processes while making an important contribution to the conservation of natural water resources.

Water is a critical input at the facility, particularly in the electric arc furnace, continuous casting and rolling processes, where it is essential for cooling and process continuity. Effective water management therefore has a direct impact on operational efficiency, equipment lifetime and energy use. At the same time, water quality and controlled water use are key factors in preventing surface defects in slab, billet and bar products, achieving the required microstructure and maintaining product homogeneity, thereby directly affecting final product quality. In this context, reducing water consumption, increasing water recovery through closed-loop systems, ensuring effective wastewater treatment, regularly monitoring water quality, and managing risks associated with water resources are considered priority areas in water management.

The water used at the facility is supplied from the municipal water network, wells and seawater. Wastewater is discharged into the sewerage system of the Dilovası Organised Industrial Zone. Rainwater is not currently used at the facility. The Çolakoğlu Metalurji Dilovası Plant Environmental and Rainwater Management Research and Development Project and the Port Wastewater Recycling Plant Design Services Project are planned for 2026.

Air Quality

Çolakoğlu Metalurji acts with a commitment to minimising the environmental impacts of its operations and carefully manages its processes aimed at protecting air quality.



Data obtained through the continuous emission monitoring systems installed on the stacks of Çolakoğlu Metalurji's steel mills and power plant are simultaneously shared with the Ministry of Environment, Urbanisation and Climate Change of the Republic of Türkiye.

The steel mills are equipped with a dust collection and filtration system to capture gaseous and particulate pollutants generated during production. The dust collection system is designed to capture 30 per cent more gas and dust than would normally be generated during production. In the ladle furnaces and during coal drying, a direct extraction system with hoods is used. This enables fugitive emissions generated during charging, tapping and melting to be captured. The resulting gases are treated using bag filters. Dust accumulated in the bag filters is mixed with water in a pelletising tank and converted into pellets. The dust pellets stored in the pellet silo are discharged into the bodies of tipper trucks positioned beneath the silo by opening the pneumatic actuator-operated cut-off valve at the bottom of the silo. This prevents dust formation during loading. All conveyor belts used at the facility are enclosed to prevent dust dispersion.

The power plant has two separate boilers, each with its own stack outlet. Each stack is equipped with one measurement sensor. The sensors are located in dedicated chambers within the stack ducts. When a limit value is exceeded, an audible and visual alarm mechanism is activated. The stacks are continuously monitored by operators via a camera system.

Within the system, lime is added when SO₂ levels exceed the applicable limit. When carbon monoxide levels are exceeded, the combustion system is checked, the necessary corrective measures are taken and air is supplied to the system. If an issue is detected in dust levels, the electrostatic filters are inspected.

Çolakoğlu Metalurji carries out the following legal procedures regarding air quality:

- Emission and immission measurements are carried out at two-year intervals on a branch-by-branch basis.
- Emission values are transmitted online to the Ministry through four Continuous Emission Monitoring Systems (CEMS/SEÖS) installed on the stacks of the Gebze Metallurgy Branch and two Continuous Emission Monitoring Systems installed at the Power Plant Branch, and compliance with legal limits is monitored.
- Based on the monitoring of emission measurement values, the bag filters requiring replacement have been replaced by the Dust Collection Plant.

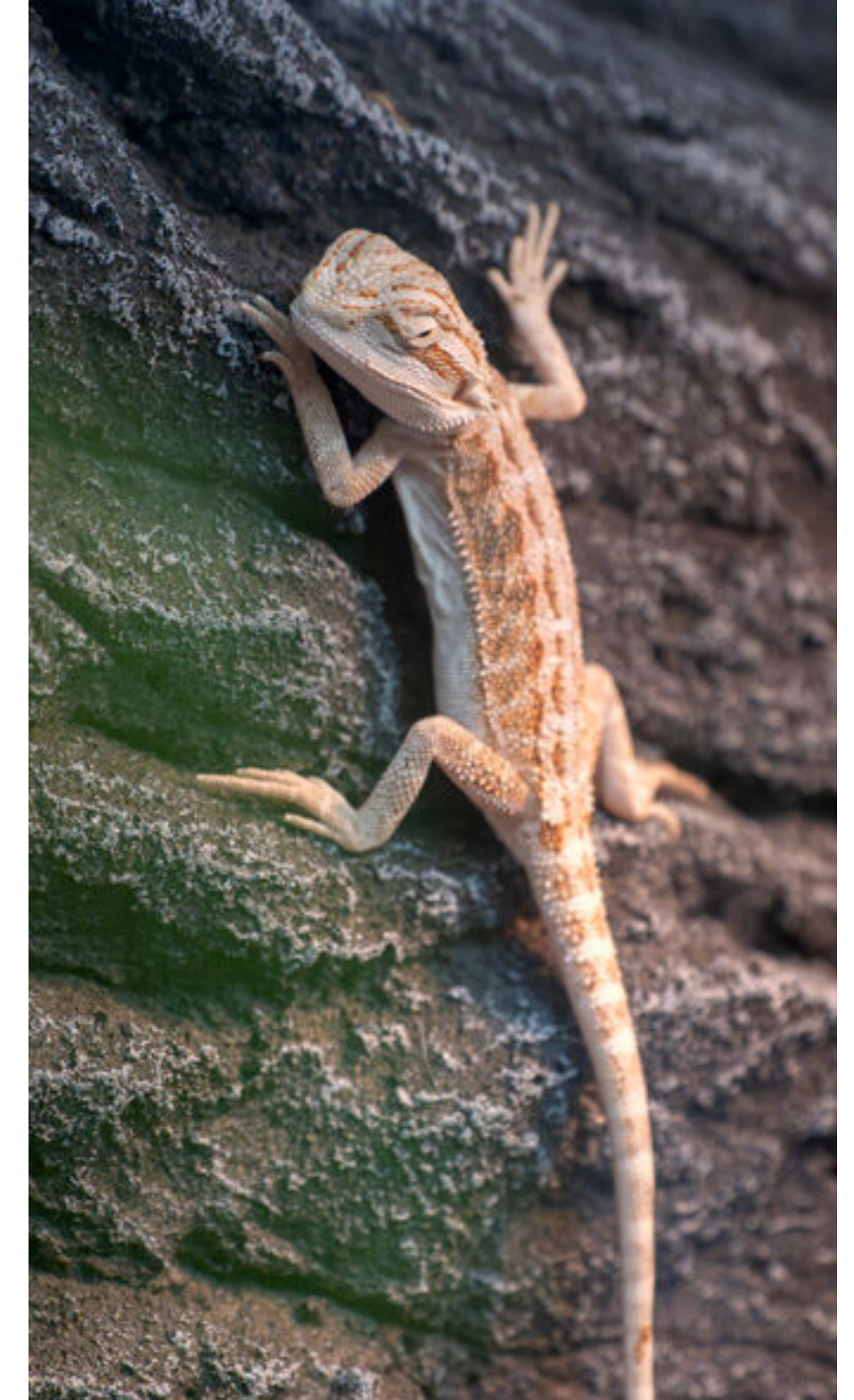
- As part of the investment to provide redundancy for the online flue gas measurement system, work has been carried out to renew the flow measurement devices at the Power Plant. The investment, initiated in 2025, is planned to be completed in 2026. Under the same investment budget, one spare dust measurement device has been procured for use on the stacks of the Metallurgy Plant. This is intended to prevent interruptions in emission data in the event of potential equipment failures and to ensure continuity of monitoring.
- As part of the investment to renew open-area dust suppression equipment, project work is ongoing for the installation of a dust suppression system in the enclosed scrap yard bay.
- As part of the Scrap Yard Wall Construction investment project, the height of the walls surrounding the open scrap yard has been increased. This measure is intended to help control potential dust dispersion within the site.
- As part of the Road Sweeping and Watering Vehicle investment, work has been carried out to expand the vehicle fleet and upgrade the existing vehicles. These efforts are important for reducing dust generation across the facility and supporting air quality management.
- SEÖS data are monitored and the departments involved in the process are informed through daily reports.

Ecosystem and Biodiversity

Çolakoğlu Metalurji regards the protection of natural ecosystems as one of its key priorities in all activities it carries out with a sense of environmental responsibility. The company takes responsible steps to support the improvement of biodiversity, protect all living species, particularly endangered and endemic species, prevent land degradation, ensure the continuity of natural habitats, and reduce its impacts in this area.

Aware of the potential impacts it may have on the areas where its iron and steel production facilities are located and on neighbouring ecosystems, Çolakoğlu Metalurji carries out regular measurements and improvement initiatives in areas such as water usage, waste management, emissions and land use, with the aim of minimising the environmental impacts of its production activities. It aims to reduce risks in these areas by identifying its direct and indirect impacts on the ecosystem.

By reinforcing its approach to production that is in harmony with nature, Çolakoğlu Metalurji will continue not only to protect ecosystems but also to contribute to their improvement. Recognising that biodiversity is essential for the continuity of life, the company aims to strengthen its connection with nature, which cannot be considered separately from production, and to make this relationship more sustainable.



You can access the **Ecosystem and Biodiversity Policy** [here](#).



VALUE FOR PEOPLE AND SOCIETY

TALENT MANAGEMENT → 52

EQUALITY, DIVERSITY, AND INCLUSION → 58

OCCUPATIONAL HEALTH AND SAFETY (OHS) → 59

COMMUNITY CONTRIBUTION AND SOCIAL RESPONSIBILITY → 64

EFFICIENCY PROJECTS

EMPLOYEE SATISFACTION

Ask HR Module

Through the “Ask HR” module, which facilitates direct communication with the Human Resources department, employees can quickly convey any views, suggestions, and requests. This system serves as a key digital tool that enhances both the accessibility of HR processes and employee satisfaction.

EMPLOYEE ENGAGEMENT AND WELL-BEING

Talent Management Project

At Çolakoğlu Metalurji, talent management is conducted through a holistic approach that assesses both employees’ potential and performance. Within this framework, the structure designed in 2025 to strengthen succession and development plans has been implemented via the “Çolakoğlu Talent Management Platform” from 2026 onwards, thereby enhancing operational efficiency and the user experience.

The process begins with potential assessments and is completed through the 9-Box evaluation and succession planning steps, which are considered alongside performance data. Based on the outcomes, high-potential employees are identified, succession plans are drawn up for critical roles, and direction is provided for rotation and development plans. This approach supports the organisation’s sustainable and robust human resources structure.

OCCUPATIONAL HEALTH AND SAFETY (OHS)

‘İş’te Fikir’ Project

Through this project, Çolakoğlu Metalurji aims to ensure more active employee participation in occupational safety and health matters and to make access to OHS more convenient. Recognising that employee participation is crucial in the process of assessing, developing, and implementing the OHS system, the ‘Ideas at Work’ individual suggestion platform is used to gather employees’ views and ideas on occupational health and safety matters, such as risk assessments, incident and accident analyses.

Similarly, employees can report near-miss incidents, hazards they believe may pose a threat to OHS, or work-related health issues via the same application. The subject of the report is assessed by an occupational safety and health specialist or the workplace doctor, and various modules are utilised to implement the control measures identified as a result of the assessment.

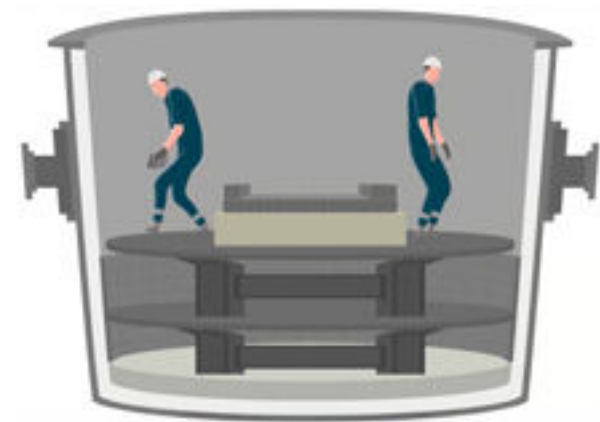
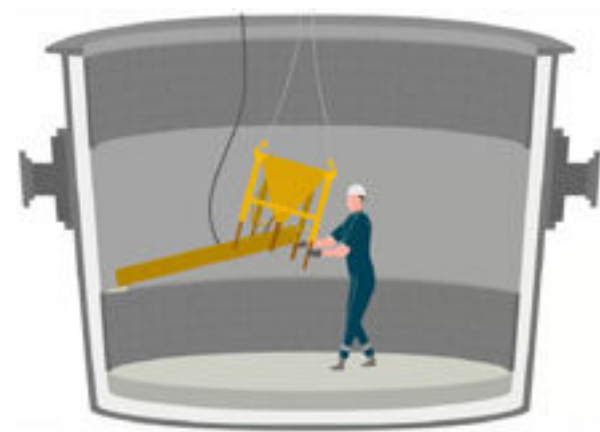
OHS Digital Audit Tracking System

The “OHS Digital Audit Tracking System”, which monitors OHS activities, identifies non-conformities, alerts those concerned, archives non-conformities and corrective actions, and keeps management informed in real time. The purpose of this system is to guide the company’s OHS objectives and activities and to monitor them in real time.

Actions are identified based on reports received via the ‘Ideas at Work’ occupational health and safety app, safety walks conducted within factory worksites, site inspections, periodic checks carried out in accordance with legal regulations, and occupational health and safety meetings held with departments; and the progress of these actions is tracked via the app.

Ergonomic Ladle Lining Project

In the Refractory Unit of the Steel mill Department, ergonomic solutions have been developed for ladle lining work with the aim of minimising the physical effort required.



New Generation Safety Door

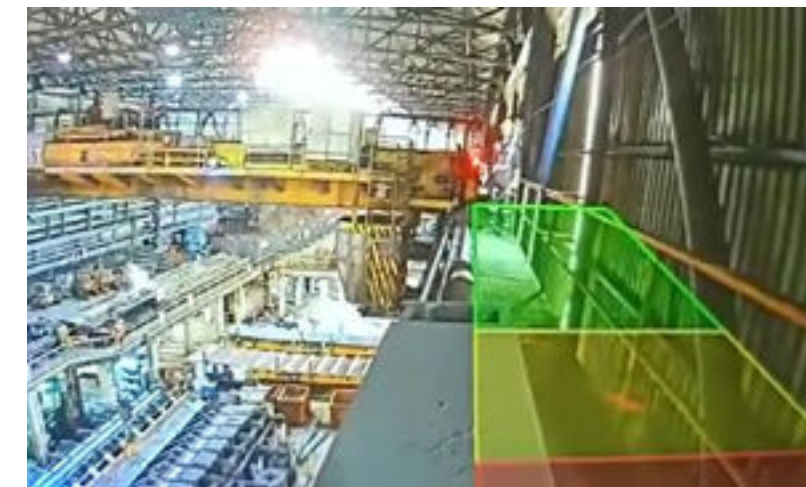
The project has ensured that the slag outlet is cleaned automatically using the New Generation Safety Door System, rather than being cleaned manually by staff with the aid of a forklift. This project is the first and only one of its kind to have been implemented in Türkiye to date. Slag outlet cleaning operations are now carried out unmanned thanks to the New Generation Safety Door System. The risk score, which had previously been calculated as high in a risk assessment study, has been reduced to the desired level following the project, as the source of the hazard has been eliminated.

Construction Machinery Red/Blue Light Project

Blue and red-light systems are in operation to ensure that a safe distance is maintained whilst working with construction machinery.

Overhead Crane Rail Inspection Project

In production areas, personnel may be present on the rails to which overhead cranes are attached and along which they move, particularly during maintenance and repair work. The presence of people on the elevated rails poses a significant risk whilst the cranes are in motion. This project aims to eliminate these potential risks, with particular emphasis on prioritising personal safety.



Pedestrian Walkways Project

As part of the pedestrian walkway project, the number of display screens has been increased, the pedestrian walkway at the main entrance has been painted, stencilling has been carried out, and the canopies have been refurbished. Precast elements have been installed along the main entrance pedestrian walkway, and cat's-eye reflectors and fencing have been fitted. Sliding gates have been installed at points where people are likely to cross the walkway.



Talent Management

Working Life at Çolakoğlu

The development and implementation of employee-related practices are guided by the standards and fundamental principles of the International Labour Organization (ILO).

Employee Rights

Çolakoğlu Metalurji prioritises creating a fair, inclusive and safe working environment that respects the rights of its employees. A supportive working environment, both physically and socially, is provided through initiatives tailored to the different needs of both white-collar and blue-collar staff. When implementing initiatives for employees, the UN Global Compact Principles on Human Rights and Labour Standards, to which the company is a signatory, serve as a guide.

Fringe benefits vary according to employees' place of work and position; schemes covering healthcare, social support and additional benefits focus on strengthening employees' work-life balance. Supportive schemes are also implemented for employees during maternity and paternity leave, with the aim of enhancing a sense of belonging to the organisation. There is a 100 per cent unionisation rate among blue-collar workers.

The remuneration policy is based on the principle of equal pay for equal work and is structured in a fair and competitive manner, commensurate with employees' performance. The remuneration process is managed in a transparent manner, based on measurable and clear criteria.

With a commitment to equal opportunities in career development, technical and personal development training, leadership programmes, and talent management initiatives are regularly implemented. This encourages employees to enhance their professional skills whilst also shaping their long-term career plans within the organisation.

All these initiatives form part of a holistic approach that supports Çolakoğlu Metalurji's vision of becoming an 'Employer of Choice', aiming to enhance employee satisfaction, the employer brand, and sustainable human resources management.

Unionisation Rate Among Blue-Collar Workers (%)

	Male	Female
2023	100	100
2024	100	100
2025	100	100



You can access the [Human Resources Policy](#) here.

Stakeholder Perspective

With Çolakoğlu Metalurji's 80 years of experience, its commitment to continuous improvement and the contributions of our staff, we continue to add value to the future today. We believe that the foundation of our operational efficiency lies in our staff, who take ownership of their work, are open to development and act in unison towards shared goals. As Human Resources, our aim is to provide a working environment where our employees can realise their potential, continuously develop themselves and feel that their contributions are valued, whilst strengthening an agile and efficient organisational structure that supports our company's objectives. Through our digital HR applications, data-driven decision-making approach, and talent management processes, we are enhancing the employee experience whilst helping to make our business processes more effective, sustainable, and future-ready. As we carry our 80 years of accumulated knowledge into the future, we regard supporting our employees' development, engagement, and high performance as one of our most important responsibilities; by creating and growing together, we continue to contribute to Çolakoğlu Metalurji's sustainable success.



Ece Yalazkan
Human Resources (Kavacık) – Manager

Employee Training

Çolakoğlu Metalurji regards the continuous development of its employees’ knowledge and skills as one of the key elements of corporate success. Operating in line with this objective, Çelik Academy serves as a corporate development platform that supports employees’ professional and personal development, ensuring that learning is continuous and accessible.

2025 Training Programme

	Training Hours	Number of Participants
Academy training programmes	1,585	129
Personal development training	4,301	811
Vocational training	3,003	235
Technical training	6,413	820
Compulsory training	55,967	1,887
Total	71,269	1,965



Recruitment and Onboarding

Çolakoğlu Metalurji regards its people as its most valuable asset and manages recruitment through fair, transparent and competency-based processes. In line with the Human Resources Policy, all candidates are given equal opportunities, and selection decisions are based on individual qualities, potential, technical skills and experience. In the recruitment process for both recent graduates and experienced candidates, various assessment and evaluation tools are used, such as competency-based interviews, personality assessments, and English proficiency tests. Candidates' individual profiles are analysed against criteria such as technical competence, leadership potential, aptitude for teamwork and alignment with the corporate culture; a transparent, systematic, and objective assessment process is applied.

Internship programmes offer university students a short-term yet highly effective opportunity for development and exposure. Applications are received via the corporate website, career platforms, and university partnerships; candidates are placed in relevant departments based on their competencies and academic discipline. During their placements, students complete technical, professional, and personal development training whilst gaining direct experience in production or support units. Interns whose performance is positively assessed are given priority consideration for full-time positions that become available in the future.



