




01 January- 31 December 2024

# **BOARD OF DIRECTORS**

# **Annual Report**

 Prepared in Accordance with CMB II.14.1 Communique

## INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the General Assembly of Kocaer Çelik Sanayi ve Ticaret Anonim Şirketi

### 1. Opinion

We have audited the annual report of Kocaer Çelik Sanayi ve Ticaret Anonim Şirketi ("the Company" or "Kocaer Çelik") and its subsidiaries (the "Group") for the period of 1 January– 31 December 2024.

In our opinion, the financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Group are presented fairly and consistent, in all material respects, with the audited complete set of consolidated financial statements and the information we obtained during the audit.

### 2. Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA") which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Türkiye ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Report section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 3. Our Auditor's Opinion on the Complete Set of Consolidated Financial Statements

We have expressed an unqualified opinion in our auditor's report dated 7 March 2025 on the complete set of consolidated financial statements of the Group for the period of 1 January - 31 December 2024.

### 4. The Responsibility of the Board of Directors on the Annual Report

The Group Management is responsible for the following in accordance with Article 514 and 516 of the Turkish Commercial Code No. 6102 ("TCC") and "Communiqué on Principles of Financial Reporting in Capital Markets" with No.14.1 of the Capital Markets Board ("the Communiqué"):

- Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.
- Preparation and fair presentation of the annual report; reflecting the operations of the Group for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the consolidated financial statements. The development of the Group and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report.
- The annual report also includes the matters below:
  - Subsequent events occurred after the end of the fiscal year which have significance,
  - The research and development activities of the Group,
  - Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.



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## 5. Auditor's Responsibility for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code on whether the financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Group's audited consolidated financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with ISA. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the consolidated financial statements.

The engagement partner who supervised and concluded this audit report is Metin ETKİN.

**GÜRELİ YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.**

An Independent Member of BAKER TILLY INTERNATIONAL



**Metin ETKİN**

**Partner**

**İstanbul, 7 March 2025**

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## A. GENERAL INFORMATION

### 1. Corporate Information

Trade Name	:	Kocaer Çelik Sanayi ve Ticaret A.Ş.
Head Office	:	Gümüşçay Mah. Menderes Bulvarı No:45, Merkezefendi, Denizli
Trade Registry Number	:	7519
Telephone	:	(232) 625 1860
Internet Address	:	<a href="http://www.kocaercelik.com">www.kocaercelik.com</a> <a href="http://www.kocaersteel.com">www.kocaersteel.com</a>
Financial Year	:	1 January - 31 December
Registered Capital Ceiling	:	TRY 4,500,000,000
Paid-in Capital	:	TRY 1,915,000,000

### 2. Shareholding Structure and Privilege Information

The company's capital and shareholding structure for the reporting period is as follows:

Shareholders	Share Group	Nominal Value of Shares (TRY)	Share Percentage
Hakan Kocaer	A-B-C	1,420,836,864	74.20%
Publicly Traded	C	494,163,136	25.80%
		<b>1,915,000,000</b>	<b>100.00%</b>

According to the company's articles of association, the company's shares are divided into groups. Of the total 1,915,000,000 shares, 347,734,475 are registered as Group A shares, 347,734,475 are registered as Group B shares and 1,219,531,050 are bearer Group C shares. Group A registered shares hold the privilege of nominating candidates to the board of directors and voting in general assembly, while Group B registered shares hold the privilege of voting in general assembly. Group C shares hold no privileges.

### 3. Subsidiaries

The company's subsidiaries are Kocaer Steel UK Limited operating in the UK as a distribution channel in the iron & steel industry; Yağız Nakliyat Sanayi ve Ticaret A.Ş. engaged in the logistics sector, Kocaer Enerji A.Ş. established in 2023 to operate in the renewable energy sector and KCR Dış Ticaret A.Ş. established on May 3, 2024, with the aim of developing overseas operations and accelerating globalization efforts of the Company.

The company's subsidiaries are as follows:

Trade Name	Field of Activity	Paid-in Capital (TRY)	Currency	Share in Capital
Kocaer Enerji A.Ş.	Energy	600,000,000	Turkish Lira	99.00%
Kocaer Steel UK Limited (*)	Wholesale of iron and steel products	4,000,000	British Pound	90.00%
Yağız Nakliyat Sanayii ve Tic. A.Ş.	Domestic and international transportation	14,200,000	Turkish Lira	90.81%
KCR Dış Ticaret A.Ş.	International Trade	2,000,000	Turkish Lira	99.00%

(\*) Kocaer Steel UK Limited has under its roof a wholly-owned subsidiary named Kocaer Steel Ireland Limited Company that has a capital of EUR 100.



#### 4. About Kocaer Çelik

Operating in the steel profile segment of the iron and steel industry, Kocaer Çelik manufactures and markets high-strength steel profiles in special grades, various dimensions, and custom lengths and cross-sections. These products are supplied through export, international, and domestic distribution channels to customers operating in sectors such as power transmission lines, solar energy infrastructure, structural steel, transportation, mining, tunneling, shipbuilding, agriculture, machinery manufacturing, and defense industries.

Located in Aliğa, İzmir, Kocaer Çelik continues its operations with three Steel Profile Plants with a total capacity of 800,000 tons/year over an area of 280,000 m<sup>2</sup>, a Galvanizing Plant with a capacity of 100,000 tons/year, a Steel Service Center with a capacity of 180,000 tons/year, and a renewable energy generation facility (solar power plant) with a capacity of 15 million kWh/year. Through its rooftop solar panels, the company meets approximately 33% of its electricity consumption with self-generated renewable energy. In addition to its international distribution channels, Kocaer Steel UK and Kocaer Steel Ireland, the company also reaches 140 countries across six continents through its overseas sales representatives.

Kocaer Çelik has been the export champion in the iron and steel sector in the Aegean Region for seven consecutive years, according to the reports of the Aegean Ferrous and Non-Ferrous Metals Exporters' Association (EDDMİB 2018–2024).

Another strategic priority for Kocaer Çelik is renewable energy investments. The company has established a new corporate structure under the name Kocaer Enerji to operate in the field of renewable energy, particularly geothermal. Work has commenced on a 24 MW Geothermal Power Plant (GPP) investment in Kuyucak, Aydın. With this new structure, the company aims to meet 100% of its production energy needs from renewable sources and reach a position where it sells its surplus energy generated from renewables. Through all these investments, the company aims to become carbon-neutral and achieve energy independence, gaining a significant advantage in international competition.

The company has been proactively preparing for the Carbon Border Adjustment Mechanism (CBAM), which will come into effect as of January 2026 and will apply to companies exporting to European Union countries. Kocaer Çelik has been carrying out reporting and verification activities in compliance with EU standards (ISO 14064) and has started officially reporting to stakeholders regarding the CBAM. Following the completion of its renewable energy investments, the company plans to achieve full energy independence and transform from a buyer of carbon credits to a provider by neutralizing its Scope 1 and Scope 2 greenhouse gas emissions and contributing surplus carbon credits to the market.

#### 5. Members of Board of Directors

As of 31 December 2024, the Board of Directors consisted of seven members, excluding Honorary President İbrahim Kocaer.

Members of the Board of Directors	Position	Duties Valid Between	
İbrahim Kocaer	Honorary President		
Hakan Kocaer	Chairman of the Board	20.04.2022	20.04.2025
	Deputy Chairman of the Board and General		
Mehmet Çakmur	Manager	01.09.2023	20.04.2025
Ferda Besli	Member of the Board	20.04.2022	20.04.2025
Dr. Yılmaz Argüden	Member of the Board	20.04.2022	20.04.2025
M. Uğur Yılmaz	Member of the Board	06.06.2024	20.04.2025
Dr. Fatma Füsün Akkal Bozok	Independent Member of the Board	25.04.2023	20.04.2025
Tuğrul Fadilloğlu	Independent Member of the Board	25.04.2023	20.04.2025

## 6. Board of Directors

### İbrahim Kocaer – Honorary President

The founder of Kocaer Çelik Sanayi ve Ticaret A.Ş., İbrahim Kocaer, was born in Denizli in 1939. He started his business life in the early 1960s and until 1984 he made partnerships in various companies in the iron and steel industry. In 1984, he established Kocaer Steel in Denizli. He played an important role in the investment and establishment of the A1 plant, which was completed in Izmir in 1996.

### Hakan Kocaer - Chairman of the Board

Acting as the Chairman of the Board of Directors at Kocaer Çelik Sanayi ve Ticaret A.Ş., Hakan Kocaer was born in Denizli in 1972. Started his career in the iron and steel industry in 1990, he took part in all departments and processes of the Company. He continued to work in the factories established in Izmir as of 1996 and took an active role in the growth of the Company with the strategic decisions he gave in line with his vision. He has been serving as the Chairman of the Board of Directors since 2012.

### Mehmet Çakmur – Deputy Chairman of the Board and General Manager

Mehmet Çakmur, a graduate of METU Industrial Engineering, started his career in 1990 and worked in various positions in the iron and steel trade until 2002. He worked as the authorized representative of MMK Magnitogorsk Russia in Turkey from 2002 and continued in this position until 2011. He served as the export and sales director at the MMK Metallurgy facility of the MMK Russia factory in Turkey from 2011. He left his position there in 2017 and established M Steel Ltd., a company that provides trade, consultancy and agency services in the field of iron and steel, and he still continues his activities in this company.

Mehmet Çakmur, who served as a member of the board of directors of our company since September 1, 2023, has taken Deputy Chairman and General Manager roles as of September 25, 2024. Çakmur is also the vice chairman of the board of directors of the Steel Foreign Trade Association (ÇDTD), which he initiated, and a member of the board of directors of the Flat Steel Exporters and Industrialists Association (YİSAD).

### **Ferda Besli - Member of the Board**

With more than 30 years of experience in corporate finance, project finance, loan and bank relationship management, strategic marketing, Besli is the founder and CEO of Besfin. He started his career at Akbank T.A.Ş in 1987. In addition to serving the Inspection Board, he was the Head of Branch, followed by various titles including Corporate Banking Department Manager, and President in charge of Commercial and SME Banking.

From 2006 to 2011, Besli was the Assistant General Manager in charge of Commercial Banking and SME Marketing, Credit Committee Member, and Assistant General Manager in charge of Project Finance and Cash Management at Akbank. In 2011, he retired and founded Besfin. He holds Türkiye's Capital Markets Board Capital Market Activities Level 3 license and Credit Rating and Corporate Governance Rating licenses. He served various organizations as a member including TÜSİAD (Turkish Industrialists' and Businessmen's Association), World Futurists' Society (WFS), and British think-tank Chatham House in England.

### **Dr. Yılmaz Argüden - Member of the Board**

Dr. Yılmaz Argüden is the Chairman of ARGE Consulting, which delivers management consulting services to numerous Turkish and foreign companies in strategy, business excellence, institutionalization, governance and sustainability. In addition, Dr. Argüden is the Chair of Rothschild & Co. Investment Bank's Board of Directors for Türkiye, and has served the boards of over 70 companies across the globe throughout his career. He has also served as the Chairman of Erdemir between 1997 and 1999. Renown across the world for his work on boards and governance, Dr. Argüden has published books and articles in many languages. He has taken on international roles such as the Chair of Governance Committee at Business at OECD (BIAC) and IFC Corporate Governance Group Advisory Board Membership.

