



2023-2024 |
SUSTAINABILITY
REPORT



2023-2024



CONTENTS

02	ABOUT THE REPORT
04	MESSAGE FROM THE BOARD OF DIRECTORS
06	MESSAGE FROM THE CEO
09	ON THE TRAILS OF STEEL
10	ABOUT YILDIZ DEMİR ÇELİK
15	OUR PRODUCTION LINES
16	OUR PRODUCTS
17	SHORTCUT TO STEELGO STEEL
18	MILESTONES
22	OUR SUSTAINABILITY VISION

THE FUTURE IN EVERY STEP!

42	ORGANIZATIONAL STRUCTURE AND MANAGEMENT APPROACH
45	RISK AND OPPORTUNITY MANAGEMENT
46	ETHICS AND COMPLIANCE
48	QUALITY MANAGEMENT
50	CUSTOMER EXPERIENCE AND SATISFACTION
57	SUPPLY CHAIN MANAGEMENT
63	STAKEHOLDER PARTICIPATION
65	INNOVATION AND DIGITAL TRANSFORMATION

RESPONSIBLE PRODUCTION IN EVERY STEP!

69	ENVIRONMENTAL MANAGEMENT
71	RISK MITIGATION
72	ENERGY AND EMISSIONS MANAGEMENT
76	WATER MANAGEMENT
78	WASTE MANAGEMENT
80	BIODIVERSITY

PEOPLE COME FIRST IN EVERY STEP!

87	FAIR AND TRANSPARENT RECRUITMENT AND TERMINATION PROCESSES
89	FAIR AND TRANSPARENT REMUNERATION POLICIES: ADDING VALUE TO EMPLOYEES
90	BENEFITS: SUPPORTS THAT STRENGTHEN EMPLOYEE WELL-BEING
91	EMPLOYEE-FOCUSED DEVELOPMENT
92	TRAINING AND ORIENTATION: PREPARING EMPLOYEES FOR THE FUTURE
97	PERFORMANCE MANAGEMENT: A STRATEGIC APPROACH FOR SUSTAINABLE SUCCESS
98	LEADERSHIP AND TALENT DEVELOPMENT: PROGRAMS THAT SHAPE THE FUTURE
99	EMPLOYMENT DIVERSITY AND SUSTAINABLE GROWTH
103	EMPLOYEE SATISFACTION AND ENGAGEMENT: STRATEGIC STEPS FOR IMPROVEMENT
105	LABOR PRACTICES AND GRIEVANCE MECHANISMS: TRUST AND SOLUTION ORIENTATION
107	EMPLOYEE ENGAGEMENT AND RIGHTS
110	PERFORMANCE INDICATORS IN WORKING LIFE: STRATEGIC GOALS AND SUSTAINABLE RESULTS
111	OCCUPATIONAL HEALTH AND SAFETY (OHS): COMMITMENT TO SAFE WORKING ENVIRONMENTS
118	SOCIETY

ABOUT THE REPORT

At Yıldız Demir Çelik, we proudly present our first Sustainability Report, reflecting our operational sustainability performance between January 1, 2023, and December 31, 2024. This report addresses the Environmental, Social, and Governance (ESG) dimensions of our company's activities, in line with our **"Sustainability in Every Step"** strategy. The report focuses on our production facility and headquarters in the Alikahya Organized Industrial Zone, which accounts for 100% of Yıldız Demir Çelik's total production volume. By publishing this report, we aim to address not only the direct activities of Yıldız Demir Çelik but also its indirect impacts on the supply chain and customer usage processes.

Aligned with our sustainability strategy, at Yıldız Demir Çelik, we aim to share details of our impact and opportunities with our stakeholders transparently. This report has been prepared based on **the core principles of the Global Reporting Initiative (GRI) Standards: stakeholder engagement, sustainability context, integrity, and comparability**. The report presents transparent and comparable data designed to address the informational requirements of our stakeholders.

Data was compiled from internal company performance indicators and external sources that measure environmental impact. The report was prepared through the guidance of our senior management team and contributions from relevant departments. This bilingual report, available in Turkish and English, has not been subject to an independent external audit process.

We are committed to communicating our sustainability work openly and transparently, with due consideration for the expectations of our stakeholders.

If you have any questions, comments, or suggestions regarding the report, please forward them to surdurulebilirlik.komitesi@yildizdemircelik.com.tr.

THE FUTURE
IN EVERY STEP



**RESPONSIBLE
PRODUCTION**
IN EVERY STEP

PEOPLE COME FIRST
IN EVERY STEP

MESSAGE FROM THE BOARD OF DIRECTORS



HAKKI YILDIZ

Board Member

Dear Stakeholders,

Sustainability has become a fundamental requirement amid the depletion of our planet's finite resources. The world's economic and industrial balances are undergoing realignment. Iron and steel industries, in particular, must adapt to new technologies and embrace a paradigm shift in business practices. As we embark on this journey, we recognize the gravity of our responsibilities and the vast opportunities that lie ahead. Guided by this awareness, we are proud to pioneer and lead the sustainable transformation of the iron and steel industry.

As part of our ongoing commitment to environmental responsibility and long-term resilience, we are restructuring all our processes, from production to supply chain, with efficiency in mind. This approach is a strategic stance that we have consciously adopted, rather than a short-term response to necessity. We are strengthening our competitiveness in international markets by taking an environmentally responsible approach and adopting innovative methods. Regulations such as the European Green Deal and the Border Carbon Adjustment Mechanism require not only technical compliance, but also responsibility for steering our sector. Our goal is not only to be part of this new era, but also to spearhead its transformation.

At Yıldız Demir Çelik, our approach to sustainability is defined by the principle of "Sustainability in Every Step". This approach encompasses more than just environmental responsibilities; it is integral to our business, our culture, and our values. We embrace sustainability as a fundamental perspective, rather than a marginalized goal, to inform decision-making at all levels. People are at the heart of our business, so we are committed to maintaining transparency, balance, and a forward-thinking stance as we move forward.

We develop our strategies from a perspective centred on people and society, incorporating both numbers and qualitative factors. Our decision-making processes prioritize employee satisfaction, operational efficiency and the social impact of our activities, complementing financial performance.

We took concrete steps in critical areas such as energy efficiency, digitalization, carbon footprint reduction, and the circular economy. Our investments in the galvanizing and slitting line not only reinforced our production capabilities but also enhanced our positive impact on regional employment and development. This strategic investment has given us an even stronger position in Turkey's flat steel production sector. 2024 marked a period in which this progress consolidated further, both in terms of culture and strategy. We increased our capacity utilization rate to 80%, consolidating our position in global markets with exports accounting for 42% of our production. However, we attribute our success not only to the numbers but also to the effort, transformation, and inspirational stories of the people involved. Thanks to the contributions of our colleagues on the production line, we have been able to implement sustainability in a concrete and applicable capacity at the operational level.

We have also adopted this approach in our corporate structure. Upon introducing our Customer Experience Department, we attained a new level of service quality. Our efforts to improve women's employment opportunities have increased the percentage of employed women to 10%. We remain committed to building a more inclusive, balanced, and resilient organizational culture.

Our approach to sustainability incorporates a broader perspective than merely environmental responsibility. Since our foundation, 95% of our total water consumption has been grey water. Building on this, we recycled a further 23.5% of the water we used through a project implemented in 2024. We use digital technologies to monitor the environmental impact of our production processes and ensure continuous improvement. We have expanded this approach to a broader stakeholder network through green energy projects implemented in collaboration with our group companies. We collaborate with local communities to develop eco-friendly projects, offering valuable contributions to the regional economy and social life. We prioritize ensuring that the value created is reflected not only at the sectoral level, but also at the social and economic levels. Drawing on the realities of our present era, we strive to influence ongoing developments. As we approach 2025, digitalization, sustainability, and economic resilience are set to remain the cornerstones of our strategic roadmap. Creating long-term value takes precedence in all our actions.

None of this would be feasible without investment; however, it is our dedicated team with their valuable contributions that make this journey possible. My heartfelt thanks go to all our colleagues who work in the field, embrace production, and contribute their ideas. Achieving genuine success requires a collective effort. We want to plan the forthcoming period and build the future together. We invite you to be part of this transformation, to brainstorm with us, and to produce together. We firmly believe that achieving a sustainable future requires a collective effort. Here at Yıldız Demir Çelik, our vision transcends mere management of the present; we are committed to building a better tomorrow.

Best Regards,

Hakkı Yıldız / Board Member

MESSAGE FROM CEO



SELÇUK YILMAZ

CEO

Dear Stakeholders,

The global responses to the climate crisis are much brighter on the horizon as we approach a turning point in the near future. Policies such as the European Green Deal and the Border Carbon Adjustment Mechanism are urging the steel industry to evolve beyond merely cutting emissions and to reconsider the entire production process. In this new era, productivity is no longer the prime concern; what matters is how and why production takes place.

Recent nature-based developments have reminded us that institutional resilience is shaped not only by economic structure, but also by sensitivity to the environment, people, and society. Sustainable development assumes significance through an approach that considers social impact alongside financial success and recognizes the aspirations of future generations. At Yıldız Demir Çelik, we therefore view sustainability not as a separate topic, but as a way of thinking embedded in our decision-making processes.

With our second galvanizing line, commissioned in 2023, we increased our production capacity for galvanized products to 700,000 tons. Such growth is not just a numerical achievement, but an expression of our commitment to penetrating more industries, offering solutions to more customers, and creating greater added value. With the S4HANA infrastructure that we launched in 2023, we have simplified our operations and integrated formerly disparate components. Decision-making, monitoring, and improvement operations now occur at a faster pace in a more streamlined manner. In recognition of the fact that sustainability incorporates not only the management of resources, but also building and fostering relationships, we established the Customer Experience Department.



**WE SHALL CONTINUE TO
COLLABORATE WITH ALL OUR
STAKEHOLDERS TO BUILD A MORE
SUSTAINABLE WORLD AND A
STRONGER INDUSTRY.**

For Yıldız Demir Çelik, 2024 marked a significant period of digitalization, growth, and organizational transformation. As part of the organizational and managerial changes, we streamlined our management structure, transitioning to a more dynamic and agile setup.

Integrating the Salesforce CRM system accelerated our digitalization projects and ushered in a new era of productivity in customer relationship management. Furthermore, our Employee Experience Project made a significant contribution to boosting our employees' commitment to the company and fostering a stronger organizational culture.

The ability to recognize the value of resources at an early stage has become essential. Aligned with this understanding, we prioritize resource efficiency and a circular approach. As the first iron and steel producer in Turkey to use recycled grey water, we embrace the concept of the water cycle not just in theory, but in practice. To us, the circular economy is not mere rhetoric; we apply circular principles to every stage of our operations, from raw material selection to waste management.

The transformation is not confined to the production line. Organizational dynamics are shifting as well. Today, we have direct involvement with over 700 people and indirect involvement with almost 2,500. Our approach to collaboration extends beyond simply delegating tasks; it is also an experience underpinned by the sharing of ideas and responsibility, and the fostering of safe environments. We go beyond simply "implementing" ESG criteria across our supply chain – instead, we are incorporating them into the fabric of every link in that chain.

This report is the first comprehensive study to holistically evaluate the progress we have made in addressing our environmental and social responsibilities. It summarizes the environmental and social work we have performed in different domains over the years, identifies our progress, and provides a clear indication of our future direction. While carrying the legacy of our past, we are planning how to proceed ever stronger by upholding these values.

At Yıldız Demir Çelik, our concerns are not limited to production; we also have a commitment to the determination of the direction of our business strategies. Nor do we merely observe the sector's evolution on the periphery; we engage with it. Today, our products are available in an array of markets, spanning Europe, the Middle East, Africa, and Asia. However, what matters most to us is the underlying philosophy: responding to needs, providing solutions, and fostering growth together.



SUSTAINABILITY IS NOT JUST A NECESSITY FOR US; IT IS EMBEDDED IN EVERY STEP OF OUR BUSINESS STRUCTURE. **OUR GOAL IS TO MOVE BEYOND PRODUCING MORE, TO PROCEED WITH A MORE RESPONSIBLE, MORE RESILIENT AND MORE SIGNIFICANT INDUSTRIAL APPROACH.**

As the first quarter of the 21st century draws to a close, there is a growing recognition of the need for an industrial approach that focuses not just on growth in terms of numbers, but also on value and meaning. In markets such as the US and the EU, sustainability is no longer an additional criterion, but the fundamental rule of the game. This encourages us to be bolder, faster, and more conscientious in our transition to new technologies. We view Industry 4.0 applications as a means of not only enhancing efficiency but also establishing a flexible and forward-thinking business structure that can adapt to future challenges.

We perceive the shift in Türkiye's carbon neutrality targets from vague promises to direction-setting commitments as a positive development. Neutral observer status is not a viable option. At Yıldız Demir Çelik, we are at the very centre of this transformation and continue to influence its direction.

We act with a sustainability mindset at every step, developing our decisions and relationships with this approach.

Our focus is not only on results, but also on the impact we create, our processes, and our long-term contributions. True impact can only be understood over time through its legacy and the benefits it generates.

Today, we are navigating numerous uncertainties. However, one thing is clear: sustainability isn't just a necessity for us; it's embedded in every step of our business. Our goal is to move forward with a more responsible, resilient, and meaningful industrial approach that goes beyond simply producing more. We achieve this not only with our teammates, but also with all our stakeholders who contribute and support us, and with whom we learn and grow. I would like to take this opportunity to extend my sincere thanks to all our stakeholders who have contributed to our journey.

Best Regards,
Selçuk Yılmaz, CEO

ON THE TRAILS OF STEEL

“

There is a lot more to the pride we derive from our story, which dates back to 1890, than mere nostalgia. Yıldızlar Yatırım Holding (Yıldızlar Investment Holding) is **founded on courage, respect for labour and a passion for investment**, and has built a strong legacy over ten years of experience.

Today, at Yıldız Demir Çelik, our holding's youngest investment, we are **excited to establish ourselves as a global brand** in an industry in which we firmly believe.

We interact with millions of people across a wide range of areas, from white goods and automotive to construction. We operate in a vast living space that we refer to as "adding character to steel". Teamwork is a key skill that we strive to improve every day, fully aware that we cannot achieve success unless we collaborate.

ABOUT YILDIZ DEMİR ÇELİK

AS YILDIZ DEMİR ÇELİK, RANKED IN THE TOP 50 EXPORTERS IN OUR SECTOR IN TURKEY, WE EXPORT TO MORE THAN 50 COUNTRIES.

As the most dynamic member of Yıldızlar Yatırım Holding, we have made major investments in Türkiye and abroad. Powered by our professional and dedicated staff, we continue to produce flat steel to meet Türkiye's needs and establish ourselves as a dynamic global player. Motivated by our ambition to contribute to Turkey's international competitiveness, we provide raw material resources for numerous sectors, including automotive and white goods, with our innovative approach.

Our production operations are conducted in our cold rolling mill complex, which is located on a 300,000 m² site under one roof in the Kocaeli Alikahya Organized Industrial Zone. We directly employ over 700 people and indirectly employ a further 2,500. At our facility, we process hot-rolled raw materials through various production processes tailored to customer needs and demands. We then convert these materials into final products that are pickled, hot-rolled/annealed, galvanized or painted. Our facilities are designed and operated with environmental and health considerations in mind, and we utilize state-of-the-art technology, including the industry's first use of grey water.

The strategic location of our production facilities offers significant advantages for our sustainable logistics operations. Located close to the TEM Highway and the Northern Marmara Highway, our facilities enable faster and more efficient logistics processes. Furthermore, the infrastructure support provided by Yıldızlar Yatırım Holding's ports reduces our carbon footprint by offering an integrated maritime transportation logistics solution. Our proximity to target industry manufacturers streamlines supply chain processes, saving energy and time and contributing to the sustainability of our operations.

Our facility has an annual pickling/cold rolling capacity of 1,300,000 tons and manufactures a wide range of products for various sectors, including white goods, automotive parts, panel radiators, general manufacturing, and construction materials. In our third year in the industry, we obtained the IATF 16949 Automotive Quality Management System Certificate, a requirement for automotive suppliers, thereby certifying our sustainable, high-quality production.

LABORATORY SERVICES

Yıldız Demir Çelik laboratories play a strategic role in quality and innovation processes, serving domestic and international customers through its Chemical, Mechanical, Paint, and Colour Laboratories. In 2021, the Quality Laboratory received ISO 17025 Testing Laboratories accreditation and was accredited by TÜRKAK (Turkish Accreditation Agency). Our laboratories are committed to maintaining the highest level of customer satisfaction and providing accurate and reliable services since 2018.

Our state-of-the-art laboratories are operated by our highly qualified team. Such infrastructure facilitates the performance of tests with high precision and accuracy. Our laboratories provide value-added services to both our internal operations and our external customers.

Our advanced infrastructure and expert team equip us to provide analyses and services that position us as a reliable business partner in the industry.



RAW MATERIAL
INPUT CONTROL
TESTS



PROCESS
CONTROL
TESTS



ALTERNATIVE
RAW MATERIAL
TRIALS

CUSTOMER-FOCUSED APPROACH

WE STRIVE TO CREATE UNIQUE EXPERIENCES THAT EMBODY OUR "YILDIZ DEMİR ÇELİK" BRAND, AND WE INCORPORATE OUR VISION AT EVERY STAGE OF OUR BUSINESS.

At Yıldız Demir Çelik, we value our customers and place them at the core of our business. Acknowledging that, regardless of the quality of our products and services, success cannot be achieved without meeting our customers' needs, we prioritize customer satisfaction in all our business processes. Our goal is not only to meet our customers' demands, but also to provide them with an exceptional experience.

This customer-focused approach has been an integral part of our company culture since our foundation. We reaffirmed this commitment by obtaining ISO 10002 Customer Satisfaction Management System certification in our first year of operation. Determined to innovate further, we established our Customer Experience Department, a pioneering initiative in the industry. Through this department, we aim to enhance every stage of the customer journey, from initial contact to product delivery and beyond.

We convert feedback into opportunities to enhance our processes. We perceive complaints as key indicators of the effectiveness of our internal operations, using every piece of feedback to enhance the quality of our services. Our approach is not just about solving problems, but also about fostering long-term satisfaction and trust.

We strive to create unique experiences that embody our identity as "Yıldız Demir Çelik", and we implement this understanding in every phase of our work.

To us, steel is more than just a product: it symbolises trust, quality and durability. Every connection we establish with our customers is based on these values. Our goal is not only to provide products, but also to create unforgettable experiences. Guided by this mindset, we will continue to generate value for our customers and all our stakeholders.

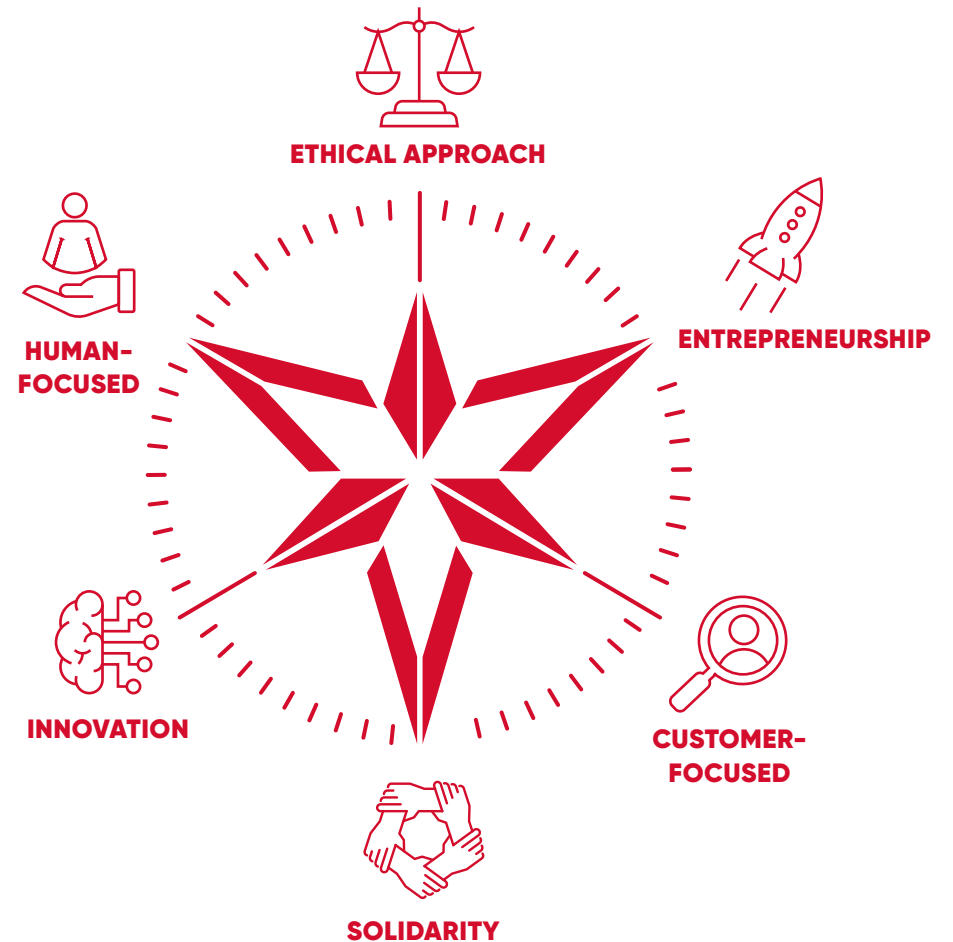
OUR VISION: *WHERE ARE WE HEADING?*

By 2030, we aspire to be a global brand that is integrated from iron to steel and has a presence in every field where steel comes to life.