Every employee joining Çolakoğlu Metalurji becomes part not only of a job but also of an ecosystem of development and commitment. Employees' career journeys are supported through individual development plans, mentoring schemes, leadership programmes, and reward structures. Training and development opportunities, internal promotion prospects, employee relations, a suggestion scheme and recognition and appreciation initiatives are used to encourage talent to contribute to business outcomes.

In addition, various social events are organised to help employees adapt to the corporate culture and to boost their motivation and commitment. Events such as the New Year's Sharing Meeting and iftar gatherings are held to strengthen employees' bonds outside of work.

Number of Employees

	Male	Female	Total Number of Employees
2023	1,474	105	1,579
2024	1,557	115	1,672
2025	1,629	113*	1,742

* In line with the 2030 target, defining interim targets to increase the representation of female employees and rolling out practices that support recruitment and the employee experience are among the priorities.

Gender Ratio in Senior Management

	Male	Female
2023	0.714	0.286
2024	0.750	0.250
2025	0.750	0.250

Number of Employees by Age Group

	Under 30	Aged 30-50	Over 50
2023	301	1,102	176
2024	345	1,130	197
2025	342	1,186	214

Number of Employees by Type of Employment

	Total Number of Employees	Full-time		Part-time	
		Male	Female	Male	Female
2023	1,579	1,474	105	-	-
2024	1,672	1,557	115	-	-
2025	1,742	1,629	113	-	-

Number of Employees by Contract Type

	Total Number of Employees	Fixed term		Indefinite Term	
		Male	Female	Male	Female
2023	1,579	5	-	1,469	105
2024	1,672	102	4	1,454	112
2025	1,742	90	-	1,539	113



Rotation in Çolakoğlu

An internal job posting scheme is in place to assess existing talent within the organisation and to offer employees career development opportunities. As part of this, employees are offered the opportunity to gain experience in different roles and departments through rotation. Vacant positions are made available to all staff at regular intervals; applications are processed through a fair, transparent and competence-based assessment process. Thanks to this scheme, staff not only gain experience in different departments, thereby securing opportunities for well-rounded development, but also have the chance to achieve their career goals within the organisation.

Employee Satisfaction

Under the leadership of the Haydi Social Activities Committee, as part of World Environment Day on 5 June and Marmara Sea Day on 8 June, a marine clean-up was carried out in collaboration with a team of volunteer divers from within Çolakoğlu Metalurji.

Çolakoğlu Metalurji approaches employee satisfaction from the perspective of continuous improvement and, to this end, develops multifaceted mechanisms and projects. Employee satisfaction, one of the cornerstones of the organisation's culture, is viewed as a strategic element that enhances not only individual motivation but also organisational productivity.

In this context, the 'Ideas at Work' platform is utilised, enabling employees to convey their ideas and feedback directly to management. Through this system, employees can share their observations regarding the improvement of work processes, increased productivity and occupational health and safety; each submission is assessed in detail by the relevant departments. Submissions are scored based on the contributions they make in terms of human resources, time and cost, and these contributions are reflected back to employees as feedback.

The company-wide "Employee Experience" project is designed to analyse employees' experiences at various touchpoints and to accurately understand their needs. Data obtained from analyses conducted using application and measurement methods tailored to employees at factory and head office locations is transformed into strategic improvement measures, with employee feedback directly translated into action.

Corporate practices aimed at enhancing employee satisfaction, including the suggestion system, the activities of the social events committee, employee relations management, the balanced management of wages and fringe benefits, performance management, promotion and career progression processes, recognition and appreciation practices, and training support, constitute the building blocks that serve this purpose.

In addition, through the Employee Assistance Programme, which benefits both employees and the organisation by helping employees resolve issues in their work and private lives that may affect their performance and productivity, Çolakoğlu Metalurji aims to minimise stress and discomfort among employees. Under the programme, employees can access free 24/7 counselling and information services provided by expert consultants on all matters that may cause stress.

In 2017, the 'Haydi' Social Activities Committee was established at Çolakoğlu Metalurji to encourage employees to participate in social responsibility activities in line with their interests and on a voluntary basis. Under the umbrella of this committee, which comprises volunteer employees, numerous events are organised each year across the categories of travel and the arts, sporting activities, hobbies, and voluntary projects. The company also organises sports tournaments and participates in inter-company sports tournaments. To carry out its activities more effectively, the committee conducts a Social Trends Survey at regular intervals to gather employees' expectations, views, and suggestions, and decides on events based on the survey results.

At Çolakoğlu Metalurji, special projects tailored for employees and their families are also carried out. These include social responsibility projects such as the 23 April Children's Drawing Competition and the Environment Week Robotics Coding Workshop, with the employee experience being addressed in tandem with a sense of corporate belonging.



Ask HR Module

Through the "Ask HR" module, which facilitates direct communication with the Human Resources department, employees can quickly convey any views, suggestions, and requests. This system serves as a key digital tool that enhances both the accessibility of HR processes and employee satisfaction.

Employee Engagement and Well-being

Çolakoğlu Metalurji defines employee engagement not only in terms of loyalty to the organisation, but also through the individual's sense of being valued, supported, and involved. In line with this, the company implements multi-faceted initiatives aimed at enhancing employee well-being and job satisfaction.

Recognition and appreciation initiatives are carried out under two main headings. The first is a recognition-focused reward system designed to ensure employees are remembered during their special and significant moments. Under this scheme, employees are rewarded at the end of every five-year period of service, and corporate-level support and appreciation are offered for personal life events such as marriage and childbirth.

In the second category, employees who voluntarily participate in continuous improvement activities such as planned maintenance, Kaizen and 5S are evaluated and rewarded based on their contributions to business processes, particularly in terms of efficiency and creativity. Furthermore, employees who stand out for their immediate contributions are directly recognised by their managers and included in the instant reward scheme. Employees who submit the most suggestions via the 'Ideas at Work' platform, as well as those who develop the best health and safety suggestions, are also part of this framework, making their contributions to the organisation tangibly visible.

Coaching and mentoring programmes support the adaptation process, particularly for new employees, and help them achieve their individual development goals more effectively. This initiative also fosters knowledge sharing among staff and supports the development of an internal learning culture.

Another key factor in boosting employee engagement is that employees generate value not only through their roles but also through their participation in the organisation's decision-making processes. The 'Ideas at Work' initiative, launched for this purpose, provides a platform through which employees can submit their suggestions directly to management; their views and contributions are actively integrated into the organisation's development process.

In line with human resources policies, all employees participate in basic induction and annual training programmes from the moment they join the company. Key factors in identifying training needs include the organisation's strategy and objectives, performance appraisal results, job requirements, feedback from managers and employees themselves, and new projects.

Average Years of Service by Gender

	Male	Female
2023	8,580	5,810
2024	10,090	6,060
2025	9,850	6.620



Talent Management Project

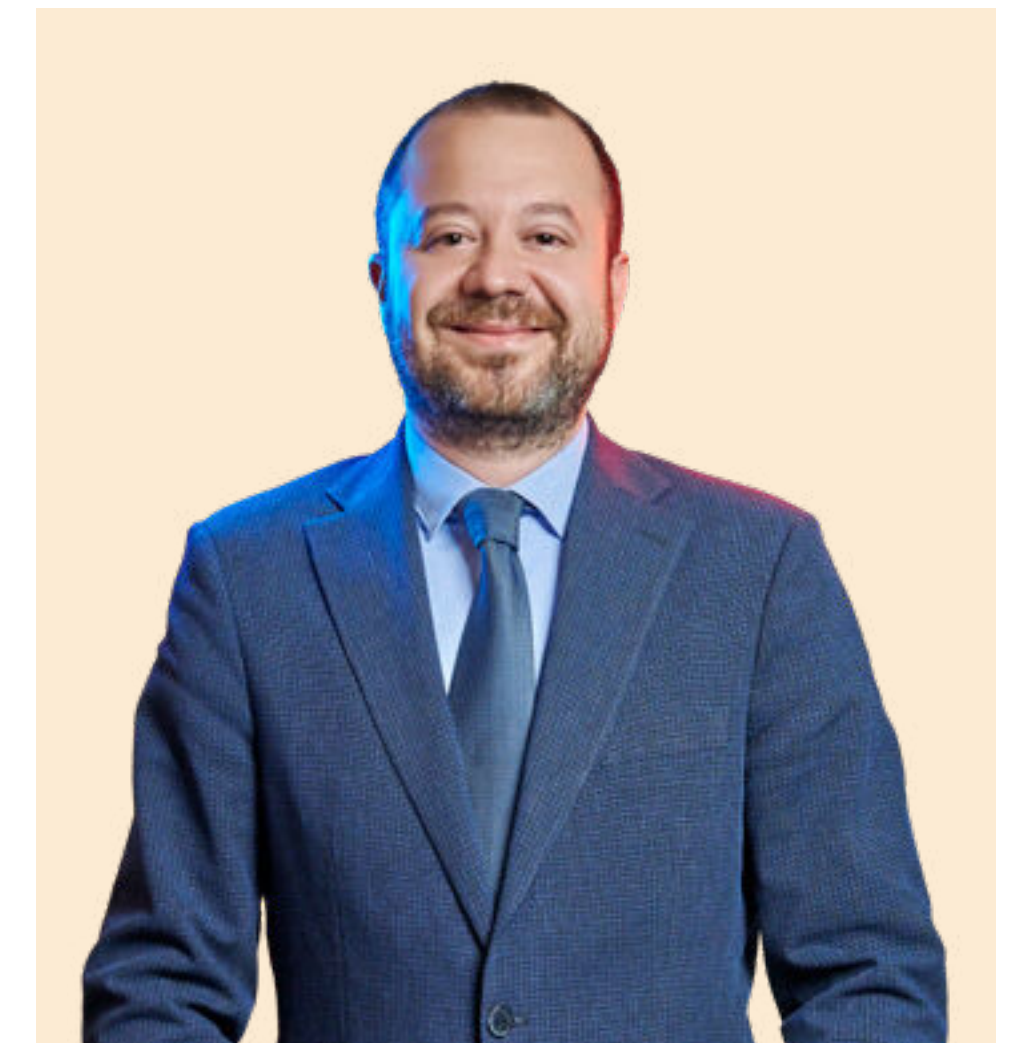
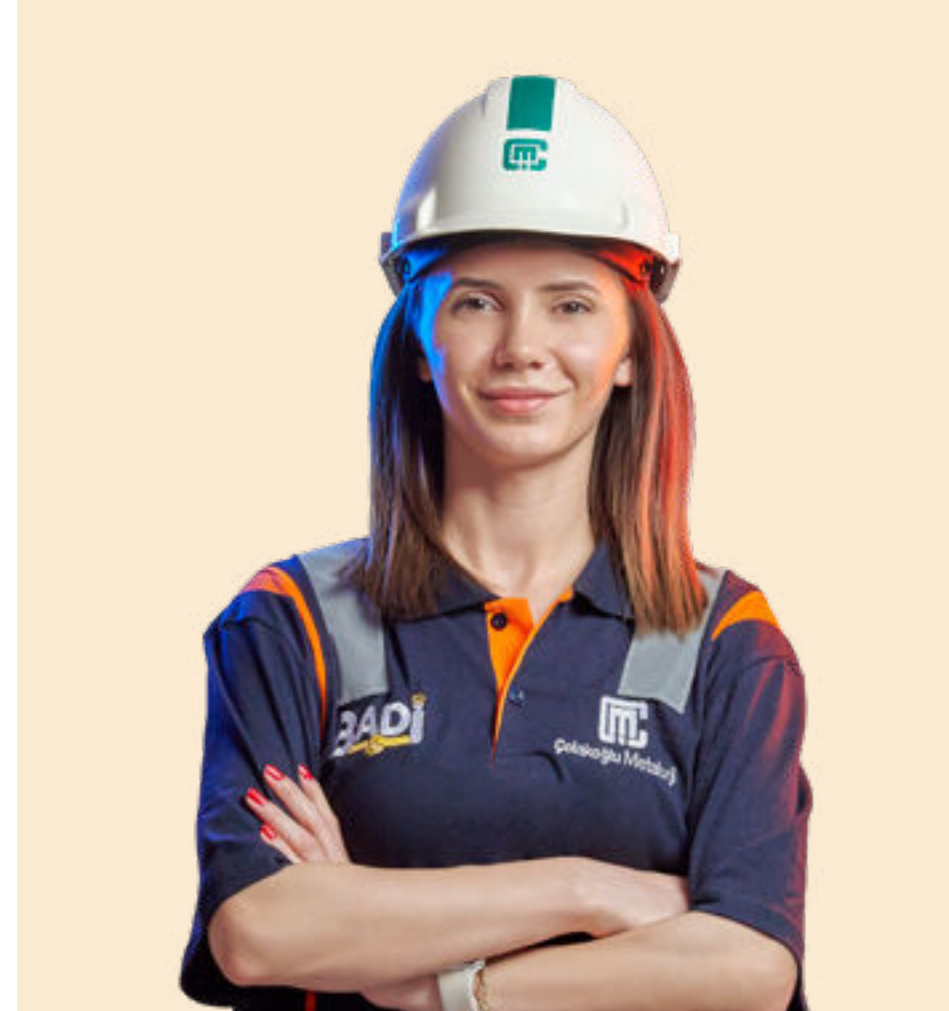
At Çolakoğlu Metalurji, talent management is conducted through a holistic approach that assesses both employees' potential and performance. Within this framework, the structure designed in 2025 to strengthen succession and development plans has been implemented via the "Çolakoğlu Talent Management Platform" from 2026 onwards, thereby enhancing operational efficiency and the user experience.

The process begins with potential assessments and is completed through the 9-Box evaluation and succession planning steps, which are considered alongside performance data. Based on the outcomes, high-potential employees are identified, succession plans are drawn up for critical roles, and direction is provided for rotation and development plans. This approach supports the organisation's sustainable and robust human resources structure.

Equality, Diversity, and Inclusion

Çolakoğlu Metalurji regards equality, diversity, and inclusion not only as an integral part of its human resources policy, but also as an integral part of its corporate culture. Creating a working environment where all employees can work with confidence, freely express their ideas and have fair opportunities for development is considered one of the Company's top priorities.

Employees are offered equal pay for equal work, as well as promotion and appointment systems based on merit; no discrimination is tolerated on the grounds of an employee's ethnic origin, age, gender, religious belief, language, physical condition, or any other individual characteristics. In line with this, no incidents of discrimination have occurred in 2025.



You can access the **Equality, Diversity, and Inclusion Policy** [here](#).

Occupational Health and Safety (OHS)

OHS Performance

Çolakoğlu Metalurji regards the health and safety of its employees as one of its core values; it aims to create a healthy and safe working environment across all its areas of activity and operations. In line with the Occupational Health and Safety Policy, all relevant processes are carried out with the utmost care and are developed in accordance with the principle of continuous improvement.

Çolakoğlu Metalurji's OHS management system is fully compliant with the ISO 45001:2018 Occupational Health and Safety Management System standard. The company operates in accordance with national and international legislation and takes the necessary precautions against risks to which all employees may be exposed.

OHS activities are carried out under the auspices of the Occupational Health and Safety Directorate, which reports to the Directorate of Operations. The Directorate comprises an OHS Manager, an OHS Officer, 22 Occupational Safety Specialists, an occupational health doctor and other healthcare staff.

In accordance with Occupational Health and Safety Law No. 6331, a Workplace Health and Safety Unit has been established. The unit comprises experts and physicians authorised by the Ministry of Labour and Social Security, and all applicable legal requirements are met. The factory has first-aid rooms accessible 24 hours a day, 7 days a week, with healthcare staff providing services at three separate locations.

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

Accident Frequency Rate (%)



Accident Severity Rate (%)



You can access the **Occupational Health and Safety Policy** [here](#).



In 2025, the first phase of the OHS culture transformation project was launched with a culture survey reflecting the actual state of OHS, with the participation of all blue- and white-collar employees, including contractors. The survey results revealed the current state of the safety culture and identified the processes requiring priority development. These results were reported to senior management. As part of the second phase, a Leadership Style Analysis was conducted among leaders identified by senior management to determine the behavioural profiles of these leaders in relation to the identified areas for development. The safety leadership competencies of the selected key leaders were assessed via surveys based on seven parameters, and personalised reports were created and provided directly to the leaders themselves. Based on the leadership survey results, bespoke development and coaching programmes were launched for managers. A total of 72 employees took part in the trainer-training programme, which was completed in four groups as part of the ‘Amirimden’ Project. These employees served as trainers throughout the project. Hazard awareness training was delivered to 600 blue-collar staff by field trainers. During contractor audits carried out in 2025, the companies’ management systems were audited, and follow-up was conducted on corrective actions relating to non-conformities identified during the year.

Absenteeism Rate Due to Accidents

	Number of Days Lost	Total Working Time (hours)	Loss Due to Work-Related Accidents (hours)	Rate
2023	10,122	3,338,545	20,355	0.006
2024	1,802	3,373,645	12,596	0.006
2025	1,925	3,499,653	14,438	0.004

In 2025, when comprehensive non-work-related healthcare services for employees were also maintained, there were no cases of occupational disease. There were 68 work-related accidents resulting in lost days, with 1,925 lost days reported.

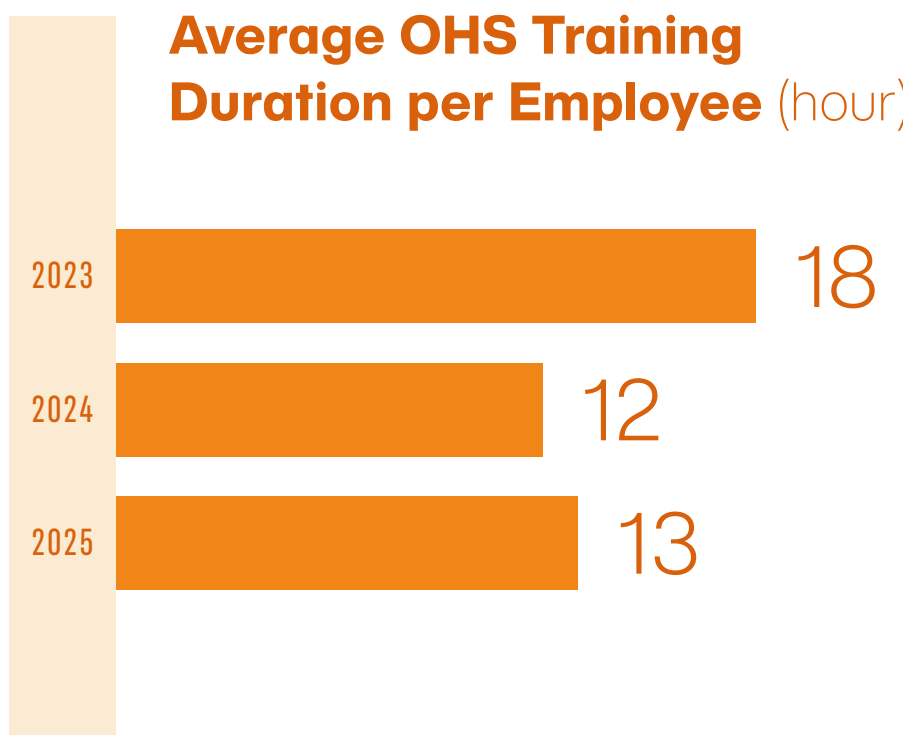
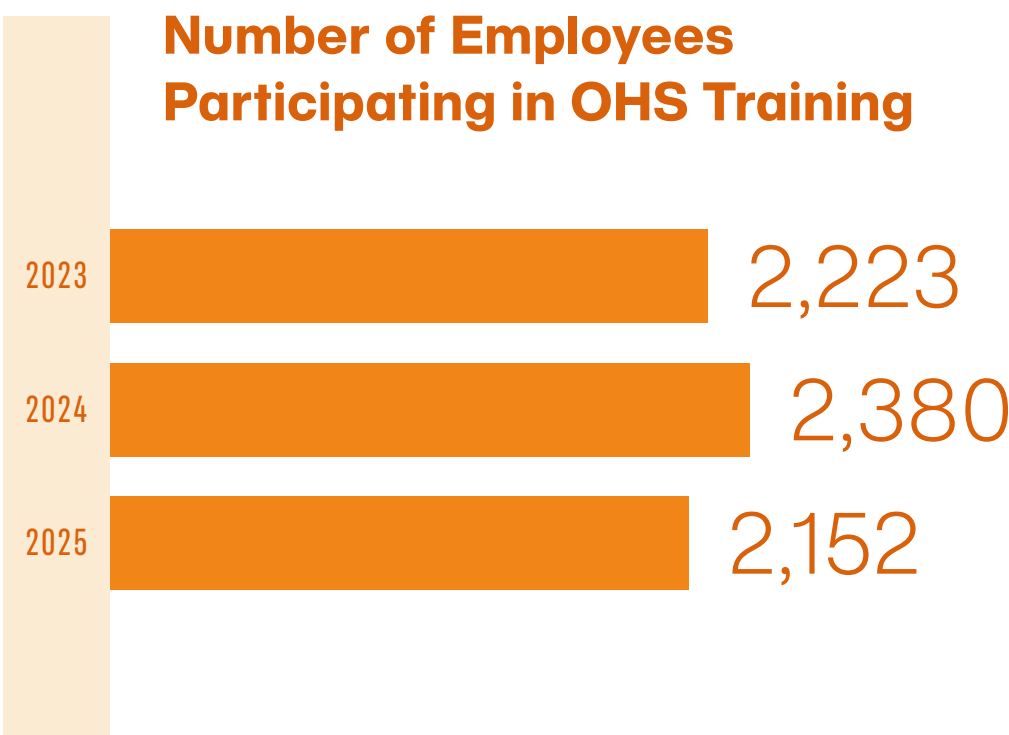
- In 2025, an audit was carried out by the Ministry of Labour under the Seveso Directive.
- CARES carried out an ISO 45001 Management System audit.
- Çolakoğlu Metalurji hosted the worldsteel committee meeting. All participants toured the factory and provided feedback. Attention was focused on areas for improvement.