He is the Chair of the Board of Trustees at Argüden Governance Academy. Dr. Argüden was elected the World Chair of Local Networks and served the Board of UN Global Compact, , and was also the Chair of KalDer. He is the founder and/or leader of many civil society organizations including Turkish Education Volunteers' Foundation, Private Sector Volunteers' Foundation, Boğaziçi University Alumni Association, Turkish Economic and Social Studies Foundation, Turkish-American and Turkish- Canadian Business Councils.

### **M. Uğur Yılmaz - Member of the Board**

M. Uğur Yılmaz, who graduated from METU Metallurgical Engineering, completed his MSc in Investment Casting in the same department and his MBA at AİTİA- Business Management Institute.

Yılmaz, who started his career in 1980 as a Steel Mill Process Engineer at Erdemir, worked in various positions and was appointed as the Deputy General Manager of Operations at İsdemir, which joined the Erdemir group in 2002. After continuing in this position for 11 years, he became Erdemir Group's Technology Coordinator (CTO), and during this position, he was responsible for Investments, Management Systems, Production Systems and the establishment of R&D, while simultaneously continuing his duty as the General Manager at ERENCO.

M. Uğur Yılmaz continued his business life as the General Manager at Kardemir, the Iron and Steel Group President at Diler Holding, and the MD and COO at British Steel, located in England.

### **Dr. Fatma Füsün Akkal Bozok – Independent Member of the Board**

Füsün Akkal Bozok completed her undergraduate education at Istanbul University Faculty of Business Administration and then received her master's degree from Boğaziçi University Faculty of Administrative Sciences and her doctorate degree from Istanbul University Faculty of Business Administration. She started her career at Arthur Andersen.

She joined Koç Group in 1983 and first served as an Audit Specialist and Assistant Coordinator in the Audit and Finance department. She was appointed as the Audit and Financial Group Coordinator in 1992 and continued her duty for 11 years.

Bozok served as the Finance Group Director between 2003-2006 and served as a Board Member at Yapı Kredi Bank from September 2004 until 2019. She is an Independent Board Member at Ford-Otosan, Gözde Girişim Sermayesi, Otokar and Lila Kağıt. She is a member of TKYD (Corporate Governance Association of Türkiye), Turkish Internal Audit Institute (TİDE), Turkish Accounting Professionals Association and Boğaziçi Alumni Association. Bozok is also a member of the Board of Directors of the 30% Club and serves as a mentor for the Women on Board Association of Türkiye.

She holds the Capital Markets Board Advanced Level, Credit Rating, Corporate Governance Rating and Derivative Products licenses.

### **Tuğrul Fadıllıoğlu – Independent Member of the Board**

Tuğrul Fadıllıoğlu graduated from Boğaziçi University, Department of Mechanical Engineering in 1982. After working in various departments and positions at Arçelik A.Ş. between 1982-2002, he served as the Deputy General Manager responsible for Operations and Technology at Tanı Pazarlama Hizmetleri A.Ş. between 2002-2004 and then as the General Manager at the same company between 2004-2009. Fadıllıoğlu, who was appointed as the General Manager of Zer A.Ş. in 2009, continued this position until his retirement in 2014, during which time he also served as a member of the Board of Directors at Tanı Pazarlama Hizmetleri A.Ş.

Tuğrul Fadıllıoğlu served as the Founding President of the İzmir Branch of the Turkish Quality Association between 1995-2000 and as the Assembly Member of the Aegean Region Chamber of Industry in 2000.

Fadıllıoğlu, who served as General Manager of Hidrotam, as a Board Member at ISM A.Ş., a subsidiary of İnci Holding, as a General Coordinator of Turkish Quality Association (KalDer), as a Member of the Advisory Board of Doğa OSGB, as a Founding Vice President of the Board of Directors at CCA Kurumsal Değişim Akademisi Danışmanlık ve Eğitim Hizmetleri A.Ş. between 2015-2019, currently serves as an Independent Member of the Board of Directors at Arçelik and Koleksiyon Mobilya.

## **7. Duties and Authorities of the Board Members**

The Chairman and Members of the Board of Directors hold the duties and authorities specified in the relevant articles of the Turkish Commercial Code and the Company's Articles of Association.



## 8. Duties of the Board Members and Executives Outside the Company

Yönetimde Söz Sahibi Olan Personel				
Name-Surname	Position	Profession	Duties Undertaken in the Company in the Last 5 Years	Current Duties Undertaken Outside the Company
Hakan Kocaer	Chairman of the Board	Business Person	Chairman of the Board, Shareholder	Yağız Nakliyat Shareholder, Kocaer Enerji Shareholder and Chairman, Kocaer Dış Ticaret Board Member
Mehmet Çakmur	Deputy Chairman of the Board and General Manager	Senior Executive	Member of the Board	M Steel Dış Ticaret Ltd Shareholder, YİSAD Board Member, Çelik Dış Ticaret Derneği Deputy Chairman, Kocaer Dış Ticaret Chairman, Kocaer Enerji Board Member
Ferda Besli	Member of the Board	Business Person	Member of the Board	Besfin Finansal Hizmetler ve Danışmanlık YKB, Olgun Çelik, Taypa Tekstil, Tayeks Tekstil, Astay Gayrimenkul İnş., Sultanahmet Turizm, Atıkpaşa Turizm, Kutlugün Turizm, Halikarnas Turizm, Etiler Gayrimenkul Yatırım Board Member, Çelik Halat ve Tel San A.Ş. Independent Board Member
Dr. Recep Yılmaz Argüden	Member of the Board	Business Person	Member of the Board	ARGE Danışmanlık, Anadolu Grubu Holding and Group Companies Board Member, Akkök Holding, DeFacto, TAB Food Investments Board Member, Turkish Basketball Federation Vice President
Mesut Uğur Yılmaz	Member of the Board	Business Person		
Dr. Fatma Füsün Akkal Bozok	Member of the Board	Business Person		Ford-Otosan, Gözde Girişim Sermayesi, Otokar and Lila Kağıt Independent Board Member
Tuğrul Fadilloğlu	Member of the Board	Business Person		Arçelik A.Ş., Koleksiyon Mobilya Independent Board Member
Zümrüt Can Ambarcı	Deputy General Manager	Senior Executive		Özyeğin University Part-Time Lecturer, FODER Financial Literacy and Inclusion Association Board Member
Halil Bahadır Çağlan	Deputy General Manager	Senior Executive	Budget and Financial Control Manager/Accounting-Budget-Financial Control Manager	
Hakan Onur	Deputy General Manager	Senior Executive		
Oğuzhan Yıldırım	Deputy General Manager	Senior Executive	Information Technology and Software Support Manager/Information Technologies Manager	

## 9. Changes in the Board of Directors

Mr. İbrahim Kocaer was appointed as the “Honorary President” as of June 6, 2024. As of the same date, Mr. Mesut Uğur Yılmaz was appointed as a member of the Board of Directors to serve during the current term of the Board of Directors.

Following the departure of Mr. Orhan Timurhan, who served as the Deputy Chairman of the Board of Directors and General Manager from the company as of September 25, 2024, Mr. Mehmet Çakmur, who served as a Board Member, was appointed as the Deputy Chairman of the Board of Directors and General Manager.

## 10. Number of Board of Directors' Meetings and Attendance Status during the Year

Our Board of Directors held a total of 12 meetings in 2024. The participation rate stood at 93%.

## 11. Senior Executives

Name-Surname	Position	Took Office on	Professional Experience
Hakan Kocaer	Chairman of the Board of Directors	25.04.2012	35 years
Mehmet Çakmur	Deputy Chairman of the Board of Directors and General Manager	25.09.2024	34 years
Halil Bahadır Çağlan	Deputy General Manager	19.09.2011	25 years
Oğuzhan Yıldırım	Deputy General Manager	19.09.2008	25 years
Hakan Onur	Deputy General Manager	30.04.2024	35 years
Zümrüt Can Ambarcı	Deputy General Manager	24.06.2022	31 years

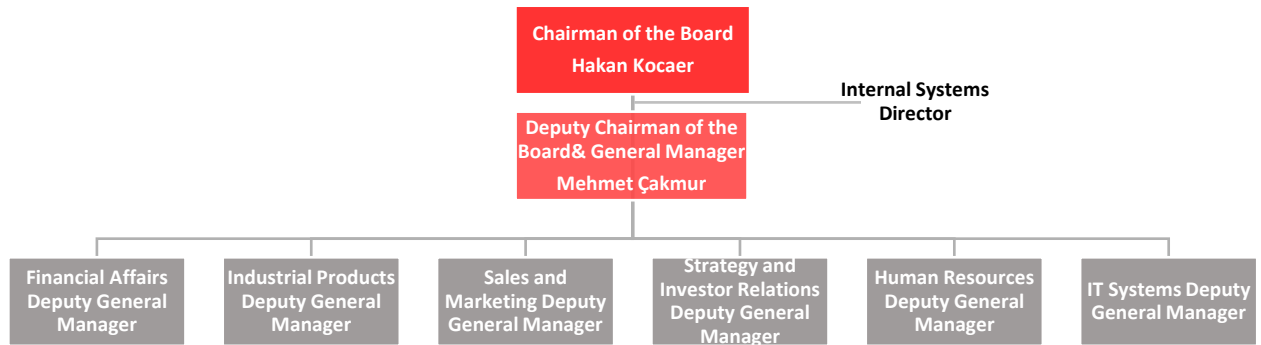
## 12. Committees Established within the Board of Directors

Names of Board Committees	Name-Surname of Committee Members	Number of Meetings Held by the Committee During the Year
Audit Committee	Dr. Fatma Füsün Akkal Bozok (Chairman), Tuğrul Fadilloğlu (Member)	4
Corporate Governance Committee	Dr. Fatma Füsün Akkal Bozok (Chairman), Dr. Yılmaz Argüden (Member), Zümrüt Can Ambarcı (Member)	4
Early Detection of Risk Committee	Tuğrul Fadilloğlu (Chairman), Ferda Besli (Member), Dr. Yılmaz Argüden (Member)	4

The Corporate Governance Committee convened on four occasions in 2024 and carried out its work within the framework of the Capital Markets Board's Corporate Governance Communiqué (II-17.1). The duties of the Nomination and Remuneration Committee are performed by the Corporate Governance Committee.

The Audit and Early Detection of Risk Committees convened on four occasions during the year. They continued their work within the scope of their obligations within the framework of the CMB Legislation.

### 13. Organizational Chart



## B. FINANCIAL RIGHTS GRANTED TO THE BOARD MEMBERS AND SENIOR EXECUTIVES

Total benefits granted between 1 January - 31 December, 2024 to the members of the board and senior executives correspond to TRY 73,013,080 on a consolidated basis. The Company does not provide collaterals such as loans and guarantees to board members and executives either in the form of debt or loans or guarantees.

## C. INVESTMENTS

### Investment in High-Value Added Products

In line with its strategy of focusing on the production of high value-added products, Kocaer Çelik completed renovation investments at its A2 plant in the first half of 2023 and at its A1 plant in the first quarter of 2024. Additionally, to support its goal of increasing the share of high value-added products in total sales, the capacity of the Steel Service Center—which processes steel profiles into final products based on customer-specific demands—was increased by 50% in the first quarter of 2024, reaching an annual capacity of 180,000 tons.