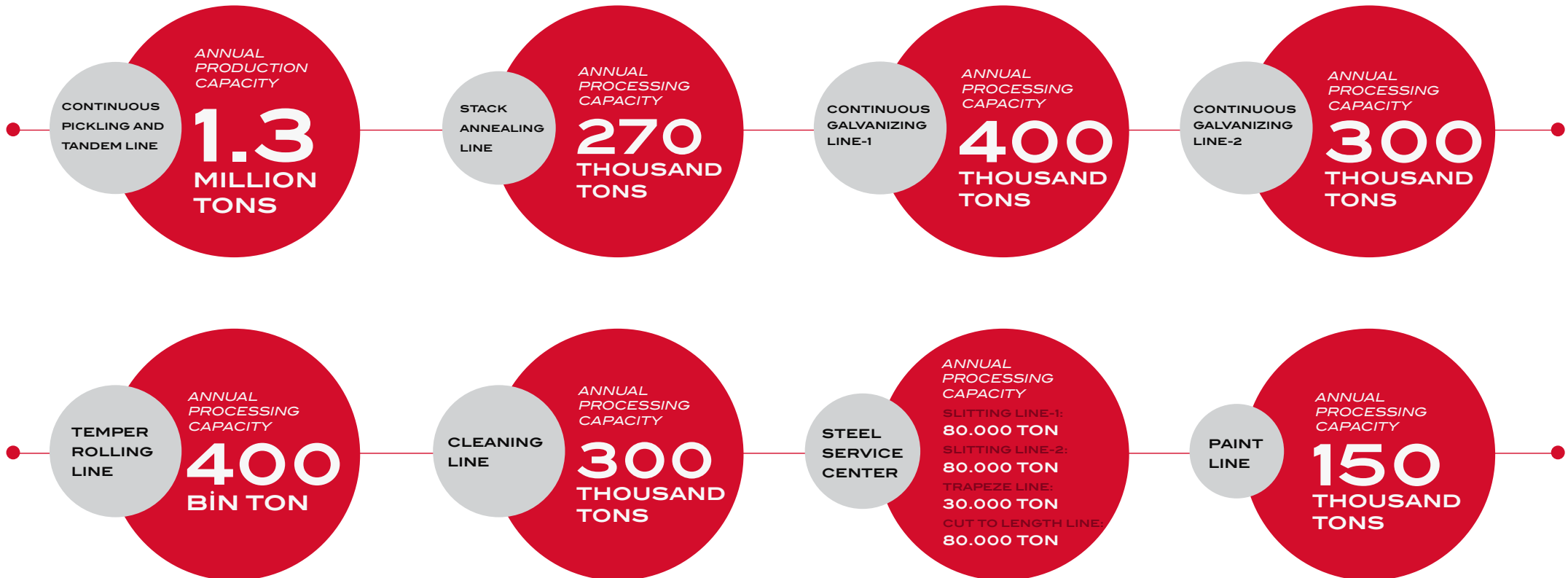
OUR MISSION: *WHY DO WE EXIST?*

We exist to boost the competitiveness of our customers with our value-added products.

OUR GUIDING VALUES



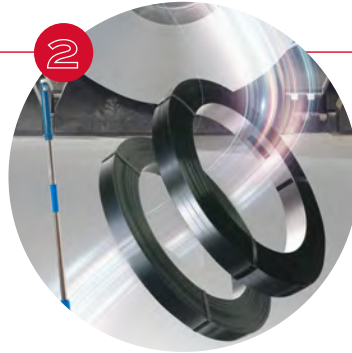
OUR PRODUCTION LINES



OUR PRODUCTS



PICKLED SHEET



**FULL HARD
SHEET**



**COLD ROLLED
SHEET**



**GALVANIZED
SHEET**



**PAINTED
SHEET**



Steelgo

STEELGO: SHORTCUT TO STEEL

Steelgo stands for fast delivery at Yıldız Demir Çelik. With Steelgo, we assist our customers in streamlining their business processes by alleviating their inventory holding burden and offering immediate shipping via our rapid supply network.

MILESTONES

Yıldız Demir Çelik emerged in the sector in 2016, building upon the **130-year legacy** and industrial experience of Yıldızlar Yatırım Holding. The foundations of Yıldızlar Yatırım Holding were laid in 1890 with **Hasan Yıldız's lumber trade venture in Trabzon**. Marking the beginning of an industrial tradition that has endured for five generations, this modest venture proved to be a watershed moment.

Today, Yıldızlar Yatırım Holding is one of the driving forces of the Turkish economy, continuing to add value to the country through an innovative and entrepreneurial approach. Building on this deep-rooted industrial heritage, Yıldız Demir Çelik supports the national economy by producing **flat steel** and **exporting Turkish steel to global markets**.

2016

We started investing in the Yıldız Demir Çelik Industry Company facility.

2018

- Yıldız Demir Çelik Industry Company launched its first production run in April.
- In our first year in the industry, we achieved our goal of exceeding our customers' expectations by obtaining the ISO 10002 Customer Satisfaction Certificate.

2019

- Based on our 2018 export figures, we became the 407th largest exporter in Turkey.
- We commissioned all our production lines.



OUR HOLDING COMPANY'S VISION, STATING THAT **"WE EXIST TO SERVE OUR COUNTRY, AND WE WILL REMAIN TO SERVE OUR COUNTRY TOMORROW,"** INSPIRES YILDIZ DEMİR ÇELİK'S GROWTH JOURNEY AND ENABLES IT TO PROGRESS WITH CONFIDENCE IN THE FUTURE.

2020

- In 2019, we were ranked among the top three companies that achieved the fastest growth in the iron and steel sector with our exports.
- In our 3rd year in the sector, we registered our sustainable high quality production by obtaining the IATF 16949 Automotive Quality Management System Certificate.

2021

Our quality laboratories were accredited by TÜRKAK WITH ISO 17025 Testing Laboratories Accreditation.

2022

The industry's first customer Experience Department was established in 2022.

2023

We commissioned the second galvanizing line and the second slitting line.

2024

We established the Sustainability Department. The department was made more visible within the corporate structure.

OUR ECONOMIC CONTRIBUTION

2023 and 2024 proved to be years of growth and innovation for Yıldız Demir Çelik. The investments we made during this period supported our sustainable growth strategy, increasing our contribution to the local and national economy. In this context, we expanded our production capacity by commissioning a second galvanizing and slitting line in 2023. Thanks to our increased production and shipment volumes, we continue to meet Turkey's demand for flat steel and have a positive impact on the country's foreign trade balance.

By commissioning our new lines and completing our targeted investments, we increased our production capacity to 1,300,000 tons. This represents strategic progress towards our goal of becoming a major player in Turkey's flat steel production sector. By playing an active role on international platforms, we continue to bolster Turkey's position in steel exports.

Our investments contribute to economic growth, local employment, and the industrial ecosystem. We support regional development by creating direct employment for over 700 people and indirect employment for a further 2,500.

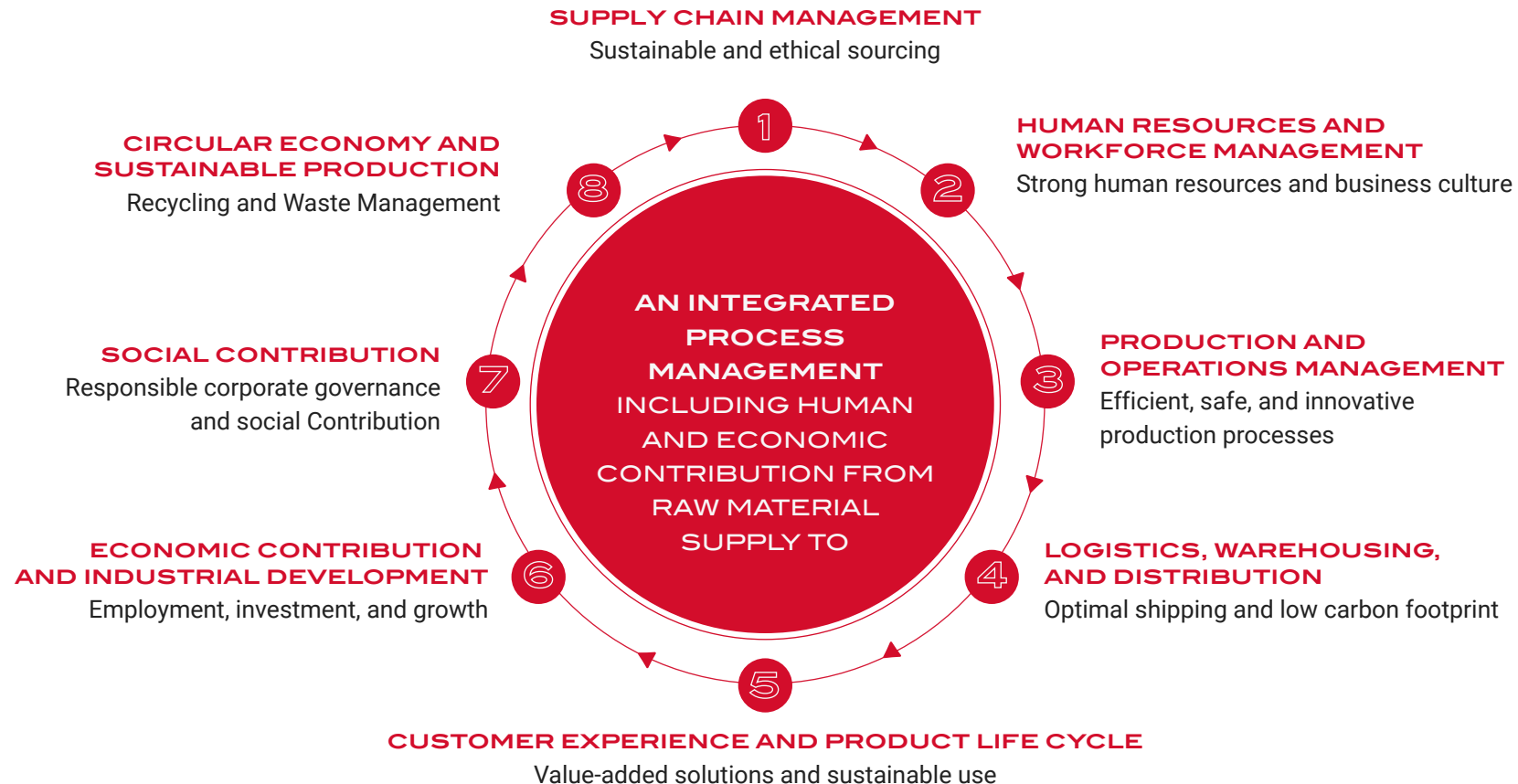


WITH AN UNDERSTANDING OF SUSTAINABLE
PRODUCTION AND COMPETITIVE GROWTH,
**WE CONTINUE OUR MISSION TO ADD
VALUE TO THE NATIONAL ECONOMY.**



OUR VALUE CHAIN

Yıldız Demir Çelik's Sustainable Value Chain is an integrated process management system extending from raw material procurement to product recycling. It contributes to environmental, social and economic impact. Yıldız Demir Çelik is committed to sustainability at every stage of the value chain.



OUR SUSTAINABILITY VISION

BUILDING THE FUTURE TOGETHER

At Yıldız Demir Çelik, sustainability is not just a strategy; it's a fundamental part of our corporate culture. Aligned with this mindset, we organized an exhaustive workshop that encouraged the active participation of our employees and managers, thereby shaping our sustainability journey.

The workshop transcended corporate decision-making processes, becoming a participatory platform aimed at creating a concrete, actionable roadmap. Our sustainability goals evolved from centrally determined rules into a vision for the future, shaped by **common sense and team spirit**. First, we analyzed our current situation and identified our strengths and opportunities for improvement. Then, during the **Common Sense Workshop**, we translated this vision into a series of targeted actions.

During this process:

- We set realistic and measurable **Environmental, Social and Governance (ESG)** targets.
- With contributions from our employees in various departments, we increased the feasibility of these targets.
- **All our team members, including the General Manager**, signed a corporate commitment containing the established targets and embraced the process.

To manage these efforts permanently and systematically, we set up **the Sustainability Department**.

By making sustainability an integral part of our corporate culture, we aim to achieve lasting transformation by leveraging team spirit, collaboration and multifaceted perspectives. Our sustainability targets are not just commitments; they reflect a commitment to change that will be implemented through concrete actions. At Yıldız Demir Çelik, we recognize the power of collective insight and teamwork.



**THIS JOURNEY IS
ONLY A BEGINNING,**
*WE HAVE A SUSTAINABLE
FUTURE AHEAD
TO BUILD TOGETHER*

”

THE FUTURE
IN EVERY STEP



RESPONSIBLE
PRODUCTION
IN EVERY STEP

PEOPLE COME FIRST
IN EVERY STEP

SUSTAINABILITY IN EVERY STEP

At Yıldız Demir Çelik, our sustainability vision aligns with the principle of "Sustainability in Every Step".

By 2030, our goal is to become a global brand integrated from iron to steel and carve out a presence in every sector where steel is used. Our mission is to enhance our customers' competitive advantage by offering value-added products, and we are committed to standing out in the industry with our innovative approach.

Our comprehensive vision for the future inspires our sustainability approaches. To this end, **we perceive sustainability as an integral part of all our strategic decisions and operational processes, rather than exclusively as a goal.**

We integrate environmental and social responsibility into our strategic planning processes, prioritizing sustainability principles in our business practices.

We are dedicated to improving our customers' competitive advantage by providing valuable products. Our innovative approach and passion for quality set us apart in the industry. **We embrace a "people first" approach and the principle of unity with all our stakeholders, from employees to customers.**

Guided by these values, we prioritize sustainability at every step, focusing on people and the future, driven by our responsible production approach.

THE FUTURE IN EVERY STEP

We are committed to shaping the economy through innovation at every stage. We enhance customer satisfaction and competitive advantage with our high-quality, value-added products, while supporting sustainable growth with our modern production technologies that maximize efficiency.

We ensure that economic success is sustainable, both today and in the future. We make our mark in global markets by building long-term partnerships and robust supply chain strategies that are aligned with corporate governance principles.



PEOPLE COME FIRST IN EVERY STEP

We embrace a broad understanding of sustainability, encompassing not only environmental considerations, but also the development of our employees by fostering a people-oriented working culture. We foster a strong team spirit by consistently supporting our employees' personal and professional development while maximizing occupational health and safety standards.

Our commitment to diversity and inclusion creates an innovative and dynamic work environment. We believe that sustainable success requires happy, motivated, and well-equipped individuals, and this understanding is empowering us to navigate the future with confidence.

RESPONSIBLE PRODUCTION IN EVERY STEP

Our production processes are aligned with the principles of the circular economy, respecting the balance of nature. We prioritize investments in renewable energy to minimise our energy and resource consumption. By increasing our recycling rates in steel production, we reduce waste almost to zero, taking decisive steps to protect nature. We are reducing our carbon footprint by prioritizing compatibility with the circular economy and building a cleaner future through a green production approach.

WHY DO WE INSIST ON "SUSTAINABILITY IN EVERY STEP?"

At Yıldız Demir Çelik, we firmly believe that sustainability **is not merely an objective, but rather an integrated approach to life that prioritizes social well-being and environmental responsibility.** Our 'Sustainability in Every Step' approach reflects our commitment to prioritizing these values in all our activities as we build the future. This approach aims to ensure the long-term success of our company, our stakeholders, and our future. We are dedicated to creating a more sustainable world by raising environmental awareness, making social contributions, and taking an innovative approach.

OPERATIONAL STRENGTH AND SUSTAINABILITY CONTRIBUTIONS

- **Integrated Production and Efficiency:** As part of our transition from iron to an integrated steel structure, we are implementing sustainable production models to optimize sectoral efficiency.
- **Circular Economy:** We integrate circular economy practices into our business processes to use resources more efficiently and minimize waste.
- **Carbon Footprint Reduction:** We minimize our environmental impact with renewable energy projects and contribute to a carbon-neutral future.

HUMAN AND SOCIETY- FOCUSED APPROACH

- **"People First" Approach:** We develop people-focused policies to enhance the well-being of our employees and strengthen their social contribution.
- **Social Contribution:** We create value not only within the company but also within communities through education, employment, and social projects.

INNOVATION AND FUTURE INVESTMENT

- **Modern Production Techniques:** With our innovation-based processes, we achieve sustainable growth in global markets.
- **Solutions to Future Needs:** We address global challenges such as climate change, urbanization, and the protection of natural resources by developing innovative solutions.



WE MAKE A DIFFERENCE WITH
SUSTAINABILITY AT EVERY STEP.

OUR GLOBAL AND LOCAL SUSTAINABILITY COMPLIANCE

At Yıldız Demir Çelik, we take a proactive stance on the sustainability and decarbonization goals of the global steel industry, developing strategies that align with both international and local regulations. Through our participation in international frameworks such as the Paris Climate Agreement and the European Green Deal, we contribute to Turkey's sustainability policies and aim to reduce our environmental impact and achieve sustainable growth.

Central to our goal of transforming production processes are **carbon-free steel production and circular economy practices**. We are implementing energy efficiency projects and green steel initiatives to reduce carbon emissions.

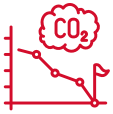
Innovative technologies including hydrogen steelmaking and carbon capture and storage (CCS) represent a critical and strategic component of the global steel industry's transformation. We closely monitor these technologies and are working to integrate them into our production processes.

To comply with regulations such as the **European Union's Border Carbon Adjustment Mechanism (CBAM)**, we are prioritizing innovation projects focused on low-carbon production technologies and accelerating the transition to green energy sources.





COMPLIANCE WITH LOCAL REGULATIONS AND TURKEY'S SUSTAINABILITY POLICIES



Supporting Turkey's net-zero targets:

We contribute to national sustainability strategies as Turkey becomes a party to the Paris Climate Agreement and adopts the 2053 net-zero carbon target.



Low-carbon strategies:

As part of the low-carbon strategies established by the Turkish Iron and Steel Producers Association, we are increasing energy efficiency, ensuring the sustainable use of water resources, and prioritizing the use of renewable energy.



Waste management and recycling:

As part of our zero-waste policy, we integrate waste management practices into our production processes, ensuring full compliance with environmental regulations.