Health and Safety Awareness Initiatives

Çolakoğlu Metalurji organises regular training sessions to foster a sense of responsibility among its employees and ensure the adoption of an OHS culture. In 2025, alongside ‘Learning from Incidents’ (ODÇ), gamified training using Kahoot, and virtual reality experiences with VR headsets during OHS Week, the following training programmes were delivered: OHS Role Change Training, New Employee OHS Induction Training, Temporary Assignment Training, Job Change Orientation Training, Post-Incident Briefing Training, Basic Occupational Health and Safety Training and Trainer Training. The relevant training programmes are listed below:

- Accident Investigation and Root Cause Analysis Training – Accident Investigation Team
- Induction Health and Safety Training – Newly recruited staff
- Special Training for Employee Representatives – Employee representatives
- Occupational Health and Safety Training (Head Office) – Head office staff
- Occupational Health and Safety Awareness Training – Senior management
- Return-to-Work Orientation Training – Staff returning to work following a work-related accident or long-term sick leave
- Special Training for Committee Members – Committee members
- Basic Health and Safety Training – All factory staff
- Work Permit Training – All staff
- Occupational Health and Safety Information Training – All staff



Occupational health and safety (OHS) management carried out in accordance with international standards or legal requirements

	2023	2024	2025
The number of people included in such a system, including subcontracted workers	2,259	2,186	2,362
The number of people, including subcontracted workers, who are part of such a system and are monitored by the organisation	CM and subcontracted work areas are subject to continuous monitoring. No numerical data is available.	CM and subcontractor work sites are subject to continuous monitoring. No numerical data is available.	CM and subcontractor work areas are subject to continuous monitoring. No numerical data is available.
The number of people, including subcontracted workers, who are part of such a system and are supervised by an external body			

Health and Safety Board and Committee

	Total Number of Members of the OHS Board	Number of Employee Representatives on the OHS Board	Number of OHS Board Meetings
2023	27	2	12
2024	27	2	12
2025	27	2	12

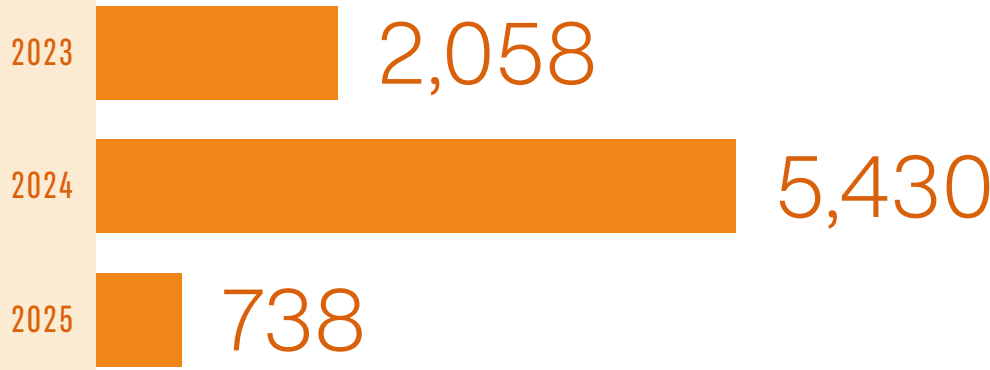
Health and Safety Projects and Improvements

‘İş’te Fikir’ Project

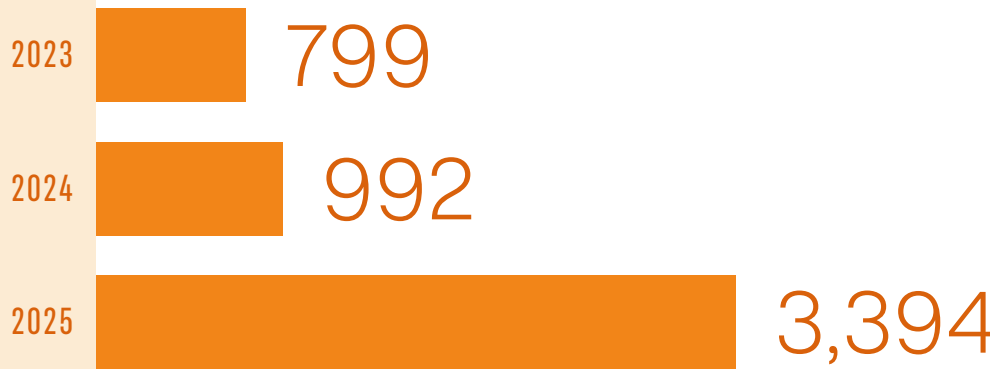
Through this project, Çolakoğlu Metalurji aims to ensure more active employee participation in occupational safety and health matters and to make access to OHS more convenient. Recognising that employee participation is crucial in the process of assessing, developing, and implementing the OHS system, the ‘Ideas at Work’ individual suggestion platform is used to gather employees’ views and ideas on occupational health and safety matters, such as risk assessments, incident and accident analyses.

Similarly, employees can report near-miss incidents, hazards they believe may pose a threat to OHS, or work-related health issues via the same application. The subject of the report is assessed by an occupational safety and health specialist or the workplace doctor, and various modules are utilised to implement the control measures identified as a result of the assessment.

Number of ‘Ideas at Work’ Notifications



Number of Hazard Notifications

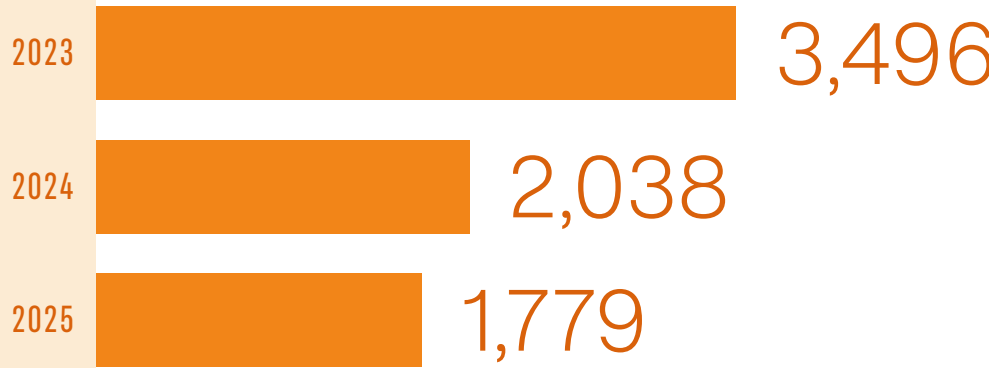


OHS Digital Audit Tracking System

The “OHS Digital Audit Tracking System”, which monitors OHS activities, identifies non-conformities, alerts those concerned, archives non-conformities and corrective actions, and keeps management informed in real time. The purpose of this system is to guide the company’s OHS objectives and activities and to monitor them in real time.

Actions are identified based on reports received via the ‘Ideas at Work’ occupational health and safety app, safety walks conducted within factory worksites, site inspections, periodic checks carried out in accordance with legal regulations, and occupational health and safety meetings held with departments; and the progress of these actions is tracked via the app.

Number of Actions



Ergonomic Ladle Lining Project

In the Refractory Unit of the Steel mill Department, ergonomic solutions have been developed for ladle lining work with the aim of minimising the physical effort required.



New Generation Safety Door

The project has ensured that the slag outlet is cleaned automatically using the New Generation Safety Door System, rather than being cleaned manually by staff with the aid of a forklift. This project is the first and only one of its kind to have been implemented in Türkiye to date. Slag outlet cleaning operations are now carried out unmanned thanks to the New Generation Safety Door System. The risk score, which had previously been calculated as high in a risk assessment study, has been reduced to the desired level following the project, as the source of the hazard has been eliminated.

Overhead Crane Rail Inspection Project

In production areas, personnel may be present on the rails to which overhead cranes are attached and along which they move, particularly during maintenance and repair work. The presence of people on the elevated rails poses a significant risk whilst the cranes are in motion. This project aims to eliminate these potential risks, with particular emphasis on prioritising personal safety.

Pedestrian Walkways Project

As part of the pedestrian walkway project, the number of display screens has been increased, the pedestrian walkway at the main entrance has been painted, stencilling has been carried out, and the canopies have been refurbished. Precast elements have been installed along the main entrance pedestrian walkway, and cat's-eye reflectors and fencing have been fitted. Sliding gates have been installed at points where people are likely to cross the walkway.

Construction Machinery Red/Blue Light Project

Blue and red-light systems are in operation to ensure that a safe distance is maintained whilst working with construction machinery.

Emergency Management

At Çolakoğlu Metalurji, emergency preparedness for various potential incidents, including fire, earthquake, flood, storm, chemical accidents, explosions, pandemics, traffic accidents and occupational accidents, is among the key priorities within the scope of occupational health and safety practices. Accordingly, a comprehensive management system is in place, addressing different types of emergencies in line with the following principles:

- Identifying preventive and mitigating measures against potential hazards,
- Defining the response procedures to be followed at the time of an incident,
- Developing evacuation procedures for specific risk groups,
- Establishing emergency response teams and defining their roles and responsibilities,
- Ensuring that periodic inspections and maintenance of emergency equipment (fire extinguishers, fire cabinets, hydrant systems, detection systems, etc.) are carried out by authorised, accredited firms.

As part of emergency preparedness, emergency response teams comprising personnel responsible for firefighting, protection, rescue, first aid, communications and power cut-off are actively on duty. Emergency drills are organised at least once a year to assess the preparedness levels of all these teams and the awareness levels of other staff. The drills are conducted in accordance with the Emergency Action Plan, which has been drawn up in compliance with legal requirements.

Community Contribution and Social Responsibility

Social Responsibility

Çolakoğlu Metalurji has been honoured with an award in the “Projects Adding Value to Society – Sport” category at the Dünya Newspaper Social Benefit Awards.

Çolakoğlu Metalurji builds its corporate reputation on a philosophy of social responsibility that is sensitive to the needs of the region in which it operates and prioritises local development. The company structures its social investments with the aim of creating long-term value and in accordance with the principle of ‘starting with those closest to us’; it aims to deliver social benefits through localised solutions whilst making sustainable contributions to its surroundings.

One of the most prominent projects within its social responsibility investments is the Çolakoğlu Metalurji Sports Club (ÇMSK). Aiming to support the physical, social, and psychological development of young people and to make a sustainable social contribution in the Dilovası region, the Club is actively involved in a total of seven sports: football, basketball, table tennis, swimming, athletics, fencing, and volleyball.

Having begun its activities with the aim of developing athletes in Olympic sports, ÇMSK has established a broad support network that extends not only within its own organisation but also to existing amateur sports clubs in Dilovası. By adopting an approach that offers equal opportunities to both girls and boys, it has contributed to the grassroots development of sport at a local level.

At the kit handover ceremony organised by the Sports Club, over 1,800 items of sports equipment were distributed to young athletes. Under the motto “Support from Us, Success from You”, this project has supported Dilovası Belediyespor, Diliskelesispor, Çerkeşlispor, Tavşancılıspor, Dilovası Yıldızlar Spor, Dilovası Gençlik Spor, and school sports clubs.

Through this project, Çolakoğlu Metalurji is not only contributing to the strengthening of the local sports infrastructure but also continuing its approach of creating value for regional development through social investment.

Çolakoğlu Metalurji has been recognised with an award in the “Projects Adding Value to Society – Sport” category as part of the Dünya Newspaper Social Benefit Awards. The recognition of projects implemented in the fields of social responsibility and volunteering on this prestigious platform has served as a significant indicator of the company’s approach to creating social benefit.

As part of its efforts to support the education and development of children in the region, Çolakoğlu Metalurji distributed school bags and stationery sets to students at Dilovası Akşemseddin Primary School. Supported by the Çolakoğlu Metalurji Sports Club, the initiative was carried out with the participation of representatives from Kocaeli Metropolitan Municipality, Dilovası Municipality, and the District Directorate of National Education.



Stakeholder Perspective

As we celebrate Çolakoğlu’s 80th anniversary during this significant period, we believe that sustainability is achievable not only through production but also through investment in people. The Çolakoğlu Metalurji Sports Club is one of the strongest reflections of this philosophy. The successes we achieved throughout 2025 in swimming, athletics, fencing, and football have once again demonstrated what discipline, hard work and team spirit can achieve. However, for us, the true success lies not so much in the medals won, but in nurturing young people who are self-confident, responsible and look to the future with hope, guided by sport. Drawing strength from our 80-year-old legacy, we remain determined to continue viewing sport as a vital part of social development and to stand by our young people. Because we know that a sustainable future is built through investment in people.

Rahman Kalyoncu
Administrative Affairs – Supervisor

Partnerships

Çolakoğlu Metalurji believes that knowledge-based production is the most important driving force behind sustainable development and sectoral progress. In line with this, it regards establishing partnerships that support education and skills development as one of the cornerstones of its corporate culture.

Within the framework of university-industry collaboration, Çolakoğlu Metalurji has signed a cooperation protocol with Kocaeli University. These partnerships aim to bring young talent into the sector, increase opportunities for practical learning, and integrate scientific knowledge into production processes.

As part of its collaboration with Kocaeli University, Çolakoğlu Metalurji has launched a new workspace project for students of the Department of Metallurgy and Materials Engineering. Under this project, a student-team workspace, a meeting room, and open-plan office areas for PhD students have been created, covering a total area of 550 m². The aim is for these spaces to provide a high-quality learning and collaborative environment by supporting students' academic work and project development processes. This project contributes to the development of young engineering candidates whilst also supporting the strengthening of university-industry collaboration.

Çolakoğlu Metalurji aims to prioritize supporting the education and development of students across different age groups by carrying out initiatives at all levels of education. In this context, the company launched the Knowledge and Culture Competition under the auspices of the Kocaeli Governorship and in cooperation with the Kocaeli Provincial Directorate of National Education. Open to all secondary schools across Kocaeli, the competition concluded with a final held at the Kocaeli Congress Center as part of the celebrations marking the 105th anniversary of 23 April National Sovereignty and Children's Day.





SUSTAINABLE GROWTH AND CORPORATE RESILIENCE

CORPORATE GOVERNANCE → 68

FINANCIAL PERFORMANCE → 75

SUPPLY CHAIN MANAGEMENT → 79

CUSTOMER FOCUS AND SATISFACTION → 84

EFFICIENCY PROJECTS

PRODUCT QUALITY AND SAFETY

Power Cooling Project

The project aims to produce ultra-hard and wear-resistant steel grades by enhancing controlled cooling capabilities. This investment is expected to make a significant contribution to improving product performance, enhancing quality consistency, and expanding the portfolio of high value-added products. As part of the project, literature reviews have been conducted to develop new grades with high wear resistance. As part of the Power Cooling investment, design and engineering work continued throughout 2025. The investment is scheduled to come on stream in 2026.

Scanning Electron Microscope (SEM) Investment

Thanks to the SEM instrument recently acquired, the micro-level characterisation of steel materials is now being carried out. Its contributions to product and process development, R&D and sustainability can be summarised as follows:

- **Material/Defect Characterisation:** The examination and characterisation of the microstructural phase compositions and inclusion contents of steel materials facilitate quality improvement and the identification of defect sources; the data obtained from these analyses is utilised to optimise production processes. Consequently, product quality is enhanced to meet customer expectations, and efficiency is improved.
- **Surface Examination:** The examination of surface defects enables the identification of defect sources and the prevention of such issues in the future. This information is particularly useful in resolving customer complaints and enhancing customer satisfaction.

The work planned for 2025 as part of the SEM (Scanning Electron Microscope) investment has been completed, and the instrument is now actively used in product development, quality improvement, and the technical analysis of customer complaints. Thanks to the microstructure and surface analyses carried out using the SEM, root cause analyses of defects can be conducted more effectively, contributing to process optimisation and the improvement of product quality levels.

‘AI’ Predictive Software

Development work on AI-based mechanical strength prediction software has strengthened the digital analysis infrastructure for process and quality data. Development of the ‘AI’ prediction software has been completed, and the aim is to put the software into operation in 2026.

CUSTOMER EXPERIENCE AND SATISFACTION

Customer Relationship Management (CRM)

This digital platform project aims to enhance the ability to better understand customers and provide improved service by systematically tracking customer preferences, past interactions, and purchasing behaviour, thereby strengthening customer relationships, and ensuring the sustainability of customer loyalty. The project will aim to maintain and strengthen relationships with existing customers and enhance the customer experience, identify and track opportunities, and, in addition, create the opportunity to establish contact with potential customers by creating records for them.

CM Online

This is a digital platform where customers can access their current accounts, track order statuses, issue dispatch orders and share feedback directly online.

Corporate Governance

Corporate Governance and Organisational Structure

Çolakoğlu Metalurji structures its corporate organisation based on ethical principles, ensuring it is transparent, accountable, and guided by a sense of responsibility. It adopts a management philosophy that adheres to the company's values in all its activities, acting with a sense of responsibility towards society, the environment and all its stakeholders.

At Çolakoğlu Metalurji, the highest governing body is the Chairman of the Board of Directors. The corporate governance structure is designed such that the strategies and investments determined under the leadership of the Board of Directors are implemented by the relevant directorates under the chairmanship of the General Manager. The management systems applied across the company form the foundation of the sustainable management model; they strengthen inter-departmental coordination and support a culture of continuous improvement.

In addition to its existing management model, Çolakoğlu Metalurji has established a sustainability governance structure to integrate the concept of sustainability, which is increasingly central to today's shareholder and customer expectations, into its business processes. This structure ensures that teams designated to lead the transformation are responsible for internalising the concepts of a low-carbon economy and sustainability within the organisation, as well as for change management.