These investments have shown tangible results throughout the year. The share of high value-added products in the total portfolio rose from 36% in the first quarter to 45% in the last quarter. As a result, the annual average share increased from 39% in 2023 to 42% in 2024.

The company aims to further increase the share of high value-added products in its portfolio and continues to plan investments accordingly. The growth in the share of these higher-margin products is expected to positively contribute to the company's revenue and profitability, strengthen its global competitive advantage, and further boost its exports. In line with its goal of enhancing global presence, feasibility studies are ongoing for the establishment of production facilities or service centers in various countries.

### Energy Investments

Among its strategic priorities, Kocaer Çelik aims to expand its activities in the field of renewable energy. As a company that generates the majority of its sales from international markets, Kocaer is fully aware of the need to swiftly and effectively adapt to the rapidly evolving global green energy trends. In line with its goal of becoming energy-independent and producing all the

electricity it consumes from its own renewable sources, the company is actively pursuing investments in this area.

Currently, with its solar power plants totaling an installed capacity of 9.2 MW, Kocaer meets 33% of its electricity consumption from renewable sources. This not only provides a significant cost advantage but also contributes to reducing energy-related carbon emissions.

To consolidate its energy investments under a single entity, Kocaer established its 99%-owned subsidiary, Kocaer Enerji, in 2023. In 2024, the company increased Kocaer Enerji's capital from TRY 300 million to TRY 600 million through a cash injection. The initial focus is on expanding operations in geothermal and solar energy.

A geothermal power plant with a capacity of 24 MW is currently under development in the licensed field in Aydın, representing Phase 1 of the geothermal investment. Based on drilling results, production is expected to begin at this facility in 2026. Kocaer plans to meet 100% of the electricity needs of its production operations through a combination of 20% of the electricity generated from the first phase of the geothermal plant and its existing rooftop solar power systems. The remaining 80% of clean energy capacity is planned to be sold.

Following the commissioning of the Kocaer Geothermal Power Plant 1 in 2026, the company plans to continue its geothermal energy investments with second and third phases, depending on the capacity of the geothermal resources within the licensed area.

## **D. RESEARCH AND DEVELOPMENT ACTIVITIES**

In 2015, Kocaer Çelik established the first R&D Center in its segment to be officially certified by the Republic of Türkiye Ministry of Industry and Technology. With an innovative approach, the company has laid the foundation for transforming into an engineering firm focused on the design of new steel products, machinery, and processes through the projects developed at its R&D Center.

While the primary focus of R&D efforts is on expanding product diversity and developing high value-added new products, the company also carries out projects in environmentally friendly production technologies, energy efficiency, digital transformation, cost-reducing production efficiency improvements, and feasibility studies for future investment projects.

Kocaer Çelik adopts an Industry 4.0 approach across all its business processes. Projects involving robotic applications on production lines, smart predictive maintenance, robotic process automation (RPA), machine learning, deep learning, and artificial intelligence are actively being pursued. In line with a five-year digitalization roadmap, the company aims to increase efficiency and profitability across all business functions—especially production—while reducing losses.

The R&D Center holds a portfolio of intellectual and industrial property, including 5 patents, 6 design registrations, 1 utility model, and 16 trademark registrations (6 domestic and 10 international).

As part of its R&D activities, the company carried out a total of 67 projects in 2024 across the categories of Innovation/R&D, Process Excellence, and Respect for People. These projects, planned and executed within a dedicated project management system, span the period from 2022 through the end of 2024. Of the 67 total projects, 28 were completed throughout 2024.

The 28 projects completed in 2024 included initiatives in the categories of Innovation/R&D, Process Excellence, and Respect for People, focusing on the development of high value-added new products and production methods, energy efficiency improvements, production efficiency enhancements, cost reductions, prevention of labor and production losses, facility machinery design and implementation, predictive and preventive maintenance activities, and product development and improvement.

In 2024, the R&D Center's activities primarily focused on expanding product variety and developing more profitable, high value-added products. These efforts also included the integration of required technologies, machinery and equipment design, and the creation of new business and process models to enable the production of these advanced products.

## **E. INTERNAL AUDIT AND INTERNAL CONTROL ACTIVITIES**

The Internal Audit unit operates under the Internal Audit Regulation and reports directly to the Board of Directors. The unit conducts its activities based on the Annual Internal Audit Plan, which is approved by the Audit Committee and developed in alignment with corporate risks identified through the enterprise risk management framework, as well as the company's strategic goals and objectives. Audit results are reported periodically to the Audit Committee. In 2024, the Audit Committee convened four times, documenting its decisions and presenting them to the Board of Directors.

In addition, efforts continued in 2024 to establish mechanisms that ensure internal control activities are conducted in accordance with the company's governance structure and that risks are managed effectively. The Internal Audit unit carries out its activities in accordance with the Internal Control Procedure.

The company places strong emphasis on ensuring compliance with applicable legislation, corporate principles, internal policies and procedures, and occupational health and safety requirements. In this context, necessary measures are taken to ensure full compliance of information systems operations with relevant regulations, to safeguard company assets against loss and misuse, and to ensure that the information produced within the company is reliable, complete, traceable, consistent, and meets operational needs.

Furthermore, the reliability and integrity of the accounting and financial reporting systems, along with the timely and accurate availability of financial information, are among the company's top priorities. Delivering accurate and reliable reports to stakeholders is also a key focus. The internal control framework emphasizes the application of the segregation of duties principle across all departments, the establishment and use of effective communication channels, and the implementation of continuous and effective monitoring activities.

## **F. INFORMATION ABOUT THE PRIVATE AUDIT AND PUBLIC AUDIT PERFORMED**

The Company agreed with Güreli Yeminli Mali Müşavirlik ve Bağımsız Denetim Hizmetleri A.Ş. (a member firm of Baker Tilly) for the independent audit of the company and its subsidiaries for 2024.



## G. LEGAL CASES

There is no material lawsuit filed against the Company that can affect its financial position. There are no administrative or legal sanctions imposed on the Company or its executives due to acts against legislative provisions.

## H. SUSTAINABILITY, SOCIAL RESPONSIBILITY PROJECTS AND DONATIONS

Kocaer Çelik aims to be one of the leading companies driving social and economic development through its investments, employment generation, corporate quality standards, service approach, and contributions to the local economies where it operates. The company integrates its sustainability efforts with its overall business strategy, and from the Board of Directors down through all organizational levels, it continues its work focused on achieving its short-, medium-, and long-term sustainability and decarbonization goals across environmental, social, and economic dimensions.

Since 2021, Kocaer Çelik has been implementing a sustainability strategy aligned with the United Nations Sustainable Development Goals (SDGs). In 2024, the strategy was revised and expanded based on updated stakeholder engagement processes and the company's strategic priorities.

As part of the 2024 efforts, new policies, procedures, action plans, and performance indicators (KPIs) were developed under the Sustainable Management Systems and Strategy initiative. Additionally, a Sustainability Committee was established to more effectively monitor and enhance the implementation and performance of the sustainability strategy.

Following its initial reporting under the EU Carbon Border Adjustment Mechanism (CBAM) in the last quarter of 2023, Kocaer also completed its first disclosures in 2024 under the Task Force on Climate-related Financial Disclosures (TCFD) and the Task Force on Nature-related Financial Disclosures (TNFD) frameworks.

In 2024, the company published its Climate Change Mitigation and Adaptation Policy. In alignment with TCFD, climate-related risks and their root causes began to be identified to improve the company's resilience against climate impacts. Kocaer's application to the Science Based Targets initiative (SBTi) to formalize its net-zero targets and emissions reduction commitments was approved in 2024.

In line with the targets set within the sustainability strategy, Kocaer is actively working to reduce its environmental impact. Medium- and long-term goals include:

- 100% reduction of Scope 2 emissions by 2030, and 100% reduction of Scope 1 and Scope 3 emissions by 2050.
- 35% reduction in carbon emissions per unit of production by 2030.
- 100% elimination of energy consumption from non-renewable sources by shifting entirely to renewable energy sources, including current and ongoing installations.
- Increasing the use of alternative fuels by 20%.
- Reducing energy consumption per unit of production by 35%.
- Implementing and expanding rainwater harvesting systems at all facilities.
- Increasing the recycled water usage rate in production processes by 15%.

In 2024, in accordance with a directive issued by the Ministry of National Education, Kocaer initiated a program for 28 employees to receive “Master Instructor” certification. In collaboration with Heydar Aliyev Vocational and Technical Anatolian High School in Aliğa, the company ensured that each department had at least one certified instructor, aiming to support vocational development and elevate occupational health and safety standards.

As part of its social responsibility efforts, Kocaer organized a "Don't Throw It Away, Transform It" project during April 23rd events in 2024, targeting the children of employees with age-specific projects for preschool, primary, and middle school students.

The Kocaer Steel Runner Team participated in the Marathon İzmir 2024, raising awareness and collecting donations in collaboration with the TEMA Foundation under the campaign “Forest Fires Awareness and Education Project – Before It Burns.” Additionally, to support the social integration of children with special needs, a theatrical performance of “Cinderella” was staged together with students from Sabahat Akşiray Special Education Practice School on the International Day of Persons with Disabilities.

Kocaer’s 2022 Sustainability Report was awarded the GOLD award at the ARC Awards 2024 in the “Design/Graphics: Sustainability Report: Americas & Europe” category. As with the 2022 report, the launch of the 2023 Sustainability Report in 2024 was accompanied by a social responsibility campaign. For every stakeholder who downloaded the report, the company made a donation—on their behalf and with their consent—to non-governmental organizations supporting children’s education and healthy living.

The total value of donations made by the company in 2024 amounted to 4,532,150 Turkish Lira.

## **I. INFORMATION ON THE COMPANY'S OWN SHARES ACQUIRED**

In the reporting period of 01.01.2024- 31.12.2024 the Company did not acquire any of its own shares.

## **J. FINANCIAL POSITION**

### **1. Iron and Steel Industry – 2024 Overview:**

Global crude steel production reached 1.8 billion tons in 2024, marking a 0.8% decline compared to the previous year. In 2024, China's crude steel production decreased by 1.7% to 1 billion tons, while India, ranking second globally, increased its crude steel output by 6.3% to 149.6 million tons. Japan's production, on the other hand, declined by 3.4%, totaling 84 million tons.

Despite the global downturn, Turkey was among the countries that achieved the highest increase in crude steel production, maintaining its position as the 8th largest steel producer in the world. Turkey's crude steel production rose by 9.4% in 2024, reaching 36.9 million tons. This significant increase was partly influenced by the low base effect caused by the devastating earthquake that occurred in the previous year.

From a foreign trade perspective, Turkey's steel exports in 2024 increased by 27.6% in volume, reaching 13.4 million tons, and by 17.7% in value, amounting to USD 9.7 billion. Imports increased by 1.7% in volume to 17.4 million tons, but decreased by 9.9% in value to USD 13.2 billion. As a result, the export-to-import coverage ratio improved significantly—from 56.6% in 2023 to 74% in 2024.

## **2. The Company's Position in the Sector**

Kocaer Çelik stands out as one of the few companies in Türkiye, Europe, and globally that integrates steel profile production, service center operations, manufacturing processes, and galvanization within a single, cohesive structure. Leveraging its engineering expertise, R&D capabilities, and design strength, the company has transformed into a global solution provider offering customized products tailored to specific market needs.