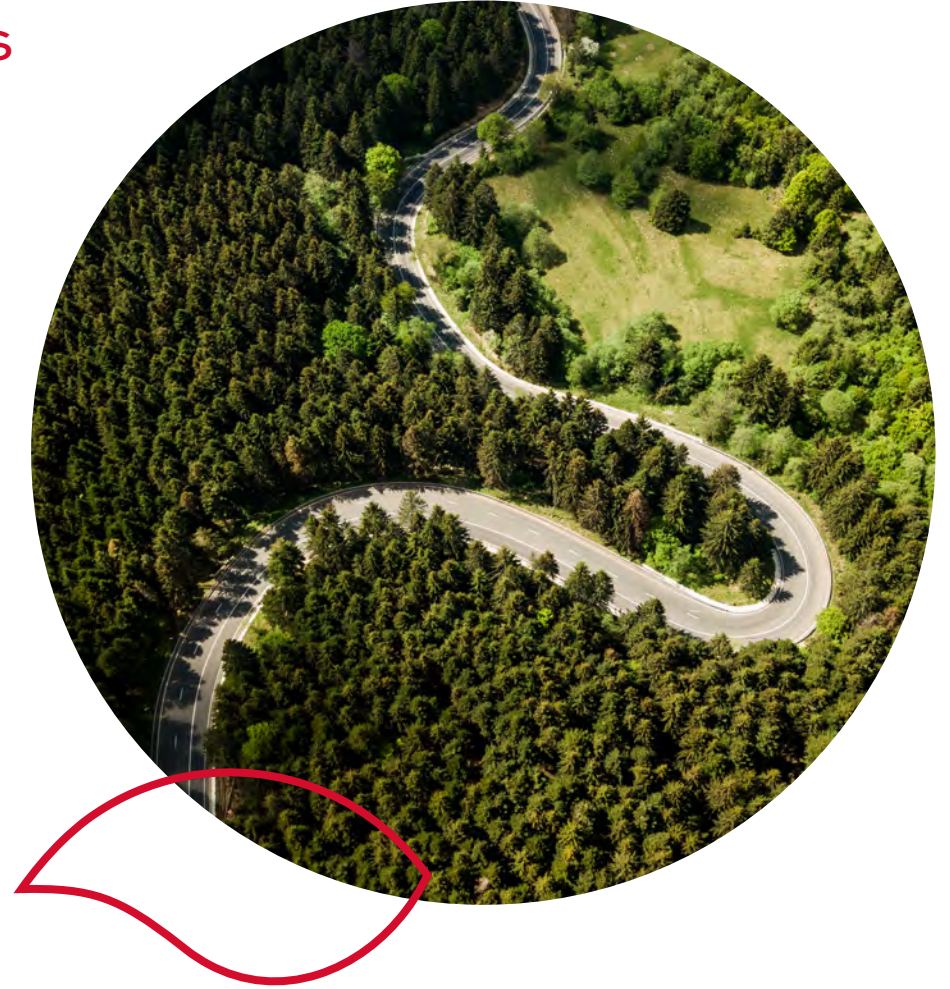
TRENDS, RISKS, AND OPPORTUNITIES

YILDIZ DEMİR ÇELİK'S JOURNEY IN A TRANSFORMING WORLD

Global economies are undergoing a radical transformation driven by the climate crisis, digitalization, and societal expectations. The steel industry is being reshaped in many areas, including carbon-neutral production targets, the transition to a circular economy, energy efficiency, and supply chain sustainability. This transformation creates both unique opportunities and critical challenges.

At Yıldız Demir Çelik, our goal is to steer this transformation and set a new benchmark for environmental, social, and economic sustainability. By embracing innovative technologies and clean energy solutions in steel production, we are not only striving to minimize our environmental impact but also to become a leading player in sustainability within the industry.

The analysis below details our strategic roadmap, how we address risks, and how we capitalize on emerging opportunities.



CATEGORY	TREND / RISK	FUTURE TREND DIRECTION	POTENTIAL IMPACT ON YDÇ	OUR ACTIONS
Trend	A Carbon-Neutral Future and Green Transformation	In line with carbon-neutral production targets, demand for low-carbon products is growing. The European Green Deal and global regulations are exerting greater pressure for transformation.	While the market for high-carbon emission products is shrinking, there is potential to gain a competitive advantage in green steel products.	<ul style="list-style-type: none"> We are carrying out projects to use hydrogen instead of fossil fuels. We are developing plans to increase the use of renewable energy resources (RES) in the medium term through renewable energy investments (SPP and RES).
Trend	Circular Economy and Recycling	As part of the circular economy approach, the use of recyclable materials is encouraged while waste management and raw material efficiency are becoming priority focus areas in the steel industry.	Improving competitive advantage through cost savings while fulfilling environmental obligations.	<ul style="list-style-type: none"> We have set a target to reduce the amount of hazardous waste generated per ton of steel produced. We contribute to sustainable water management by ensuring the efficient use of grey water.
Risk	Rising Energy Costs	Fluctuations in energy prices are causing high costs in the steel industry.	Price competition is challenging due to rising production costs.	<ul style="list-style-type: none"> We are working to increase energy efficiency in production and reduce costs through renewable energy investments.
Risk	Carbon Emission Regulations	Carbon emission regulations create compliance pressure on the industry and increase costs.	While products in the EU market incur additional costs, switching to low-carbon steel products delivers a compliance advantage.	<ul style="list-style-type: none"> We are reducing carbon emissions by reducing the proportion of raw materials purchased from blast furnace manufacturers. We are increasing the use of clean energy.
Risk	Risks Related to Water Use and the Climate Crisis	Disruptions to operations are anticipated if sustainable water use and water scarcity become issues of concern.	Risk of production capacity being restricted due to water supply issues and environmental pressures.	<ul style="list-style-type: none"> We are increasing the recycling of discharged wastewater. We are prioritizing the efficient use of water resources.
Opportunity	Demand for Green Steel	The growing demand for low-carbon products creates a competitive advantage in the market.	Growing revenue and new market opportunities by developing a green steel product portfolio.	<ul style="list-style-type: none"> We are increasing the supply of sustainable and certified raw materials. We are increasing our P&D investments with the goal of developing innovative products.
Opportunity	Digitalization and Industry 4.0	Digital transformation projects increase operational efficiency and improve quality management.	Digitalization offers cost advantages and the potential to improve operational processes.	<ul style="list-style-type: none"> We are digitizing all production processes. We are developing projects compatible with AI and Fintech applications.
Opportunity	Corporate Social Responsibility (CSR)	Collaborations and social projects focused on sustainability are becoming increasingly important, with the aim of contributing to society.	Creating a positive brand perception in society.	<ul style="list-style-type: none"> We invest in regional healthcare and education projects.

SUSTAINABILITY GOVERNANCE STRUCTURE

Yıldız Demir Çelik, we have adopted an effective governance structure, supported by the Health, Safety, and Environment (HSE) and Sustainability Department and the Sustainability Committee. The Sustainability Committee reports to the Executive Board and is responsible for implementing our sustainability vision and strategies.

The HSE and Sustainability Department plays a central role in planning, implementing, and monitoring the company's sustainability strategies. The department collaborates with several other departments to integrate Environmental, Social, and Governance (ESG) principles into business processes, thereby ensuring the implementation of strategic objectives.

The Sustainability Committee reports to the Executive Board and plays a critical role in defining, prioritizing, and implementing the company's sustainability strategies. The Committee develops systems that facilitate the achievement of sustainability goals and ensure their adoption and effective implementation throughout the company.

Our organizational structure fosters a comprehensive and participatory approach by bringing together diverse areas of expertise on sustainability issues. Led by the HSE and Sustainability Department, this process contributes to the dissemination of ESG principles throughout the company and their effective integration into business processes.

PARTICIPATORY MANAGEMENT IN THE SUSTAINABILITY STRATEGY

PARTICIPATORY MANAGEMENT IN THE SUSTAINABILITY STRATEGY

- Determine the company's sustainability strategies and short-, medium-, and long-term goals, and create roadmaps.
- Integrate sustainability principles into business processes and increase organizational capacity through active involvement and participation of relevant departments.
- Develop mechanisms to measure, monitor, and report sustainability performance.
- Proactively manage environmental, social, and governance risks.
- Share sustainability efforts transparently by ensuring open communication with all stakeholders.
- Monitor national and international sustainability developments and decide on collaborations that will contribute to the company's goals.



MATERIAL TOPICS

To determine our material topics, we used the new European Sustainability Reporting Standards (ESRS) and the Global Reporting Initiative (GRI) Standards, which were developed by the European Financial Reporting Advisory Group (EFRAG). These standards guide us in shaping our sustainability strategies.

In this context, Yıldız Demir Çelik conducted a comprehensive materiality assessment in 2024, involving our internal and external stakeholders. We adopted a **dual-materiality approach**, considering the impact of sustainability issues on our company and the priorities of our stakeholders. As part of this study, we utilized international frameworks and best practices to inform our sustainability strategies when evaluating stakeholder feedback. We also identified our material topics by considering the views of around 200 stakeholders.

We analyzed the results of the survey and workshops to determine the importance of ESG issues for Yıldız Demir Çelik. We used the feedback received from stakeholders to inform the development of Yıldız Demir Çelik's Environmental, Social and Governance (ESG)-focused strategies. We constantly update our sustainability priorities. To this end, we revisit our prioritization process **every two years**, aligning our approach with stakeholder expectations and global standards.

YILDIZ DEMİR ÇELİK'S TOP FIVE PRIORITIES

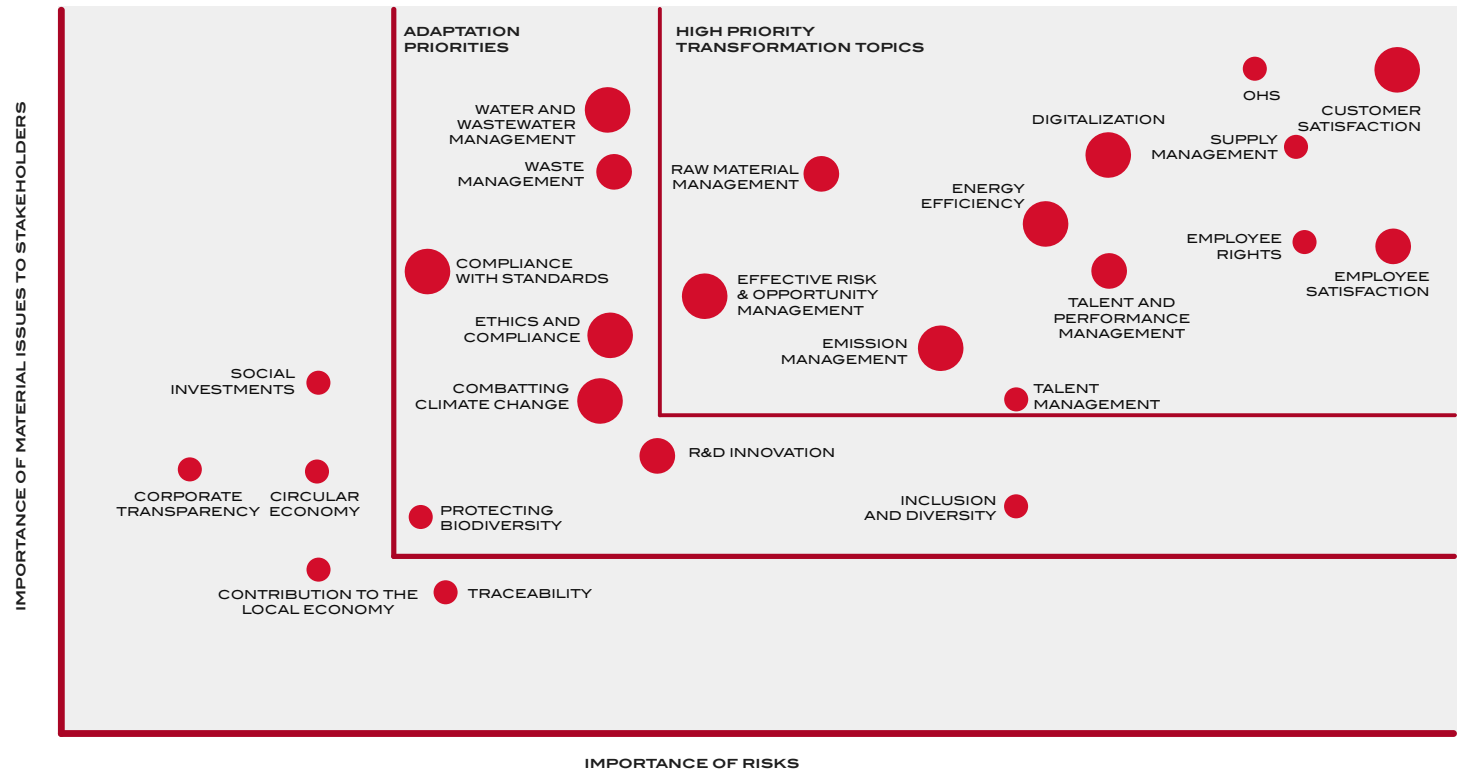
Based on our assessments, incorporating survey results, executive opinions, and external trend analyses, we have identified the top five material topics as follows:

- **Customer Satisfaction**
- **Occupational Health and Safety (OHS)**
- **Supplier Management**
- **Employee Satisfaction**
- **Energy Efficiency**

These topics, which we identified using a dual-importance approach and defined as a very high priority, also form the cornerstones of our "Sustainability in Every Step" vision. Yıldız Demir Çelik's first Sustainability Report primarily focuses on high-priority matters, while also addressing those of medium and high importance.



- **High-Impact Issues in Sustainability**
- **Compliance Issues (Short-Term)**
 - Customer Satisfaction
 - Employee Satisfaction
 - Supply Management
- **Transformation Issues (Medium-Long Term)**
 - Energy Efficiency
 - Talent Management
 - Emission Management
- **Sustainability Issues (Long-Term)**
 - Water Management
 - Raw Material Management
 - R&D Innovation



SUSTAINABILITY GOALS

SUSTAINABILITY MODEL, ESG TARGETS, AND THE RELATIONSHIP WITH SDGS

THE FUTURE IN EVERY STOE

- **Goal G1:** Risk-free production and a continuous supply chain
- **Goal G2:** Strong Product Development and technology use
- **Goal G3:** End-to-end digitalization and stakeholders



PEOPLE COME FIRST IN EVERY STOE

- **Goal S1:** Advanced OHS practices and zero accidents
- **Goal S2:** Talent management and training
- **Goal S3:** Collaborations and social impact analysis



RESPONSIBLE PRODUCTION IN EVERY STOE

- **Goal E1:** Emission reduction and clean energy use
- **Goal E2:** Water protection and wastewater management
- **Goal E3:** Waste reduction



OUR MANAGEMENT GOALS: FOR INNOVATIVE AND RISK-FREE "SUSTAINABLE" STEEL



SUPPLY CHAIN MANAGEMENT

At Yıldız Demir Çelik, our goal is to inform our suppliers about ESG criteria, encourage them to set their own energy, water, and waste management targets, and improve their audit processes to ensure supply continuity.

One of our key objectives is to make sure that our suppliers obtain or apply for ISO 14001, ISO 45001, and ISO 50001 certifications.



RISK AND OPPORTUNITY IMPACT ANALYSIS MANAGEMENT

We aim to conduct periodic environmental, social, financial, and operational opportunity, risk, and impact analyses under the supervision of various committees and the coordination of our Holding.



DIGITALIZATION

We aim to increase the effectiveness of artificial intelligence applications in the company's production, sales, planning, and financial operations.

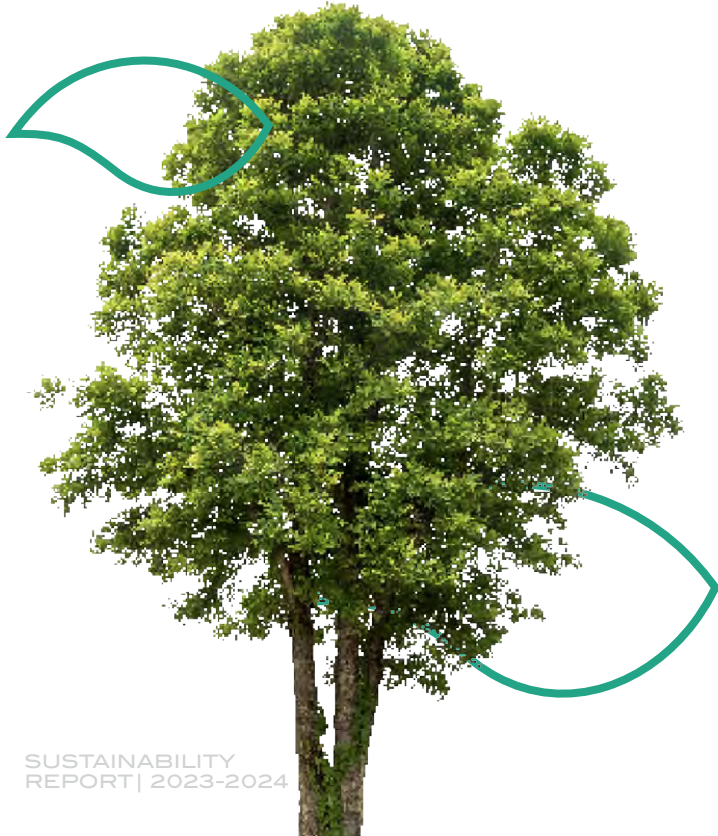


EMPLOYEE FORCE MANAGEMENT

- We aim to increase the percentage of women in the total workforce to 15% in the medium term.
- We aim to increase the percentage of women in management to 29% in the medium term.



OUR ENVIRONMENTAL GOALS: *STEEL IN HARMONY WITH NATURE*



GREENHOUSE GAS EMISSION MANAGEMENT

Our goal is to start working on the design and implementation of a transition from fossil fuels to hydrogen in production.

At Yıldız Demir Çelik, we prioritize low-carbon alternatives in our raw material supply chain and are committed to reducing our carbon footprint.



RENEWABLE ENERGY RESOURCE MANAGEMENT

To increase the share of renewable and clean energy in production processes, we intend to invest at least \$30 million in renewable energy production and energy efficiency by 2035.



WATER MANAGEMENT AND PROTECTION OF WATER RESOURCES

Our goal is to increase water recycling and reuse rates to a minimum of 30% across all production stages by 2035.



WASTE MANAGEMENT & ZERO WASTE

Our goal is to minimize the amount of hazardous waste produced at every stage of the production process.

OUR SOCIAL GOALS: FOR EXPERT AND HEALTHY "RELIABLE" STEEL



MANAGEMENT OF SUSTAINABILITY-FOCUSED SOCIAL ASSOCIATIONS AND CORPORATE SOCIAL RESPONSIBILITY PROJECTS

Our goal is to develop and implement projects that contribute to increased social and regional welfare in collaboration with local institutions. In our public awareness projects, we ensure that Social Impact Report calculations are completed under the coordination of Yıldızlar Investment Holding.



MANAGEMENT OF ADVANCED OHS PRACTICES AND SUSTAINABLE ZERO ACCIDENT WORK POLICY

Within the framework of our zero-accident work policy, we aim to continuously improve our improvement processes to reduce accident frequency and severity rates.



EMPLOYEE-FOCUSED MANAGEMENT

Our goal is to transform the Employee Experience project, launched in 2024, into a standard process at Yıldız Demir Çelik, thereby increasing the sense of belonging and satisfaction among all our employees.



TALENT MANAGEMENT

Our goal is to implement talent management practices that prepare our employees for the future and enhance their experience.



THE FUTURE

ORGANIZATIONAL STRUCTURE AND MANAGEMENT APPROACH

RISK AND OPPORTUNITY MANAGEMENT

ETHICS AND COMPLIANCE

QUALITY MANAGEMENT

CUSTOMER EXPERIENCE AND SATISFACTION

SUPPLY CHAIN MANAGEMENT

STAKEHOLDER ENGAGEMENT

INNOVATION AND DIGITAL TRANSFORMATION

“

*We are committed
to transforming
the economy
through innovation
at every stage.*

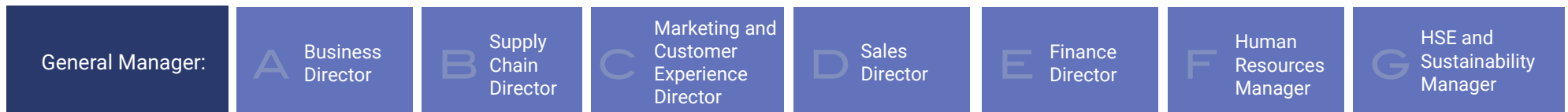
THE FUTURE IN EVERY STEP!

We are committed to driving economic growth through innovation at every stage. We enhance customer satisfaction and competitive advantage by providing high-quality, value-added products, while supporting sustainable growth through modern production technologies that maximize efficiency.

We promote sustainable economic success, both now and in the future, by establishing long-term partnerships and sound supply chain strategies that align with our corporate governance principles, securing our presence in global markets.

ORGANIZATIONAL STRUCTURE AND MANAGEMENT APPROACH

We structured Yıldız Demir Çelik's organization to effectively implement our sustainability strategies. Our operational and strategic management is coordinated under the leadership of the General Manager.



The average age of senior management is 45, reflecting our industry experience and strategic leadership competencies.

COMMITTEES AND BOARDS

To achieve our sustainability goals and implement corporate governance principles, we have established a number of committees and boards. These structures strengthen our strategic decision-making processes and boost our operational efficiency.

- **Executive Committee:**

Led by the General Manager, the Executive Committee consists of the Business Director, Supply Chain Director, Marketing and Customer Experience Director, Sales Director, Finance Director, Human Resources Manager and HSE and Sustainability Manager. The committee plays an active role in achieving the company's strategic goals.

- **Digital Transformation Committee**

The committee implements digitalization strategies, optimizes processes and strengthens technological infrastructure.