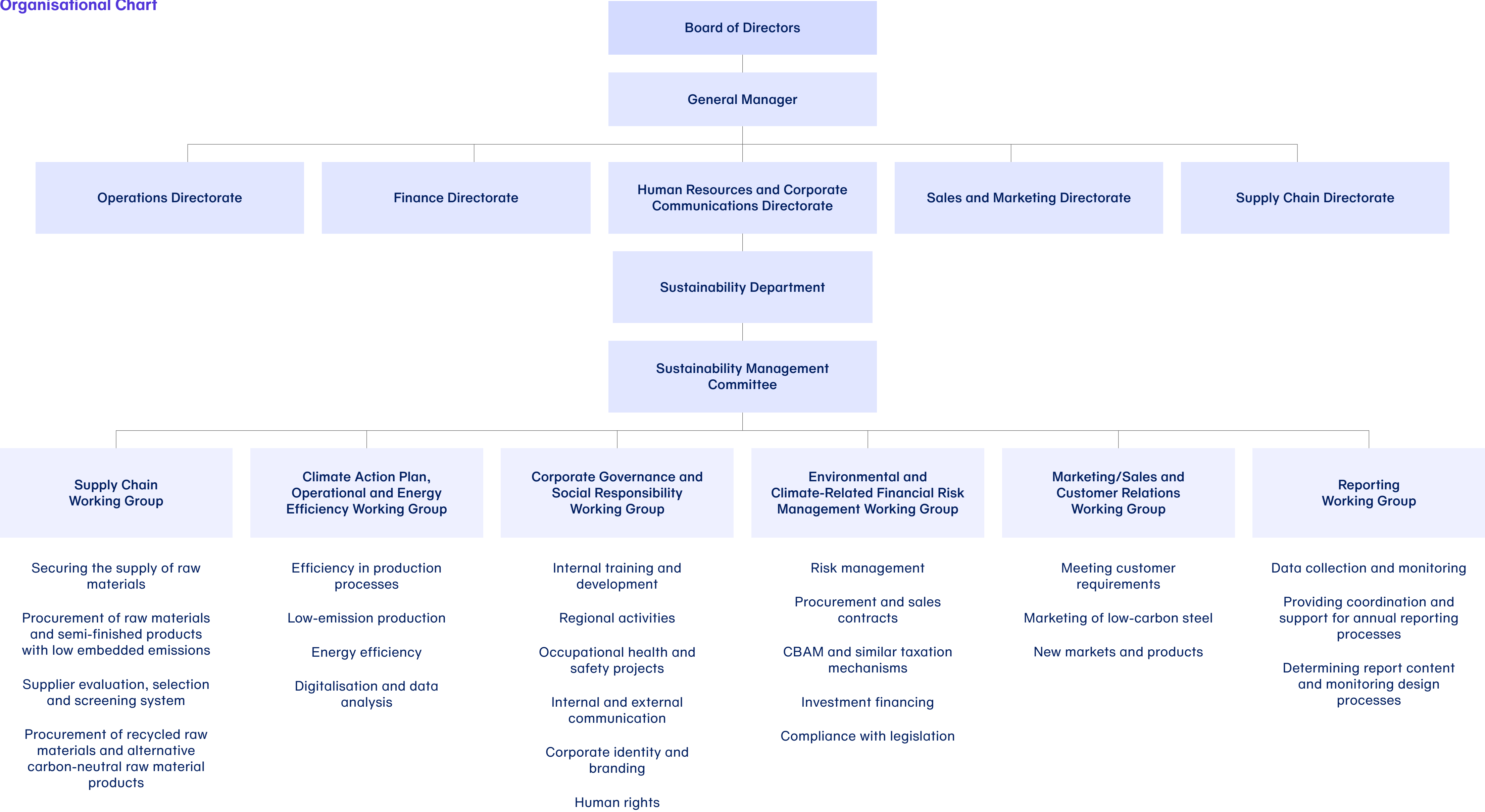
As the transition to a low-carbon economy is a significant strategic approach and a process requiring substantial investment, this authority at the highest level has been delegated to the Board of Directors. The Sustainability Management Committee, which reports to the Board of Directors, comprises Directors or Managers from all departments across the company.

Within this organisational structure, working committees have also been established to promote widespread adoption across the organisation, and a total of six sub-working groups have been set up:

1. Supply Chain Working Group
2. Climate Action Plan, Operational and Energy Efficiency Working Group
3. Corporate Governance and Social Responsibility Working Group
4. Environmental and Climate-Related Financial Risk Management Working Group
5. Marketing/Sales and Customer Relations Working Group
6. Reporting Working Group



Organisational Chart



Code of Ethics

Throughout 2025, a total of 678 hours of ethics training was provided to 339 participants via the company's internal digital training platform, Steel Academy.

Çolakoğlu Metalurji conducts all its activities in full compliance with national and international legislation and regulations; it embraces a management philosophy based on transparency, fairness, integrity, and accountability. The approach to business ethics, which forms the foundation of the corporate culture, is not limited to mere compliance with legislation; it represents a philosophy that prioritises trust in relations with all stakeholders, and responsibility and integrity in internal processes. The fight against corruption and bribery, a key component of this approach, is treated as an integral part of the company's ethics-based management approach and is regarded as one of the primary elements of its business practices.

Management practices have enabled Çolakoğlu Metalurji to obtain **the Authorised Economic Operator (AEO) Certificate**, which was developed to enhance reliability and efficiency in customs and trade processes and facilitates the faster and smoother execution of international trade operations.

Compliance with the Çolakoğlu Metalurji Code of Ethics is ensured throughout all decision-making and implementation processes; 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 in place against corruption, bribery, bullying, and similar unethical behaviour.

The revised Code of Ethics, which has been communicated to all employees, is made available to all staff via the Staff Regulations and Employee Handbook, the email address etik@colakoglu.com.tr and the internal communication platform 'Artemis'; in cases of uncertainty, easily accessible and secure reporting mechanisms are provided. An ethics hotline is also being established within the company.

Çolakoğlu Metalurji aims to foster awareness of ethical culture across the organisation from the recruitment stage onwards; ethical principles are communicated to employees during induction training. Furthermore, these principles are regularly shared via the internal digital communication platform and reinforced through recurring training sessions at specific intervals. In this context, a total of 678 hours of ethics training was provided to employees throughout 2025 via the in-house digital training platform, Çelik Akademi.



The company expects its 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 responsibilities. Çolakoğlu Metalurji adopts a zero-tolerance policy towards 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, is fully compliant with ethical values and demonstrates a high level of social responsibility.



You can access **Çolakoğlu Metalurji's Code of Ethics** [here](#).

Compliance with Legislation

Çolakoğlu Metalurji adopts full compliance with national and international legislation across all areas of its operations as a fundamental principle. Within this framework, the monitoring of legal regulations and the assessment of their applicability are carried out using a specialist-led and systematic approach.

New laws and regulations published domestically are monitored via the Official Gazette, and written opinions are sought from specialist law firms regarding legislative changes that may affect Çolakoğlu Metalurji's areas of operation. Legal regulations relating to overseas operations are monitored under the guidance of local law firms in the relevant countries.

Internal communication processes regarding new regulations are carried out by circulating information notes prepared by the Legal Advisory Department to the relevant business units. To enhance employees' legal awareness, information and training sessions have been organised on the topics of Competition Law, Data Protection Law, International Sanctions Law, and Employment Law.

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 carried out via computers and mobile phones in departments where there is potential for communication with competitors, and awareness-raising training sessions for employees are organised in line with the audit findings. This practice not only ensures legal compliance but also strengthens an ethical business culture at an organisational level.

Changes to national and international legislation are regularly monitored within the company through coordination between the Legal, Environment, Human Resources, Procurement, Import-Export and Sustainability departments. In particular, developments relating to sustainability, carbon regulations, supply chain obligations, and environmental legislation originating from the European Union are monitored through official legislative publications, sectoral associations, law firms and consultants within the European Union, and local consultancy services. As of 2025, company processes have been assessed, particularly in relation to CBAM, emissions reporting obligations, sustainability-focused supply chain practices, and data protection obligations. Accordingly, the necessary revisions have been made to the contractual framework, and the relevant departments have been informed of the revised contracts and the regulations pertaining to the contracts that must be implemented. In addition, as part of the monitoring of legal authorisation and licensing processes, periodic reminders regarding the renewal of licence and authorisation periods are sent to the relevant departments.

To ensure that legal compliance processes are carried out effectively within the company, legislative changes and current legal developments are regularly monitored and assessed by the relevant units. In this context, information and announcements are provided to the relevant departments and the Board of Directors, particularly regarding national and international legislative changes affecting the company's areas of operation. In 2025, briefings were provided to the relevant units on sustainability legislation, CBAM, data protection obligations, environmental legislation, occupational health and safety practices, and current regulations affecting commercial activities; where deemed necessary, the impacts on their operations were assessed. These information initiatives were carried out via email announcements, internal correspondence, regulatory assessment notes, and coordination processes with the relevant units.

Specific targets and performance indicators are monitored with a view to enhancing the effectiveness of the company's legal compliance processes. In this context, activities relating to legal and compliance processes, as well as corporate objectives, are assessed by the relevant departments. Coordination is maintained among the relevant departments, the status of process completion is periodically assessed, and necessary improvement actions are planned.



Information Security

Çolakoğlu Metalurji has enhanced the security level of its automation systems through IEC 62443 security certifications and is the first organisation in the iron and steel sector in Türkiye and worldwide to obtain this certification.

With technological advancements and digitalisation, the risks and severity of cyber-attacks are increasing. At the same time, cyber-attacks negatively impact business continuity, leading to a loss of customer trust. For this reason, cyber security plays a vital role in ensuring information security and the confidentiality, integrity, and availability of information assets. Furthermore, cyber security and information security are also of great importance to the iron and steel sector. The primary objectives of cyber and information security are as follows:

- To reduce or eliminate Operational Technology (OT) security threats,
- To ensure the protection of critical infrastructure,
- To enhance employee safety,
- To safeguard intellectual property and data security,
- To meet legal compliance and standards.

Çolakoğlu Metalurji assesses potential cyber security risks and eliminates threats through necessary infrastructure improvements and controls. Up-to-date endpoint security, continuous monitoring of attack surfaces and penetration testing form the core components of these controls. Strict measures are implemented with the utmost care to ensure the confidentiality of employee and customer information. In this context, systems designed to prevent data breaches are utilised to identify areas requiring reinforcement against both internal and external threats, thereby preventing security breaches.

- It has established a cyber security infrastructure in accordance with the IEC 62443 – Industrial Cyber Security Certification.
- It has commenced a self-assessment of its cyber security competence model in accordance with EMRA requirements for critical energy (electricity) infrastructure.
- It plans to establish a monitoring framework based on the National Institute of Standards and Technology (NIST) Cybersecurity Framework and to set up a Cybersecurity Operations Centre.

Çolakoğlu Metalurji invests in information security and systematically implements the necessary measures to strengthen its security infrastructure. In this context, Çolakoğlu Metalurji has enhanced the security level of its automation systems through IEC 62443 security certifications and is the first organisation in the iron and steel sector in Türkiye and worldwide to obtain this certification. In addition, the Company carries out its activities in line with the ISO 27001 standard, conducts risk assessments, develops comprehensive information security policies, and ensures continuous improvement through regular audits.

Within the system infrastructure, multi-layered security systems are used, supported by next-generation firewall solutions, configured across different network segments, and designed in accordance with high-availability principles. Network traffic can be analysed in detail, including latency-related parameters.

Data backup processes are carried out either automatically or periodically. A replication-based backup architecture over WLAN has been established for the systems within the organisation. Further improvement initiatives are being planned across these systems, while security tests are conducted regularly.

Çolakoğlu Metalurji's investments and measures in information security provide the following benefits to the Company:

- Protection of the Company's critical data against data leakage, loss and unauthorised access,
- Ensuring business continuity in the event of cyberattacks or emergencies,
- Ensuring compliance with regulations such as ISO 27001, KVKK and GDPR, while building trust among customers and business partners through a robust security infrastructure,
- Preventing significant financial losses that may arise from incidents such as data breaches and ransomware attacks.

Çolakoğlu Metalurji is undertaking initiatives not only within its own systems but also across its business ecosystem to raise cyber security awareness and drive improvements. In this context, digital suppliers are monitored through Cyber Threat Intelligence (CTI) applications; expectations, risks, and recommendations for improvement in the field of cyber security are shared with suppliers and customers. The aim is thus to collectively raise the level of security within the digital supply chain.

The Çolakoğlu Group maintains Information Security Policies, Data Protection Act (KVKK) Information Notices, Information Security Manuals, and an Integrated Management Guide. In line with the requirements of the certifications held, these documents are reviewed to ensure continuity and are audited and monitored annually.

Best practices in the field of cyber security and information security

- Transition to ISO 27001:2022
- EMRA Cyber Security Competence Model Analysis Studies
- Web Application Firewall Configurations for Web Applications
- Virtual Vault Management in Systems

Compliance indicators have been established for monitoring data in relation to information security and cyber security. Security incident forms and a tracking mechanism have been put in place. Staff awareness training and social engineering tests are carried out on a regular basis.



You can access the [Information Security Policy](#) here.

Corporate Reputation Management

Çolakoğlu Metalurji builds its corporate reputation on the foundations of transparency, ethical values, employee engagement, and its contributions to society. Within the framework of this multidimensional approach, strong internal and external stakeholder communication is maintained, while corporate reputation is continuously strengthened through practices that enhance the company's visibility, active participation in sectoral events, and projects that generate social value.

Internal Communication Activities

Employee-focused communication projects are implemented to strengthen corporate reputation among internal stakeholders. These projects aim both to embed the corporate culture and to increase employee engagement.



“Those Who Shape Our Future” Series

Building on the “Those Who Guide Our Course” series launched in 2024, in which managers shared their knowledge and experience in their areas of expertise, the focus has now shifted to young people. The “Those Who Shape Our Future” series, launched in 2025, features interviews with young people who are shaping the future.

Art Competition for Employees’ Children

The 5th Annual 23 April National Sovereignty and Children’s Day Art Competition was held under the theme ‘How Do You Imagine the Factory of the Future?’. Organised with the participation of employees’ children, the competition contributes to the intergenerational sharing of corporate culture.

Perspective

Published quarterly to strengthen internal communication, the e-newsletter features sustainability developments, sectoral innovations, and internal success stories for employees. This newsletter enhances employee engagement by supporting transparency and participation in internal communication processes.

External Reputation

To strengthen the organisation’s reputation among external stakeholders, active participation was secured at various conferences and trade fairs throughout 2025; this facilitated knowledge sharing with industry representatives, explored collaboration opportunities and enhanced brand visibility.



January 2025

On 20 January, Sales Manager Didem Taşkiran participated as a panellist at the 16th SteelOrbis Americas Construction Steel and Wire Rod Conference held in Las Vegas, USA, thereby contributing to Çolakoğlu Metalurji’s visibility and knowledge-sharing within the international steel sector.



April 2025

Çolakoğlu Metalurji took part in the Tube Eurasia 2025 Exhibition, held at the Istanbul Tüyap Exhibition and Congress Centre from 9 to 12 April. At the exhibition, the company’s products and solutions were showcased to leading industry representatives, business partners, and visitors.

May 2025



The company took part in the Made in Steel 2025 Fair, held in Milan, Italy, from 6 to 8 May; through meetings with international business partners and industry representatives, the company strengthened its global partnerships and visibility within the sector.



Kürşad Aynas, Sales Manager for Pipe, Profile and Secondary Producers, participated as a panellist at the Steel Summit 2025, held in Çeşme on 15–16 May, representing the company at one of the national steel sector's key knowledge-sharing platforms.

August 2025

Between 29 July and 1 August, the company contributed as a bronze sponsor to the EcoMat 2025 Conference, held at the ITU Maçka Campus under the theme 'Materials for a Sustainable Future'.

October 2025

On 11 October, the company supported the Oktoberfest 2025 event held in Istanbul as a Gold Partner.

November 2025

On 13–14 November, the company contributed as a Supporting Manufacturer to the “2nd Symposium on Employee Safety and Well-being in the Metallurgy Sector”, held at the ITU Süleyman Demirel Cultural Centre. Uğur Pamuk, Manager of the Hot Strip Mill, chaired a session, whilst Özlem Yarış, Senior Occupational Health and Safety Specialist, participated as a panellist, sharing the company's expertise in occupational health and safety with industry stakeholders.

December 2025

The company contributed as a Summit Sponsor to Lean Summit 2025, held in Istanbul on 1–2 December. In line with its approach to sustainable productivity and continuous improvement, the company supported the sharing of sector-specific knowledge aimed at promoting a lean management culture.



On 9 December, the company contributed as a Platinum Sponsor to the SteelOrbis 20th Steel Conference – New Horizons in Steel Markets. The opening address at the conference was delivered by General Manager Uğur Dalbeler, who shared his assessments of the sector's current dynamics and future prospects with the participants. The event reinforced the company's leading position in the steel sector and its visibility on international platforms.

Financial Performance

The Steel Sector in the Global Economy

Steel is one of the key commodities that determines the direction of economic activity through its global pricing dynamics. Steel prices exert a decisive influence on industrial production and investment decisions. Steel pricing, which is shaped by raw material costs, energy prices, and logistics costs, serves as a critical indicator of trends in key sectors such as construction, the automotive industry and machinery manufacturing.

As of 2025, global crude steel production in the steel sector has decreased by 2 per cent to 1.85 billion tonnes (2024: 1.89 billion tonnes), largely due to the decline in China's output.

The global distribution of crude steel production was as follows:

CHINA: With a 51.9 per cent share, production stood at 960.8 million tonnes, representing a 4.4 per cent decline.

INDIA: With an 8.9 per cent share, it produced 165 million tonnes, recording a 10.4 per cent increase.

USA: With a 4.4 per cent share, it produced 82 million tonnes, recording a 3.1 per cent increase.

JAPAN: With a 4.3 per cent share, it produced 80.7 million tonnes, representing a 4 per cent decrease.

RUSSIA: With a 3.7 per cent share, it produced 67.8 million tonnes, marking a 4.5 per cent decline.



Stakeholder Perspective

We view financial management not merely as a function that monitors the company's financial performance, but as one of the fundamental building blocks that guide strategic decision-making processes. From the effective management of cash flow to investment planning, and from risk analysis to resource utilisation, we operate in close integration with our business processes across all these areas; we manage our company's financial strength in line with our sustainable growth objectives. We believe that every investment supporting the efficiency of our operations will create long-term value, and we maintain our financial discipline in line with this understanding. Changing trade policies, carbon regulations, and measures such as the Carbon Border Adjustment Mechanism (CBAM) in the global steel sector are also transforming the perspective of financial management. Competitive strength is now assessed not only through financial indicators but also in conjunction with data management, carbon performance, and sustainability investments. In line with this, as the finance team, we closely monitor evolving regulations; we shape our investment decisions, risk management approach, and resource planning with the aim of creating long-term value. Our 80 years of corporate experience is our greatest strength when it comes to identifying the right priorities and building a robust financial structure during periods of uncertainty. We anticipate that the transformation in the global economy and the steel sector will continue unabated in 2026. Therefore, our priority is to maintain our financial strength whilst continuing our efficiency-focused investments, to manage resources effectively to support the digitalisation and sustainability transformation, and to swiftly adapt to changing global conditions, thereby further enhancing our company's long-term competitive strength.



Faruk Ersan Evyapan
Group ALM and Treasury Department – Manager

The Steel Sector in Türkiye

In 2025, high global interest rates, geopolitical developments, volatile energy costs and shifting demand in key export markets continued to shape the steel sector. These factors affected pricing, margins and trade flows. In Türkiye specifically, tightening in financial markets, exchange rate movements and rising financing costs have made balance sheet and cash flow management even more critical for sector players. These developments have put pressure on companies, particularly in terms of sales pricing, working capital requirements and financing costs.