Focusing on high value-added steel profile production, Kocaer Çelik distinguishes itself in numerous regions around the world—particularly in solar energy systems and mining operations—with its durable, high-performance products designed for large-scale projects and capable of withstanding extreme climate conditions.

## **3. Production Facilities of the Company**

Kocaer Çelik operates one of the largest steel profile production capacities in Türkiye, with a total annual capacity of 800,000 tons across three steel profile factories, in addition to a Service Center with an annual capacity of 180,000 tons, a Galvanization Plant with a capacity of 100,000 tons per year, and a solar power generation facility producing approximately 15 million kWh of electricity. The company carries out its operations over a total area of 280,000 square meters, 85,000 square meters of which is enclosed.

Aliğa-1 Factory, commissioned in 1996, has an annual capacity of 300,000 tons and operates on a total area of 32,500 m<sup>2</sup>, including 21,000 m<sup>2</sup> of enclosed space.

Aliğa-2 Factory, operational since 2008, also has an annual capacity of 300,000 tons, and spans a total area of 186,000 m<sup>2</sup>, with 34,000 m<sup>2</sup> of it enclosed.

Aliğa-3 Factory, launched in 2017, has an annual capacity of 200,000 tons and operates on 41,000 m<sup>2</sup> of land, including 18,000 m<sup>2</sup> of enclosed area.

The Service Center, which became operational in 2015, and the Galvanization Plant, commissioned in 2022, are both located within the Aliğa-2 facility area.

## **4. Kocaer Çelik Sales Volume, Revenue and Profitability**

Kocaer Çelik increased its total sales volume by 3.4% compared to the previous year, reaching 580,443 tons in 2024. Thus, the company has managed to positively differentiate itself from its sector by increasing its sales volume for the last four years in a row. The company, which realized 76% of its total sales to abroad in 2024, achieved a total net revenue of TRY 19,235 million in 2024. The share of high value-added products in total sales increased from 39% last year to 42%.

<b>Sales Volume (tons)</b>	<b>2024</b>	<b>2023</b>
I and H Channels	77,376	56,987
Value Added Profiles	241,666	221,297
U and C Channels	78,665	87,642
Structural Steel Products	182,736	195,532
<b>Total Sales Volume</b>	<b>580,443</b>	<b>561,458</b>
<b>Value Added Products /Total Sales Volume</b>	<b>42%</b>	<b>39%</b>

In line with the strategy focused on the production of high value-added products, renovation investments were successfully completed in the A2 factory in 2023 and in the A1 factory in 2024. In addition, the capacity of the Steel Service Center, which turns steel profiles into final products according to the special demands of customers, was increased by 50% in 2024 to 180,000 tons per year. Kocaer Çelik made total of TRY 644 million investment in 2024. In parallel with the completion of investments in high value-added products and the addition of new products to the portfolio, the share of high value-added products in the total portfolio is expected to increase further in 2025.

<b>Revenue (TRY'000)</b>	<b>1 January - 31 December 2024</b>	<b>1 January - 31 December 2023</b>	<b>Change</b>
Domestic sales	4,503,402	6,562,001	-31%
International Sales	14,554,173	15,475,052	-6%
Other Revenue	205,400	188,237	9%
Return and Discounts	-27,765	-6,048	n.m.
<b>Net Sales</b>	<b>19,235,210</b>	<b>22,219,242</b>	<b>-13%</b>

In 2024, due to the decline in product sales prices, limited exchange rate increases and inflation accounting in parallel with the dollar-based price decreases observed in global steel markets, TL-based sales revenues decreased compared to the previous year. Furthermore, the difficult economic conditions for exporting companies in 2024 caused further pressure on margins. Contrary to the limited depreciation in TL, the production costs in Turkish lira, especially labor, which increased in parallel with high inflation, caused gross profit margins to decline in exporting companies. Kocaer Çelik recorded TRY 2.04 billion of EBITDA and TRY 83.1 million of net profit in 2024.

## 5. Financial Position and Indebtedness

Despite the increasing investment expenditures, the Company's net financial debt decreased by 35% to TRY 1.6 billion in 2024. As a result of effective financial expense and working capital management, the ratio of net financial debt to EBITDA remained low at 0.79x.

Financial Debt (TRY'000)	31 December 2024	31 December 2023	Change
Short Term Borrowings	1,552,594	2,852,766	-46%
Short Term Portion of Long Term Borrowings	1,600,474	407,975	292%
Long Term Borrowings	1,523,065	1,147,480	33%
Total Financial Borrowings	4,676,133	4,408,221	6%
Cash and Cash Equivalents <sup>1</sup>	3,074,064	1,956,107	57%
<b>Net Financial Debt</b>	<b>1,602,069</b>	<b>2,452,114</b>	<b>-35%</b>

## 6. Summary Consolidated Financial Statements

### Summary Consolidated Balance

Sheet (TRY'000)	31 December 2024	31 December 2023	Change
Current Assets	10,258,743	8,896,158	15%
Fixed Assets	9,534,973	8,515,806	12%
<b>Total Assets</b>	<b>19,793,716</b>	<b>17,411,964</b>	<b>14%</b>
Short Term Liabilities	8,097,356	6,192,400	31%
Long Term Liabilities	2,200,835	1,662,216	32%
Equity	9,495,525	9,557,348	-1%
<b>Total Liabilities and Equity</b>	<b>19,793,716</b>	<b>17,411,964</b>	<b>14%</b>

### Summary Consolidated P/L (Cumulative) (TRY'000)

	2024	2023	Change
Net Sales	19,235,210	22,219,242	-13%
Gross Profit	3,055,628	4,269,163	-28%
Operating Profit	1,180,765	2,611,909	-55%
Financial Expenses (net)	(1,501,391)	(1,333,782)	13%
Net Monetary Gain (Loss)	164,320	121,593	35%
Net Income from Investment Activities	455,679	626,083	-27%
Profit Before Tax	299,374	2,025,804	-85%
<b>Net Profit</b>	<b>83,124</b>	<b>1,705,050</b>	<b>-95%</b>
<b>Adjusted EBITDA<sup>2</sup></b>	<b>2,036,272</b>	<b>3,206,141</b>	<b>-36%</b>

### Main Ratios (%)

	2024	2023
Gross Profit Margin	15.9%	19.2%
Adjusted EBITDA Margin	10.6%	14.4%
Net Profit Margin	0.4%	7.7%
Net Financial Debt/A.EBITDA	0.79	0.76

<sup>1</sup> Financial investments are included.

<sup>2</sup> Other operating revenues and expenses have been excluded from EBITDA calculation.



## **7. Nature and Amount of Issued Capital Market Instruments**

There exists no Issued Capital Market Instrument.

## **8. Governing body's analysis and assessment of the financial position and operating results, degree of realization of planned activities, the company's position in view of strategic goals set**

The company concurrently published consolidated financial results for year-end 2023 on the Public Disclosure Platform. Additionally, the company prepared and publicly disclosed the interim and year end reports after its shares started to be traded on the Stock Exchange, as per the requirement in Article 29 (5) of the CMB Communiqué on Shares (VII-128.1) which obligates the corporation undertaking an IPO to prepare a report stating whether or not the assumptions used in the determination of the public offering price have been realized, and if not, the causes thereof, within ten business days following the public disclosure date of its financial statements throughout two years following the date on which its shares started to be traded on the exchange.

## **9. Determination of and governing body's assessment whether the company's capital is uncovered or whether the company is over-indebted**

According to the assessments made pursuant to Article 376 of the Turkish Commercial Code, the company is not over-indebted.

## **10. Development of financial sources and the policies the company implements accordingly**

The company enjoys full access to all national and international financial sources, enabled by its credibility resulting from the balanced composition of its balance sheet and the contribution lent by its position as a net exporter. New financing alternatives according to the market conditions are constantly explored and opportunities are seized. The company develops its borrowing policy relying on its high cash generation capability and solid equity structure. Hedging can also be utilized against potential financial risk exposure.

## **11. Profit Distribution Policy**

The profit distribution principles of the Company are governed in Article 14 of the Articles of Association titled "Determination and Distribution of Profit."

As a principle, decision on profit distribution is made by considering a few factors including but not limited to market expectations (as long as regulations and financial means allow it), capital requirements, investment and financing policies, amendments in applicable laws, lending, profitability and cash status, and national and international economic conditions. For profit distribution, a balanced and consistent policy is pursued between the interests of the shareholders and the Company in accordance with the Corporate Governance Principles. In this respect, the Company intends to distribute at least 20% of its net distributable profit in the form of dividends.

The Board of Directors may distribute advance dividends only if authorized by the General Assembly and in compliance with the Capital Market Regulations.

In line with the company's dividend distribution policy and in accordance with the provisions of the Turkish Commercial Code, Capital Markets legislation, and the Company's Articles of Association, it was resolved—based on the decision of the Ordinary General Assembly dated May 27, 2024—that, from the net distributable profit of TRY 463,145,462 for the 2023 fiscal year (after legal obligations are deducted), a total of TRY 459,343,365 would be distributed as follows: TRY 200,000,000 in cash dividends, TRY 259,343,365 as bonus shares (stock dividends). The cash dividend payment of TRY 0.2737350 net per share (TRY 0.3041501 gross per share) was made on July 1, 2024.

## **K. RELATED PARTY TRANSACTIONS**

The company's transactions with related parties are described in "Note 37 – Related Party Disclosures" of the consolidated independent audit report for the period 1 January – 31 December 2024.

## **L. CHANGES IN THE ARTICLES OF ASSOCIATION**

Pursuant to the Board of Directors' resolution dated August 27, 2024 and numbered 2024/19, the Company's issued capital was increased by TRY 1,257,430,000, fully funded from internal resources, raising it from TRY 657,570,000 to TRY 1,915,000,000. In accordance with this decision, Article 6 titled "Capital" of the Company's Articles of Association was amended as follows and announced in the Turkish Trade Registry Gazette dated November 28, 2024, issue number 11217:

Article 6 – Capital:

The issued capital of the Company is TRY 1,915,000,000, and this capital has been fully paid without any collusion. The capital is divided as follows: 347,734,475 registered shares of Group A, each with a nominal value of TRY 1, 347,734,475 registered shares of Group B, each with a nominal value of TRY 1, 1,219,531,050 bearer shares of Group C, each with a nominal value of TRY 1.

Thus, the total capital is composed of 1,915,000,000 shares with a total nominal value of TRY 1,915,000,000.

No other changes were made to the Articles of Association in the reporting period.

The said modifications can be reviewed at <https://www.kocaersteel.com>.

## **M. HUMAN RESOURCES PRACTICES**

In 2024, an average of 1,115 personnel were employed in the company and its subsidiaries (31st December 2023: 943 people). As of 31 December 2024, the company's retirement pay liability stood at TRY 65,459,162 with the provision allocated for the entire retirement pay liability. Social rights are provided for the personnel regularly and periodically within the scope of the legislation in place.

### **Kocaer Çelik Human Resources Policy**

Kocaer Çelik has established a Human Resources Policy aimed at providing, maintaining, and, when necessary, supplying the social, psychological, and physical environment required to ensure that operations are conducted as planned and product compliance is achieved. In line with this policy, the company upholds global human rights principles and manages its HR processes based on diversity and equal opportunity, offering its employees a productive, competent, and fulfilling work environment that meets physical well-being standards.