- **Sustainability Committee:**

Yıldız Demir Çelik's Sustainability Committee reports to the Executive Board and is responsible for developing, prioritizing and implementing the company's sustainability strategies. The Committee coordinates processes for monitoring Environmental, Social and Governance (ESG) performance, managing risks and integrating sustainability goals throughout the organization. The Committee also collaborates with relevant departments to create strategic roadmaps and integrate sustainability activities into the corporate structure.

- **Risk & Crisis Committee/Risk Management Board**

- Closely monitors economic developments and assesses their impact on the sector and customers.
- Develops necessary financial actions and relationship management plans.
- Regularly analyzes contract and sales processes and implements improvement initiatives.
- Meets four times a month to assess current risks and review action plans.

At Yıldız Demir Çelik, we are subject to regular independent audits in line with the principles of financial transparency and accountability. Our financial statements are audited by Deloitte in compliance with international standards.

RISK AND OPPORTUNITY MANAGEMENT



WE AIM TO INCREASE THE
TRANSPARENCY OF BUSINESS
PROCESSES AND MINIMIZE
OPERATIONAL RISKS.

At Yıldız Demir Çelik, we hold regular senior management meetings to ensure the effective management of sectoral risks and opportunities. These meetings play a critical role in our strategic decision-making processes.

- During these meetings, our senior management team conducts a detailed analysis of sector dynamics.
- During these sessions, we discuss current and potential risks and opportunities, developing the necessary action plans as required.
- Key topics include economic trends, market needs, supply chain risks and new business opportunities.

CREATION OF ACTION PLANS

- We adopt a proactive approach to risk management to ensure our operational and financial sustainability.
- We develop innovative projects in response to opportunities to attain a competitive advantage in the sector.

INTERNAL AUDIT

We are streamlining and systematising our internal audit processes by adopting robust corporate governance principles. In this context, we conducted our internal audits for 2023 and 2024 in collaboration with PwC. Our aim is to increase transparency in business processes and minimize operational risks.

In the last quarter of 2024, we set up the Internal Audit Directorate within our Holding Company. By incorporating this directorate into our Group's standard processes, we are aiming to reinforce corporate governance principles across the company and establish a sustainable internal audit mechanism.

ETHICS AND COMPLIANCE

Integrity is a pillar of fulfilling our social responsibilities and building a trustworthy reputation in the corporate world. Discerning correct behaviour and demonstrating fairness and honesty not only ensures long-term success in our business processes but also helps us to earn the trust of our stakeholders. Our aim is not just profitability; we also ensure that this goal aligns with ethical principles. We are committed to operating under the principles of transparency, honesty, and responsibility, and these values guide all our business activities.

At Yıldız Demir Çelik, we consider Yıldızlar Yatırım Holding's Code of Ethics and Business Conduct to be the foundation of our business conduct. This document sets out the core values and ethical standards that underpin all our business processes and relationships. We prioritize adhering to these ethical rules in our relationships with both internal and external stakeholders, guided by principles such as honesty, avoiding conflicts of interest, protecting trade secrets and confidentiality, and conducting business fairly and responsibly. These principles provide a framework that not

only guides our employees, but also our relationships with customers, suppliers, business partners, and society.

We have set up an Ethics Hotline (etik@yildiz.com.tr) for our employees to address any ethical queries or report any unethical situations. Employees can contact the Ethics Committee directly via this hotline if they encounter an ethical dilemma or believe that business ethics have been violated. All applications are evaluated confidentially and reporting is guaranteed without retaliation. The Ethics Committee handles reported situations confidentially, initiating an in-depth investigation. During this process, the Ethics Committee interviews relevant parties, gathers evidence and assesses whether ethical rules have been breached. If a violation is detected, the employee in question is referred to the Disciplinary Committee. The Disciplinary Committee is the authorized body that evaluates ethical violations and determines the necessary disciplinary sanctions. Depending on the severity of the violation, various sanctions may be imposed based on the Disciplinary Committee's assessment.



FIGHT AGAINST CORRUPTION AND BRIBERY

At Yıldız Demir Çelik, we operate strictly in accordance with the Yıldızlar Yatırım Holding Code of Ethics and Business Conduct, conducting all our business processes in line with these principles. In this context, the Disciplinary Regulation published within the Holding sets out all processes relating to the fight against corruption in detail.

ANTI-CORRUPTION PROCEDURES



Subheadings and Scope:

The Disciplinary Regulations clearly define what constitutes corruption and specify the applicable procedures.



Sanctions:

Appropriate disciplinary sanctions are applied to acts identified during the investigation. These sanctions support our company's zero-tolerance policy.



Investigation Process:

The Disciplinary Board meticulously investigates circumstances that constitute corruption. The principles of transparency and fairness are fundamental to this process.



Employee Awareness:

The Disciplinary Regulations are provided in booklet form to all new employees, offering comprehensive insights into our company's policies.





WE ARE COMMITTED TO DELIVERING THE HIGHEST STANDARDS IN OUR SECTOR
AND EMBRACE QUALITY AS A COMPETITIVE ADVANTAGE

QUALITY MANAGEMENT

At Yıldız Demir Çelik, the pursuit of quality extends beyond mere standards to become an integral part of our corporate philosophy. We meticulously monitor quality at every stage of production. By striving for excellence in our production processes, we are committed to achieving the highest standards in our industry and using quality as a competitive advantage. Our commitment to performance, accuracy and consistency is reflected in all our operations.

Our quality management system is based on international standards such as ISO 9001 and IATF 16949. We also support our environmental management processes with ISO 14001, our

Occupational Health and Safety activities with ISO 45001, and our energy management with ISO 50001. Within the framework of these standards, we regularly review our production processes, working on the principle of continuous quality improvement. We use QDMS (Quality Document Management System) to ensure the efficiency and traceability of all our processes. QDMS enables us to manage our processes, monitor our performance indicators and maintain up-to-date quality documentation.

Furthermore, our quality control processes are conducted in our TÜRKAK-accredited laboratories, which comply with the ISO 17025 standard. In

these laboratories, we guarantee product quality by conducting high-precision testing and analysis, and we continuously enhance our quality performance by utilizing advanced data analytics. We meticulously monitor the quality targets set within our management systems at every stage using the QDMS.

We implement the quality management system defined in our handbooks with the active participation of all our employees, upholding the highest quality standards in all our operations. Quality is an integral part of both our products and our company culture.

OUR CERTIFICATES

We have adopted several management systems to help us manage our operations effectively and achieve operational excellence. These systems cover critical areas such as quality, the environment, Occupational Health and Safety (OHS), energy, information security and customer satisfaction.

ISO 9001 QUALITY MANAGEMENT SYSTEM

ISO 10002 CUSTOMER SATISFACTION MANAGEMENT SYSTEM

ISO 14001 ENVIRONMENTAL MANAGEMENT SYSTEM

ISO 45001 HEALTH AND SAFETY MANAGEMENT SYSTEM

IATF 16949 AUTOMOTIVE QUALITY MANAGEMENT SYSTEM

ISO 17025 LABOURATORY ACCREDITATION

ISO 27001: INFORMATION SECURITY MANAGEMENT SYSTEM

ISO 50001 ENERGY MANAGEMENT SYSTEM

TS 822 CERTIFICATE OF CONFORMITY

TS EN 10130 CERTIFICATE OF CONFORMITY

TS EN 10169 CERTIFICATE OF CONFORMITY

TS EN 10209: CERTIFICATE OF CONFORMITY

TS EN 10346: CERTIFICATE OF CONFORMITY



CUSTOMER EXPERIENCE AND SATISFACTION

Our Customer Technical Services (CTS) team provides technical support to customers before and after sales. Should any product-related complaints arise after the sale, we conduct on-site inspections to analyse and resolve them. Since our inception, we have managed customer complaints in accordance with the ISO 10002 Customer Satisfaction Management System Standard. We carefully evaluate all complaints, including technical ones, and aim to resolve them as quickly as possible. We aim to respond to customer complaints within a maximum of one business day.

CUSTOMER CONDITIONS AND EXPECTATIONS

Through regular customer visits and training, we share the necessary technical information about our products, offering us the opportunity to better understand our customers' needs and expectations. Through product development and deployment efforts, we offer solutions tailored to our customers' needs. We treat new product requests from our customers as trial productions and closely monitor how well these products meet customer expectations.



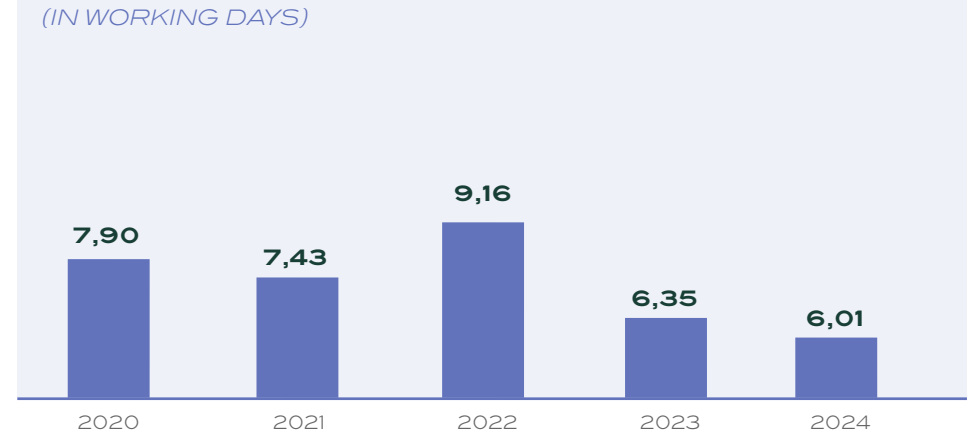
WITH OUR CUSTOMER-FOCUSED APPROACH, **WE AIM TO MAINTAIN CUSTOMER SATISFACTION AT THE HIGHEST LEVEL.**

CUSTOMER COMPLAINTS

NUMBER OF COMPLAINTS
(NUMBER OF LABELS)



COMPLAINT RECOVERY TIME
(IN WORKING DAYS)





WE ESTABLISHED THE FIRST CUSTOMER EXPERIENCE DEPARTMENT IN THE IRON AND STEEL INDUSTRY!

At Yıldız Demir Çelik, we believe that customer experience encompasses every stage of the customer journey, from initial contact before the sale, through product delivery and use, to after-sales service. We value our customers' feedback at every stage, focusing on understanding their expectations and enhancing their satisfaction.

To demonstrate our customer-centric approach, we broke new ground in the industry in 2022 by restructuring the Marketing and Customer Experience Directorate and establishing the Customer Experience Department within our organization. We have accelerated our efforts to gain in-depth insights into the customer experience and strengthen our processes. We use the insights we

obtain from surveys, visits and similar channels to guide our improvement efforts, understand our customers' needs and expectations, and improve their experiences. This analysis informs our improvement efforts. By addressing our processes end-to-end, we continue to deliver an improved experience at every touchpoint.

STARGATE CUSTOMER PORTAL

At Yıldız Demir Çelik, we recognize that companies which integrate technology most effectively into their business processes will accrue substantial benefits in the future. From day one, we have adopted the same perspective, focusing on how we can make our customers' lives more convenient with digital solutions and improve the services we offer them.

We designed our Stargate Customer Portal to respond effectively and easily to changing customer needs, and we continually refine it accordingly.

Our customers are a vital part of this development process, and we leverage their feedback throughout this journey. Through the Stargate Customer Portal, our customers can provide feedback on products or other issues, access order details, view test reports, track account activity and manage users with ease. In the future, we will continue to develop our capabilities further and contribute to the growth of the entire ecosystem alongside our business partners.



WE DESIGNED OUR STARGATE CUSTOMER PORTAL TO ADDRESS OUR CUSTOMERS' NEEDS IN A SIMPLE AND EFFICIENT WAY

stargate



INFORMATION AND CYBER SECURITY

1

OUR APPROACH TO INFORMATION AND CYBER SECURITY

At Yıldız Demir Çelik, we recognize the importance of information security for business continuity and implement robust cybersecurity measures accordingly. Our information security processes are implemented in accordance with ISO 27001:2022 Information Security Management System standards, ensuring the protection of our information assets, minimizing cyber threats and securely managing our stakeholders' data.

CYBER SECURITY TECHNOLOGIES AND APPLICATIONS

Our cybersecurity strategy includes advanced technological solutions such as SIEM and SOC systems, a Red Team service, SD-WAN, switches, access points and hotspot devices for internet access, an MPLS service and SD-WAN technologies, as well as SharePoint for file sharing. We have configured security measures such as Active Directory, Exclaimer, VMware, SQL Server, Commvault, and ManageEngine SIEM and SOC systems for server, backup, and user operations; Trend Micro XDR; Fortinet Firewall; PAM and VPN authentication systems; WAF service; DLP and CASB data security software; label/classification software; and MDM (Mobile Device Management) and APN. These measures ensure the security of internal and external information flow.



AT YILDIZ DEMİR ÇELİK, WE REGARD INFORMATION SECURITY AS AN ESSENTIAL PART OF OUR CONTINUITY AND ARE COMMITTED TO IMPLEMENTING SOLID SECURITY MEASURES

2

INFORMATION SECURITY AWARENESS TRAINING FOR EMPLOYEE

We conduct regular training programs to raise information security awareness and ensure that all our employees are aware of security threats:

- We publish ISO 27001 Information Security Awareness Training annually through the Academy Yıldız Portal.
- We have incorporated information security training into the orientation training calendar for blue-collar workers.
- We publish pop-up notifications on employee computer screens twice a week to raise information security awareness.
- We periodically publish information security awareness announcements to ensure our employees are aware of current threats.

3

EMERGENCY AND DATA RECOVERY PROCESSES

Within the scope of information security, we have established emergency and data recovery procedures to prevent critical data loss and ensure business continuity. The complete process details are recorded in the QDMS system and are made available to the respective teams upon request.



IN LINE WITH OUR VISION OF
CREATING A SECURE AND
SUSTAINABLE DIGITAL
INFRASTRUCTURE, WE ARE
COMMITTED TO UPHOLDING THE
HIGHEST STANDARDS IN OUR
INFORMATION SECURITY
APPLICATIONS.

4

COMPLIANCE WITH INFORMATION SECURITY POLICIES AND STANDARDS

We have prepared and implemented our company's information security policies and procedures in accordance with the ISO 27001:2022 Information Security Management System standard. We periodically conduct audits and update our policies and procedures on an ongoing basis to improve the effectiveness of our internal information security management system.



SUPPLY CHAIN MANAGEMENT

We use a value-creation approach to design our supply chain, prioritizing continuity.

From selecting suppliers to monitoring and developing performance, we maintain quality and focus on continuous improvement across all processes. This commitment is evident in both product quality and our collaborative culture. This system provides operational efficiency and agility in response to changing market conditions. It also enables us to develop long-term, trust-based relationships with our key suppliers.

Through active management of our communication and auditing processes with suppliers, we aim to extend sustainability criteria across the entire value chain.



WE ARE COMMITTED TO **DEVELOPING STRONG RELATIONSHIPS AND IMPLEMENTING SUSTAINABILITY PRINCIPLES IN SUPPLY CHAIN MANAGEMENT.**

“ OUR TOTAL
LOCAL SUPPLY
RATE BY *2024*
91,4%



SUPPLIER COMMUNICATIONS AND PRIVACY POLICY

- Confidentiality is a fundamental principle in our relationships with our suppliers. Suppliers are obliged to protect information relating to company projects and to notify us promptly of any organizational changes.
- Trust is a key value in our relationships with our suppliers, and we adopt policies that promote transparency in business processes and mutual trust.



SUPPLIER SATISFACTION AND JOINT PROJECTS

- Improving supplier satisfaction processes through continuous improvement is a strategic priority in our company's supply chain management.
- We develop innovative solutions and support sustainability goals by implementing joint projects with our suppliers.



COOPERATION WITH LOCAL SUPPLIERS

- The ratio of our local suppliers reached 92.4% in 2023. The ratio remained at 91.4% in 2024.
- A high local sourcing ratio is significant not only for its economic contribution, but also for its role in reducing logistics-related emissions and promoting environmental sustainability.



SUPPLIER SELECTION AND MONITORING

We have a structured and transparent scoring system. We objectively evaluate and select our suppliers based on a multi-dimensional criteria, including quality, cost, environmental impact and social responsibility.

The criteria and scoring system we use to select candidate suppliers are as follows:

- **Product certification:**

Companies with product certification receive 25 points, while those without receive 5 points.

- **Quality performance:**

Companies with a quality performance between 75–100% receive 15 points; those with a quality performance between 50–74% receive 10 points; and those below 50% receive 5 points.

- **Shipping performance:**

Companies with a shipping performance of 75–100% receive 15 points; those with a performance of 50–74% receive 10 points; and those with a performance below 50% receive 5 points.

- **Corporate structure:**

Corporate companies receive 5 points and sole proprietorships receive 3 points.

- **ISO certifications:**

Additional points are awarded to suppliers holding international certifications such as ISO 9001, ISO 14001 and ISO 45001.



THE STRATEGIC AND LONG-TERM COLLABORATIONS THAT WE HAVE ESTABLISHED WITH OUR SUPPLIERS PLAY AN IMPORTANT ROLE IN ACHIEVING OUR COMPANY'S VISION FOR SUSTAINABILITY

The international standards held by our suppliers, such as ISO 9001:2015 and IATF 16949:2016, form the foundation of quality and sustainability in our supply chain. We also prioritize ensuring that our suppliers have environmentally friendly and sustainable production processes, taking into account product certifications and sector-specific compliance assessments.



PERFORMANCE EVALUATION

We constantly strive to increase operational efficiency by monitoring and evaluating our suppliers' performance. We closely monitor performance indicators such as quality control, on-time delivery, shrinkage rates and customer satisfaction, to maintain our partnerships with suppliers and improve these criteria continuously. We analyze the performance data we collect monthly and provide our business partners with feedback to help them increase efficiency.

Following our supplier evaluation and audit processes, we contribute to continuous improvement by sharing audit reports and findings with relevant suppliers. We prioritize improving the performance of all parties in our supply chain. We guide our business partners in aligning with our sustainability goals through annual performance evaluation meetings and regular monitoring processes.

SUPPLIER PERFORMANCE EVALUATION

Social Compliance	SEDEX Certificate	Available (5 Points)	N/A (0 Points)
	Do they employ children under the age of 15? (In the absence of SEDEX)	Available (0 Points)	N/A (2 Points)
	Is an OHS expert employed? (In the absence of SEDEX)	Available (2 Points)	N/A (0 Points)
	Do they adhere to the laws and regulations of the countries in which they operate?	Available (1 Points)	N/A (0 Points)

RISK MANAGEMENT AND CONTINGENCY PLANS

Effective risk management and solid contingency plans are essential for ensuring the uninterrupted operation of our supply chain. We work closely with our suppliers to develop rapid and effective solutions to unexpected situations, such as potential production shutdowns, natural disasters or logistics issues. The business continuity plans that we require from our suppliers help to secure our supply chain and contribute to the sustainability of our operations.

We encourage each supplier to implement an information security management system, such as ISO 27001, to safeguard our business processes. Furthermore, receiving immediate notification of any disruptions or production interruptions, and being prepared for such situations, is crucial for ensuring the sustainability of our supply chain.



RISK MANAGEMENT AND CONTINGENCY PLANS ARE ESSENTIAL TO ENSURE THE UNINTERRUPTED CONTINUITY OF OUR SUPPLY CHAIN.





THE RESILIENCE PLANS
WE ANTICIPATE FOR OUR
SUPPLY CHAINS PROVIDE
SECURITY AND FACILITATE
THE CONTINUITY OF OUR
OPERATIONS.

”

YILDIZ
DEMİR ÇELİK



IN COLLABORATION WITH ALL OF THE STAKEHOLDERS WE INTERACT WITH, IN BOTH DIRECT AND INDIRECT CHANNELS, WE ARE PROCEEDING WITH OUR EFFORTS TO DEVELOP AN EFFECTIVE PARTICIPATION MECHANISM.

STAKEHOLDER ENGAGEMENT AND COLLABORATION

We are committed to developing effective engagement mechanisms with all our stakeholders, both direct and indirect. In this context, moving forward requires us to take into account the opinions and contributions of our stakeholders.

Stakeholder Mapping and Communication: We have organized regular meetings, surveys and workshops with our employees, suppliers, customers and local communities.

Gathering Opinions and Feedback: Feedback from our stakeholders guided us in identifying priority issues and making strategic decisions.