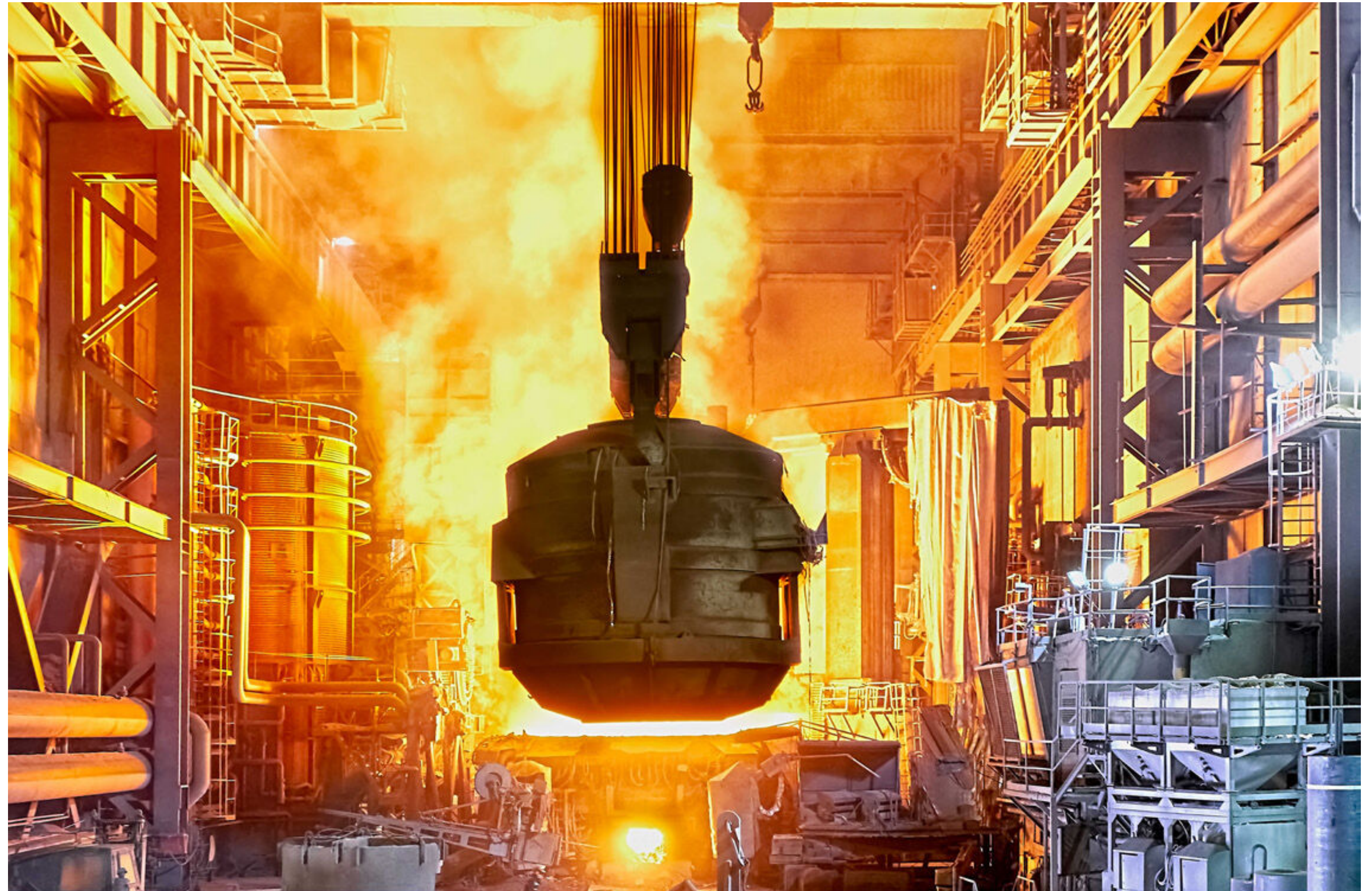
In 2025, Türkiye's crude steel production increased by 3.3 per cent to reach 38.1 million tonnes (2024: 36.8 million tonnes). Of this production, 27.5 million tonnes were produced in electric arc furnaces, whilst 10.6 million tonnes were produced in blast furnace facilities.

Türkiye's steel product exports rose by 12.5 per cent in volume terms to 15.1 million tonnes (2024: 13.4 million tonnes); during the same period, imports increased by 8.6 per cent to 18.9 million tonnes.

In terms of value:

- Total exports rose by 4.3 per cent to **USD 10.2 billion,**
- whilst total imports fell by 0.7 per cent to **USD 13.1 billion.**

Türkiye's ratio of steel product exports to imports stood at 77.6 per cent (2024: 73.97 per cent).



Financial Management at Çolakoğlu

Çolakoğlu Metalurji aims for sustainable growth whilst maintaining a balance between capacity and costs, and in 2025 it was ranked 18th in the ISO's list of Türkiye's 500 Largest Industrial Enterprises.

Çolakoğlu Metalurji, with 80 years of sector experience and by the very nature of the sector in which it operates, is directly affected by global and local economic developments; to mitigate these effects, it implements regular business planning and effective risk management processes. Sustainable growth targets are being achieved thanks to a diverse product range supported by high technology; this is underpinned by an appropriate cash flow cycle tailored to the company's operational structure, alongside balanced balance-sheet and liquidity management. Furthermore, the impact of economic and sector-specific fluctuations is minimised through the use of various derivative instruments, thereby safeguarding financial stability.

The company's financial policy is shaped by technological development, regulatory compliance, customer preferences, risk management and corporate governance principles. These factors guide operations across all markets in which the company sources and sells its products.

Çolakoğlu Metalurji monitors financial risk under two main categories: market risk and credit risk, and determines its policies accordingly. Credit risk is assessed on a customer-by-customer basis, and a balanced sales policy is pursued through a customer-specific collateral and credit limit structure. Market risk, meanwhile, is monitored under four main headings: liquidity, interest rate, exchange rate, and commodity price risk. Çolakoğlu Metalurji optimises costs and financial returns through short-, medium- and long-term policies aligned with market conditions, business-cycle requirements and its risk criteria. Derivative instruments are used to limit the impact of interest-rate and exchange-rate volatility. Thanks to this comprehensive and holistic approach to financial management, Çolakoğlu Metalurji achieved a turnover of TRY 99.2 billion in 2025.



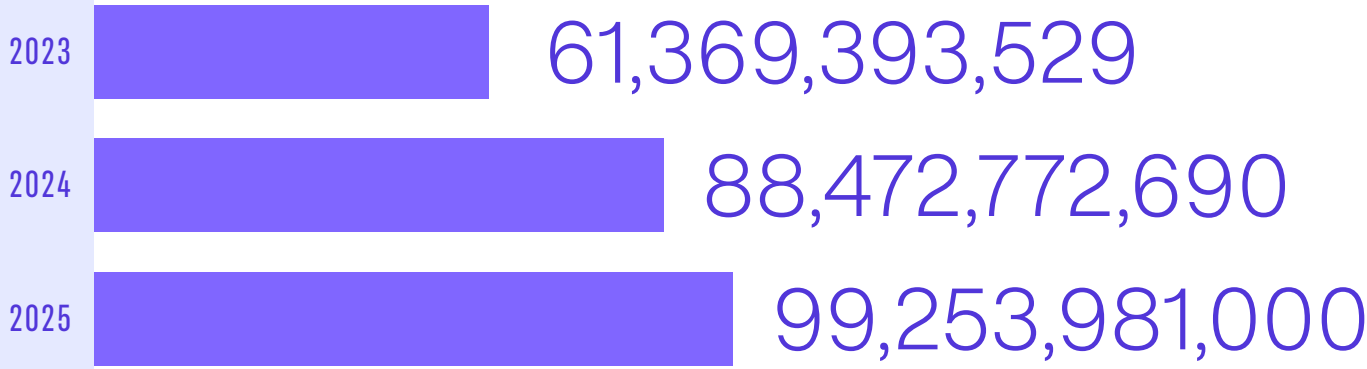
Çolakoğlu Metalurji has continued to expand its product portfolio in the oil and gas, automotive and special-grade steel segments by strengthening its high value-added product strategy. In particular, the increase in trade volume targeting the European automotive supply chain and the focus on special-grade products have contributed to making the sales portfolio more balanced and sustainable. The commissioning of the second slab furnace investment has increased production flexibility and finished product capacity, whilst raising the proportion of high-value-added finished products within the product mix. This has supported the efficiency of these transformation activities whilst contributing to the strengthening of profitability and revenue quality.

Çolakoğlu Metalurji has maintained its financial strength in 2025 through effective liquidity management, disciplined working capital management, controlled investment planning, cost optimisation, and risk management practices. The impact of financial volatility on the balance sheet and cash flow has been limited through the effective use of derivative instruments and natural hedging mechanisms against fluctuations in exchange rates, interest rates, and commodity prices. Consequently, despite volatile market conditions, balance sheet resilience was maintained, cash flow sustainability was supported, and operational flexibility was strengthened.

Thanks to this holistic risk and asset-liability management structure, Çolakoğlu Metalurji maintains its financial stability and long-term corporate resilience by preserving its strong cash generation capacity and cash flow continuity, even during periods of global demand fluctuations and financial uncertainty.

Çolakoğlu Metalurji’s turnover for 2025 was
TRY 99,253,981,000.

Turnover Figures (TRY)



Domestic Sales Volume (Flat + Long) (ktonne)



Flat Steel Sales (ktonne)



Long Steel Sales Volume (ktonne)



Supply Chain Management

Supply Chain Activities

At Çolakoğlu Metalurji, supply chain activities are conducted under two main structures: the factory and the head office; this structure is coordinated by two separate directorates. The supply chain comprises specialised procurement processes focused directly on production inputs, alongside general procurement activities covering a wide range of equipment and services.

The Procurement Directorate, based at the head office, is responsible for sourcing the basic raw materials required for steel production. Four separate units operate under this structure:

- Procurement (Raw Materials) – Domestic scrap
- Procurement (Raw Materials) – Overseas
- Procurement (Semi-finished Products)
- Procurement (Coal)

These units manage the procurement of domestic and imported scrap, semi-finished products such as slabs and billets, and energy inputs such as coal, thereby ensuring the direct supply of production processes. Raw materials such as PIK, HBI and similar products are also procured within this scope. This structure operates with a specialised, in-depth approach to inputs that have high technical specifications and contribute directly to production processes.

In addition, the Supply Chain Directorate at the factory site manages procurement processes for non-production or indirect inputs, such as machinery, equipment, consumables, and office supplies. Within this scope, procurement is carried out across a wide range of items, from production equipment and fasteners to desks, chairs, and notebooks, supported by a broad supplier network. The factory side primarily addresses general procurement needs and those providing support for its operations.

Thanks to this division of responsibilities, procurement processes at Çolakoğlu Metalurji are managed effectively, both in terms of production inputs requiring technical expertise and operational requirements. Following the procurement and supply process, stages such as quality control, quantity verification, and production planning come into play, with all processes progressing within an integrated system spanning from production to marketing.

Çolakoğlu Metalurji selects and evaluates suppliers against defined ethical, operational and sustainability criteria. These assessments help the company maintain an efficient, responsible and resilient supply chain. Throughout the duration of the partnership, Çolakoğlu Metalurji continuously monitors its suppliers not only in terms of the quality of the materials and services they provide, but also with regard to their corporate governance practices and environmental impact.

Stakeholder Perspective

We do not view procurement processes merely as securing the right product at the right time and at the right unit price. For us, procurement is one of the most important building blocks for adding value to our company’s future by establishing sustainable, reliable, and long-term business partnerships. With this approach, we assess our suppliers holistically, taking into account not only commercial criteria but also their quality systems, environmental responsibilities, occupational health and safety practices, sustainability performance, and legal compliance. Through the strong partnerships we have established, we aim to enhance the resilience of our supply chain whilst simultaneously creating a long-term ecosystem that supports mutual development. Throughout 2025, we have carried out intensive work to integrate the evolving requirements, particularly under the European Green Deal and the Carbon Border Adjustment Mechanism (CBAM), as a natural part of our supply chain. We have worked in close collaboration with our suppliers on sharing emissions data, ensuring data accuracy and standardising processes. We view operational efficiency as an integral part of sustainability. Through digital document management, standardised processes, regular performance monitoring, and our risk-based supplier assessment system, we are accelerating our decision-making processes whilst also optimising the use of raw materials and semi-finished products. We believe that sustainability is not merely about meeting today’s targets, but also about acting today with tomorrow’s needs in mind. Therefore, as the procurement department, we remain committed to working alongside our business partners to create a supply chain that learns, evolves, and generates value; and to contributing to our company’s sustainable growth, operational efficiency, and competitive strength.



Canipek Altan
Purchasing (Semi-Finished Products) Department – Supervisor

Çolakoğlu Metalurji continues to contribute to Türkiye's economy by supporting local sourcing, while also contributing to the development and institutionalisation of local suppliers.

Çolakoğlu Metalurji, which prioritises working with suppliers who adhere to ethical standards and working principles, takes the following key criteria into account when selecting new suppliers or evaluating existing ones:

Supplier Working Principles and Sustainability

Culture: Suppliers must comply with all legal regulations relating to free trade. In addition to compliance with the law in all matters, the company seeks a management approach that demonstrates the utmost diligence regarding working conditions and environmental protection, contributes to economic and social development, and is sensitive to human rights and ethical standards. The rules that suppliers must adhere to are published on Çolakoğlu Metalurji's website under the heading [Ethical Rules and Working Principles for Suppliers](#).

Supplier Experience and Certifications: To ensure the required service performance, it is important that suppliers possess the necessary experience and hold certifications that meet industry-accepted standards.

Reliability: Suppliers must adhere to the terms and commitments of the contract, respect business confidentiality, and meet delivery deadlines.

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 assessed in terms of the supplier's ability to adapt to changes in design specifications, delivery dates, and delivery quantities. Technical competence is considered in terms of improvements to business processes and designs.

Appropriate Quality of Materials and Supply

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

Price Level and Performance: Prices are expected to be commensurate with those paid to similar businesses for the same services.

Financial Strength: The supplier's financial position must be sound, and the prices quoted must be reasonable and consistent from the perspective of both the buyer and the supplier.

Authorised Economic Operator (AEO) Status: Under the Regulation on the Facilitation of Customs Procedures, this is a status granted to reliable companies that fulfil their customs obligations, maintain a regular and traceable record-keeping system, meet financial adequacy and security standards, and have an internal control mechanism, thereby granting them various facilitations and privileges in customs procedures.

Guarantee and Service Competence: The scope and duration are expected to be aligned as closely as possible with Çolakoğlu Metalurji's requirements. All material, service and investment contracts with suppliers include requirements covering management systems, freedom of association and collective bargaining, the prohibition of forced and child labour, occupational health and safety, working hours and wages, environmental protection, confidentiality, anti-bribery and anti-corruption, conflicts of interest, transparency and integrity. In addition, there are supplementary specifications for work and situations involving particularly labour-intensive tasks and high occupational health and safety risks.



Suppliers are required to provide certification of their management systems, with different certificates required depending on the supplier group:

- 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

With regard to human rights and appropriate working conditions, consideration is given to whether the relevant International Labour Organization (ILO) or United Nations Global Compact (UNGC) agreements have been signed by the governments or suppliers in the countries of origin of the supply chain.

Another key consideration in supplier selection is the prioritization of local suppliers. By supporting local sourcing, Çolakoğlu Metalurji continues to contribute to the Turkish economy while also supporting the development and institutionalization of local suppliers. In 2025, local suppliers accounted for 91.2% of the company's supplier network, which comprised 1,492 active suppliers.

Çolakoğlu Metalurji conducts compliance checks at regular intervals on suppliers with which it plans to establish new commercial relationships, as well as all existing suppliers, in the context of national and international trade rules and working principles. The accuracy of the information contained in the documents provided by suppliers is verified against publicly available sources.

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

From the moment the procurement of goods and services from suppliers commences, the supplier’s performance in relation to their operations, as well as their compliance with contracts and evaluation criteria, is monitored. The expected performance levels for suppliers and the methods for monitoring and evaluating these are set out in supply and/or service contracts, technical protocols, or order forms.

Supplier visits, conducted with varying scope and frequency, also form part of the monitoring process. These audits, which are of critical importance for maintaining and improving sustainability standards within Çolakoğlu Metalurji’s supply chain, were continued and expanded in 2025 with the participation of auditors from various disciplines.

Çolakoğlu Metalurji conducts an annual **Periodic Performance Rating** by jointly evaluating all its current suppliers. These evaluations not only guide commercial relationships with suppliers but also provide key data for the **Supplier Development Programmes** prepared and monitored in collaboration with them.

Çolakoğlu Metalurji uses five main assessment forms for its suppliers:

- Supplier Assessment Risk Analysis Form
- Supplier Process Audit Form
- Supplier Performance Assessment Form
- Supplier Environmental Audit Form
- Supplier On-Site Assessment Form

Scores awarded via these forms are calculated out of 100, and success ratings are determined based on the scores obtained. As a result of these assessments, which are based on success ratings, the suppliers to be worked with are identified.

- We do not collaborate with suppliers with a performance rating of 29 per cent or below.
- At this stage, we do not collaborate with firms with a performance rating between 30 per cent and 69 per cent; however, if potential is identified, a quality improvement plan is requested and the firm is reassessed.
- Collaboration is undertaken with suppliers with a performance rating between 70 per cent and 100 per cent.

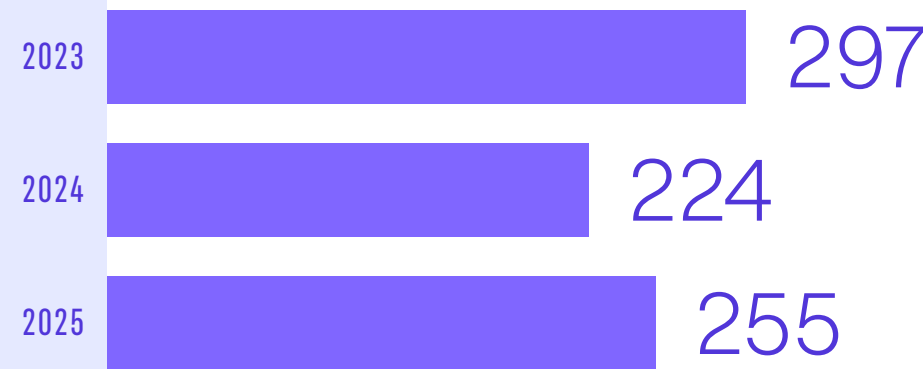
Çolakoğlu Metalurji monitors the carbon footprint, one of the most significant environmental impacts arising from suppliers, through CBAM and the Chemicals Registration Application. These schemes are implemented with the utmost rigour to reduce suppliers’ environmental impacts and ensure they meet their sustainability targets. As part of this requirement, the company requests, and records data on carbon emissions from all producers of semi-finished and finished construction steel.

Çolakoğlu Metalurji sources all the scrap it procures from the domestic market through recycling and sorting companies. Aiming to increase the number of such firms, Çolakoğlu Metalurji maintains a continuous and effective supplier engagement process to ensure it receives services that meet the high operational standards it has set for its suppliers.

Çolakoğlu Metalurji has specific terms and conditions for the purchase of scrap, which include additional requirements relating to human health and the environment, and which are shared with all suppliers via its website.



Number of Suppliers and Contractors Subject to Assessment



You can access the terms and conditions that scrap suppliers must comply with here.

Business Continuity

The Supply Chain Directorate has completed the training programmes for ISO 22301, established the relevant committees, and initiated the certification process.

Given the importance of advanced circular economy practices to Çolakoğlu Metalurji's production model, the Company has initiated industrial collaborations to improve scrap quality and enable scrap to be collected directly from its source. As a result of these business models implemented in the domestic market, the separate collection and delivery of different scrap types has been encouraged, increasing the share of **single-grade scrap to 61 per cent of total scrap purchases**.