Kocaer Çelik fully respects legal leave regulations and, in line with its goal of being a mother-friendly, continuously learning, evolving, and developing organization, it supports the professional and personal growth of its employees by offering training and development opportunities. The company fosters a corporate culture where recognition is shared within the community and feedback is delivered face-to-face.

Employee ideas are valued through suggestion and reward systems, while a safe and healthy working environment is maintained. Employees are involved in decision-making processes, and the company implements a local employment policy. Within the framework of decent work principles, Kocaer Çelik is committed to a responsible compensation model, applying a remuneration and benefits strategy based on seniority and individual performance.

Additionally, the company follows a goal alignment process, linking strategic objectives to individual performance targets. Beyond these policy components, Kocaer Çelik places people at the center of its operations and actively enriches the social lives of its employees through various social activities.

### **Human Resources Related Activities in 2024**

In 2024, as part of new investments and capacity expansions, the recruitment of personnel required by the company was carried out in cooperation with official local institutions. As part of the digitalization of Human Resources systems, the implementation of various modules of SAP SuccessFactors continued. In addition, travel and expense management processes were digitized using the SAP Fiori application.

Kocaer Çelik also participated in the "WE Project – Developing a Model for Empowering Women in the Manufacturing Industry," a project jointly carried out by the United Nations Development Program (UNDP) and the Ministry of Industry and Technology, with European Union funding, aimed at supporting women's employment.

To promote a strong culture of Occupational Health and Safety (OHS) across the organization, the "Announced Safety Tour (AST)" was launched. This initiative aims to identify and address areas that require safety improvements, eliminate hazardous conditions, and implement structured improvement plans. Additionally, the "Safety Starts With You" brochures were distributed to employees to raise awareness of workplace safety and accident prevention. An OHS Executive Committee was established.

Under the Kocaer Recognition and Appreciation System, 156 "before-and-after" Kaizen projects were conducted in 2024. 102 employee suggestions were evaluated by the relevant committees, of which 11 were implemented as EHS-Kaizen projects and 12 were completed as standard Kaizen initiatives. In total, 362 employees were recognized and rewarded under the defined categories of the appreciation system.

In line with the company's vision, mission, values, and strategic goals, Kocaer Academy was established to enhance employee competencies, knowledge, and skills, and to ensure optimal business outcomes through efficient use of company resources. Kocaer Academy aims to cultivate visionary, innovative, risk-taking, and results-oriented teams, foster a change-ready culture where ideas can be openly expressed, and develop future leaders through an effective strategic planning framework.

Within Kocaer Academy, both vocational and personal development trainings are offered by internal and external trainers. In 2024, internal trainers delivered sessions under the Young Engineers Development Program, covering topics such as Problem Solving Techniques, Time Management, Meeting Techniques, Management Skills, and Leadership. In addition, final-year students from the Machinery and Electrical Departments of Aliğa Vocational School were provided with "Workplace Readiness" training.

Throughout 2024, Kocaer Çelik delivered a total of 31,814 hours of training to 1,142 employees, averaging 28 hours per person.

## **N. RISK MANAGEMENT**

Kocaer Çelik prioritizes enhancing the effectiveness of its risk management processes in order to both effectively manage the uncertainties arising from global developments and to ensure sustainable growth while maintaining its global competitiveness. Accordingly, the company closely monitors global trends and, guided by a proactive approach and an effective corporate risk management policy, identifies potential factors that may impact its operations. These factors are managed in line with the company's risk appetite and integrated into the corporate risk management process through necessary precautions.

The Early Detection of Risk Committee is responsible for identifying all potential threats that may affect the company's future in advance and for managing these risks by ensuring that the necessary measures are taken. Within this scope, the committee is also tasked with identifying potential risks, developing risk mitigation strategies, and periodically reviewing risk management systems. The committee operates based on the Working Principles of the Early Detection of Risk Committee document. Comprising three members, the committee convened four times in 2024, documented its decisions, and submitted them to the Board of Directors.

Corporate risk management is carried out in line with the company's Risk and Opportunity Management Procedure and Handbook, which defines Kocaer Çelik's Risk Management Framework. This framework is integrated with the company's strategic, managerial, and operational processes and aims to cover all aspects of risk management. Every employee is expected to adhere to this framework within the scope of their own responsibilities. The framework also aims to incorporate risk-related processes into the company's Quality, Risk, and Management (QRM) systems to ensure integrity, effectiveness, and efficiency across the organization.

At Kocaer Çelik, corporate risks are classified under six categories: Financial Risks, Strategic Risks, Operational Risks, Information Security Risks, Compliance Risks and Reputational Risks.

In 2024, under the Internal Systems Department, the risks associated with all key company processes were reviewed in greater detail. The effectiveness of the controls designed to mitigate these risks was continually tested.

In addition, under the supervision and direction of the Early Detection of Risk Committee, several strategic risks were identified, and action plans were developed for their mitigation. These include: Natural Disasters, Fire, and Climate Change Risks, Occupational Health and Safety Risks, Cybersecurity and Information Security Risks, Technological Vulnerability Risks, Economic and Political Risks, Supply Chain Risks, Exchange Rate, Parity, Interest Rate, and Liquidity Risks, Business Continuity Risks, Receivables Management Risks, Non-compliance with Ethical Work Culture Risks, and Environmental, Social, and Governance (ESG) Risks.

The implementation of mitigation actions is closely monitored by the responsible units.

## **O. COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES**

The “Corporate Governance Principles Compliance Statement”, “Corporate Governance Compliance Report” and “Corporate Governance Information Form” prepared in accordance with the Corporate Governance Communiqué No. II-17.1 with the decision No. 2/49 dated 10.01.2019 of the Capital Markets Board are included in Annex-2, and the “Sustainability Compliance Statement” and “Sustainability Compliance Report” are included in Annex-3.

## **P. OTHER MATTERS**

### **Forward Looking Assessments**

Kocaer Çelik’s 2030 vision and related goals were approved by the Board of Directors with decision number 26 dated November 21, 2024, and were announced to all stakeholders on the same day via a material event disclosure.

The company’s 2030 growth strategy focuses on the production of specialized steel profile products that are difficult to manufacture and limited in availability worldwide, and that serve as import substitutes in Turkey. It also includes reaching an installed capacity of 250 MW of renewable energy, equivalent to 900 MW of solar energy. With these investments, the company aims to become one of the leading global solution partners in steel profiles, distinguished by its green and environmentally friendly production, and to be a significant player in renewable energy generation. A key objective in its green production and carbon-neutral journey is to meet its entire energy demand through renewable sources.

Focusing particularly on high value-added special steel profile products that are difficult to produce globally and replace imports in Turkey, the company plans to invest in an environmentally friendly, technologically advanced green steel plant with a capacity of 1 million tons to secure the raw materials required for high-quality steel profiles. Additionally, it plans to build a new steel profile factory with a capacity of 500,000 tons, capable of producing large-section structural steels. With the commissioning of the 4th steel profile factory, the total production capacity is targeted to increase from 800,000 tons to 1.3 million tons.

Furthermore, the company aims to expand its global reach by opening new distribution channels and steel service centers in different countries.

For all these investments, Kocaer Çelik has projected an investment budget of \$750 million over the next 5 years.



### **Changes Following the End of Reporting Period**

By the decision of the Board of Directors dated February 17, 2025, it was resolved that Ms. Ayşe Selen Kocabaş be nominated as an independent member of the Board of Directors at the upcoming general assembly meeting, in accordance with the criteria set out in Article 4.3 "Structure of the Board of Directors" of the Corporate Governance Principles stipulated in the Capital Markets Board's Communiqué on Corporate Governance No. II-17.1. The necessary approval has been obtained from the Capital Markets Board (CMB).

### **Legislative Changes**

There were no legislative changes that may have a material impact on the Company's activities in 2024.

### **Conflicts of Interest Between the Company and Service Providers such as Investment Consulting or Rating, and Measures Taken to Prevent Such Conflicts of Interest**

During the reporting period, the Company encountered no conflict of interest or dispute with service providers on investment consulting, rating or other matters. Utmost care is given to the Company's ethical values both in third party contract procedures and in the internal course of business.

### **Disclosures on Administrative or Judicial Sanctions Imposed on the Company or the Board Members for Acts Against Legislative Provisions**

There are no administrative or legal sanctions imposed on the Company or its executives due to acts against legislative provisions.

### **Information to Stakeholders**

None

### **Production Facilities and Branches**

A1 Production Facility, Yeni Foça yolu üzeri 3. km Horozgediği Köyü mevki 19. Cadde No:2 Aliğa / İzmir

A2 Production Facility, Yeni Foça yolu üzeri 2. km Sanayi Caddesi Bozköy mevki No:31 Aliğa / İzmir

A3 Production Facility, Yeni Foça yolu üzeri 3. km Horozgediği Köyü mevki 19. Cadde No:1 Aliğa / İzmir

Galvanizing Factory and Steel Service Center, Yeni Foça yolu üzeri 2. km Sanayi Caddesi Bozköy mevki No:31/6 Aliğa / İzmir

İzmir Alsancak Branch, Akdeniz Mahallesi Şehit Fethibey Caddesi No:55/161 Konak/İzmir

İstanbul Branch, Levazım Mahallesi Kuru Sokak Zorlu Center Teras Evler No:307 Beşiktaş / İstanbul

### **Annex-1: Declarations of Independence of the Members of the Board of Directors**

Since I am nominated to serve as an "Independent Board Member" at Kocaer Çelik Sanayi ve Ticaret Anonim Şirketi (Board) as per the criteria under the Articles of Association and Article 4.3.6 of the Exhibit to the Corporate Governance Communique no. II-17.1 issued by the Capital Markets Board, I hereby declare the following:

- a) There is no relation of employment in executive positions to assume material roles and responsibilities for the past five years between the Company, subsidiaries where the Company holds control or significant power over management or partners that hold significant power in the Company and the legal entities where such partners hold control over management, and me, my wife, and up to second-degree relatives by kinship and marriage; that no capital or voting rights or privileged shares more than 5% were held collectively or individually or no material trade relations were established,
- b) In the past five years, I was not a shareholder (5% and above) or an employee in executive positions to assume material duties and responsibilities, particularly including roles in Company audits (tax audit, legal audit and internal audit), ratings, and consultancy, nor did I serve as a board member, in the companies to and from which the Company extensively sold or purchased services or products as per the contracts signed,
- c) I have the educational background, knowledge, and experience necessary for me to duly perform the tasks I will assume as an independent Board Member,
- d) I do not work on a full-time basis at public agencies and institutions after my appointment as a member except for the lecturer position at universities in line with applicable laws,
- e) I am considered a resident in Türkiye according to Income Tax Law, dated 31/12/1960 and numbered 193,
- f) I am capable to contribute positively to the operations of the corporation, to maintain my objectivity in conflicts of interest between the corporation and the shareholders, have strong ethical standards, professional reputation and experience to freely take decisions by considering the rights of the stakeholders,
- g) I will make sufficient time for keeping track of the Company's activities and for fully performing my duties on behalf of the Company,
- h) Over the last 10 years, I did not serve as a member of the Board of Directors of the Company for more than six years,
- i) I did not serve as an Independent Board Member in more than three of the companies where the Company or its ultimate controlling partners have managerial control nor in more than five companies traded on the stock exchange,
- j) I have not been registered and announced for the legal entity which has been elected as a member of the board of directors.