STAKEHOLDERS	COMMUNICATION	COMMUNICATION METHOD	COMMUNICATION FREQUENCY
Senior Management	Strategy Meetings	Face-to-face	Continuous
	Crisis Management Meetings	Online face-to-face	Periodic
	Customer and Employee Experience Meetings	Online-to-face-to-face	Periodic
	Revision Meetings (Quality, Environment, Energy, OHS)	Face-to-face	Once a year
Employees	Stock Assessment Meetings	Face to Face	Once a Month
	Ethical Principles	"Digital media channels Corporate Website, social media channels, Announcement TV, Notice Boards)"	Continuous
	Department Meetings, Target Assessment, Business Meetings	Face to Face	Continuous
	Reward and Suggestion Meetings	Face to Face	Twice a Month
	Employee Trainings and Development Meetings	Face to Face-Online	Continuous
	OHS Committee Meetings	Face to Face	Once a Month
	Employee Satisfaction and Loyalty Surveys	Online	Once a Year
	Social Motivation Activities	Face to Face-Online	Continuous
	Crisis Desk Meetings	Face to Face-Online	Continuous
	Energy Efficiency Meetings	Face to Face-Online	Once a Month
	SMS and E-mails	Online	Continuous
	YYH Yıldızda Yaşam Magazine	Online-Print	Quarterly
	Yıldızlarda Biz Intranet	Online	Continuous
	Sustainability Report	Online	Once a Year
Suppliers	Digital media channels	Corporate website and social media channels (Stargate website).	Continuous
	Sustainability Report	Online	Once a year
	Visits, meetings and interviews	Face-to-face	Continuous
	Supplier performance evaluations		Once a year
	Supplier audits	Face-to-face	Periods determined by procedure
Local Governments and Public Institutions	Meetings and interviews	Online	Continuous
	Corporate Website	Online	Continuous
	YDÇ Social Media Accounts	Online	Continuous
	Official Visits	Face-to-Face	Periodic
	Sustainability Report	Online	Once a Year
Civil Society Organizations, Universities and Academic Institutions	Audits and Reports	Face-to-Face	Periodic
	Visits	Face to Face	Periodic
	Joint Projects, Fairs, Symposiums	Face to Face	Periodic
	Sustainability Report	Online	Once a Year
	Participation in Career Days	Face to Face	Periodic
Customers	Participation in Membership Meetings	Face to Face	Periodic
	Sponsorships and Donations	Online-Face to Face	Periodic
	University Collaborations	Face to Face	Periodic
	Sustainability Report	Online	Once a Year
	Corporate Website	Online	Continuous
	Code of Ethics	Online	Continuous
	Customer Visits	Product Brochures and Presentations, Meetings and Interviews	Continuous
Local Community, Society	Fairs, Symposiums, Sponsorships Fairs, Symposiums, Sponsorships	Product Brochures and Presentations, Meetings and Interviews	Continuous
	Customer Satisfaction Surveys	Research Company	Once a Year
	SFL Social Media Accounts	Online	Continuous
	YYH Yıldızda Yaşam Magazine	Online	Quarterly
	Sustainability Report	Online	Once a Year
Consultancy	Corporate Website	Online	Continuous
	YDÇ Social Media Accounts	Online	Continuous
	YYH Yıldızda Yaşam Magazine	Online	Quarterly
	CSR Projects	Face to Face	Periodic
	Sponsorships and Donations	Face to Face	Periodic
	Meeting, Audit	Face to Face	Once a Month

INNOVATION AND DIGITAL TRANSFORMATION

Innovation and digital transformation are critical not only to the development of new products and services, but also to process management. These two elements support sustainable growth by boosting companies' productivity and efficiency. They are also important tools for addressing global challenges such as climate change, water resource depletion and environmental pollution. Innovative technologies enable companies to adapt quickly to changing trends and create new business models and opportunities. Digital transformation significantly contributes to the circular economy by ensuring the efficient use of resources and reducing waste.

At Yıldız Demir Çelik, we consider innovation to be a strategic priority, using our work in this area as a tool to support sustainable growth. We invest in new technologies to continuously improve production processes, boost energy efficiency and develop eco-friendly solutions.

These efforts are based on:

- improving product quality;
- minimizing environmental impacts;
- ensuring the efficient use of resources.

In 2023 and 2024, we implemented projects within the 'Innovation and Digital Transformation' area in line with our sustainability strategy. We implemented this process in an integrated manner, considering both environmental and economic objectives.

Our goal is to reduce production costs while minimizing environmental impact by focusing on low-carbon production technologies and environmentally friendly processes.

These efforts include:

- developing innovative solutions;
- expanding circular economy practices.

Our goal is to develop innovative materials and further advance our innovation strategies in accordance with circular economy principles. **To this end, we:**

- invest in new technologies and processes;
- implement comprehensive projects to achieve sustainable growth targets.



AT YILDIZ DEMIR CELIK,
WE VISION INNOVATION AS
A STRATEGIC PRIORITY
AND EMPLOY OUR WORK
IN THIS FIELD AS A TOOL
TO PROMOTE
SUSTAINABLE GROWTH.

”

IN EVERY STEP



RESPONSIBLE PRODUCTION

ENVIRONMENTAL MANAGEMENT

RISK REDUCTION

ENERGY AND EMISSIONS

MANAGEMENT

WATER MANAGEMENT

WASTE MANAGEMENT

BIODIVERSITY

“

We promote a green
production approach
to reduce our carbon
footprint *and*
build a cleaner future.

RESPONSIBLE PRODUCTION IN EVERY STEP

Our production processes are aligned with the principles of the circular economy, respecting the balance of nature. We prioritize investments in renewable energy to minimize our energy and resource consumption. By increasing our recycling rates in steel production, we are reducing waste almost to zero and taking concrete steps to support our commitment to protecting nature. By reducing our carbon footprint, we are building a cleaner future through our green production approach.

ENVIRONMENTAL MANAGEMENT

Today, environmental management is a critical strategic factor for the long-term success of companies, as well as being a legal requirement. At Yıldız Demir Çelik, we believe that growing in harmony with nature is a necessity as well as a responsibility. To this end, we use the state-of-the-art, most environmentally friendly production technology available in this field. Our production technology is aligned with the standards set out in the European Union's Integrated Pollution Prevention and Control (IPPC) Reference Document on Best Available Techniques in the Iron Rolling Process.

This technology is the most widespread and widely used in this field worldwide, particularly in Europe. The machinery we use is high-capacity, environmentally friendly equipment with advanced technology. We also develop innovative methods to reduce our environmental impact and integrate sustainability principles into all our operations. Environmental sustainability is of vital importance in today's world. The United Nations Environment Programme (UNEP) emphasizes the need to take steps to prevent environmental degradation and protect ecosystems worldwide.



WE ARE CONTRIBUTING TO A CLEANER FUTURE BY REDUCING OUR CARBON FOOTPRINT AND ADOPTING A GREEN PRODUCTION CONCEPT.

“ WE IMPROVE OUR ENVIRONMENTAL AND ECONOMIC SUSTAINABILITY BY IMPLEMENTING ECO-FRIENDLY PRACTICES AT EVERY STAGE OF OUR PRODUCTION PROCESS.

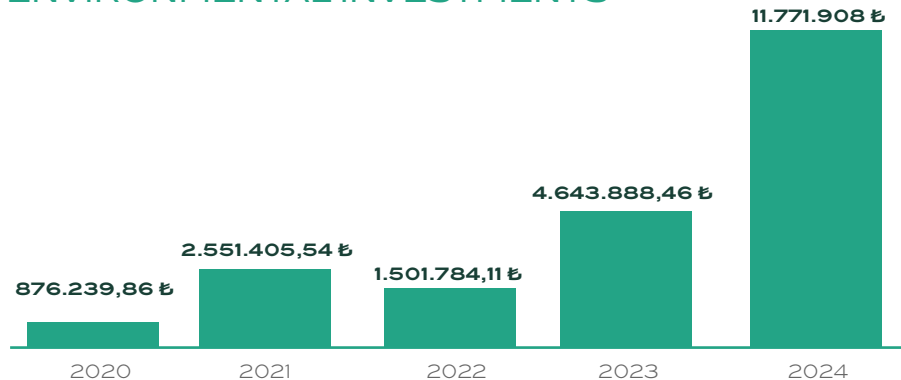
A 2021 UNEP report states that climate change, biodiversity loss and the overexploitation of natural resources are the most significant threats to our planet's ecosystems. Implementing integrated environmental management systems to address these issues is crucial for achieving sustainable development. At Yıldız Demir Çelik, we prioritize environmental management, fully aware of our responsibility. Protecting natural resources and developing eco-friendly production processes are integral to our business model.

The ISO 14001 Environmental Management System lays the foundation for our environmental management strategy. Thanks to this system, we can systematically manage our environmental risks and minimize our

environmental impact across all our operations by committing to continuous improvement.

Energy consumption is another important aspect of our environmental management. Within the framework of the ISO 50001 Energy Management System, we aim to increase our energy efficiency and use our energy resources more sustainably. The ISO 50001 Energy Management System enables us to optimize our energy consumption. Thanks to our energy management system, we can implement our energy efficiency strategies effectively while significantly reducing our carbon footprint.

ENVIRONMENTAL INVESTMENTS



4,6 MILLION TL
IN 2023

11,8 MILLION TL
IN 2024

RISK MITIGATION

At Yıldız Demir Çelik, we incorporate environmental sustainability into our core business strategy. In this context, proactively managing environmental risks and promoting eco-friendly practices underpin our approach. We have identified potential environmental risks arising from our operations and developed strategic solutions to address these risks.

IDENTIFIED ENVIRONMENTAL RISKS AND RISK MITIGATION TARGETS



CHEMICAL SPILLS AND LEAKS

We conduct handling operations using chemical transfer pumps to prevent spills and leaks. We deploy chemical spill kits in areas where chemicals are extensively used, allowing for an immediate response in the event of an emergency. We also store chemicals in overflow basins.



CHEMICAL STORAGE SECURITY

Creating chemical storage areas in compliance with regulations is an important step in reducing environmental risks. Through these efforts, we aim to enhance environmental safety by minimizing the risk of chemical leaks.



INCREASING HAZARDOUS WASTE

We have set concrete targets for reducing hazardous waste and have integrated these targets into our joint environmental strategies. By improving waste management processes, we reduce environmental impact and contribute to the goals of the circular economy. We separate all operational waste at source and regularly monitor its volume. To this end, we provide periodically scheduled training on waste management for our entire personnel.

ENERGY AND EMISSIONS MANAGEMENT

Effective energy and emissions management strategies are pivotal in combating climate change and achieving sustainable development goals. Reports published by the International Energy Agency (IEA) emphasize the significance of enhancing energy efficiency to mitigate greenhouse gas emissions (IEA, 2023). Under the European Climate Law, the European Union has set a target to reduce emissions by at least 55% by 2030, with a commitment to achieving climate neutrality by 2050 (European Commission, 2021). Against this backdrop, the adoption of energy management systems in the industrial sector is paramount for environmental sustainability.

At Yıldız Demir Çelik, we are aware of this and implement comprehensive energy management strategies to minimize the environmental impact of our energy consumption. The ISO 50001 Energy Management System provides a

systematic approach to improving our energy performance. This standard enables us to monitor and analyse our energy consumption and make improvements, ensuring the effective planning, implementation, and review of our energy management processes. With the ISO 50001 Energy Management System, we optimize our energy use and reduce our costs. We also regularly measure and report our Scope 1 and 2 carbon emissions. These efforts are conducted in accordance with international standards, including the ISO 14064 Standard.

Regarding our flue gas emissions, we implement emission reduction measures and have all required parameters measured biennially by organizations authorized under legal regulations, achieving emission levels below the permitted thresholds.



WE INTRODUCE INTEGRATED ENERGY MANAGEMENT STRATEGIES TO MINIMIZE THE ENVIRONMENTAL IMPACT OF OUR ENERGY CONSUMPTION.

We have carried out a number of projects to reduce our energy consumption and boost efficiency. These projects have enabled us to make significant savings on both our electricity and natural gas consumption, while also improving our operational performance. Our total annual savings amounted to 559.27 TOE, with reduced energy consumption and minimized environmental impact.

1

TESTING OF COMPRESSOR WASTE HEAT RECOVERY (JULY 2021):

We introduced the use of compressor waste heat to preheat the boiler room condensate tank feedwater. By controlling the water flow rate proportionally, we reduced natural gas consumption. This project resulted in annual natural gas savings of 31,320 cubic metres (25.8 toe/year).

2

OPTIMIZATION OF STACK ANNEALING PARAMETERS (JULY 2021):

We reduced natural gas and electricity consumption by reconfiguring the parameters in the stack annealing process. This project resulted in annual savings of 316,320 cubic metres of natural gas and 33,228 kWh of electricity. Our annual savings reached 263.8 toe/year.

3

SOFTWARE INSTALLATION FOR THE COMPRESSOR OPERATING SYSTEM (DECEMBER 2022):

We implemented optimizer software to select the compressor's most efficient operating model, providing reporting via a remote monitoring system. This project saved us 240,000 kWh of electricity (20.6 toe) annually.

4

CGL-1 HYDROGEN CONSUMPTION REDUCTION (MAY 2023):

We reduced the amount of electricity consumed by reducing the amount of hydrogen used in the CGL-1 line. This project resulted in annual electricity savings of 576,000 kWh and an increase of 49.54 toe.

5

COOLING TOWER IMPROVEMENT NO. 3 (AUGUST 2023):

Improvements to the cooling tower circulation pumps achieved annual electricity savings of 240,000 kWh and an increase in energy efficiency of 20.6 toe/year.

6

ECL SECTION DRYING PROCESS IMPROVEMENT (DECEMBER 2023):

By improving the operating conditions of the ECL drying air, we have improved the automation of the drying process. This resulted in annual electricity savings of 76,500 kWh and an increase of 6.58 toe per year.

7

PAINTING ZONE COOLING POINT IMPROVEMENT (DECEMBER 2023):

We optimized the water flow settings at the cooling points in the paint station, saving 36,000 kWh of electricity and achieving a gain of 3.1 toe per year.

8

COOLING TOWER 2 IMPROVEMENT (JANUARY 2024):

We achieved savings of 21.0 toe per year by improving the cooling tower circulation pumps.

We have carried out a number of projects to reduce our energy consumption and boost efficiency. These projects have enabled us to achieve significant savings in electricity and natural gas consumption, while also improving operational performance. The total annual savings resulting from these projects are 559.27 TOE, which has reduced energy consumption and minimized environmental impact.

9

CGL-1 FURNACE FAN GROUP IMPROVEMENT

(APRIL 2024):

As a result of our improvements, we have eliminated the need for air cooling, which previously required the generation of approximately 213,000 Nm³/year. This has also led to electricity savings of 24,708 kWh/year and 2.1 toe/year.

10

ECL LINE CHIMNEY FAN IMPROVEMENT

(JULY 2024):

We improved the operating conditions of the ECL Line chimney fan and implemented an automation upgrade. Thanks to these improvements, we now save 15,292 kWh of electricity and 1.3 toe of energy each year.

11

REVERSE OSMOSIS SYSTEM IMPROVEMENT

(SEPTEMBER 2024):

Through the reverse osmosis wastewater recovery project, we reduced water consumption and achieved greater energy efficiency per unit of water produced. If the system produces 400 m³ of water daily, it achieves 120 kWh of electricity savings per day. These savings only cover the operational period starting in September 2024. The maximum projected annual savings are 43,200 kWh/3.7 TEP if the system operates uninterrupted for a full year.

12

IMPROVEMENT OF WASTE HEAT RECOVERY

(DECEMBER 2024):

Following improvements to the compressors, we introduced a system to recover and use the exhausted hot air for preheating. This provides an average daily energy saving of 225 kWh (assuming the compressors operate for an average of 17 hours per day). We estimate the annual potential savings to be 1,262,250 kWh/year = 108.55 TOE/year, provided the system operates continuously for 330 days. Please note that since the system was commissioned in December 2024, this value represents the maximum projected annual savings rather than the actual savings.

13

CGL-1 PASSIVATION UNIT IMPROVEMENT

(DECEMBER 2024):

As part of the CGL-1 Passivation Unit Fan Driver Control Project, we generated annual energy savings equivalent to 379,140 kWh and 32.6 TEP.

“ TOTAL ANNUAL EARNINGS:
559.27 TOE

ENERGY INTENSITY

	2020	2021	2022	2023	2024	UNIT
Total energy consumption	23,469	26,690	17,228	27,832	33,794	TOE
Total Production Quantity	2,082,141	2,676,952	1,473,679	2,354,508	3,012,390	Ton
Energy density (Total energy / total production)	0.0113	0,0100	0,0117	0,0118	0,0112	TEP/Ton

GREENHOUSE GAS EMISSIONS

	2020	2021	2022	2023	2024	UNIT
Scope 1 (Direct greenhouse gas emissions)	36,522.162	41,759.816	26,846.725	42,818.369	51,838.771	Ton CO ₂ e
Scope 2 (Indirect greenhouse gas emissions)	40,758.198	45,733.855	30,753.278	49,630.834	60,559.117	Ton CO ₂ e



WATER MANAGEMENT

With climate change and population growth, the sustainable use of water resources has become increasingly critical. Global water scarcity and increased industrial water use are raising operational risks for companies and highlighting their responsibility to protect natural resources. According to the United Nations' World Water Development Report, the industrial sector accounts for more than 20% of global water use. This shows that reducing water consumption efficiently offers significant opportunities in terms of environmental sustainability and operating costs.

At Yıldız Demir Çelik, we are committed to using water resources efficiently and minimizing our water consumption. We recycle a significant proportion of the water used in our operational processes and achieve water savings through process improvements. Through our water management strategy, we aim to optimize our water consumption and minimize our environmental impact. The projects we implement in this line of work increase our operational efficiency while contributing to the conservation of natural resources. By adopting the use of grey water in our production processes, we ensure the efficient management of water resources.

WATER USAGE

	2023	2024	UNIT
Main water supply	10.979	13.478	m ³
Grey water	523.934	526.748	m ³
Total water consumption	534.913	540.226	m ³

WATER USAGE INTENSITY

	2023	2024	UNIT
Total water usage/ total production	0,27	0,179	m ³ /Ton

In addition to using 97.5% of our total water consumption as grey water in 2024, we recycled 23.5% of the water we used as a result of our environmental investments.

We remain committed to developing new projects to recycle wastewater discharged from treatment plants, with the aim of achieving one of our environmental goals: "Increasing water recycling by 2035 and raising the reuse rate to a minimum of 30% across all production stages."

REVERSE OSMOSIS WASTEWATER RECYCLING PROJECT

“ DAILY SAVINGS OF
400 M³
OF WATER

ANNUAL ECONOMICAL
EARNING OF
4.850.000 TL

SOĞUTMA KULESİ BLÖF SUYU TEKRAR KULLANIMI

“ GÜNLÜK
7 M³
SU TASARRUFU

YILLIK
94.500 TL
EKONOMİK KAZANIM

REVERSE OSMOSIS WASTEWATER RECOVERY

A key water recycling project that we have implemented at our factory is the Reverse Osmosis (RO) Wastewater Recovery Unit. We use our RO systems to treat grey water. Previously, waste water from the Stage 1 RO system was discharged. However, thanks to the RO Wastewater Recovery Unit, commissioned in May 2024, we now recover 60–70% of our wastewater, significantly reducing our water consumption. The project saves 400 m³ of water per day, resulting in an annual economic gain of 4,850,000 TL.

COOLING TOWER BLOWDOWN WATER REUSE

Launched in 2024, the Cooling Tower Blowdown Water Reuse project was a significant step towards reducing industrial water consumption at our plant. As part of the project, we started reusing blowdown water from Cooling Tower No. 1 during the preparation of the lime solution for the treatment processes, instead of diverting it to the wastewater basins of the treatment plant. Thanks to this improvement, we reduced industrial water consumption by 7 m³ per day. The project's annual economic contribution was 94,500 TL.

WASTE MANAGEMENT

Waste generated during industrial production processes requires effective management to reduce environmental impact and achieve sustainable production goals. Not only is waste management a part of environmental responsibility, it also plays a critical role in reducing operating costs and increasing the efficiency with which resources are used. According to the European Union's Circular Economy Action Plan, the recycling and reuse of industrial waste significantly contributes to resource conservation and helps the economy to become more sustainable.

At Yıldız Demir Çelik, we have prioritized waste management in our sustainability strategy. Our primary goals include minimizing our waste, increasing our recycling rates and implementing the highest standards in hazardous waste management. We meticulously separate waste generated from our operations and incorporate recyclable materials into our processes for reuse.

As part of our waste management strategy, we prioritize source segregation. Recyclable waste is sent to designated recycling facilities, while hazardous waste is disposed of by authorized institutions in accordance with relevant legal regulations and international standards.