Çolakoğlu Metalurji rejects raw materials that do not meet the requirements set out in its **“Domestic and Imported Scrap Purchasing Specification”**, which clearly defines criteria relating to quality, environmental performance and human health.

Çolakoğlu Metalurji has transformed the e-commerce platform used to expand local sourcing opportunities and manage the process in a more transparent and streamlined manner into a more effective and efficient structure. This has supported an open, transparent and responsive procurement process for all suppliers registered on the system that wish to provide goods and services to Çolakoğlu Metalurji. In addition, investments have been made in the Supplier Portal Project to accelerate effective and efficient information and data sharing with suppliers, and in the RPA Project to automate processes through robotic systems and enable transferred process steps to be carried out by software robots.

Making the traffic generated by road freight vehicles arriving at Çolakoğlu Metalurji facilities safer is one of the Company's key areas of focus. Vehicles that pass acceptance controls are admitted to the facility in a controlled manner based on queue management. Drivers remain in their vehicles, while all procedures are carried out electronically through RFID systems. Project work has also commenced on the next phase, the “Appointment System for Shipments”. By enabling vehicles to arrive at a more balanced rate throughout the day, the system aims to reduce vehicle waiting times and ensure more efficient use of available resources.

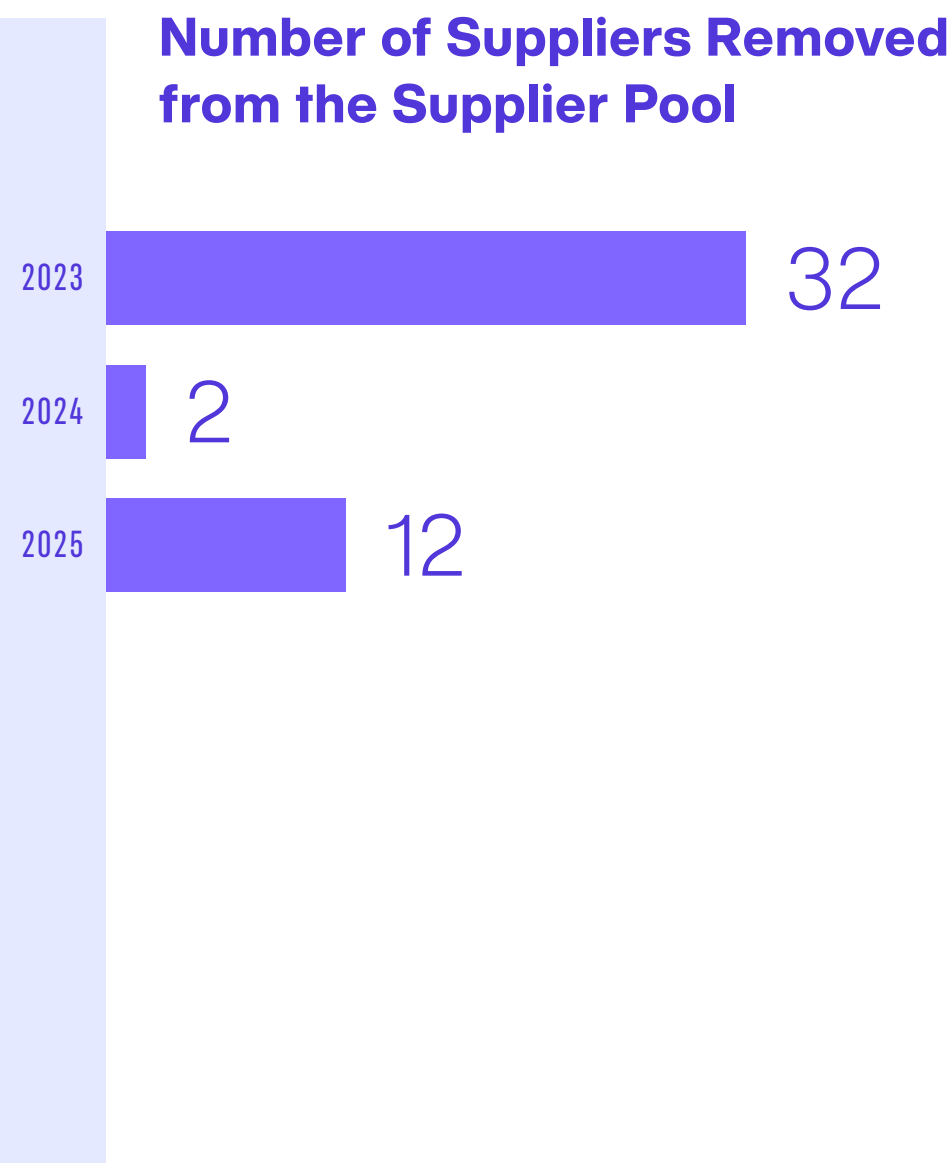
Contracts with road freight service providers include requirements relating not only to load capacity limits, but also to the selection of vehicles suitable for the relevant load, load securing, measures to prevent dust generation and spillage, the documentation required from drivers, and full compliance with all applicable legal requirements.

The Supply Chain Directorate considers ensuring business continuity to be a critical priority and implements various practices to maintain uninterrupted processes. The system infrastructure established for departments that do not require a physical presence at the plant enables remote access, thereby supporting the continuity of operations even under extraordinary circumstances.

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



In the iron and steel sector, business continuity is of critical importance to ensuring the uninterrupted operation of production, supply and delivery processes. Disruptions in the supply chain may result in a wide range of adverse consequences, including order delays, inventory issues, logistics disruptions, cost increases, quality deviations and reduced customer satisfaction. Over the long term, such impacts may adversely affect both the Company's operational efficiency and corporate reputation.



Material Use

The Procurement Directorate accepts 100 per cent of new suppliers into the system, provided they meet international standards in line with social, environmental, and occupational health and safety criteria.

In line with its responsible procurement approach, one of the most important steps in the sustainable transformation of 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.

In procurement processes, criteria such as material quality, compliance with international standards, financial soundness and environmental sustainability are taken as the basis. These assessments are carried out in accordance with the Environment, Quality and Sustainability policies, through collaboration between Procurement Department officials and Quality Control teams. Furthermore, compliance with standards such as ISO 9001, ISO 14001, ISO 50001, IATF 16949 and **ISO 45001 Occupational Health and Safety Management System** is among the key requirements for supplier selection.

To strengthen sustainable procurement practices, suppliers are scored based on their performance throughout the year and their compliance with ISO and IATF international standards; corrective and preventative improvement measures are implemented for companies whose scores fall below the required standards. At the same time, suppliers are informed of updates to environmental and sustainability legislation, and the necessary documents and declarations are collected.

In 2025, the purchase of scrap from suppliers lacking an Environmental Permit and Licence Certificate, or whose certificates had expired, was suspended; the firms in question were automatically blocked within the system. The validity of all suppliers' permits and licences was updated, and organisations failing to submit the required documents were blacklisted, with their contractual processes suspended. To ensure the continuity of domestic scrap supply, direct collaboration methods have been developed with local manufacturers and industrial firms.

As part of sustainable supply chain management, sustainability criteria such as carbon footprint, environmental impact and ethical compliance are monitored alongside key performance indicators such as quality, lead times, and price. For newly registered suppliers subject to environmental audits, licence documents are requested and this information is shared with the relevant environmental authorities.

To minimise the environmental impact of the supply chain, suppliers and logistics service providers are required to meet a range of conditions, extending from compliance with international environmental standards, emissions 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.

When sourcing raw materials, various compliance certificates are requested from suppliers in accordance with the company's policies. Operations across the supply chain and all related areas of responsibility are controlled in accordance with the HSEF056, SCS.100 and HSA.001 procedures defined under the QDMS system, as well as other relevant company policies.

At Çolakoğlu Metalurji, import-dependent critical raw materials, particularly slab and HBI, are of significant importance for business continuity and the uninterrupted continuation of production. Any disruption in the supply chain could lead to delays in both production schedules and commitments made to customers. To minimise these risks, the following measures are implemented:

- Alternative suppliers meeting the technical specifications have been identified for all critical raw materials and semi-finished products, particularly slabs and HBI. This approach is applied in the same way to other raw material groups, such as scrap, pig iron, and billets.
- Sufficient stocks of raw materials and semi-finished products are maintained to ensure production continuity, thereby ensuring preparedness for short-term supply disruptions.
- In the event of issues with main suppliers, deliveries continue via approved alternative suppliers for the relevant product groups.
- Supply contracts include guarantees regarding delivery times, force majeure clauses, and provisions for alternative sources.

This ensures both the continuity of production and the uninterrupted fulfilment of obligations to customers.

The Procurement Directorate implements a strategy of diversifying its supplier portfolio and ensuring geographical diversification to safeguard business continuity; each year, it adds new alternative suppliers in line with the organisation's principles, thereby reducing reliance on a single region and enhancing resilience to global developments. In parallel, department staff are trained through cross-functional training programmes to acquire the competence to take over each other's duties and responsibilities; this minimises the impact of staff or supply-related disruptions on production and supply flows.

The Procurement Directorate implements a systematic approach aimed at optimising material usage and reducing consumption levels. Regular meetings are held with planning and technical departments to enhance production efficiency; technical parameters such as product quality, dimensional tolerances and chemical composition limits are reviewed jointly, ensuring a material flow that is both cost-effective from a procurement perspective and efficient from a production perspective. Weekly review meetings are held for the raw materials used in steel mill production to ensure the procurement of the most cost-effective materials in the correct quantities, thereby preventing waste.

Recycled content accounts for a significant proportion of the materials portfolio. Steel scrap, which makes up 80 per cent of imported and domestic raw material purchases, is entirely recycled material. This both supports the circular economy approach and reduces the carbon footprint associated with raw materials.

Customer Focus and Satisfaction

Ar-Ge ve İnovasyon

At Çolakoğlu Metalurji, our sustainability-focused R&D and innovation processes are geared towards developing solutions that minimise environmental impact, enhance production efficiency and provide innovative responses to customer needs. Projects are systematically managed by multidisciplinary teams.

Çolakoğlu Metalurji demonstrates compliance with the ISO 17025 Laboratory Accreditation Certificate standards to ensure the highest levels of quality and reliability and applies internationally recognised quality criteria in its production and service activities.

Foundations of R&D, Quality and Innovation Processes

Materials and Raw Material Optimisation	Mechanical and chemical tests are conducted on final products to ensure the more efficient use of raw materials and other materials used in different steel grades. By operating within safe tolerance ranges, raw material consumption is optimised. This dynamic process, maintained for each newly developed product, improves resource efficiency and reduces costs.
Product Innovation and Variety	Sustainability-oriented R&D activities support innovative improvements and product variety in steel products. In this context, steel grades designed to deliver high strength and support weight reduction are developed, while existing standard grades are customised according to customer needs through a dynamic and continuous process. Each stage, from raw material selection and production to the assessment of the final product’s chemical, physical and microstructural properties, is closely monitored and evaluated. This approach has made a positive contribution to customer satisfaction, market share and brand loyalty.
Industrial Collaborations and Partnerships	R&D processes are strengthened through project partnerships developed with external stakeholders. Studies conducted together with supervisors and expert partners contribute not only to product and process development, but also to international recognition through academic publications.
Technical Assessment of Customer Complaints	Technical reviews conducted by the Quality, Metallurgy and R&D Department enable data obtained from customer complaints to be used effectively in product and process improvements. The rapid and solution-oriented handling of complaints both enhances customer satisfaction and strengthens confidence in the company’s sustainability commitments.

Stakeholder Perspective

Our philosophy of conducting business based on trust, which we have upheld for 80 years, remains one of our key advantages in international markets today. As the export team, we assess the efficiency of our operations not only through cost management but also through proper planning, swift decision-making, effective coordination, and our ability to fulfil our commitments to customers on time. We operate with the awareness that trust in international markets can only be sustained through consistent quality. Meeting our customers’ expectations with the same commitment to quality and reliable service in every order is one of our top priorities. Strong collaboration between our departments across all processes, from production to logistics, enables us to adapt swiftly to changing global market conditions and provide our customers with uninterrupted service. The long-standing business partnerships we have established across different regions over the years are also one of the most tangible indicators of this approach. Drawing on the strength of our 80 years’ experience, we will continue to strengthen our presence in international markets and contribute to our company’s sustainable growth by further developing our efficiency-focused working philosophy and customer-centred approach.



İbrahim Çiğdem
Commercial Segment – Supervisor

Product Quality and Safety

Çolakoğlu Metalurji adheres to globally recognised systems and national standards regarding product quality and safety. It views product quality and safety not merely as a requirement for customer satisfaction, but as a fundamental component of structural safety, minimising environmental impact and long-term sustainability. In line with this, it addresses quality at every stage of production through the principles of traceability, compliance with standards and continuous improvement; it ensures the quality of all its products by testing them in accordance with national and international standards.

The technical properties of products offered for various sectors, primarily construction, automotive and manufacturing, such as strength, impact resistance, weldability and surface quality, enable them to deliver high performance throughout their service life. This quality-focused approach to production not only meets project-specific customer expectations but also minimises the need for maintenance and refurbishment during the product’s usage phase, thereby contributing to reduced life-cycle costs and a lower environmental impact.

Through continuous process controls on its production line, advanced testing infrastructure and improvement mechanisms based on customer feedback, Çolakoğlu Metalurji has made quality an integral part of its sustainability performance. This systematic emphasis on quality supports not only the fulfilment of current demands but also long-term project success and brand reliability.

Standards adhered to by Çolakoğlu Metalurji

- CE – European Conformity Mark
- IATF 16949 – Automotive Quality Management System
- ISO 14001:2015 – Environmental Management System
- ISO 17025 – Laboratory Accreditation Certificate
- ISO 27001 – 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) – Directive on the Restriction of Hazardous Substances
- TS 708 – Steel – Reinforcing Steel for Reinforced Concrete

Work Carried Out in the Context of Product Quality and Safety

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

Çolakoğlu Metalurji has implemented a series of strategic improvements in its production lines, laboratory infrastructure, and digital quality management systems with the aim of raising product quality and safety to the highest level. The key initiatives in this regard are as follows:

Modernisation of the Online Surface Inspection System	The existing surface inspection system on the hot rolling mill has been updated to a higher-resolution, AI-supported version. This has enhanced the accuracy of real-time detection of surface defects.
Laboratory Digital Monitoring System (LDIS)	With the aim of digitising test processes and reducing human error, the conceptual design for the Laboratory Digital Monitoring System (LDIS) project has been drafted and approved. This has provided significant advantages in terms of reporting product test results, traceability, measuring machine, and equipment efficiency, and ensuring rapid response times to customer requests.
Roll-out of IATF 16949-Compliant Automotive Quality Processes	Process FMEA (Failure Mode and Effects Analysis), control plans and traceability structures for deliveries to the automotive sector have been reviewed, thereby strengthening the ‘zero-defect’ approach in response to automotive customer requirements.

Thanks to these efforts, sustainable improvement in product quality has been achieved, whilst both internal process efficiency has been enhanced and the performance reliability of products reaching the end user has been strengthened.

In terms of quality performance, the number of new products developed, the customer satisfaction index, the time taken to resolve customer complaints and process quality indicators are monitored on a regular basis. In 2025, 16 new steel grades were developed in line with sectoral requirements.

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

Sample Analyses and Test Results

Chemical analyses, mechanical tests including tensile, hardness, impact, bending and DWTT (Drop Weight Tear Test) tests, metallographic examinations using optical microscopy and SEM (scanning electron microscopy), and product surface quality inspections through online surface inspection systems and manual visual checks where necessary.

Quality Performance Indicators (KPIs)

KPIs including the number of new products developed, the customer satisfaction index, and customer complaint closure time.

Measurement and Monitoring Tools

All test results are recorded and analysed through the SAP Quality Management module (QM), together with traceability codes (material IDs). Internal and external audits are conducted regularly in line with ISO 9001 and IATF 16949 standards, and root cause analyses are performed for identified nonconformities.



Power Cooling Project

The project aims to enable the production of ultra-high-strength and wear-resistant steel grades by enhancing controlled cooling capabilities. This investment is expected to make a significant contribution to improving product performance, enhancing quality consistency, and expanding the high value-added product portfolio. As part of the project, literature reviews have been conducted to develop new grades with high wear resistance. As part of the Power Cooling investment, design and engineering work continued throughout 2025. The investment is scheduled to come on stream in 2026.

Scanning Electron Microscope (SEM) Investment

Thanks to the SEM instrument recently acquired, the micro-level characterisation of steel materials is now being carried out. Its contributions to product and process development, R&D and sustainability can be summarised as follows:

- **Material/Defect Characterisation:** The examination and characterisation of the microstructural phase compositions and inclusion contents of steel materials facilitate quality improvement and the identification of defect sources; the data obtained from these analyses is utilised to optimise production processes. Consequently, product quality is enhanced to meet customer expectations, and efficiency is improved.
- **Surface Examination:** The examination of surface defects enables the identification of defect sources and helps prevent such issues in the future. This information is particularly useful in resolving customer complaints and enhancing customer satisfaction.

The work planned for 2025 as part of the SEM (Scanning Electron Microscope) investment has been completed, and the instrument is now actively being used in product development, quality improvement, and the technical analysis of customer complaints. Thanks to the microstructure and surface analyses carried out using the SEM, root cause analyses of defects can be conducted more effectively, contributing to process optimisation and an improvement in product quality levels.

“AI” Predictive Software

Development work on AI-based mechanical strength prediction software has strengthened the digital analysis infrastructure for process and quality data. Development of the ‘AI’ prediction software has been completed, and the aim is to put the software into use in 2026.

In 2025, Çolakoğlu Metalurji continued its process improvement, product development, and investment activities aimed at enhancing product quality and safety. In this context, the company focused on improving quality consistency in production processes, ensuring more precise control of mechanical properties, and developing value-added products.

Low Carbon Product

Çolakoğlu Metalurji positions the ‘low-carbon steel’ approach as a strategic priority during the transition to a low-carbon economy and is continuously developing its product portfolio. The iron and steel sector is among the critical sectors in the context of global climate targets due to its high energy consumption and carbon emissions; in this context, the concept of ‘low-carbon steel’ refers to products with a low environmental impact, produced using minimised emissions in manufacturing processes and incorporating recycled raw materials.

At Çolakoğlu Metalurji, the definition of a low-carbon product is based on the criterion that products are manufactured using scrap-based and recycled content. Products manufactured through the company’s scrap-based EAF route contain high levels of recycled content and form the core of its low-carbon product portfolio. Thanks to this production model, the recycled content ratio stands at 95.19 per cent for the long products group and 79.26 per cent for the flat products group in 2025.

One of the cornerstones of operations is the production of high-value-added and specialised products (such as 700MC and DP600) using scrap-based slabs from Çolakoğlu Metalurji. These products specifically meet the expectations of sectors with stringent emission criteria, such as the automotive industry. Furthermore, the company contributes to the circular economy by establishing closed-loop models for customers and implementing practices such as utilising scrap collected from domestic customers in production.

Çolakoğlu Metalurji presents the environmentally friendly recycling process and CO₂ emissions associated with its production to its existing and potential customers by certifying these aspects and expanding its product range in line with target markets.

In line with its sustainability approach, the Company’s product strategy extends beyond the production site and is also positioned at the core of its marketing strategy. By offering customers products containing recycled materials that reduce their carbon footprint, the company helps them contribute to their own sustainability goals. In line with this, it fosters sustainability-focused customer relationships through transparent data sharing and green product declarations, thereby bringing its vision of ‘Future-Ready Steel’ to the product level.