Fatma Füsün Akkal Bozok

Since I am nominated to serve as an "Independent Board Member" at Kocaer Çelik Sanayi ve Ticaret Anonim Şirketi (Board) as per the criteria under the Articles of Association and Article 4.3.6 of the Exhibit to the Corporate Governance Communiqué no. II-17.1 issued by the Capital Markets Board, I hereby declare the following:

- a) There is no relation of employment in executive positions to assume material roles and responsibilities for the past five years between the Company, subsidiaries where the Company holds control or significant power over management or partners that hold significant power in the Company and the legal entities where such partners hold control over management, and me, my wife, and up to second-degree relatives by kinship and marriage; that no capital or voting rights or privileged shares more than 5% were held collectively or individually or no material trade relations were established,
- b) In the past five years, I was not a shareholder (5% and above) or an employee in executive positions to assume material duties and responsibilities, particularly including roles in Company audits (tax audit, legal audit and internal audit), ratings, and consultancy, nor did I serve as a board member, in the companies to and from which the Company extensively sold or purchased services or products as per the contracts signed,
- c) I have the educational background, knowledge, and experience necessary for me to duly perform the tasks I will assume as an independent Board Member,
- d) I do not work on a full-time basis at public agencies and institutions after my appointment as a member except for the lecturer position at universities in line with applicable laws,
- e) I am considered a resident in Türkiye according to Income Tax Law, dated 31/12/1960 and numbered 193,
- f) I am capable to contribute positively to the operations of the corporation, to maintain my objectivity in conflicts of interest between the corporation and the shareholders, have strong ethical standards, professional reputation and experience to freely take decisions by considering the rights of the stakeholders,
- g) I will make sufficient time for keeping track of the Company's activities and for fully performing my duties on behalf of the Company,
- h) Over the last 10 years, I did not serve as a member of the Board of Directors of the Company for more than six years,
- i) I did not serve as an Independent Board Member in more than three of the companies where the Company or its ultimate controlling partners have managerial control nor in more than five companies traded on the stock exchange,
- j) I have not been registered and announced for the legal entity which has been elected as a member of the board of directors.

Tuğrul Fadilloğlu

**Annex-2 Corporate Governance Compliance Statement, Compliance Report and Information Form****Corporate Governance Compliance Statement**

Kocaer Çelik had IPO on 30 June 2022 and since then is committed to achieve full compliance with the compulsory principles under the Corporate Governance Communiqué no. II-17.1 in force. In the period between 1 January 2024 and 31 December 2024, the company complied with the CMB's compulsory Corporate Governance Principles. The principles that the company has yet to achieve alignment with, have not led to any conflicts of interest among the stakeholders to date. Explanations about compliance with corporate governance principles covered in the appendix to the Corporate Governance Communiqué and about those with which compliance could not be achieved yet in the fiscal period ended on 31 December 2024 have been provided in the Corporate Governance Compliance Report and Corporate Governance Information Sheet templates that entered into force with the CMB decision no. 2/49 dated 10 January 2019. The company believes in the importance of achieving full alignment with the transparency, fairness, responsibility and accountability principles of the Corporate Governance Principles, and continues its work on necessary improvements in its practices at full speed.

## Corporate Governance Compliance Report

1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS	Yes	Partial	No	Exempted	Not Applicable	EXPLANATION
1.1.2- Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION	Yes	Partial	No	Exempted	Not Applicable	EXPLANATION
1.2.1- Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY	Yes	Partial	No	Exempted	Not Applicable	EXPLANATION
1.3.2- The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	There has been no such transaction notification.
1.3.8- Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10- The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X					
1.3.11- The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.		X				General Assembly Meeting invitations and minutes are made available to all stakeholders, including media via Public Disclosure Platform and the corporate website. On the other hand, there was no request from media for attending the general assembly for the 2023 fiscal year.
1.4. VOTING RIGHTS	Yes	Partial	No	Exempted	Not Applicable	EXPLANATION
1.4.1- There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2- The company does not have shares that carry privileged voting rights.			X			Group A registered shares have the privilege of nominating candidates to the board of directors and voting in the general assembly. Group B registered shares have voting privileges in the general assembly. Group C shares do not have any privileges. The privileges enjoyed by privileged shares are stated in the relevant parts of the Articles of Association (Article 6).
1.4.3- The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	Kocaer Çelik does not have a mutual shareholding relationship at a subsidiary along with a control power.

1.5. MINORITY RIGHTS	Yes	Partial	No	Exempted	Not Applicable	EXPLANATION
1.5.1- The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2- The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			Minority rights are not granted to those who have a share of less than one-twentieth of the capital by the Articles of Association, and in parallel with general practices, rights are provided to the minority within the framework of the general provisions of the regulations.
1.6 DIVIDEND RIGHT	Yes	Partial	No	Exempted	Not Applicable	EXPLANATION
1.6.1- The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2- The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3- The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.					X	Dividend distribution decision has been taken.
1.6.4- The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES	Yes	Partial	No	Exempted	Not Applicable	EXPLANATION
1.7.1- There are no restrictions preventing shares from being transferred.		X				The transfer of company shares is regulated in Article 17 of the Articles of Association. The transfer of shares is carried out in accordance with the Turkish Commercial Code, capital markets legislation and relevant legislation. Group A, B and C shares can be transferred freely without any restrictions.
2.1. CORPORATE WEBSITE	Yes	Partial	No	Exempted	Not Applicable	EXPLANATION
2.1.1 The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2- The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4- The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
2.2. ANNUAL REPORT	Yes	Partial	No	Exempted	Not Applicable	EXPLANATION
2.2.1- The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2- The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					

<b>3.1. CORPORATION'S POLICY ON STAKEHOLDERS</b>	<b>Yes</b>	<b>Partial</b>	<b>No</b>	<b>Exempted</b>	<b>Not Applicable</b>	<b>EXPLANATION</b>
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3- Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4- A whistleblowing program is in place for reporting legal and ethical issues.	X					
3.1.5- the company addresses conflicts of interest among stakeholders in a balanced manner.	X					
<b>3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT</b>	<b>Yes</b>	<b>Partial</b>	<b>No</b>	<b>Exempted</b>	<b>Not Applicable</b>	<b>EXPLANATION</b>
3.2.1- The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	X					
3.2.2- Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
<b>3.3. HUMAN RESOURCES POLICY</b>	<b>Yes</b>	<b>Partial</b>	<b>No</b>	<b>Exempted</b>	<b>Not Applicable</b>	<b>EXPLANATION</b>
3.3.1- The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2- Recruitment criteria are documented.	X					
3.3.3- The company has a policy on human resources development, and organises trainings for employees.	X					
3.3.4- Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5- Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.		X				Decisions that will have impact on the employees are disclosed to them through internal communication channels. There is no union activity in our company.
3.3.6- Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7- Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8- The company ensures freedom of association and supports the right for collective bargaining.		X				Our company supports memberships in associations and clubs, however there is no union activity in our company.
3.3.9- A safe working environment for employees is maintained.	X					



3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS	Yes	Partial	No	Exempted	Not Applicable	EXPLANATION
3.4.1- The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2- Customers are notified of any delays in handling their requests.	X					
3.4.3- The company complied with the quality standards with respect to its products and services.	X					
3.4.4- The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY	Yes	Partial	No	Exempted	Not Applicable	EXPLANATION
3.5.1- The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2- The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS	Yes	Partial	No	Exempted	Not Applicable	EXPLANATION
4.1.1- The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2- The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS	Yes	Partial	No	Exempted	Not Applicable	EXPLANATION
4.2.1- The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2- Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3- The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4- Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5- The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7- The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8- The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.		X				There is executive liability insurance for the board of directors, however the amount is below 25% of the company's paid in capital.

4.3. STRUCTURE OF THE BOARD OF DIRECTORS	Yes	Partial	No	Exempted	Not Applicable	EXPLANATION
4.3.9- The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.		X				We believe that ensuring diversity in terms of knowledge, experience and point of view among our Board of Directors will positively contribute to the activities of the Company and the effective functioning of the Board of Directors. Although there is no policy for the minimum rate of female members on the board of directors, our rate of female board members is 12.5%.
4.3.10- At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES	Yes	Partial	No	Exempted	Not Applicable	EXPLANATION
4.4.1- Each board member attend the majority of the board meetings in person or via an electronic board meeting system.	X					
4.4.2- The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3- The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.					X	Although there was an opportunity to express an opinion, no notification was made to this effect by our board members who could not attend the meeting.
4.4.4- Each member of the board has one vote.	X					
4.4.5- The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6- Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7- There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		X				Members of the Board of Directors are not restricted from taking on other duties outside the company due to the significant contribution of their work experience and sectoral experience. The duties of the board members outside the company were presented to the shareholders at the general assembly meeting.
4.5. BOARD COMMITTEES	Yes	Partial	No	Exempted	Not Applicable	EXPLANATION
4.5.5- Board members serve in only one of the Board's committees.			X			Considering issues such as the company's volume of operations and administrative needs, there are board members who serve as members of more than one committee. This does not lead to any conflict of interest within the company.
4.5.6- Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7- If external consultancy services are used, the independence of the provider is stated in the annual report.					X	There is no consultancy service received regarding this issue.
4.5.8- Minutes of all committee meetings are kept and reported to board members.	X					

4.6. FINANCIAL RIGHTS	Yes	Partial	No	Exempted	Not Applicable	EXPLANATION
4.6.1- The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	X					
4.6.4- The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X					
4.6.5- The individual remuneration of board members and executives is disclosed in the annual report.		X				Payments made to board members and upper management are disclosed to the public in total in our financial statement footnotes, in line with general practices. Total amount is disclosed in line with the principals of protection of personal data.

## Corporate Governance Information Form

<b>1. SHAREHOLDERS</b>	
<b>1.1. Facilitating the Exercise of Shareholders Rights</b>	
The number of investor meetings (conference, seminar/etc.) organized by the company during the year	50 meetings were held with institutional investors and analysts.
<b>1.2. Right to Obtain and Examine Information</b>	
The number of special audit request(s)	0
The number of special audit requests that were accepted at the General Shareholders' Meeting	0
<b>1.3. General Assembly</b>	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	<a href="https://www.kap.org.tr/en/Bildirim/1281425">https://www.kap.org.tr/en/Bildirim/1281425</a>
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Yes
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	There was no such transaction during the year.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1)	There is no such transaction under Article 9.
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)	There is no such transaction under Article 10.
The name of the section on the corporate website that demonstrates the donation policy of the company	<a href="http://Kocaersteel.com/">Kocaersteel.com/</a> About Us/ Policies and Regulations/ Donation and Aid Policy
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	<a href="https://www.kap.org.tr/en/Bildirim/1292020">https://www.kap.org.tr/en/Bildirim/1292020</a>
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	Article 11 General Assembly Meetings of the Articles of Association in clause c.
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	The General Assembly invitation was shared with the public on Public Disclosure Platform and our company's website, on the other hand, there was no participation other than shareholders in the General Assembly.