TECHNICAL RESEARCH FOR WASTE REDUCTION AND RESOURCE EFFICIENCY

During the reporting period (2023–2024), we made significant progress in reducing our environmental impact. Thanks to technical improvements in operational processes, we reduced resource use and significantly limited waste generation.

- With the Kaizen project implemented in the stockpile, we reduced the amount of waste steel strip used in coil packaging per coil by 51%.
- Thanks to our Kaizen implementation on the Galvanizing-2 line, we prevented leaks in hydraulic systems, thus avoiding the generation of around 1,500 litres of waste hydraulic oil each year.
- The solvent recovery unit installed in the paint line reduced cleaning thinner consumption and minimized hazardous waste generation. This directly reduced the amount of waste sent to licensed disposal facilities.

Additionally, we embrace circular economy approaches that encourage the reuse of waste in our production processes. This reduces our consumption of resources, minimizes our environmental impact and takes significant steps towards achieving our long-term sustainability goals. We align all our waste management processes with the ISO 14001 Environmental Management System standard.

We promote sustainability awareness among our employees by providing them with regular environmental training on waste management.

HAZARDOUS WASTE AMOUNT	2020	2021	2022	2023	2024	UNIT
Sent to landfill/landfill	0,009	0,004	0,002	0,008	0,014	Ton
Total hazardous waste amount	1.448,755	4,133.882	1,350.362	1,528.718	1,854.246	Ton

NON-HAZARDOUS WASTE AMOUNT	2020	2021	2022	2023	2024	UNIT
Sent to landfill/landfill	0,004	0,004	0,005	0,003	0,004	Ton
Recycled	32,123.967	28,758.961	23,174.121	35,932.290	47,334.883	Ton
Total non-hazardous waste amount	32,123.971	28,758.965	23,174.126	35,932.293	47,334.887	Ton

BIODIVERSITY

Biodiversity is critical to the health of ecosystems and human life. Protecting and sustainably managing natural resources is essential for environmental, economic and social sustainability. According to data from the International Union for Conservation of Nature and Natural Resources (IUCN), the loss of biodiversity worldwide is threatening ecosystem services and consequently having a negative impact on human health and well-being.

At Yıldız Demir Çelik, we recognize the importance of protecting biodiversity. Our aim is to develop strategies that protect natural areas while considering the environmental impact of our production processes. Biodiversity is the fundamental element that sustains the life cycle on our planet.

It supports human life directly and indirectly, providing us with food, medicine, clean air and water, fuels for heating and a stable climate. It forms the foundation of our economic systems, societies and civilizations. At Yıldız Demir Çelik, we recognize the importance of protecting biodiversity. We are committed to integrating biodiversity protection into our operational frameworks.



**BIODIVERSITY IS THE
FUNDAMENTAL ELEMENT THAT
SUSTAINS THE LIFE CYCLE ON
OUR PLANET.**



PEOPLE FIRST



FAIR AND TRANSPARENT RECRUITMENT AND RETIREMENT PROCESSES

FAIR AND TRANSPARENT PAY POLICIES: ADDING VALUE TO EMPLOYEES

BENEFITS: SUPPORTING EMPLOYEE SUCCESS AND WELL-BEING

EMPLOYEE-FOCUSED DEVELOPMENT

TRAINING AND ORIENTATION: EQUIPPING EMPLOYEES FOR THE FUTURE

PERFORMANCE MANAGEMENT: A STRATEGIC APPROACH FOR SUSTAINABLE SUCCESS

LEADERSHIP AND TALENT DEVELOPMENT: PROGRAMS THAT SHAPE THE FUTURE

DIVERSITY AND SUSTAINABLE GROWTH IN EMPLOYMENT

EMPLOYEE SATISFACTION AND COMMITMENT: DEVELOPING STRATEGIC INITIATIVES

HOSPITAL PRACTICES AND COMPLAINT MECHANISMS:

TRUST AND SOLUTION-FOCUSED

EMPLOYEE DIALOGUE AND UNION RIGHTS

PERFORMANCE INDICATORS IN WORK LIFE:

STRATEGIC GOALS AND SUSTAINABLE PERFORMANCE

OCCUPATIONAL HEALTH AND SAFETY (OHS): RESOLUTION FOR SAFE WORK ENVIRONMENTS

APPLAUSE PLATFORM

COMMUNITY

“

Our human resources policy focuses on employee engagement and career development, reflecting our goal of securing a sustainable workforce.



PEOPLE FIRST IN EVERY STEP

At Yıldız Demir Çelik, building a sustainable future relies on embracing our most valuable asset: people. We invest in our employees, creating a work culture that maximizes individual potential. We embrace diversity and inclusion as the essence of our business, not just a goal. We continually advance occupational health and safety standards, supporting the personal and professional development of each of our employees. We are navigating the path to the future with confidence, driven by a strong team spirit, an innovative vision and a people-oriented approach because we believe that sustainable success stems from the contributions of contented and well-equipped individuals.

OUR STRATEGIES

KEY APPROACHES

- Improving employee engagement practices on an ongoing basis
- Providing fair, transparent and equitable practices
- Creating a workplace environment based on trust and community spirit
- Encouraging innovative thinking and continuous improvement
- Creating a culture of talent management and high performance



AT YILDIZ DEMİR ÇELİK, OUR HUMAN RESOURCES POLICY FOCUSES ON EMPLOYEE ENGAGEMENT AND PROFIT DEVELOPMENT, EMPOWERING US **TO ACHIEVE SUSTAINABLE BUSINESS GROWTH.**

OUR HUMAN RESOURCES POLICY



TRAINING AND DEVELOPMENT

As part of Akademi Yıldız, we offer training programs designed to enhance the professional and personal skills of our employees.



CONSULTANCY AND SUPPORT

We provide effective consultancy on performance management processes and support our employees.



SOCIAL RESPONSIBILITY

We organize social responsibility projects and social events to promote social welfare.



SUGGESTION AND REWARD

We reward innovative ideas with the Starred Ideas Suggestion System and encourage all employees to participate and contribute.



OUR FUNDAMENTAL PRINCIPLES AND VALUES

KEY VALUES



RESPECT FOR HUMAN RIGHTS

We protect the rights of our employees by upholding the principles of equality and justice.



ZERO TOLERANCE FOR FORCED LABOUR

We adopt a zero-tolerance approach to forced labour and misconduct such as mobbing.



FREEDOM OF EXPRESSION AND PRIVACY

We respect our employees' right to freedom of expression and protect their personal data.



HEALTH AND SAFETY

We conduct effective risk assessments to prevent workplace accidents and prioritize safety.



SOCIAL RESPONSIBILITY

We take a resolute stance against child labour and forced labour. The commitment and motivation of our employees play a critical role in achieving our long-term success goals. To this end, our human resources policy aims to provide a fair, transparent and inclusive work environment.

We are committed to enhancing our employees' competencies through objective performance evaluation processes and career development programs as part of our efforts to create a sustainable workforce. The training we provide empowers our employees to succeed in their current roles and future ones.

We adopt a zero-tolerance approach to discrimination in all human resources processes. Our recruitment, promotion, and career development processes are independent of factors such as language, religion, gender, race, or disability, and are based on objective criteria.

We consider compliance with the Turkish Labour Law and International Labour Organization (ILO) standards to be an ethical commitment as well as a legal requirement. This approach supports our talent access strategy at national and international levels.

Preventing child labour is a key component and priority of our human rights-based sustainability approach. We conduct our recruitment processes in accordance with the principle of not employing individuals under the age of 18, and we guarantee the effectiveness of this policy through regular audits. Adhering to this principle aligns with our core values and reaffirms our commitment to being a reliable business partner to international stakeholders.



EMBODYING AN INNOVATIVE VISION, A COLLABORATIVE SPIRIT AND A PEOPLE-CENTRED APPROACH, WE ARE READY TO EMBRACE THE FUTURE. WE ARE NAVIGATING THE PATH TO THE FUTURE WITH CONFIDENCE, DRIVEN BY A STRONG TEAM SPIRIT, AN INNOVATIVE VISION AND A PEOPLE-ORIENTED APPROACH BECAUSE WE BELIEVE THAT SUSTAINABLE SUCCESS STEMS FROM THE CONTRIBUTIONS OF CONTENTED AND WELL-EQUIPPED INDIVIDUALS.

”

FAIR AND TRANSPARENT RECRUITMENT AND TERMINATION PROCESSES

At Yıldız Demir Çelik, we prioritize transparency, impartiality, and equal opportunity in our recruitment and termination processes. Through our human resources processes, we contribute to the company's sustainable growth goals while adopting a strategic approach to enhance employee satisfaction.

1

RECRUITMENT PROCESSES

Our recruitment policy begins with identifying position-specific requirements in line with our workforce planning. During our annual workforce planning process, which takes place in November and December, we clarify the requirements of existing roles and new positions.

2

INTERNAL RESOURCES ARE PRIORITIZED

Internal recruitment promotes employee career development and builds internal commitment. Should suitable candidates not be available, we engage external sources and use the following objective assessment tools:

- Aptitude tests
- Language proficiency tests
- Personality inventories

3

ASSESSMENT PROCESSES

Although we use different processes for white- and blue-collar positions, all candidates are evaluated based on objective criteria. Initial interviews are conducted by our Human Resources department. Candidates who are considered suitable are then invited to a second interview with the relevant department managers.

At Yıldız Demir Çelik, we consider recruitment and termination processes an operational necessity and a strategic tool for achieving long-term and sustainable growth.



BUILT ON AN INNOVATIVE AND INCLUSIVE APPROACH, OUR COMPANY AIMS TO BUILD CORPORATE STRENGTH AND ESTABLISH A FOUNDATION FOR EMPLOYEE LOYALTY AND SATISFACTION.

4

ORIENTATION AND ADAPTATION

Our recruitment process concludes with an orientation program and a probationary period. Supporting employees' cultural integration and long-term success, these processes contribute to their long-term success.

5

TRANSPARENCY IN OUTPUT PROCESSES

At Yıldız Demir Çelik, we manage outplacement processes with respect and transparency. Exit interviews provide valuable data to refine our business processes, based on feedback gathered from employees' experiences.

6

DATA SECURITY AND TRANSPARENCY

We adhere to outgoing employee retention and data security policies as part of our commitment to corporate transparency. This approach protects the integrity of business processes while facilitating a respectful continuation of the employee-company relationship in the event of termination of employment.

FAIR AND TRANSPARENT PAY POLICIES: *ADDING VALUE TO EMPLOYEES*

FUNDAMENTALS OF PAY POLICIES

Our compensation policy is governed by the principles of transparency, fairness, and market compliance.

We incorporate market research and actual inflation rates when determining pay increases. We embrace equal pay for male and female employees as a fundamental principle, and do not tolerate any gender-based discrimination in compensation processes.



BENEFITS

SUPPORTING EMPLOYEE WELL-BEING

We have implemented a comprehensive benefits policy to boost motivation and engagement among our employees. This policy aims to promote employee well-being and support work-life balance. The key benefits we offer are:



Four Full Salary Bonuses Per Year:

We offer our employees access to these benefits to enhance their financial well-being.



Transportation and Nutrition Support:

- In İstanbul: Travel assistance and meal support.
- In İzmit: Shuttle service and cafeteria facilities.



Social Assistance:

We support our employees' social lives with benefits such as holiday allowances, fuel assistance, food assistance and annual leave allowances.



Special Assistance:

We also support our employees in their lives outside of work, providing assistance for marriage, birth, education/children, circumcision and death.



Health Insurance:

We offer private and supplementary health insurance for employees and their families.

EMPLOYEE-FOCUSED DEVELOPMENT

At Yıldız Demir Çelik, we consider enhancing employee development, retaining talented individuals, and improving training levels to be among our core human resources strategies. To this end, we integrate performance indicators into strategic goals to increase employee engagement and workforce productivity. Effective human resources strategies empower our workforce and support our vision of sustainable growth.

PRIORITY HUMAN RESOURCES OBJECTIVES

- **Internal Communications:**
Strengthening internal communication strategies to increase employee satisfaction.
- **Training Programs:**
Developing training based on performance evaluation results.
- **Succession Plans:**
Implementing succession plans for critical positions.
- **Diversity and Inclusion:**
Encouraging gender diversity in the workforce to increase the proportion of woman employees.

STRATEGIC HUMAN RESOURCES PROJECTS

To achieve these goals, we implemented five comprehensive projects aimed at increasing employee motivation and contributing to sustainability objectives.

Talent Management Project: Developing future leaders.

Values Project: Strengthening company culture around shared values.

Academy I Project: Supporting professional development through training.

Employee Experience Project: Increasing employee satisfaction by creating an attractive work environment.

Diversity and Inclusion Projects: Implementing practices that encourage the promotion of women in senior roles.

Our goals and projects drive long-term growth by increasing employee engagement and productivity. Our performance-based training and development programs, coupled with our commitment to encouraging the employment of women, play a critical role in creating a sustainable workforce.

TRAINING AND ORIENTATION: ENHANCED DEVELOPMENT THROUGH TRAINING



27,5
HOURS/PERSON
IN 2023

28,1
HOURS/PERSON
IN 2024

During the 2023–2024 period, substantial progress relating to the scope and participation of our employee development support practices was achieved. The number of employees attending training sessions grew by 28% (including those who left their jobs), rising from 769 to 984. During the same period, the total number of training hours grew by 64% (from 15,798 to 25,879 hours).

The average training time per employee increased from 27.55 hours in 2023 to 28.12 hours in 2024. On average, women participated in more training hours than men, with 30.36 hours in 2024 compared to 27.55 hours. These figures are significant in terms of both our development objectives and our diversity and inclusion goals.

In 2023, women accounted for just 8.6% of our team of 631 people, a figure which rose to 10% in 2024. While this increase might appear insignificant, it is more than just a percentage to us; it is a key indicator that long-standing business practices are evolving. Having more women in a team of 732 demonstrates our progress

towards a more inclusive approach to accessing opportunities. Higher participation of women in training suggests that our commitment to gender equality is reflected across all levels, from policy to practice.

We have designed our training programs exclusively for white-collar, blue-collar, and intern groups. Adopting this differentiated approach has enabled us to support individual development while increasing team productivity in work processes. Our Occupational Health and Safety (OHS) training exceeds legal requirements, raising awareness and preventing workplace accidents. Mandatory orientation and OHS training for all employees remains one of our core practices, supporting job adaptation and integration with the corporate culture.

At Yıldız Demir Çelik, we design our training activities in line with SDG 4: Quality Education and SDG 8: Decent Work and Economic Growth, two of the United Nations' Sustainable Development Goals. We prioritize continuity of learning and practical contributions to workforce development.

2024 OSH TRAININGS	WHITE COLLAR	BLUE COLLAR	TOTAL
OHS On-the-Job Training:	58	286	344
Basic OHS Training – 2.1 General Topics	36	142	178
Basic OHS Training – 2.2 Health Topics	90	298	388
Basic OHS Training – 2.3 Technical Topics	23	181	204
Overall Total	207	907	1114

TOTAL TRAINING HOURS

GENDER	TRAINING HOURS FOR 2023	TRAINING HOURS FOR 2024	TOTAL
Woman	1651	2824	4475
Man	14147	23055	37202
TOTAL	15798	25879	41678

AVERAGE NUMBER OF HOURS OF TRAINING PER PERSON

GENDER	TRAINING HOURS FOR 2023	TRAINING HOURS FOR 2024	AVG.
Woman	30,58	30,36	30,47
Man	24,52	25,88	25,2
TOTAL	27,55	28,12	27,83

In 2023, 645 employees participated in training programs compared to 1,114 in 2024. We customized the training content to address the specific requirements of white-collar, blue-collar and intern employees. Occupational Health and Safety (OHS) training, in particular, contributed to raising safety awareness and identifying and preventing risks in the field.

“ AT YILDIZ DEMİR CELİK, **WE PROMOTE PROFESSIONAL AND PERSONAL GROWTH** BY PROVIDING MANDATORY ORIENTATION AND OHS TRAINING FOR ALL OUR EMPLOYEES.



A COMPREHENSIVE INTRODUCTION FOR NEW EMPLOYEES

We implement a comprehensive Company Orientation Program to facilitate the rapid integration of new employees and ensure they contribute to the company's long-term success. The program assists employees in aligning with our goals while providing a solid foundation to enhance their professional competencies. In particular, our Occupational Health and Safety (OHS) training raises awareness of safe and productive working conditions, paving the way for individual and corporate success.

ACADEMY STAR: PREPARING THE NEXT GENERATION OF LEADERS

We offer employee development training as part of the Academy Star Program. Focusing on strategic areas such as leadership, technical skills and digital transformation, the program streamlines existing roles and prepares future leaders. The program incorporates:

- **Leadership Training** to develop the skills of potential managers;
- **Technical Training** to communicate industry innovations to employees;
- **Digital Transformation Training** to adapt to future business practices.

CONTINUOUS PROFESSIONAL DEVELOPMENT OPPORTUNITIES

We offer a wide range of internal and external training opportunities to support our employees' professional and personal development.

- **Internal Training Programs:** Our position-specific training on topics such as performance management, quality control and adaptation to new technologies are designed to help employees quickly adapt to business processes.
- **External Training Programs:** We provide external training in fields requiring technical expertise, equipping our employees to adapt to industry innovations and adopt best practices. These programs promote innovation and competitiveness within our company.



STRATEGIC CONTRIBUTIONS OF TRAINING

We view training and orientation processes primarily as tools for achieving sustainable growth and competitive advantage, as well as a support mechanism.

- **OH&S Training:**
Occupational health and safety training contributes significantly to preventing occupational accidents and creating a safe working environment.
- **Professional Development Training:**
Teknik becerilerin artırılmasıyla sektördeki liderlik potansiyelimizi destekliyor.
- **External Training:**
Adopting innovative solutions improves competitive advantage in the global market.

We empower employees to achieve their individual and corporate goals by continuously improving our training processes. Innovative training practices strengthen employee engagement and play a crucial role in building a sustainable workforce. Adopting this resolute approach positions us not only as an employer, but also as a leader committed to building the future of our employees.



OUTSTANDING ACHIEVEMENTS

In 2023, we provided a total of 15,798 hours of training, of which 1,651 hours targeted female employees and 14,147 hours targeted male employees. In 2024, our total training time increased to 25,879 hours. During this period, female employees received 2,824 hours of training, while male employees received 23,055 hours. Comparing the two years, the training time for female employees increased by **71%**, while for male employees it increased by **63%.**

OUR FUTURE GOALS

Our training strategies support our long-term, sustainable growth goals by enhancing employee skills.



RAINING FOR FEMALE EMPLOYEES

We plan to implement specific training programs to increase female participation rates.



ENVIRONMENT AND SUSTAINABILITY TRAINING

We plan to broaden the scope of our training content and foster greater employee engagement to raise environmental awareness.



DIGITAL TRANSFORMATION AND TECHNOLOGY TRAINING:

Through the Academy Star Program, we support innovation by focusing on digital skills to foster a workforce that embraces change.



LEADERSHIP PROGRAMS

We remain committed to implementing comprehensive leadership development programs to facilitate the succession of future leaders.



PERFORMANCE MANAGEMENT: *A STRATEGIC APPROACH TO SUSTAINABLE SUCCESS*



WE EVALUATE EMPLOYEES' PERFORMANCE BASED ON **OBJECTIVE CRITERIA AND ASSESS THEIR COMPATIBILITY WITH THE POSITION**, REVIEWING THEIR POTENTIAL FOR DEVELOPMENT.

PROBATION PROCESS AND PERFORMANCE MANAGEMENT: ADAPTATION AND DEVELOPMENT

To support the onboarding of new employees, we implement a two-month Probation Period. During this period, we evaluate employees' performance against objective criteria and analyze their suitability for the position, taking into account their potential for development.

Successful employees then transition to their permanent positions at the end of the trial period, which supports our goal of building a sustainable workforce. Investing in onboarding processes contributes to both individual success and our strategy of increasing organizational efficiency.

CONTINUOUS DEVELOPMENT AND TALENT MANAGEMENT: PERFORMANCE-BASED SOLUTIONS

We conduct regular performance evaluations throughout the year to support our employees' professional development. We have structured this system around our employees' needs:

- individual goals;
- Competencies;
- Added value to the company.

This process assists employees in achieving their career goals and is integral to our long-term growth and productivity strategies. In 2021, we revised our performance management system to include blue-collar employees, extending it beyond white-collar employees for the first time.

LEADERSHIP AND TALENT DEVELOPMENT: *FUTURE DEVELOPMENT PROGRAMMES*

LEADERSHIP DEVELOPMENT AND SUCCESSION PLANNING

Promoting inclusion in leadership programs is one of our core values. We implement policies aimed at increasing women's access to leadership positions. This approach strengthens the diversity and inclusion of the workforce.