The recycled content ratio stands at

95.19%

for the long products group and

79.26%

for the flat products group

Customer Experience and Satisfaction

Çolakoğlu Metalurji combines its in-depth knowledge of sectoral trends with strong communication skills to accurately interpret customer needs and provide transparent, consistent solutions to any issues that may arise. This approach, which centres on customer focus and satisfaction, is effectively demonstrated not only in after-sales processes but across all business operations. As marketing strategies are based on data-driven decision-making and creativity, this ensures that products stand out and are preferred in the market; the ability to adapt quickly to changing market dynamics, a sector-specific sales organisation, and integration with production and planning units all serve to strengthen the relationship of trust with the customer.



Product Quality and Variety

High-quality, value-added products tailored to customers' requirements are offered.

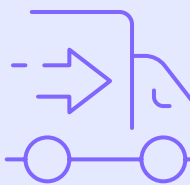


Customer Relations

Long-term relationships are established with customers, their continuously evolving requirements are closely monitored, and products tailored to specific demands are designed and manufactured to respond rapidly to these needs.



Focus Areas for Ensuring Customer Satisfaction



On-Time Delivery

Effective logistics and distribution solutions are provided to ensure that customers receive products on time and reliably.



Technical Support and Service

Expertise and support are provided to customers on product selection, use and application techniques.

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

The company’s customer satisfaction performance is monitored at regular intervals; key indicators tracked include product quality, delivery performance, complaint process management, customer-focused financial solutions, the development of bespoke new products, and the supply of low-carbon products. ÜYPM’s holistic feedback management is supported by the planning team working alongside the sales unit to draw up production plans in line with customer priorities; this ensures that customer expectations are met in a timely and consistent manner.

Çolakoğlu Metalurji regularly monitors its customer satisfaction performance, tracking product quality, delivery performance, complaint management, customer-oriented financial solutions, the development of new products tailored to specific needs, and the supply of low-carbon products as key indicators.

Complaint mechanisms and other improvement processes are carried out as follows:

All customer complaints reported regarding products are communicated to the Product and Management Performance Department (ÜYPM) under the Sales and Marketing Directorate.

ÜYPM conducts the preliminary assessment of complaints, coordinates the production and quality teams, and ensures the necessary communication with customers through verbal and written channels. Customer suggestions and complaints that are technically evaluated by the Quality, Metallurgy and R&D Department are responded to as soon as possible, and the necessary actions are taken to prevent similar issues from recurring.

Customer-specific actions and solutions are provided where necessary. On-site visits are conducted when required.

To eliminate the nonconformities that caused the complaint, corrective and preventive actions are opened through the QDMS system, and the follow-up of actions is ensured.

Çolakoğlu Metalurji evaluates its performance through a customer satisfaction survey conducted every two years by an independent third-party organisation; thanks to its commitment to quality service, the company achieves high levels of customer satisfaction, and a new survey will be carried out in the final quarter of 2026.

New phase developments for the CRM Project and the CM Online portal are being rolled out with the aim of moving complaint management to a digital environment. This will make it easier for customers to access the platforms and significantly speed up the time taken to receive and respond to feedback.

Customer Satisfaction Rate (%)^{*}



^{*} The customer satisfaction survey is conducted every two years by an independent third-party organisation.

Number of Flat Steel Customers



Number of Long Steel Customers



Customer Relationship Management (CRM)

This digital platform project is designed to enhance the ability to better understand customers and deliver improved service by systematically tracking customer preferences, past interactions, and purchasing behaviour, thereby strengthening customer relationships, and ensuring the sustainability of customer loyalty. The project will aim to maintain and strengthen relationships with existing customers and enhance the customer experience, identify and track opportunities, and, in addition, create the opportunity to establish contact with potential customers by creating records for them.

CM Online

This is a digital platform where customers can access their accounts directly online, view their current account balances, track order statuses, issue dispatch orders and share feedback.

Competitiveness

As one of the cornerstones of industry and the economy, the iron and steel sector plays a strategic role in a country’s development and industrialisation. Türkiye has achieved a significant position in this sector thanks to its ability to adapt swiftly to global transformations, its agile business models, and its robust industrial infrastructure. When combined with the growing potential for sustainability driven by the transition to renewable energy, the logistical and strategic advantages offered by our country become key factors in enhancing the competitive strength of iron and steel producers.

Through effective project management, Çolakoğlu Metalurji delivers high-quality products and services both locally and internationally. The products it manufactures play a major role in the realisation of numerous key projects across different regions of the world, including renewable energy, restoration, residential and commercial construction, gas distribution, drinking water supply, power transmission lines, ports, dams and waterways, natural gas, and energy and oil pipelines.

The countries and regions in which Çolakoğlu Metalurji operates include 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, Austria, Réunion, Bosnia and Herzegovina, Paraguay, Madagascar, Norway, Guyana, the Dominican Republic, Uruguay, Poland, Curaçao, Jamaica, Trinidad and Tobago, Mayotte and French Polynesia.

Brand Strength and Reliability



Strategic Location and Logistical Strength

Rapid supply and dispatch capacity thanks to a geographical location that enables access to three continents from Türkiye within a short timeframe, combined with an integrated port infrastructure.



Low-Carbon, Scrap-Based Production

Cost advantages and a low carbon footprint thanks to expertise in scrap-based production and investments in renewable energy.



Extensive and High-Quality Product Range & Continuous Improvement

A high-quality, extensive product portfolio; the introduction of new value-added steel grades through continuous capacity investments.



Strategic Sales and Marketing & Agile, Experienced Team

A sales organisation structured by sector, a data-driven marketing approach and an agile team capable of responding immediately to customer requests.



Customer Relationship Management & Quality of After-Sales Service

Long-standing customer relationships and after-sales support.



Local and International Partnerships

A collaboration ecosystem that strengthens market share through strategic partnerships and global networks.

The increasing barriers to global trade are affecting virtually every sector in terms of competition. During this period, sector-specific expertise, customer experience, a commitment to quality and the concept of sustainability are coming to the fore more than ever before. Çolakoğlu Metalurji operates under the motto of adding value to its customers, thanks to its experience, high standards of quality and customer-focused approach. By establishing long-term partnerships, the company is fulfilling its responsibilities towards a sustainable future.

The CBAM, which began giving rise to financial obligations as of 2026, has become a key competitive factor for flat steel exporters. As the European Union begins to apply carbon costs to imported products as well, the embedded emissions values of products will be decisive in terms of cost and competitiveness in exports. For this reason, Çolakoğlu Metalurji views the CBAM not merely as a regulation, but also as a strategic transformation that is reshaping the conditions of competition within the sector.

The Turkish steel sector holds a significant advantage in this process. In particular, thanks to its Electric Arc Furnace (EAF)-based production infrastructure, Türkiye is able to achieve production with a lower carbon intensity compared to the global average. This stands out as a key factor that could create a competitive advantage in the European market. However, to ensure this advantage is sustainable, verified emissions calculations, a traceable data infrastructure, investments in energy efficiency and low-carbon production technologies are of critical importance. Çolakoğlu Metalurji has long been preparing for this transition through its sustainability-focused investments, efficiency-driven approach, and low-carbon production infrastructure, whilst focusing on maintaining its competitive edge by adapting to changing global trade dynamics.



APPENDICES

PERFORMANCE INDICATORS → 94

SDG INDEX → 102

GRI CONTENT INDEX → 103

TERMS AND ABBREVIATIONS → 109

Performance Indicators

Environmental Performance Indicators

Total Production Amount				
Indicator	Unit	2023	2024	2025
Liquid Steel (Steel Mill)	Tonne	2,566,190	2,539,693	2,416,956
HRC (Hot Strip Mill)	Tonne	2,868,530	3,427,838	3,091,351
Bar (Bar Rolling Mill)	Tonne	647,429	667,335	692,963

Greenhouse Gas Emissions				
Indicator	Unit	2023	2024	2025
Scope 1	tCO ₂ e	495,606	565,519	454,793
Scope 2	tCO ₂ e	748,766	806,969	697,759
Scope 3	tCO ₂ e	4,913,811	5,493,688	5,105,175

In-house Energy Consumption				
Indicator	Unit	2023	2024	2025
Natural Gas	GJ	4,944,277	5,520,975	5,052,902
Diesel	GJ	72,714	75,479	123,656
Electricity from Grid	kWh	866,818,385	847,631,303	750,699,029

Energy Consumption				
Indicator	Unit	2023	2024	2025
Energy Consumption	kWh	3,325,676,917	3,628,955,223	3,382,481,102
Energy Consumption	GJ	11,975,164	13,067,215	12,179,706

Fuel Consumption				
Indicator	Unit	2023	2024	2025
Factory Electricity Consumption	%	52.932	49.967	50.514
Natural Gas	%	40.908	42.034	41.186
LPG	%	0.003	0.002	0.002
Diesel	%	0.607	0.578	1.015
Anthracite	%	5.548	7.419	7.282

Energy Intensity				
Indicator	Unit	2023	2024	2025
Energy Intensity	kWh/TRY	0.054	0.041	0.037

Energy Intensity				
Indicator	Unit	2023	2024	2025
Energy Consumption	GJ	11,975,164	13,067,215	12,179,706
Final Liquid Steel	Tonne	2,546,326	2,519,230	2,401,780
Energy Intensity	GJ/ Tonne of final liquid steel	4.703	5.187	5.071

Amount of Waste					
Indicator		Unit	2023	2024	2025
Amount of Hazardous Waste	Recovery	Tonne	781.474	810.890	545.370
	Disposal	Tonne	6,315.950	5,314.330	3,946.710
Amount of Non-Hazardous Waste	Recovery	Tonne	331,396.620	328,727.920	386,003.470
	Disposal	Tonne	304,097.736	292,103.430	130,912.450
Total Amount of Waste		Tonne	642,591.780	626,956.570	521,408.000

Amount of Waste per Unit of Production					
Indicator		Unit	2023	2024	2025
Steel Mill and Hot Strip Mill (HSM)		Kg/Tonne of product	8.515	8.081	7.896
Bar Rolling Mill		Kg/Tonne of product	0.0325	0.0493	0.0236

Amount of Waste Recovered					
Indicator		Unit	2023	2024	2025
Recovered Waste		Tonne	332,178.09	329,538.81	411,224.03

Osmosis Plant Water Production					
Indicator		Tonne	2023	2024	2025
Osmosis Plant Water Production		m³/year	2,340,000	2,348,826	2,151,921

Water Use by Source					
Indicator		Unit	2023	2024	2025
Sea Water		m³/year	198,881,280	210,240,000	210,240,000
Mains Water		m³/year	12,814	29,770	81,593

Water Intensity					
Indicator		Unit	2023	2024	2025
Water Intensity		m³water/tonne liquid steel	0.441	0.445	0.396

Social Performance Indicators

Number of Employees				
Indicator	Unit	2023	2024	2025
Female	Person	105	115	113
Male	Person	1,474	1,557	1,629
Total Number of Employees	Person	1,579	1,672	1,742

Female and Male Employee Ratio				
Indicator	Tonne	2023	2024	2025
Female	%	6.650	6.878	6.487
Male	%	93.350	93.122	93.513

Number of Employees by Age Group				
Indicator	Unit	2023	2024	2025
Under 30 Years	Person	301	345	342
Between 30-50 Years	Person	1,102	1,130	1,186
Over 50 years	Person	176	197	214
Total Employees	Person	1,579	1,672	1,742

Average Seniority Years by Gender				
Indicator	Unit	2023	2024	2025
Female	Year	5.810	6.060	6.620
Male	Year	8.580	10.090	9.850

Number of New Hires				
Indicator	Unit	2023	2024	2025
Female	Person	29	19	20
Male	Person	146	198	337
Total Number of New Hires	Person	175	217	357

Age Distribution of New Hires				
Indicator	Unit	2023	2024	2025
Under 30 Years	Person	102	126	152
Between 30-50 Years	Person	71	90	193
Over 50 Years	Person	2	1	12
Total Number of New Hires	Person	175	217	357

Number of Employee Departures				
Indicator	Unit	2023	2024	2025
Female	Person	12	8	24
Male	Person	227	172	219
Total Employee Departures	Person	239	180	243

Age Distribution of Employee Departures				
Indicator	Unit	2023	2024	2025
Under 30 Years	Person	73	78	81
Between 30-50 Years	Person	135	93	137
Over 50 Years	Person	31	9	25
Total Employee Departures	Person	239	180	243

Number of Employees by Education Level				
Indicator	Unit	2023	2024	2025
Primary Education and Below	Person	257	250	263
High School	Person	652	737	772
University and Above	Person	670	685	707
Total Employees	Person	1,579	1,672	1,742

Number of Employees by Region					
Indicator		Unit	2023	2024	2025
Türkiye	Female	Person	105	115	113
	Male	Person	1,474	1,557	1,629
Abroad	Female	Person	0	0	0
	Male	Person	0	0	0
Total Employees		Person	1,579	1,672	1,742

Number of Employees by Category					
Indicator		Unit	2023	2024	2025
White Collar	Female	Person	102	106	107
	Male	Person	481	490	510
Blue Collar	Female	Person	3	9	6
	Male	Person	996	1,076	1,125
Total Employees		Person	1,579	1,672	1,742

Number of Employees by Employment Type					
Indicator		Unit	2023	2024	2025
Tam Zamanlı	Female	Person	105	115	113
	Male	Person	1,474	1,557	1,629
Yarı Zamanlı	Female	Person	0	0	0
	Male	Person	0	0	0
Total Employees		Person	1,579	1,672	1,742

Number of Employees by Contract Type					
Indicator		Unit	2023	2024	2025
Fixed term	Female	Person	0	4	0
	Male	Person	5	102	90
Indefinite Term	Female	Person	105	112	113
	Male	Person	1,469	1,454	1,539
Total Employees		Person	1,579	1,672	1,742

Senior Management Structure				
Indicator	Unit	2023	2024	2025
Female	Person	4	4	4
Male	Person	10	12	12
Total Number of Senior Managers	Person	14	16	16

Gender Distribution in Senior Management				
Indicator	Unit	2023	2024	2025
Female	%	28.571	25.000	25.000
Male	%	71.429	75.000	75.000

Senior Management Structure by Nationality				
Indicator	Unit	2023	2024	2025
Local	Person	14	16	16
Foreigner	Person	0	0	0
Total Number of Senior Managers	Person	14	16	16

Senior Management Structure by Age Distribution				
Indicator	Unit	2023	2024	2025
Under 30 Years	Person	0	0	0
Between 30-50 Years	Person	3	3	2
Over 50 Years	Person	11	13	14
Total Number of Senior Managers	Person	14	16	16

Mid-Level Management Structure				
Indicator	Unit	2023	2024	2025
Female	Person	7	6	5
Male	Person	35	32	30
Total Number of Mid-Level Managers	Person	42	38	35

Female and Male Ratio in Mid-Level Management				
Indicator	Unit	2023	2024	2025
Female	%	16.667	15.789	14.286
Male	%	83.333	84.211	85.714

Mid-Level Management Structure by Nationality				
Indicator	Unit	2023	2024	2025
Local	Person	42	38	35
Foreigner	Person	0	0	0
Total Number of Mid-Level Managers	Person	42	38	35

Mid-Level Management Structure Age Distribution				
Indicator	Unit	2023	2024	2025
Under 30 Years	Person	0	0	0
Between 30-50 Years	Person	32	26	20
Over 50 Years	Person	10	12	15
Total Number of Mid-Level Managers	Person	42	38	35

Number of Employees with Disabilities				
Indicator	Unit	2023	2024	2025
Female	Person	8	9	10
Male	Person	34	36	40
Total Number of Employees with Disabilities	Person	42	45	50

Unionization Rate of Blue Collar Employees				
Indicator	Unit	2023	2024	2025
Female	%	100	100	100
Male	%	100	100	100

Turnover Rate				
Indicator	Unit	2023	2024	2025
Turnover Rate	%	7.670	10.600	13.920

Employee Training Hours by Gender				
Indicator	Unit	2023	2024	2025
Female	Hour	6,461	5,990	4,264
Male	Hour	70,361	64,545	67,005
Total Training Hours	Hour	76,822	70,535	71,269

Employee Training Hours by Category				
Indicator	Unit	2023	2024	2025
White Collar	Hour	34,838	31,153	25,770
Blue Collar	Hour	41,984	39,382	45,499
Total Training Hours	Hour	76,822	70,535	71,269

Number of Employees Participating in Employee Training				
Indicator	Unit	2023	2024	2025
Female	Hour	130	145	139
Male	Hour	1,632	1,739	1,826
Total Training Hours	Hour	1,762	1,884	1,965

Training Duration per Employee				
Indicator	Unit	2023	2024	2025
Training Duration per Employee	Hour	49.440	42.620	40.030

Number of Employees Taking Maternity and Paternity Leave				
Indicator	Unit	2023	2024	2025
Female	Person	2	5	3
Male	Person	60	72	66

Number of Employees Returning from Maternity and Paternity Leave				
Indicator	Unit	2023	2024	2025
Female	Person	2	5	3
Male	Person	60	72	66

Return-to-Work Rate After Maternity and Paternity Leave				
Indicator	Unit	2023	2024	2025
Return-to-Work After Maternity and Paternity Leave	%	100	100	100

One-Year Retention Rate After Returning from Maternity Leave				
Indicator	Unit	2023	2024	2025
One-Year Retention After Returning from Maternity Leave	%	100	100	100

Accident Frequency Rate				
Indicator	Unit	2023	2024	2025
Accident Frequency Rate	%	31.460	25.200	19.430

Accident Severity Rate				
Indicator	Unit	2023	2024	2025
Accident Severity Rate	Ratio	0.680	0.530	0.540

Absenteeism Rate Due to Accidents				
Indicator	Unit	2023	2024	2025
Number of Lost Days	Day	10,122	1,802	1,925
Total Working Time	Hour	3,338,545	3,373,645	3,499,653
Loss due to Occupational Accidents	Hour	20,355	12,596	14,438
Absenteeism Rate Due to Accidents	%	0.006	0.006	0.004

Number of Employees Attending OHS Trainings				
Indicator	Unit	2023	2024	2025
Employees Attending OHS Trainings	Person	2,223	2,380	2,152

OHS Training Duration per Employee				
Indicator	Unit	2023	2024	2025
OHS Training Hours per Employee	Hour	18	12	13

OHS Management within the Scope of International Standards or Legal Requirements				
Indicator	Unit	2023	2024	2025
The Number of People Involved in such a System, (Including subcontracted workers.)	Person	2.259	2.186	2.362
Employees Covered by an Occupational Health and Safety Management System Audited by the Organisation (Including subcontracted workers.)	Person	Çolakoğlu Metalurji and subcontractor workplaces are continuously monitored. There is no numerical data.		
Employees Covered by an Occupational Health and Safety Management System Audited by an External Party (Including subcontracted workers.)				