<b>1. SHAREHOLDERS (Continued)</b>	
<b>1.4. Voting Rights</b>	
Whether the shares of the company have differential voting rights	Yes
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	Group A registered shares have the privilege of nominating candidates to the board of directors and voting in the general assembly. Group B registered shares have voting privileges in the general assembly. Group C bearer shares do not have any privileges. A 18.16% Hakan Kocaer, B 18.16% Hakan Kocaer, C 37.88% Hakan Kocaer ve 25.80% publicly traded
The percentage of ownership of the largest shareholder	74.20%
<b>1.5. Minority Rights</b>	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association.	-
<b>1.6. Dividend Right</b>	
The name of the section on the corporate website that describes the dividend distribution policy	Kocaersteel.com/ About Us/ Policies and Regulations/ Profit distribution policy
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend.	Dividend is distributed.
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	Dividend is distributed.

### General Assembly Meetings

General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
7/05/2024	0	77.9%	74.4%	3.5%	<a href="https://ir.kocaersteel.com/en/general-assembly">https://ir.kocaersteel.com/en/general-assembly</a>	<a href="https://ir.kocaersteel.com/en/general-assembly">https://ir.kocaersteel.com/en/general-assembly</a>	None	0	<a href="https://www.kap.org.tr/en/Bildirim/1292020">https://www.kap.org.tr/en/Bildirim/1292020</a>

<b>2. DISCLOSURE AND TRANSPARENCY</b>	
<b>2.1. Corporate Website</b>	
Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	Investor Relations/ Corporate Governance
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	Investor Relations/ Corporate Governance/ partnership-structure-and-concession-information
List of languages for which the website is available	Turkish and English
<b>2.2. Annual Report</b>	
The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	Annual Report / Section A-8 Duties Performed by Board Members and Managers Outside the Company
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	Annual Report / Section A-12 Committees Established within the Board of Directors
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	Annual Report / Section A-10 Number of Meetings of the Board of Directors During the Year and Participation Status
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	Annual Report / Section P - Other Matters / Legislative Changes
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Annual Report / Section G- Legal Cases
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	Annual Report / Section P - Other Matters
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	Annual Report / Corporate Governance Compliance Report Voting Rights Section
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	Annual Report / Section H- Social Responsibility Projects



<b>3. STAKEHOLDERS</b>	
<b>3.1. Corporation's Policy on Stakeholders</b>	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	-
The number of definitive convictions the company was subject to in relation to breach of employee rights	There are 11 final judicial decisions due to breach of employee rights.
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Internal Systems Director
The contact detail of the company alert mechanism	etik.kurul@kocaersteel.com Phone: (232) 625 18 60 Company portal - Ethics Line
<b>3.2. Supporting the Participation of the Stakeholders in the Corporation's Management</b>	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	-
Corporate bodies where employees are actually represented	-
<b>3.3. Human Resources Policy</b>	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	Within the scope of talent management works carried out within our company, succession plans are created for key positions. Backup plans created and appointments to key roles are submitted to the Board of Directors for approval when necessary.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	Kocaersteel.com/ About Us/ Human Resources Policy
Whether the company provides an employee stock ownership program	There isn't an employee stock ownership program
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	Kocaersteel.com/ About Us/ Human Resources and Human Rights Policies
The number of definitive convictions the company is subject to in relation to health and safety measures	There is 2 definitive conviction against our company.
<b>3.5. Ethical Rules and Social Responsibility</b>	
The name of the section on the corporate website that demonstrates the code of ethics	Kocaersteel.com/ About Us/ Ethical Principles
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	Kocaersteel.com/ Sustainability
Any measures combating any kind of corruption including embezzlement and bribery	Kocaer Çelik board members, employees and all related parties are required to stay away from all kinds of behavior and actions within the scope of corruption. Regardless of public or private sector, it is prohibited to receive or give any kind of cash/non-cash benefit that may be within the scope of corruption.

<b>4. BOARD OF DIRECTORS- I</b>	
<b>4.2. Activity of the Board of Directors</b>	
Date of the last board evaluation conducted	21/01/2025
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Hakan Kocaer (Chairman) Mehmet Çakmur (Deputy Chairman and CEO)
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	8
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Annual Report/ Section E
Name of the Chairman	Hakan Kocaer
Name of the CEO	Mehmet Çakmur
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	CEO and Chairman are not the same people.
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	-
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	-
The number and ratio of female directors within the Board of Directors	The number of female board members is 1 and the ratio is 12.5%.

### Composition of Board of Directors

Name, Surname of Board Member	Whether Executive Director Or Not	Whether Independent Director Or Not	The First Election Date To Board	Link To PDP Notification That Includes The Independency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy The Independence or Not	Whether The Director Has At Least 5 Years' Experience On Audit, Accounting And/Or Finance Or Not
Hakan Kocaer	Executive	Not Independent Member	20.04.2022	-	Not applicable	Not applicable	Yes
Mehmet Çakmur	Executive	Not Independent Member	29.08.2023	-	Not applicable	Not applicable	Yes
Ferda Besli	Non- Executive	Not Independent Member	20.04.2022	-	Not applicable	Not applicable	Yes
Recep Yılmaz Argüden	Non- Executive	Not Independent Member	20.04.2022	-	Not applicable	Not applicable	Yes
Fatma Füsün Akkal Bozok	Non- Executive	Independent Member	25.04.2023	<a href="https://www.kap.org.tr/en/Bildirim/1108313">https://www.kap.org.tr/en/Bildirim/1108313</a>	Considered	Hayır	Yes
Tuğrul Fadilloğlu	Non- Executive	Independent Member	25.04.2023	<a href="https://www.kap.org.tr/en/Bildirim/1108313">https://www.kap.org.tr/en/Bildirim/1108313</a>	Considered	Hayır	No
Mesut Uğur Yılmaz	Executive	Not Independent Member	06.06.2024	-	Not applicable	Not applicable	No

<b>4. BOARD OF DIRECTORS- II</b>	
<b>4.4. Meeting Procedures of the Board of Directors</b>	
Number of physical or electronic board meetings in the reporting period	12
Member average attendance rate at board meetings	93%
Whether the board uses an electronic portal to support its work or not	No
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	Members are informed within a reasonable period of time, at least two days in advance of the meeting.
The name of the section on the corporate website that demonstrates information about the board charter	<a href="https://ir.kocaersteel.com/en/board-directors-committees/Corporate-Governance-Committee-Working-Principles">https://ir.kocaersteel.com/en/board-directors-committees/ Corporate Governance Committee Working Principles</a>
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	-
<b>4.5. Board Committees</b>	
Page numbers or section names of the annual report where information about the board committees are presented	Annual Report/ Section A12
Link(s) to the PDP announcement(s) with the board committee charters	<a href="https://www.kap.org.tr/en/Bildirim/1105434">https://www.kap.org.tr/en/Bildirim/1105434</a>

#### Composition of Board Committees- I

Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair or Not	Whether Board Member or Not
Audit Committee	-	Fatma Füsün Akkal Bozok	Yes	Board member
Audit Committee	-	Tuğrul Fadilloğlu	No	Board member
Corporate Governance Committee	-	Fatma Füsün Akkal Bozok	Yes	Board member
Corporate Governance Committee	-	Dr. Yılmaz Argüden	No	Board member
Corporate Governance Committee	-	Zümrüt Can Ambarcı	No	Not board member
Committee of Early Detection of Risk	-	Tuğrul Fadilloğlu	Yes	Board member
Committee of Early Detection of Risk	-	Ferda Besli	No	Board member
Committee of Early Detection of Risk	-	Dr. Yılmaz Argüden	No	Board member

<b>4. BOARD OF DIRECTORS- III</b>	
<b>4.5. Board Committees- II</b>	
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report/ Section A12
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report/ Section A12
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	Relevant duties are carried out by the Corporate Governance Committee.
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report/ Section A12
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	Relevant duties are carried out by the Corporate Governance Committee.
<b>4.6. Financial Rights</b>	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Annual Report/ Section J
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	<a href="https://www.kocaersteel.com/en/policies-and-regulations/">https://www.kocaersteel.com/en/policies-and-regulations/</a> Pricing policy
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Annual Report/ Section B

#### Composition of Board Committees - II

Names Of The Board Committees	Name of committees defined as "Other" in the first column	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number Of Reports On Its Activities Submitted To The Board
Audit Committee	-	100%	100%	4	4
Corporate Governance Committee	-	67%	33%	4	4
Committee of Early Detection of Risk	-	100%	33%	4	4

**EK-3 Statement of Compliance with Sustainability Principles and Compliance Report****Statement of Compliance with Sustainability Principles**

Kocaer Çelik sustainability teams target to achieve compliance with the Sustainability Principles Compliance Framework prepared in line with the modification CMB made to the Corporate Governance Communiqué on 02 October 2020. Explanations have been provided for the principles with which compliance have and have not yet been achieved for the fiscal year ended 31 December 2024, in the Sustainability Report template that has come into effect pursuant to the CMB decision no. 34/977 dated 23 June 2022. The company also includes information about its compliance with the criteria set out in the principles and performance data in its detailed sustainability reports that are disclosed publicly. The company continues to work on its 2024 Sustainability Report. The company overlooks the interest of all stakeholders and keeps working on necessary improvements required by the Sustainability Principles Compliance Framework.

## Sustainability Compliance Report

	COMPLIANCE STATUS				EXPLANATION	Report Information on Publicly Disclosed Information
	Yes	Partial	No	Not applicable		
<b>A. GENERAL PRINCIPLES</b>						
<b>A1. Strategy, Policy and Goals</b>						
A1.1. The prioritised environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the Company's Board of Directors.	X				The Board of Directors has identified priority environmental, social and governance (ESG) issues, risks, and opportunities.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
A1.1. The ESG policies (Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) have been created and disclosed to the public by the Company's Board of Directors.	X				Environmental-Social Management policies have been established and made publicly available on the company website.	<a href="https://www.kocaersteel.com/en/sustainability">https://www.kocaersteel.com/en/sustainability</a>
A1.2. The short and long-term targets set within the scope of ESG policies have been disclosed to the public.	X				The goals within the scope of ESG have been shared in the Sustainability Report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
<b>A2. Implementation/Monitoring</b>						
A2.1. The responsible committees and/or business units for the implementation of ESG policies and the senior officials related to ESG issues in the Company and their duties have been identified and disclosed to the public.	X				Sustainability efforts are overseen by the Management Systems and Sustainability unit, reporting to the CEO. In addition, a Sustainability Working Group was established, including various departments and managers. The organizational structure is explained in detail in the Sustainability Report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
A2.1. The activities carried out within the scope of policies by the responsible committee and/or unit have been reported to the Board of Directors at least once a year.	X				Activities carried out by the responsible unit have been reported to the board of directors.	-
A2.2. In line with the ESG targets, the implementation and action plans have been formed and disclosed to the public.	X				Implementation and action plans have been created and disclosed in the Sustainability Report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
A2.3. The Key ESG Performance Indicators (KPI) and the level of reaching these indicators have been disclosed to the public on yearly basis.	X				ESG performance indicators have been disclosed in the Sustainability Report over the years.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
A2.4. The activities for improving the sustainability performance of the business processes or products and services have been disclosed to the public.	X				Activities aimed at improving our sustainability performance have been disclosed in the Sustainability Report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
<b>A3. Reporting</b>						
A3.1. The information about the sustainability performance, targets and actions have been given in annual reports of the Company an understandable, accurate and sufficient manner.	X				It has been included in the Sustainability section of the activity report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>