These practices contribute to workforce development and support our social sustainability goals. Investing in diversity increases employee engagement and demonstrates our commitment to fulfilling our social responsibilities.

In line with our sustainable growth goals, we have made developing future leaders a strategic priority. The "Future Leaders Program" enhances our internal leadership development capacity by engaging employees with leadership potential in specialized development processes.

Furthermore, the succession plans we have established for critical positions ensure operational continuity and support our competitiveness. These plans meet our current leadership needs and provide a proactive solution to prevent potential future risks.

Our performance management and leadership development programs play a critical role in increasing productivity and supporting a sustainable workforce within the company. Our continuous development and talent management strategies encourage individual success and increase commitment to the company.

This approach establishes Yıldız Demir Çelik as a beacon of excellence in the industry and significantly contributes to achieving our company's long-term leadership goals.

DIVERSITY AND SUSTAINABLE GROWTH IN EMPLOYMENT

Over the past two years, our workforce has grown by 18%, reaching 732 employees by 2024. The proportion of female employees has risen from 8.2% to 10%, and significant progress has been made in increasing the representation of women in white-collar and managerial roles.

DIVERSITY AND EMPLOYMENT DATA

At Yıldız Demir Çelik, we continue to achieve sustainable employment growth through our commitment to diversity, equal opportunities and inclusion. The increase in the proportion of female employees, the participation of individuals with disabilities in the workforce, and the development of projects for young employees are key indicators of our commitment to sustainability.

WHITE-COLLAR:

Compared to 2023, the number of female employees has increased by 37%, while the total number of employees has increased by 16%.

BLUE-COLLAR:

The proportion of female employees increased from 0.5% in 2023 to 1% in 2024, and then to 4% in 2024.

FEMALE EMPLOYEES:

The number of female employees increased from 54 in 2023 to 74 in 2024.

DISABLED EMPLOYEES:

The number of employees with disabilities increased from 13 in 2023 to 18 in 2024. This increase is one of the small but decisive steps we have taken towards inclusive employment.

FEMALE MANAGERS:

As of the end of 2024, 25.8% of our managers are female.

AGE DISTRIBUTION AND YOUNG EMPLOYEES:

Aligned with our objective of fostering a young and dynamic workforce:

- **Number of employees under 30:** 308
- **Number of employees aged 30–50:** 413

This balanced structure further demonstrates our successful implementation of a strategy promoting fair distribution across age groups.

EMPLOYEE TURNOVER RATE

Our employee turnover rate increased to 33.1% in 2024.



OUR STRATEGIC GOALS:



INCREASING FEMALE EMPLOYEE REPRESENTATION:

We are creating a more inclusive workforce by increasing female representation in white- and blue-collar positions.



ENHANCING YOUNG EMPLOYEES' COMMITMENT:

Increasing workforce dynamism through projects that support the career development of young talent.



ENSURING BALANCED GROWTH:

Developing strategies to maintain balance across employee age groups.



ENSURING SUSTAINABLE DIVERSITY:

Supporting the company's vision for sustainable growth by strengthening equal opportunity policies.



SUPPORT FOR DISABLED EMPLOYEES:

Creating an inclusive work environment by increasing employment opportunities for individuals with disabilities.

NEW HORIZONS IN DIVERSITY

Yıldız Demir Çelik promotes the employment of women in heavy industry, as demonstrated by the presence of women engineers and crane operators in the field. Employing 13 women as crane operators in an industry typically dominated by men is a clear demonstration of the company's commitment to diversity. The professional success of the women at Yıldız Demir Çelik underlines the company's vision of gender equality. Gender equality is not only critical to attaining our corporate goals, but is key for our efforts to address the Sustainable Development Goals.

GENDER EQUALITY AND WOMEN'S EMPOWERMENT

In today's world, where the distinction between women's and men's work is gradually disappearing, the iron and steel industry is also taking significant steps towards gender equality. At Yıldız Demir Çelik, we are firmly committed to pioneering efforts to increase women's employment in the sector. Our projects, particularly those aimed at increasing the number of female engineers, reflect our vision in this area.

Gender equality is one of the United Nations' Sustainable Development Goals (SDGs) and aims to empower women and girls by providing them with equal rights at all levels. It is widely recognized that women's participation in the workforce is crucial for accelerating economic growth and advancing wider societal well-being. Contrary to the traditional perception of the iron and steel industry as a distinctly male-dominated field, the industry is undergoing a rapid transformation.

Although the proportion of women in the sector remains below 20% on a global scale, this figure is steadily increasing, and significant progress is being made towards achieving gender equality. The presence of women in the industry challenges gender stereotypes and creates positive role models for young women. This helps to reduce gender-based discrimination and promotes gender equality.

At Yıldız Demir Çelik, we recognize this and have made increasing the proportion of female employees a strategic priority. Alongside implementing projects to increase the number of female engineers within the company, we are also conducting various initiatives to encourage greater female participation in the workforce.



**GENDER STEREOTYPES IN THE
STEEL INDUSTRY ARE OUTDATED!**



AT YILDIZ DEMIR CELIK, OUR STRATEGIC PRIORITY IS TO INCREASE THE NUMBER OF FEMALE EMPLOYEES. WE ARE COMMITTED TO ENCOURAGING AND ADVOCATING THE PARTICIPATION OF WOMEN IN THE WORKFORCE.

”

EMPLOYEE SATISFACTION AND ENGAGEMENT: *STRATEGIC APPROACHES TO IMPROVEMENT*

At Yıldız Demir Çelik, we are committed to improving employee satisfaction and engagement as part of our sustainable workforce strategy. To this end, we conduct annual satisfaction surveys through independent companies to gain insight into our employees' needs and to identify opportunities for improvement.

EMPLOYEE ENGAGEMENT INDEX AND FEEDBACK


As part of our 2024 Employee Experience Project, we interviewed our employees to gain insight into their experiences, from recruitment to leaving the company. Based on these findings, specific actions will be taken in 2025.

The feedback revealed that employees' expectations in key areas such as wages, benefits and working conditions and career development remained partially unmet.

IMPROVEMENT EFFORTS AND STRATEGIC STEPS

A comprehensive improvement plan is being implemented by Yıldız Demir Çelik in light of these findings, as part of efforts to enhance employee satisfaction.

- Improving Working Conditions: We have initiated projects to optimize the physical environment for employees.
- Offering Diverse Career Opportunities: We have introduced new training and rotation programs to support the professional development of our employees.



THROUGH THESE STRATEGIC STEPS,
ALIGNED WITH OUR GOAL TO BOOST
EMPLOYEE ENGAGEMENT AND
IMPROVE SATISFACTION LEVELS.
ADOPTING THIS APPROACH
SUPPORTS EMPLOYEES IN
ESTABLISHING A MUTUALLY
BENEFICIAL CONNECTION WITH
THE COMPANY, WHICH IN TURN
CONTRIBUTES TO OUR LONG-TERM
SUCCESS BY INCREASING
OPERATIONAL EFFICIENCY.

”

LABOUR PRACTICES AND COMPLAINT MECHANISMS: *TRUST AND SOLUTION-FOCUSED*

TRANSPARENCY AND INVOLVEMENT IN EMPLOYEE FEEDBACK

Our goal is to foster a transparent management culture by establishing mechanisms through which our employees can securely submit feedback and contribute to improvement processes. To this end, we provide employees with a confidential communication channel in the form of our Request and Complaint Boxes. These boxes are evaluated solely by Human Resources. The Request and Complaint Boxes are more than just a tool: they allow employees to be heard, seen and responded to within the organization. Analysis of feedback received in recent years reveals the following trends:

2020:

Of the notifications received in 2020, the majority related to improving working conditions.

2022:

Specific rights took centre stage in 2022: Matters that directly affected people's lives, such as bank promotions, were promptly resolved.

CONCERNS ABOUT DISCRIMINATION:

The absence of any discrimination complaints between 2020 and 2024 demonstrates our commitment to equality and justice.

SILENCE MAY BE GOLDEN

Not a single discrimination-related complaint was received between 2020 and 2024. The absence of such complaints does not necessarily indicate that every aspect is functioning smoothly but it does suggest that our employees have no reservations about expressing themselves, providing us with an important indicator.

2023:

Concerns relating to cleaning and food services came to the fore. We observed that employees are not only concerned about major problems, but also about aspects of day-to-day life. So do we.

2024:

The demand for increased overtime rates and improvements to social rights attracted particular attention in 2024.

These processes not only allow complaints to be resolved, but also enable improvement opportunities to be identified. For instance, feedback regarding communal areas and food services has paved the way for enhancements that will boost employee satisfaction.

We use employee feedback as a strategic tool to optimize internal operations and boost workforce engagement. These mechanisms ensure that our colleagues feel valued and facilitate the rapid resolution of complaints, thus fostering trust in the workplace. Furthermore, the data obtained from these processes informs the development of new policies aimed at improving employee engagement and performance.

These mechanisms serve to both resolve complaints and foster a culture of trust, commitment and productivity within our company.

At Yıldız Demir Çelik, we contribute to the goal of creating a sustainable workforce by pursuing a continuous improvement approach based on employee feedback. This approach enables us to achieve a leading position in workforce management and build a strong corporate culture based on employee satisfaction.



A STRONG CULTURE FOR A SUSTAINABLE WORKFORCE

Based on the data obtained from employee feedback, the following strategic actions are planned:

- 1 STRENGTHENING FEEDBACK PROCESSES:**
We will increase access to request and complaint boxes, thereby increasing employee participation.
- 2 INVESTING IN IMPROVEMENT AREAS:**
We will make adjustments, particularly in areas subject to frequent complaints, such as food services and public areas.
- 3 DIGITALIZATION:**
We will transition feedback processes to digital platforms to ensure faster and more effective complaint processing.
- 4 EMPLOYEE TRAINING:**
We will organize training programs to promote the effective use of feedback mechanisms and raise awareness of employees' rights in the workplace.

EMPLOYEE DIALOGUE AND RIGHTS

Our aim is to create a work environment based on trust and transparency, where our employees can freely express their opinions and suggestions. Although our company does not have a formal policy on organizational changes, we have developed various mechanisms through which our employees can voice requests relating to the work environment.

In this context: Our employees can communicate directly with management and share their feedback securely through applications such as **Request and Complaint Boxes**.

The Human Resources Department regularly evaluates this feedback and implements necessary improvements to business processes.

Moving forward, we are planning initiatives that reference international labour standards to support employee rights more effectively.



WE FOSTER COMPANY CULTURE
THROUGH VALUE-BASED PROJECTS.



HUMAN RESOURCES PROJECTS FOR 2023-2024: EMPLOYEE ENGAGEMENT AND SUSTAINABLE DEVELOPMENT

- 1 **TALENT MANAGEMENT**
This project aims to develop our employees' individual competencies and leadership potential, increasing our company's capacity to develop leaders from within.
- 2 **VALUES PROJECT**
This initiative is aimed at strengthening our company culture by reinforcing shared values and increasing the sense of belonging among employees.
- 3 **COMMUNICATION AND ACADEMY**
These projects are aimed at increasing collaboration and knowledge sharing among employees and supporting their development by providing enriched communication channels and training programs.
- 4 **HR REPORTING**
Our data-based decision-making processes are based on the principle of transparency. With this project, we focus on making human resources processes more effective.
- 5 **EMPLOYEE COMMITMENT**
This project includes innovative approaches and practices to foster a sense of belonging among our employees.
- 6 **ORIENTATION AND JOB EVALUATION**
Our goal is to boost workforce productivity by streamlining the onboarding process for new hires and optimizing the value of existing roles.
- 7 **EMPLOYEE EXPERIENCE**
We have designed our employees' work experience to be more engaging and supportive. With this project, we expect to boost satisfaction and loyalty.
- 8 **COMPENSATION AND BENEFITS**
This project includes regulations that enhance our employees' social rights and encourage motivation.

As part of our commitment to enhancing employee engagement, optimizing talent management and boosting organizational efficiency, we have implemented a series of strategic human resources projects throughout 2024. These projects provide a comprehensive roadmap to support our company's sustainable growth goals. At Yıldız Demir Çelik, our aim is to enhance the employee experience and reinforce our company culture through these projects. The strengths we offer through these projects can be summarized as follows:

Talent Management: We expand our internal leadership resources by enhancing employee leadership potential.

Employee Experience: We boost employee motivation and loyalty by making the work environment more appealing.

Compensation and Benefits: We support employee benefits to ensure long-term workforce retention.

We have prioritized building a sustainable workforce and increasing employee satisfaction through human resources projects. These projects aim to enhance our competitiveness while creating a culture that supports employee engagement. Each project has been planned to help us achieve our goals of innovation, efficiency and sustainable growth. This vision establishes our position as a leader in both the national and international markets.



AT YILDIZ DEMIR CELIK, WE CLOSELY MONITOR PERFORMANCE INDICATORS TO BOOST EMPLOYEE SATISFACTION, OPTIMIZE WORKFORCE MANAGEMENT, AND PROMOTE SAFE WORK ENVIRONMENTS. WE ADOPT A METRICS-DRIVEN APPROACH TO ATTAIN OUR STRATEGIC GOALS.

”

PERFORMANCE INDICATORS AT WORK: *STRATEGIC GOALS AND SUSTAINABLE RESULTS*

At Yıldız Demir Çelik, a data-driven approach is adopted to improve employee satisfaction, workforce productivity and safe working environments, and to achieve strategic goals. These indicators are fundamental to our sustainable growth and workforce strategies.

1 TURNOVER RATE:
Our goal is to reduce the turnover rate, which was 33.10% in 2024, to below 26% by 2026. Insights into employee experience and strengthened internal communication strategies will play a critical role in achieving this goal.

2 WOMEN'S EMPLOYMENT:
As of 2024, the ratio of female employees is 10%. Our goal is to increase this to 12% by 2026, complemented by initiatives to promote equal opportunities.

**“ KADIN İSTİHDAMINI %12'YE
ÇIKARARAK LİDERLİKTE EŞİTLİĞİ
DESTEKLİYORUZ.**

3 TRAINING PERFORMANCE:
We increased the number of annual training hours per employee from 27.55 in 2023 to 28.12 in 2024, which is a 2% increase. In 2025, we intend to further increase this figure by providing training to enhance technical and leadership skills.

4 OCCUPATIONAL HEALTH AND SAFETY:
We achieved a 4.8% reduction in the accident frequency rate, from 39.62 in 2023 to 37.72 in 2024. Our improved auditing processes and proactive risk management practices will contribute to creating safe working environments.

5 EMPLOYEE SATISFACTION:
In 2024, we measured a 37-point engagement index. This result highlighted several areas for improvement in line with the employee experience project. Based on these insights, we have identified priority action areas for 2025 which we will implement.

OCCUPATIONAL HEALTH AND SAFETY (OHS): COMMITMENT TO SAFE WORK ENVIRONMENTS

“ **CREATING AN
INCLUSIVE SAFETY
CULTURE FOR
EVERY EMPLOYEE.**

SAFE WORK, HEALTHY FUTURE: OCCUPATIONAL HEALTH AND SAFETY AT YILDIZ DEMİR ÇELİK

At Yıldız Demir Çelik, we comply with national legislation and international standards by implementing Occupational Health and Safety (OHS) policies that prioritize the safety of our employees. As of 2024, we have completed the ISO 45001 Occupational Health and Safety Management System certification process and fully comply with all relevant legislation and regulations, particularly the Occupational Health and Safety Law (No. 6331).

We manage OHS policies within the framework of the OHS Compliance Obligations and Management Systems Policy. In line with the Occupational

Health and Safety Risk Assessment Regulation and the ÇASGEM (Center For Labour and Social Security Training and Research) Occupational Diseases Guide, we conduct detailed risk assessments and implement measures appropriate to hazard classes.

While 645 of our employees participated in OHS training in 2023, this figure increased by 73% to 1,114 in 2024. We delivered training schemes tailored to the needs of our white-collar and blue-collar employees, with 81% of participants being blue-collar employees.

OHS CULTURE AND STRATEGY

We have developed a strategic plan to strengthen the occupational health and safety culture, incorporating more inclusive training programs for all employees. Increasing the participation rate of white-collar employees in OHS training will contribute to a company-wide adoption of safety awareness. We continuously improve our training programs based on employee feedback and comply fully with legal regulations. This approach plays a fundamental role in creating a safe working environment.

RAISING AWARENESS AND TECHNICAL EQUIPMENT THROUGH TRAINING

At Yıldız Demir Çelik, an important objective was to enhance our employees' knowledge and skills in basic and technical areas through Occupational Health and Safety (OHS) training programs organized throughout 2023. A total of 645 employees attended the training, and 223 participated in on-the-job training. Of these, 57 were white-collar workers and 154 were blue-collar workers. Our training programs covered material topics such as safe working methods, technical issues and equipment use. In 2024, a further 1,114 employees received OHS training. The participation rate among blue-collar workers reached 81%.

Our strategic priority is to minimize occupational diseases and accidents through in-depth training programs and preventative practices in high-risk work areas. This strategy facilitates sustainable OHS performance in the long term while reducing occupational accidents and enhancing workforce satisfaction.



THROUGH RISK MANAGEMENT
PROCESSES, WE REDUCED THE
ACCIDENT FREQUENCY RATE BY
44.7% COMPARED TO 2020.

The key training programs can be summarized as follows:

Basic OHS Training and Technical Topics: Designed to improve employee compliance with occupational safety standards and delivered by expert trainers, intensive 480-minute sessions are available.

Training with Expert Trainers: Training is delivered by our in-house Occupational Safety Experts and focuses on raising awareness through a combination of theory and practice.

OHS COMMITTEES AND MEETINGS

To efficiently oversee Occupational Health and Safety (OHS) procedures, we convene monthly OHS Committee meetings. In addition to these, we hold monthly OHS sub-committee meetings with representatives from all departments.

As part of our commitment to continuous improvement and inclusive participation, we have adopted this organizational structure.



BEST PRACTICE EXAMPLES: OCCUPATIONAL HEALTH AND SAFETY ACTIVITIES

FIELD INSPECTION REPORTS: CREATING SAFE WORK ENVIRONMENTS BY IDENTIFYING RISKS IN ADVANCE

At Yıldız Demir Çelik, we recognize and prioritize the safety of our employees. To this end, we conduct comprehensive field inspections to uphold the stringent Occupational Health and Safety standards. We proactively identify potential risks through these regular inspections and quickly implement preventative measures. Continuous improvement of our inspection processes facilitates a safe working environment for our employees and minimizes risks through the use of technological monitoring and data analysis methods.

SAFE LITTLE STEELS: TRAINING PROGRAMS FOR OUR EMPLOYEES' FAMILIES

Recognizing that safety awareness is important in every aspect of life, not just the workplace, we implemented the "Safe Little Steels" education initiative for our employees' children. Designed to introduce children to a safety culture from an early age, the program covered topics such as traffic safety, emergency awareness, personal safety and home accident prevention. Thanks to the entertaining and educational content of our program, we encourage our employees to embrace a culture of security and safety at home.

SLOGAN COMPETITION: CREATIVE APPROACHES TO FOSTERING A SAFETY CULTURE

To raise awareness of occupational health and safety issues, we organize creative slogan competitions that encourage the active participation of our employees. These competitions have contributed to developing our employees' safety awareness, while also strengthening team spirit and internal interaction. To maintain a constant level of safety awareness, we circulated our winning slogans throughout the company and via our internal communication channels.

THE HANDS SPRINGING STEEL TO LIFE ARE IN YOUR HANDS: INNOVATIVE PROJECTS THAT PROMOTE OUR SAFETY CULTURE

We are committed to developing inclusive and innovative projects that reinforce our dedication to promoting occupational health and safety, creating a lasting impact in this field. As part of our "The Hands Springing Steel to Life are Secure with You" initiative, we have delivered training sessions, organised on-site activities, and launched digital information campaigns to raise awareness and promote responsibility for safety among our employees. As part of our ongoing commitment to improving our safety standards, we are working to ensure that our employees can contribute to production processes in a healthy and safe environment.

DATA-DRIVEN IMPROVEMENT, INCIDENT DATA, AND TRENDS IN OCCUPATIONAL HEALTH AND SAFETY

At Yıldız Demir Çelik, we embrace a continuous improvement approach to promoting our Occupational Health and Safety (OHS) culture and mitigating safety risks in the workplace. The effective implementation of risk management processes, raising employee safety awareness, and developing proactive approaches play a key role in our success relating to OHS.