OHS Board and Committee				
Indicator	Unit	2023	2024	2025
OHS Board Total Number of Members	Person	27	27	27
OHS Board Number of Employee Representatives	Person	2	2	2
Number of OHS Committee Meetings	Person	12	12	12

Number of Submissions through “İş’te Fikir”				
Indicator	Unit	2023	2024	2025
“İş’te Fikir” Submissions	Number	2,058	5,430	738

Number of Hazard Reports				
Indicator	Unit	2023	2024	2025
Hazard Reports	Number	799	992	3,394

Number of Actions				
Indicator	Unit	2023	2024	2025
Actions	Number	3,496	2,038	1,779

Number of Suppliers and Contractors Evaluated				
Indicator	Unit	2023	2024	2025
Suppliers and Contractors Subject to Evaluation	Number	297	224	255

Number of Suppliers Removed from the Supplier Pool				
Indicator	Unit	2023	2024	2025
Suppliers Removed from the Supplier Pool	Number	32	2	12

Number of Active Suppliers				
Indicator	Unit	2023	2024	2025
Local	Number	1,356	1,352	1,360
Foreigner	Number	150	137	132
Total Number of Active Suppliers	Number	1,506	1,489	1,492

Active Suppliers – Local and Foreign Ratio				
Indicator	Unit	2023	2024	2025
Local	Ratio	0.900	0.908	0.912
Foreigner	Ratio	0.100	0.092	0.088

Economic Performance Indicators

Turnover				
Indicator	Unit	2023	2024	2025
Turnover	TRY	61,369,393,529	88,472,772,690	99,253,981,000

Customer Satisfaction Rate				
Indicator	Unit	2021	2022	2024
Customer Satisfaction	%	88	87	89

Number of Flat Steel Customers				
Indicator	Unit	2023	2024	2025
Flat Steel Customers	Number	228	246	227

Number of Long Steel Customers				
Indicator	Unit	2023	2024	2025
Long Steel Customers	Number	118	126	102

SDG Index

Sustainable Development Goal		Çolakoğlu Metalurji's Contribution
	Good Health and Well-being	Çolakoğlu Metalurji has launched an occupational health and safety (OHS) cultural transformation programme to strengthen employee health and safety. As part of the programme, 600 blue-collar workers received hazard awareness training, and as a result of the initiatives undertaken, the accident frequency rate was reduced from 25 to 19.
	Quality Education	Çolakoğlu Metalurji provided a total of 71,269 hours of training throughout the year to support the professional and personal development of its employees. Furthermore, as part of a collaboration with Kocaeli University, a 550 m² workspace was established to contribute to students' academic development.
	Gender Equality	Çolakoğlu Metalurji supports an inclusive and fair working environment by maintaining an approach of equal pay for equal work and merit-based promotion. In 2025, there were no incidents of discrimination; equal participation and development opportunities were provided for both girls and boys in the sports activities supported by the company.
	Clean Water and Sanitation	Çolakoğlu Metalurji has reused approximately 318 million m³ of water thanks to the closed-loop systems it has implemented to ensure the efficient use of water resources. Improvements carried out on the bar and HRC production lines have reduced water intensity in production processes.
	Affordable and Clean Energy	Çolakoğlu Metalurji's 2.1 MWp rooftop solar power plant was commissioned in July 2025. This investment in renewable energy aims to prevent approximately 1,150 tonnes of CO ₂ emissions annually.
	Decent Work and Economic Growth	Çolakoğlu Metalurji has contributed to economic and social development by providing employment for 1,742 people. Whilst maintaining a 100 per cent unionisation rate among blue-collar workers, a safe, inclusive, and high-quality working environment has been strengthened through initiatives focused on occupational health and safety and skills development.
	Industry, Innovation, and Infrastructure	Çolakoğlu Metalurji has commissioned the Magnetic Stirrer Project, worth USD 12 million, with the aim of enhancing its production capacity and technological capabilities. During the year, 16 new grades were developed; investments in SEM equipment and digital monitoring systems have boosted quality control, R&D, and innovation capacity.
	Reducing Inequalities	Çolakoğlu Metalurji has increased children's and young people's access to sport by supporting a sports club in Dilovası that operates across seven different disciplines. By distributing over 1,800 items of sports equipment to local sports clubs, the Company has contributed to strengthening equality of opportunity and social participation.
	Responsible Production and Consumption	Çolakoğlu Metalurji has recovered 411,224 tonnes of waste in line with resource efficiency and a circular economy approach. The amount of waste sent for incineration has been reduced to zero, whilst the recycled content ratio in long products has reached 95.19 per cent.
	Climate Action	Çolakoğlu Metalurji has demonstrated its efforts in combating climate change on an international scale by achieving a 'B' score in its first CDP report. The transition to low-carbon production has been supported through GSCC membership, compliance efforts with the Carbon Border Adjustment Mechanism, climate awareness training, and investments in solar energy.
	Peace, Justice, and Strong Institutions	Çolakoğlu Metalurji has updated its corporate policies and practices in line with environmental, social and governance principles. A total of 678 hours of ethics training was provided to 339 participants; legal compliance processes and safe, accessible reporting mechanisms have been strengthened.
	Partnerships for the Goals	Çolakoğlu Metalurji has expanded sectoral collaborations and stakeholder engagement in the field of sustainability through its memberships of GSCC and BCSD Türkiye. Through initiatives carried out with Kocaeli University and Worldsteel, knowledge sharing, organisational capacity development and collaborative learning have been supported.

GRI Content Index

For the Content Index – Essentials with Reference option Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting with reference to the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. The service was performed on the English version of the report.

Statement of Use	Çolakoğlu has reported the information cited in this GRI content index for the period 1 January 2025 - 31 December 2025 with reference to the GRI Standards.
GRI Standard(s) Used	GRI 1: Foundation 2021



GRI Standard	Disclosure	Location	Page Number, Source and/or Direct Answers	Additional Information And Reasons for Omission
GRI 2: General Disclosures 2021	2-1 Organizational details	About the Report, Çolakoğlu at a Glance	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 have been no significant changes compared with the previous reporting period.
	2-5 External assurance			No external assurance has been obtained specifically in relation to the sustainability report.
	2-6 Activities, value chain and other business relationships	Çolakoğlu at a Glance	7	
	2-7 Employees	Value for People and Society	49 – 58	
	2-8 Workers who are not employees	Value for People and Society	49 – 58	
	2-9 Governance structure and composition	Corporate Governance and Organisational Structure	68 – 69	
	2-10 Nomination and selection of the highest governance body	Corporate Governance and Organisational Structure	68 – 69	
	2-11 Chair of the highest governance body	Corporate Governance and Organisational Structure	68 – 69	
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance and Organisational Structure	68 – 69	
	2-13 Delegation of responsibility for managing impacts	Corporate Governance and Organisational Structure	68 – 69	
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance	68 – 69	

GRI Standard	Disclosure	Location	Page Number, Source and/or Direct Answers	Additional Information And Reasons for Omission
GRI 2: General Disclosures 2021	2-15 Conflicts of interest	Supply Chain Management	79 – 83	Confidentiality Constraints: The company’s annual total compensation ratio is not publicly disclosed information. Therefore, the relevant data cannot be shared.
	2-16 Communication of critical concerns	Code of Ethics	70	
	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	Corporate Governance and Organisational Structure	68 – 69	
	2-19 Remuneration policies	Working Life at Çolakoğlu	52 – 53	
	2-20 Process to determine remuneration	Working Life at Çolakoğlu	52 – 53	
	GRI 2-21 Annual Total Compensation Ratio			
	2-22 Statement on sustainable development strategy	‘Future-Ready Steel’ Strategy	19 – 20	
	2-23 Policy commitments	Responsible Production, Working Life at Çolakoğlu, Supply Chain Management	27 – 48, 52 – 53, 79 – 83	
	2-24 Embedding policy commitments	Responsible Production, Working Life at Çolakoğlu, Supply Chain Management	27 – 48, 52 – 53, 79 – 83	
	2-25 Processes to remediate negative impacts	Code of Ethics	70	
	2-26 Mechanisms for seeking advice and raising concerns	Code of Ethics	70	
	2-27 Compliance with laws and regulations	Compliance with Legislation	71	
	2-28 Membership associations	Corporate Memberships	17	
	2-29 Approach to stakeholder engagement	Stakeholder Engagement	23	
	2-30 Collective bargaining agreements	Working Life at Çolakoğlu	52 – 53	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Analysis	22	
	3-2 List of material topics	Materiality Analysis	22	
	3-3 Management of material topics	Climate Crisis and Greenhouses Gases	29 – 35	

GRI Standard	Disclosure	Location	Page Number, Source and/or Direct Answers	Additional Information And Reasons for Omission
GRI 101: Biodiversity 2024 biodiversity loss	101-1 Policies to halt and reverse biodiversity loss	Ecosystem and Biodiversity	48	
	101-2 Management of biodiversity impacts	Ecosystem and Biodiversity	48	
	101-3 Access and benefit-sharing	Ecosystem and Biodiversity	48	
	101-4 Identification of biodiversity impacts	Ecosystem and Biodiversity	48	
	101-5 Locations with biodiversity impacts	Ecosystem and Biodiversity	48	
	101-6 Direct drivers of biodiversity loss	Ecosystem and Biodiversity	48	
	101-7 Changes to the state of biodiversity	Ecosystem and Biodiversity	48	
	101-8 Ecosystem services	Ecosystem and Biodiversity	48	
GRI 102: Climate Change 2025	102-1 Transition plan for climate change mitigation	Climate Crisis and Greenhouse Gases	29 – 35	
	102-2 Climate change adaptation plan	Climate Crisis and Greenhouse Gases	29 – 35	
	102-3 Just transition	Climate Crisis and Greenhouse Gases	29 – 35	
	102-4 GHG emissions reduction targets and progress	Climate Crisis and Greenhouse Gases	29 – 35	
	102-5 Scope 1 GHG emissions	Climate Crisis and Greenhouse Gases	29 – 35	
	102-6 Scope 2 GHG emissions	Climate Crisis and Greenhouse Gases	29 – 35	
	102-7 Scope 3 GHG emissions	Climate Crisis and Greenhouse Gases	29 – 35	
	102-8 GHG emissions intensity	Climate Crisis and Greenhouse Gases	29 – 35	
	102-9 GHG removals in the value chain	Climate Crisis and Greenhouse Gases	29 – 35	
	102-10 Carbon credits		No carbon credits were purchased or canceled during the reporting period.	
GRI 103: Energy 2025	103-1 Energy policies and commitments	Energy Consumption and Intensity	37 – 38	
	103-2 Energy consumption and self-generation within the organization	Energy Consumption and Intensity	37 – 38	
	103-3 Upstream and downstream energy consumption	Energy Consumption and Intensity	37 – 38	
	103-4 Energy intensity	Energy Consumption and Intensity	37 – 38	
	103-5 Reduction in energy consumption	Energy Management and Efficiency	37 – 41	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial Performance	75 – 78	
	201-2 Financial implications and other risks and opportunities due to climate change	Climate-Related Risks and Opportunities	24 – 25	

GRI Standard	Disclosure	Location	Page Number, Source and/or Direct Answers	Additional Information And Reasons for Omission
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Equality, Diversity and Inclusion	58	
	202-2 Proportion of senior management hired from the local community	Equality, Diversity and Inclusion	58	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Community Contribution and Social Responsibility	64 – 65	
	203-2 Significant indirect economic impacts	Community Contribution and Social Responsibility	64- 65	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Material Use	83	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Code of Ethics	70	
	205-2 Communication and training about anti-corruption policies and procedures	Code of Ethics	70	
	205-3 Confirmed incidents of corruption and actions taken	Code of Ethics	70	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Compliance with Legislation	71	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Material Use	83	
	301-2 Recycled input materials used	Low-Carbon Product	34 – 35	
	301-3 Reclaimed products and their packaging materials	Material Use	83	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Management and Efficiency	45 – 46	
	303-2 Management of water discharge-related impacts	Water Management and Efficiency	45 – 46	
	303-3 Water withdrawal	Water Management and Efficiency	45 – 46	
	303-4 Water discharge	Water Management and Efficiency	45 – 46	
	303-5 Water consumption	Water Management and Efficiency	45 – 46	
GRI 305: Emissions 2016	305-6 Emissions of ozone-depleting substances (ODS)	Climate Crisis and Greenhouse Gases	29 – 35	
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Climate Crisis and Greenhouse Gases	29 – 35	
GRI 306: Effluents and Waste 2016	306-3 Significant spills	Waste Management and Advanced Recycling	42 – 44	

GRI Standard	Disclosure	Location	Page Number, Source and/or Direct Answers	Additional Information And Reasons for Omission
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management and Advanced Recycling	42 – 44	
	306-2 Management of significant waste-related impacts	Waste Management and Advanced Recycling	42 – 44	
	306-3 Waste generated	Waste Management and Advanced Recycling	42 – 44	
	306-4 Waste diverted from disposal	Waste Management and Advanced Recycling	42 – 44	
	306-5 Waste directed to disposal	Waste Management and Advanced Recycling	42 – 44	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply Chain Management	79 – 83	
	308-2 Negative environmental impacts in the supply chain and actions taken	Supply Chain Management	79 – 83	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Equality, Diversity and Inclusion	58	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Equality, Diversity and Inclusion	58	
	401-3 Parental leave	Working Life at Çolakoğlu	52 – 53	
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Occupational Health and Safety (OHS)	59 – 63	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety (OHS)	59 – 63	
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety (OHS)	59 – 63	
	403-3 Occupational health services	Occupational Health and Safety (OHS)	59 – 63	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety (OHS)	59 – 63	
	403-5 Worker training on occupational health and safety	Occupational Health and Safety (OHS)	59 – 63	
	403-6 Promotion of worker health	Occupational Health and Safety (OHS)	59 – 63	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety (OHS)	59 – 63	
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety (OHS)	59 – 63	
	403-9 Work-related injuries	Occupational Health and Safety (OHS)	59 – 63	
	403-10 Work-related ill health	Occupational Health and Safety (OHS)	59 – 63	

GRI Standard	Disclosure	Location	Page Number, Source and/or Direct Answers	Additional Information And Reasons for Omission
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Working Life at Çolakoğlu	52 – 53	
	404-2 Programs for upgrading employee skills and transition assistance programs	Working Life at Çolakoğlu	52 – 53	
	404-3 Percentage of employees receiving regular performance and career development reviews	Talent Management	52 – 58	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Equality, Diversity and Inclusion	58	
	405-2 Ratio of basic salary and remuneration of women to men	Equality, Diversity and Inclusion	58	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Equality, Diversity and Inclusion	58	
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	Working Life at Çolakoğlu	52	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Code of Ethics	70	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Code of Ethics	70	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social Responsibility	64 – 65	
	413-2 Operations with significant actual and potential negative impacts on local communities	Social Responsibility	64 – 65	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supply Chain Management	79 – 83	
	414-2 Negative social impacts in the supply chain and actions taken	Supply Chain Management	79 – 83	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories		No incidents of non-compliance concerning the health and safety impacts of products and services were identified during the reporting period.	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security	72	

Terms and Abbreviations

AI	Artificial Intelligence
AEO	Authorised Economic Operator Status
AKM	Atatürk Cultural Centre
ALM	Asset and Liability Management
BCSD Türkiye	Business Council for Sustainable Development Türkiye
BF-BOF	Blast Furnace – Basic Oxygen Furnace
CBAM	Carbon Border Adjustment Mechanism
CCS	Carbon Capture and Storage
CCU	Carbon Capture and Utilisation
CDP	Carbon Disclosure Project
CE	Conformité Européenne
CEMS (SEÖS)	Continuous Emission Monitoring System
CTI	Cyber Threat Intelligence
ÇİB	Turkish Steel Exporters’ Association
ÇM	Çolakoğlu Metalurji
ÇMSK	Çolakoğlu Metalurji Sports Club
DEİK	Foreign Economic Relations Board
DOSB	Dilovası Organised Industrial Zone
DP600	Dual Phase 600
DRI	Direct Reduced Iron
EAF	Electric Arc Furnace
EKED	Lockout – Tagout
EPD	Environmental Product Declaration

EMRA	Energy Market Regulatory Authority
ETS	Emissions Trading System
EU	European Union
EUROFER	European Steel Association
EÜD	Electricity Producers Association
FMEA	Failure Mode and Effects Analysis
GDPR	General Data Protection Regulation
GEBZETO	Gebze Chamber of Commerce
GJ	Gigajoule; 1 GJ $\approx$ 277.8 kWh
GRI	Global Reporting Initiative
GSCC	Global Steel Climate Council
HBI	Hot Briquetted Iron
HPP	Hydroelectric Power Plant
HR	Human Resources
HRC	Hot Rolled Coil
HSM	Hot Strip Mill
ICI	Istanbul Chamber of Industry
IFRS	International Financial Reporting Standards
ILO	International Labour Organization
IREPAS	International Rebar Exporters and Producers Association
ISO	International Organization for Standardization
ITU	Istanbul Technical University
KBSD	Boiler and Pressure Vessel Manufacturers Association

KİD	Association of Corporate Communicators
KPI	Key Performance Indicator
KCI	Kocaeli Chamber of Industry
KVKK	Personal Data Protection Law No. 6698
LACP	League of American Communications Professionals
LDIS	Laboratory Digital Monitoring System
LEED	Leadership in Energy and Environmental Design
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
MESS	Turkish Employers' Association of Metal Industries
MOTAT	Mobile Waste Tracking System
NIST	National Institute of Standards and Technology
ODÇ	Learning from Incidents
OHS	Occupational Health and Safety
OIZ	Organised Industrial Zone
OSOS	Automatic Meter Reading System
OT	Operational Technology
PERYÖN	Turkish Human Management Association
PD	Product Development
R&D	Research and Development
QDMS	Quality Document Management System
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
RFID	Radio Frequency Identification
RoHS	Restriction of Hazardous Substances
RPA	Robotic Process Automation

SAİS	Continuous Wastewater Monitoring System
SASB	Sustainability Accounting Standards Board
SBTi	Science Based Targets initiative
SDG	Sustainable Development Goal
SEM	Scanning Electron Microscope
SPP	Solar Power Plant
TAYSAD	Automotive Suppliers' Association of Türkiye
TÇÜD	Turkish Steel Producers Association
TEDAR	Supply Chain Management Association
toe	Tonne of Oil Equivalent; 1 toe ≈ 11,630 kWh
TOBB	The Union of Chambers and Commodity Exchanges of Türkiye
TS 708	Turkish Standard for Reinforcing Steel for Concrete
TSRS	Turkish Sustainability Reporting Standards
TURKTRADE	Foreign Trade Association of Türkiye
TUCSA	Turkish Constructional Steel mill Association
TÜRKLİM	Port Operators Association of Türkiye
USA	United States of America
ÜYPM	Product and Management Performance Directorate
VR	Virtual Reality
WLAN	Wireless Local Area Network
WPP	Wind Power Plant
WSA / worldsteel	World Steel Association
YİSAD	Association of Flat Steel Exporters and Manufacturers



For further information on the Çolakoğlu Metalurji Sustainability Report, or to share your views and suggestions:

surdurulebilirlik@colakoglu.com.tr

www.colakoglu.com.tr

Head Office

Rüzgarlıbahçe Mahallesi, Çam Pınarı Sokak
No: 1, İç Kapı No: 16, 34805 Beykoz, İstanbul
T: 444 26 27 (444 CMAS)
F: +90 (216) 537 14 01
+90 (216) 537 14 02

Ankara Corporate Relations Directorate

Turan Emeksiz Sokak, Park Sitesi
3A Blok, Daire: 1-2, Gaziosmanpaşa, Ankara
Telephone: +90 (312) 427 43 25

Production Facility (Flat Products)

Dilovası Organize Sanayi Bölgesi, 1. Kısım,
Göksu Caddesi, No: 16, 41455 Dilovası, Kocaeli
Telephone: 444 26 27 (444 CMAS)

Production Facility (Long Products)

Dilovası OSB 5. Kısım, D-5007,
No: 15, Dilovası, Kocaeli
Telephone: 444 26 27 (444 CMAS)

 <https://www.facebook.com/colakoglumetalurji.as/>

 <https://www.instagram.com/colakoglumetalurjias/>

 <https://www.linkedin.com/company/colakoglu-metalurji-a-s/>

 <https://x.com/ColakogluGroup>

LEGAL NOTICE: The Çolakoğlu Metalurji 2025 Sustainability Report has been prepared by Çolakoğlu Metalurji A.Ş. (Çolakoğlu) with reference to the GRI Reporting Principles. All information and opinions contained in this document, which are not intended to be exhaustive, have been provided by Çolakoğlu and have not been independently verified for the purposes of this document. This Report has been prepared for information purposes only and is not intended to form the basis for any investment decision. Accordingly, neither Çolakoğlu nor any of its affiliated companies, nor their board members, advisers, directors or employees, shall be liable for any loss or damage suffered by any person, whether directly or indirectly, arising from any information or communication conveyed in the Report, or as a result of any information, whether included in the Report or not.

Report Design

Editorial

editorial@editorial.com.tr

www.editorial.com.tr