	COMPLIANCE STATUS				EXPLANATION	Report Information on Publicly Disclosed Information
	Yes	Partial	No	Not applicable		
<b>A. GENERAL PRINCIPLES Continued)</b>						
<b>A3. Reporting (Continued)</b>						
A3.2. The information about activities which are related to the United Nations (UN) 2030 Sustainable Development Goals have been disclosed to the public.	X				The alignment of our activities with the United Nations Sustainable Development Goals is disclosed in the Sustainability Report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
A3.3. The lawsuits filed and/or concluded against the Company about ESG issues which are material in terms of ESG policies and/or will significantly affect the Company's activities, have been disclosed to the public.				X	No lawsuits have been filed that could affect the financial situation and activities of our company, including environmental, social and governance issues.	
<b>A4. Verification</b>						
A4.1. The Company's Key ESG Performance metrics have been verified by an independent third party and publicly disclosed.		X			Some of the ESG performance measurements are conducted by an independent organization and published in the sustainability report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
<b>B. ENVIRONMENTAL PRINCIPLES</b>						
B1. The policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs have been disclosed.	X				Environmental policies and practices are disclosed in the Sustainability Report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
B2. The environmental reports prepared to provide information on environmental management have been disclosed to the public which is including the scope, reporting period, reporting date and limitations about the reporting conditions.	X				It has been disclosed in the sustainability report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
B4. The environmental targets within the scope of performance incentive systems which included in the rewarding criteria have been disclosed to the public on the basis of stakeholders (such as members of the Board of Directors, managers and employees).			X		Environmental goals have not yet been included in the incentive and reward criteria.	
B5. How the prioritized environmental issues have been integrated into business objectives and strategies has been disclosed.	X				The Sustainability Report includes the integration of environmental goals with the company's strategy.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
B7. The way of how environmental issues has been managed and integrated into business objectives and strategies throughout the Company's value chain, including the operational process, suppliers and customers has been disclosed.	X				The integration of environmental targets with the company strategy, including our suppliers and customers, is included in the Sustainability Report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>

	COMPLIANCE STATUS				EXPLANATION	Report Information on Publicly Disclosed Information
	Yes	Partial	No	Not applicable		
<b>B. ENVIRONMENTAL PRINCIPLES (Continued)</b>						
B8. Whether the Company has been involved to environmental related organizations and non-governmental organizations' policy making processes and collaborations with these organizations has been disclosed.	X				Our key stakeholders are described in the Sustainability Report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
B9. In the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts)), information on environmental impacts is periodically disclosed to the public in a comparable manner.	X				Our greenhouse gas emissions have been calculated in accordance with Scope 1, Scope 2, and Scope 3, and disclosed in our Sustainability Report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
B10. Details of the standard, protocol, methodology, and baseline year used to collect and calculate data has been disclosed.	X				It has been disclosed in the sustainability report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
B11. The increase or decrease in Company's environmental indicators as of the reporting year has been comparatively disclosed with previous years.	X				It has been disclosed in the sustainability report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
B12. The short and long-term targets for reducing the environmental impacts have been determined and the progress compared to previous years' targets has been disclosed.	X				Targets and performances over the years have been disclosed in the Sustainability Report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
B13. A strategy to combat the climate crisis has been created and the planned actions have been publicly disclosed.	X				Action plans regarding the climate crisis have been disclosed in the Sustainability Report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
B14. The programs/procedures to prevent or minimize the potential negative impact of products and/or services on the environment have been established and disclosed.	X				Procedures have been established to minimize our environmental impact, and they have been disclosed in the Sustainability Report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
B14. The actions to reduce greenhouse gas emissions of third parties (suppliers, subcontractors, dealers, etc.) have been carried out and disclosed.		X			Efforts are being made to implement actions that reduce third-party greenhouse gas emissions, but these actions have not been publicly disclosed yet.	
B15. The environmental benefits/gains and cost savings of initiatives/projects that aims reducing environmental impacts have been disclosed.	X				It has been disclosed in the sustainability report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
B16. The data related to energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) has been disclosed as Scope-1 and Scope-2.	X				It has been disclosed in the Environmental Performance Indicators section of the Sustainability Report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>

	COMPLIANCE STATUS				EXPLANATION	Report Information on Publicly Disclosed Information
	Yes	Partial	No	Not applicable		
<b>B. ENVIRONMENTAL PRINCIPLES (Continued)</b>						
B17. The information related to production of electricity, heat, steam and cooling as of the reporting year has been disclosed.	X				It has been disclosed in the Environmental Performance Indicators section of the Sustainability Report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
B18. The studies related to increase the use of renewable energy and transition to zero/low carbon electricity have been conducted and disclosed.	X				Efforts to reduce our carbon footprint are included in the Sustainability Report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
B19. The renewable energy production and usage data has been publicly disclosed.	X				Information regarding renewable energy has been provided in Public Disclosure Platform and the Sustainability Report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
B20. The Company conducted projects about energy efficiency and the amount of reduction on energy consumption and emission achieved through these projects have been disclosed.	X				It has been disclosed in the sustainability report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
B21. The water consumption, the amount, procedures and sources of recycled and discharged water from underground or above ground (if any), have been disclosed.	X				It has been disclosed in the sustainability report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
B22. The information related to whether Company's operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).	X				Regulations regarding carbon pricing have not yet been established in our country. On the other hand, as an exporter we are subject to European carbon pricing system and our related works have been shared with the public.	<a href="https://www.kap.org.tr/en/Bildirim/1221014">https://www.kap.org.tr/en/Bildirim/1221014</a>
B23. The information related to accumulated or purchased carbon credits within the reporting period has been disclosed.			X		There are no carbon credits accumulated or purchased as of the reporting period.	
B24. If carbon pricing is applied within the Company, the details have been disclosed.		X			Our work on carbon pricing continues, but its details have not been disclosed to the public as of the reporting period.	
B25. The platforms where the Company discloses its environmental information have been disclosed.	X				It has been disclosed in the sustainability report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
<b>C. SOCIAL PRINCIPLES</b>						
<b>C1. Human Rights and Employee Rights</b>						
C1.1. The Institutional Human Rights and Employee Rights Policy has been established in the light of the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other relevant legislation. The policy and the officials responsible for the implementation of it have been determined and disclosed.	X				Policies regarding human rights have been specified in the Business Ethics Code Guide shared with all employees, and included in the Ethics Principles section of our website as well as in the sustainability report.	<a href="https://www.kocaersteel.com/en/ethical-principles">https://www.kocaersteel.com/en/ethical-principles</a> <a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>

	COMPLIANCE STATUS				EXPLANATION	Report Information on Publicly Disclosed Information
	Yes	Partial	No	Not applicable		
<b>C. SOCIAL PRINCIPLES (Continued)</b>						
<b>C1. Human Rights and Employee Rights (Continued)</b>						
C1.2. Considering the effects of supply and value chain, fair workforce, improvement of labor standards, women's employment and inclusion issues (gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc., such as non-discrimination) are included in its policy on employee rights.	X				Policies regarding human rights have been specified in the Business Ethics Code Guide shared with all employees, and included in the Ethics Principles section of our website as well as in the sustainability report.	<a href="https://www.kocaersteel.com/en/ethical-principles">https://www.kocaersteel.com/en/ethical-principles</a> <a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
C1.3. The measures taken for the minority rights/equality of opportunity or the ones who are sensitive about certain economic, environmental, social factors (low income groups, women, etc.) along the supply chain have been disclosed.	X				Policies regarding human rights have been specified in the Business Ethics Code Guide shared with all employees, and included in the Ethics Principles section of our website as well as in the sustainability report.	<a href="https://www.kocaersteel.com/en/ethical-principles">https://www.kocaersteel.com/en/ethical-principles</a> <a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
C1.4. The developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced and child labor have been disclosed.	X				Policies regarding human rights have been specified in the Business Ethics Code Guide shared with all employees, and included in the Ethics Principles section of our website as well as in the sustainability report.	<a href="https://www.kocaersteel.com/en/ethical-principles">https://www.kocaersteel.com/en/ethical-principles</a> <a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
C1.5. Investments in employees (education, development policies), compensation, fringe benefits, right to unionize, work/life balance solutions and talent management are included in the employee rights policy.	X				Policies regarding human rights have been specified in the Business Ethics Code Guide shared with all employees, and included in the Ethics Principles section of our website as well as in the sustainability report.	<a href="https://www.kocaersteel.com/en/ethical-principles">https://www.kocaersteel.com/en/ethical-principles</a> <a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
C1.5. The mechanism for employee complaints and resolution of disputes have been established and related solution processes have been determined.	X				The Ethics Committee oversees the resolution of employee complaints and disputes.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
C1.5. The activities carried out within the reporting period which related to ensure employee satisfaction have been disclosed.	X				It has been disclosed in the sustainability report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
C1.6. The occupational health and safety policies have been established and disclosed.	X				Our employee health and safety policies have been disclosed in the Sustainability Report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
C1.6. The measures taken for protecting health, preventing occupational accidents and related statistics have been disclosed.	X				Measures and statistics regarding workplace accidents have been disclosed in the Sustainability Report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
C1.7. The personal data protection and data security policies have been established and disclosed.	X				The information security policy has been published on our website.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>

	COMPLIANCE STATUS				EXPLANATION	Report Information on Publicly Disclosed Information
	Yes	Partial	No	Not applicable		
<b>C. SOCIAL PRINCIPLES (Continued)</b>						
<b>C1. Human Rights and Employee Rights (Continued)</b>						
C1.8. The ethics policy have been established and disclosed.	X				The ethical policy has been included on our website's Ethics Principles section and in the sustainability report.	<a href="https://www.kocaersteel.com/en/ethical-principles">https://www.kocaersteel.com/en/ethical-principles</a> <a href="https://www.kocaersteel.com/tr/sustainability/reports">https://www.kocaersteel.com/tr/sustainability/reports</a>
C1.9. The studies related to social investment, social responsibility, financial inclusivity and access to finance have been explained.	X				It has been disclosed in the sustainability report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
C1.10. The informative meetings and training programs related to ESG policies and practices have been organized for employees.	X				Employees have been provided with training, and the details have been disclosed in the Sustainability Report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
<b>C2. Stakeholders, International Standards and Initiatives</b>						
C2.1. The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed.	X				Customer satisfaction policies have been included in the Sustainability Report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
C2.2. The information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed.	X				Information regarding stakeholder engagement has been provided in the Sustainability Report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
C2.3. The international reporting standards that adopted in reporting have been explained.	X				It has been disclosed in the sustainability report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
C2.4. The principles adopted regarding sustainability, the signatory or member international organizations, committees and principles have been disclosed.	X				It has been disclosed in the sustainability report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
C2.5. The improvements have been made and studies have been carried out in order to be included in the Borsa Istanbul sustainability indices and/or international index providers.		X			Efforts are underway to be included in the sustainability index.	
<b>D. CORPORATE GOVERNANCE PRINCIPLES</b>						
D1. The opinions of stakeholders have been sought in the determination of measures and strategies related to sustainability	X				It has been included in the sustainability report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>
D2. The social responsibility projects, awareness activities and trainings have been carried out to raise awareness about sustainability and its importance.	X				It has been included in the sustainability report.	<a href="https://www.kocaersteel.com/en/sustainability-reports">https://www.kocaersteel.com/en/sustainability-reports</a>