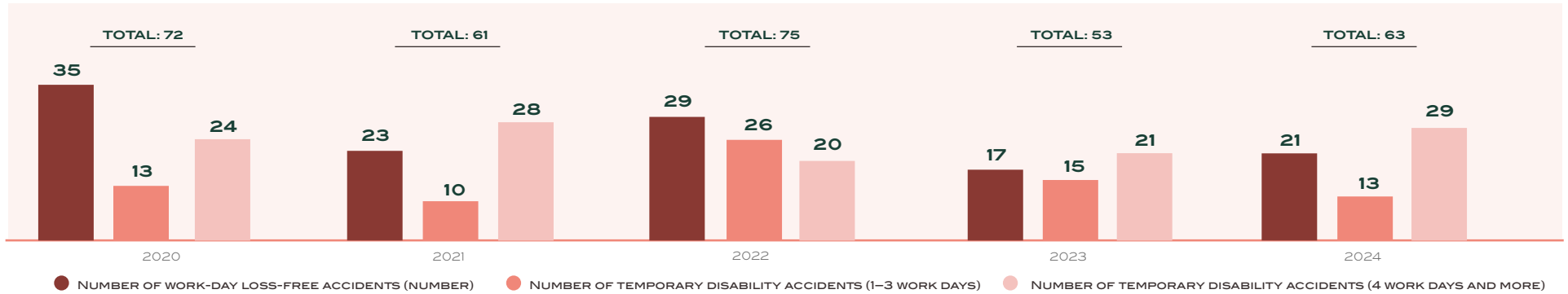
- **Number of Accidents without Lost Work Days:** 35 in 2020, 17 in 2023, 21 in 2024
- **Accidents Leading to 1–3 Days of Temporary Disability:** 13 cases in 2020, 26 cases in 2022, 15 cases in 2023, and 13 cases in 2024.
- **Accidents Leading to 4+ Days of Temporary Disability:** 20–21 cases were reported in 2020, 2021, 2022, and 2023, 29 cases were reported in 2024.
- **Total Number of Accidents:** The total number of accidents in 2024 was recorded as 63.
- **Non-Assessable Accidents:** There were no accidents resulting in fatalities or permanent disabilities during the 2020–2024 period.

ACCIDENT FREQUENCY AND SEVERITY RATES

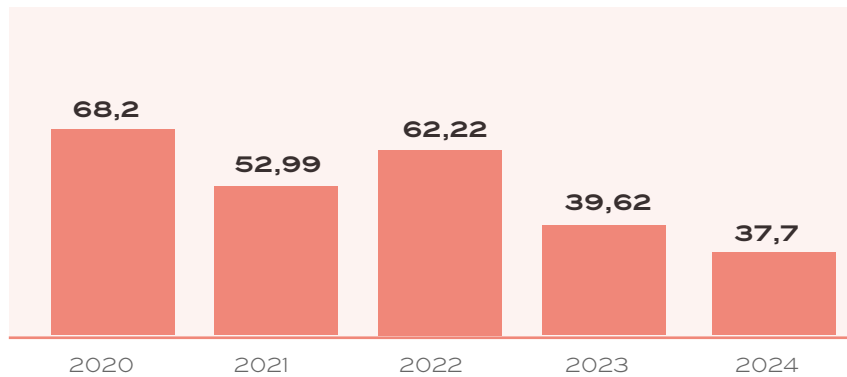
- **Accident Frequency Rate:** The accident frequency rate, recorded as 68.20 in 2020, decreased to 37.7 in 2024. This positive change is attributed to the effectiveness of field inspections and the success of risk assessment processes.
- **Accident Severity Rate:** The accident severity rate, recorded as 3.12 in 2020, decreased to 1.24 in 2024. Our performance indicators demonstrate that we are on the right track, motivating us to continue our practices with the same meticulousness.

We are committed to improving risk management processes and extending training programs to mitigate occupational accidents and enhance employee safety awareness. Our OHS policies demonstrate our commitment to ensuring a safe working environment and preventing occupational accidents.

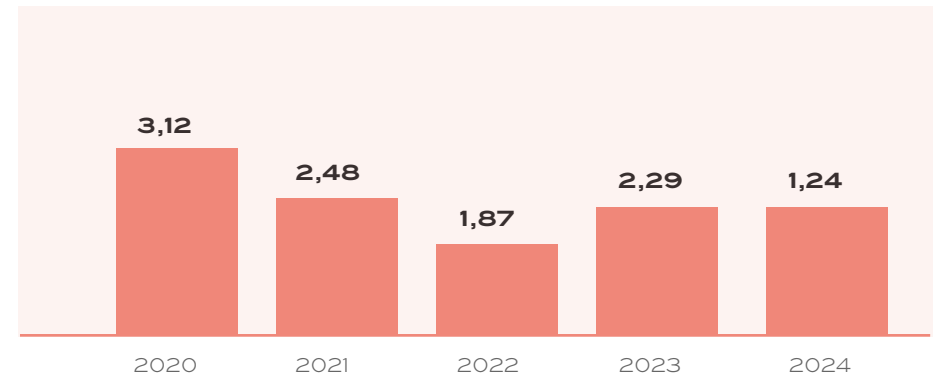
OCCUPATIONAL/INDUSTRIAL ACCIDENTS



ACCIDENT FREQUENCY RATE



ACCIDENTAL SEVERITY RATE





WE PROMOTE VOLUNTARY PROJECTS TO ENCOURAGE OUR EMPLOYEES TO CONTRIBUTE TO SOCIETY AND TO HELP THEM BECOME MORE AWARE OF THEIR SOCIAL RESPONSIBILITIES.

COMMUNITY:

By addressing social and environmental needs through social responsibility projects, we support sustainable development. Through these projects, we aim to improve public well-being while offering an integrated structure that aligns with our environmental and governance objectives. Our commitment to protecting the environment and addressing social needs equips us to implement effective awareness-raising initiatives and consciousness-raising efforts.

We support volunteer-based projects to encourage our employees to contribute to society and foster a sense of social responsibility. Our dedicated team members play an active role in a variety of fields, contributing to personal development and strengthening social solidarity. In 2023, we organized different events to enhance the employee experience at Yıldız Demir Çelik, raising awareness of occupational safety, reinforcing team spirit, and fostering social interaction, all while cultivating a sustainable corporate culture.

In 2023 and 2024, we held entertaining events such as hot chocolate and ice cream days, a "Safe Little Steels at the Factory" open day for our employees' children, an "OHS Slogan Competition", and an "OHS Safe Steel Hands Activity" to promote occupational health and safety. We also participated in sports events such as paintball and football tournaments, as well as Dragon Fest, to boost physical and mental well-being. To encourage creativity, we organized the "Design from Nature Workshop", blending nature and design. We also reached a significant milestone as we celebrated our fifth anniversary. To foster a sense of community among our employees, we organized an iftar event during Ramadan.

As part of our social responsibility initiatives, we collaborated with the TEMA Foundation to promote environmental sustainability, donating a sapling to each of our employees on their birthday. We created support packages for employees affected by the earthquake and their immediate families. Through the Youth Employment Mobilization project launched by Youthall, we also prioritized job postings for young people affected by the earthquake. These efforts have fostered stronger bonds among our employees and reinforced the value of collaboration and sharing.



INDEXES

GRI CONTENT INDEX

GRI CONTENT INDEX

Yıldız Demir Çelik issued a report in accordance with the GRI Standards for the period from January 1, 2023 to December 31, 2024.

GRI STANDARD	DISCLOSURE	EXPLANATION	LOCATION
GRI 1 Used			
GRI 2: General Disclosures 2021	2-1 Corporate Profile	About the Report On The Trails of Steel About Yıldız Demir Çelik Milestones	2 9 10-16 17-18
	2-2 Entities included in the sustainability report	About the Report About Yıldız Demir Çelik	2 10-16
	2-3 Reporting period, frequency and contact details	About the Report	2
	2-4 Restatement of information based on previous reports	This report is the first one to be published, it does not contain comparable information in relation to previous reports.	-
	2-5 External Audit	The report was not subject to an external audit during the reporting period.	-
	2-6 Activities, value chain and other business relations	Our Products Our Production Lines On The Trails of Steel Shortcut to Steelgo Steel Our Supply Chain Supply Chain Management Society	16 14 9 16 20 56-60 115
	2-7 Employees	People Come First In Every Step! p. 81 - 108 Fair and Transparent Remuneration Policies: Adding Value To Employees Employee Engagement and Rights	81-108
	2-8 Subcontractors' employees	No subcontractors' employees are present during the reporting period.	-
	2-9 Governance Structure	Organizational Structure and Management Approach, Our Sustainability Vision	41-42 24-28
	2-10 Nomination and selection of the highest governance body	Organizational Structure and Management Approach, Our Sustainability Vision	41-42 24-28
	2-11 Chair of the highest governance body	Organizational Structure and Management Approach, Our Sustainability Vision	41-42 24-28
	2-12 Role of the highest governance body in overseeing the impacts management	Organizational Structure and Management Approach, Our Sustainability Vision	41-42 24-28
	2-13 Delegation of responsibility for managing impacts	Organizational Structure and Management Approach, Our Sustainability Vision, Risk and Opportunity Management,	41-42 24-28 43
	2-14 Role of the highest governance body in sustainability reporting	Organizational Structure and Management Approach, Our Sustainability Vision	41-42 24-28
	2-15 Preventive processes for conflicts of interest	Fair and Transparent Recruitment and Termination Processes, Fair and Transparent Remuneration Policies: Adding Value To Employees, Benefits: Supports That Strengthen Employee Well-Being	85-86 87 88-89
	2-16 Communication of critical concerns to the highest governance body	Organizational Structure and Management Approach, Our Sustainability Vision, Risk and Opportunity Management,	41-42 24-28 43
	2-17 Collective knowledge of the highest governance body	Organizational Structure and Management Approach, Our Sustainability Vision,	41-42 24-28

GRI CONTENT INDEX

Yıldız Demir Çelik issued a report in accordance with the GRI Standards for the period from January 1, 2023 to December 31, 2024.

GRI STANDARD	DISCLOSURE	EXPLANATION	LOCATION
GRI 1 Used			
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	During the 2024 reporting period, no formal evaluation process was carried out to appraise the performance of the highest governance body.	-
	2-19 Remuneration policies	Fair and Transparent Remuneration Policies: Adding Value To Employees	87
	2-20 Process to determine remuneration	Fair and Transparent Remuneration Policies: Adding Value To Employees, Fair and Transparent Recruitment and Termination Processes	87 85-86
	2-21 Annual total compensation ratio	Performance Management: A Strategic Approach For Sustainable Success	96
	2-22 Statement on sustainable development strategy	Performance Management: A Strategic Approach For Sustainable Success Sustainable Results Our Sustainability Vision, Risk and Opportunity Management	96 108 24-28 43
	2-23 Policy commitments	Fair and Transparent Remuneration Policies: Adding Value To Employees	87
	2-24 Implementation of policy commitments	Fair and Transparent Remuneration Policies: Adding Value To Employees	87
	2-25 Processes to remediate negative impacts	Organizational Structure and Management Approach, Risk and Opportunity Management, Ethics and Compliance, Quality Management, Society Employee Focused Development Responsible Production In Every Step!	41-42 43 46 115 89-91
	2-26 Mechanisms for seeking advice and raising concerns	Stakeholder Management Ethics and Compliance, Fair and Transparent Remuneration Policies: Adding Value To Employees, Supply Chain Management	61-62 44-45 87 55-60
	2-27 Compliance with laws and regulations	Fair and Transparent Remuneration Policies: Adding Value To Employees	87
	2-28 Corporate memberships	About Yıldız Demir Çelik	10
	2-30 Employees subject to collective bargaining agreement	There were no employees subject to collective bargaining agreements during the reporting period.	

GRI CONTENT INDEX

Yıldız Demir Çelik issued a report in accordance with the GRI Standards for the period from January 1, 2023 to December 31, 2024.

GRI STANDARD	DISCLOSURE	EXPLANATION	LOCATION
GRI 3: Material Topics 2021			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material Topics	33
	3-2 List of material topics	Top 5 Priorities of Yıldız Demir Çelik	33-34
Energy Efficiency			
GRI 3: Material Topics 2021	3-3 Management of material topics	Dual Materiality Analysis	33-34
GRI 103: Energy 2025	103-1 Energy policies and commitments	Energy and Emissions Management	70-73
	103-2 Energy consumption and self-production within the organization	Energy and Emissions Management	70-73
Waste Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	Dual Materiality Analysis	33-34
GRI 306: Waste 2020	306-1	Waste Management	76-77
	306-2		
	306-3		
Water and Wastewater Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	Dual Materiality Analysis	33-34
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	Water Management	74-75
	303-4 Water discharge	Water Management	74-75
	303-5 Water consumption	Water Management	74-75
Combating Climate Change			
GRI 3: Material Topics 2021	3-3 Management of material topics	Dual Materiality Analysis	33-34
GRI 102: Climate Change 2025	102-1 Transition plan for climate change mitigation	Environmental Management	67-69
	102-2 Climate change adaptation plan	Environmental Management	67-69

GRI CONTENT INDEX

Yıldız Demir Çelik issued a report in accordance with the GRI Standards for the period from January 1, 2023 to December 31, 2024.

GRI STANDARD	DISCLOSURE	EXPLANATION	LOCATION
Biodiversity Conservation			
GRI 3: Material Topics 2021	3-3 Management of material topics	Dual Materiality Analysis	33-34
GRI 101: Biodiversity 2024	101-1: Policies to halt and reverse biodiversity loss	Biodiversity	78
	101-2 Management of biodiversity impacts	Biodiversity	78
Emissions Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	Dual Materiality Analysis	33-34
GRI 305: Emissions 2016	305-1: Direct (scope 1) greenhouse gas emissions	Energy and Emissions Management	70-73
	305-2: Energy indirect (scope 2) greenhouse gas emissions	Energy and Emissions Management	70-73
	305-5 Reduction of greenhouse gas emissions	Energy and Emissions Management	70-73
Raw Material Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	Dual Materiality Analysis	33-34
Circular Economy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Dual Materiality Analysis	33-34
GRI 306: Waste 2020	306-1: Waste generation and significant waste-related impacts	Waste Management	76-77
	306-2 Management of significant waste-related impacts	Waste Management	76-77
	306-3 Waste generated	Waste Management	76-77
	306-4 Waste disposal	Waste Management	76-77
Talent Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	Dual Materiality Analysis	33-34
R&D and Innovation			
GRI 3: Material Topics 2021	3-3 Management of material topics	Dual Materiality Analysis	33-34
Digitalization			
GRI 3: Material Topics 2021	3-3 Management of material topics	Dual Materiality Analysis	33-34

GRI CONTENT INDEX

Yıldız Demir Çelik issued a report in accordance with the GRI Standards for the period from January 1, 2023 to December 31, 2024.

GRI STANDARD	DISCLOSURE	EXPLANATION	LOCATION
Contributing to the Local Economy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Dual Materiality Analysis	33-34
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed		56-
Customer Satisfaction			
GRI 3: Material Topics 2021	3-3 Management of material topics	Dual Materiality Analysis	33-34
GRI 416: Customer Health and Safety 2016	416-1 Percentage of significant product and service categories where health and safety impacts have been assessed for improvement	Customer Focused Approach,	12
		Shortcut To Steelgo Steel	16
		Milestones	18
		Customer Experience and Satisfaction	50
Customer Privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Dual Materiality Analysis	33-34
GRI 418: Customer Privacy 2016	418 - 1 Significant complaints regarding breaches of customer privacy and loss of customer data	ISO 10002 Standard	12-17-47-48
Compliance with Standards			
GRI 3: Material Topics 2021	3-3 Management of material topics	Dual Materiality Analysis	33-34
Supply Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	Dual Materiality Analysis	33-34
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers selected based on social criteria	Supply Chain	55-60
	414-2 Negative social impacts in the supply chain and measures taken	Supply Chain	55-60
Ethics and Compliance			
GRI 3: Material Topics 2021	3-3 Management of material topics	Dual Materiality Analysis	33-34
GRI 205: Combating Corruption and Bribery 2016	205-1 Activities assessed for corruption-related risks	Ethics and Compliance	44-45
	205-2 Communication and training on anti-corruption and bribery policies and procedures	Ethics and Compliance	44-45

GRI CONTENT INDEX

Yıldız Demir Çelik issued a report in accordance with the GRI Standards for the period from January 1, 2023 to December 31, 2024.

GRI STANDARD	DISCLOSURE	EXPLANATION	LOCATION
Corporate Transparency			
GRI 3: Material Topics 2021	3-3 Management of material topics	Dual Materiality Analysis	33-34
Social Investments			
GRI 3: Material Topics 2021	3-3 Management of material topics	Dual Materiality Analysis	33-34
Efficient Risk and Opportunity Mamangement			
GRI 3: Material Topics 2021	3-3 Management of material topics	Dual Materiality Analysis	33-34
OHS			
GRI 3: Material Topics 2021	3-3 Management of material topics	Dual Materiality Analysis	33-34
GRI 403: Occupational Health and Safety 2018	403-1: Occupational health and safety management system	OHS: Commitment To Safe Working Environments	109-114
	403-2: Type of injury, accident frequency rates, angel diseases, lost days, absence rates and total number of work-related fatalities	OHS: Commitment To Safe Working Environments	109-114
	403-3 Occupational health services	OHS: Commitment To Safe Working Environments	109-114
	403-4 Employee participation in occupational health and safety consultation and communication	OHS: Commitment To Safe Working Environments	109-114
	403-5 Employee training on occupational health and safety	OHS: Commitment To Safe Working Environments	91
	403-6 Employee health promotion	OHS: Commitment To Safe Working Environments	109-114
	403-7 Prevention and reduction of occupational health and safety impacts directly related to work relations	OHS: Commitment To Safe Working Environments	109-114
	403-9 Work-related injuries	OHS: Commitment To Safe Working Environments	109-114

GRI CONTENT INDEX

Yıldız Demir Çelik issued a report in accordance with the GRI Standards for the period from January 1, 2023 to December 31, 2024.

GRI STANDARD	DISCLOSURE	EXPLANATION	LOCATION
Inclusion and Diversity			
GRI 3: Material Topics 2021	3-3 Management of material topics	Dual Materiality Analysis	33-34
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Employee Focused Development	89
		Employment Diversity and Sustainable Growth	97-99
	405-2 Base salary and the ratio of women's wages to men's	Employment Diversity and Sustainable Growth	97-99
Employee Rights			
GRI 3: Material Topics 2021	3-3 Management of material topics	Dual Materiality Analysis	33-34
GRI 404: Education and Training 2016	409-1 Activities and suppliers identified as having a significant risk of forced or compulsory labor and measures taken	Benefits: Supports That Strengthen Employee Well-Being	88
		Fair and Transparent Recruitment and Termination Processes	85-86 106
Talent and Performance Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	Dual Materiality Analysis	33-34
GRI 405: Diversity and Equal Opportunity2016	404-1 Average hours of training per employee per year	Leadership and Talent Development: Programs That Shape The Future	96
	404-2 Leadership and Talent Development: Programs That Shape The Future	Leadership and Talent Development: Programs That Shape The Future	96
Employee Satisfaction			
GRI 3: Material Topics 2021	3-3 Management of material topics	Dual Materiality Analysis	33-34

STATEMENT OF USE FOR THE REPORT

GRI 1: Foundation 2021

Yıldız Demir Çelik Sanayi A.Ş. Sustainability Report has been prepared in accordance with GRI Standards for the period January 1, 2023-December 31, 2024.

CONTACT

Istanbul Office

Phone | +90 216 280 69 70

Fax | +90 216 280 69 80

Email | sustainability.comitesi@yildizdemircelik.com.tr

Address: Küçükbakkalköy Neighborhood, Tevfik Fikret Street, No:34, 34750 Ataşehir, Istanbul / Turkey

Production Facilities

Phone | +90 262 280 75 00

Fax | +90 262 280 75 04

Email | info@yildizdemircelik.com.tr

Address: Alikahya OSB 2. Street, No:2, İzmit / Kocaeli

LEGAL DISCLAIMER:

The Yıldız Demir Çelik Sustainability Report (hereinafter referred to as the 'Report') has been prepared by Yıldız Demir Çelik Sanayi A.Ş. (Yıldız Demir Çelik) based on GRI (Global Reporting Initiative) standards. All information and opinions in the Report have been provided by Yıldız Demir Çelik. It should be noted that the Report is not intended to be a comprehensive source of information. This report has been prepared exclusively for informational purposes. Yıldız Demir Çelik Management, its consultants, or its employees cannot be held responsible for any direct or indirect losses arising from decisions made based on information contained in, or omitted from, the report.



