

STEEL FOR THE FUTURE



 **Çolakoğlu Metalurji**

SUSTAINABILITY REPORT
2023

CONTENT

CORPORATE PROFILE

About Us
Vision, Mission and Values
Strategy and Objectives
Materiality Analysis
Stakeholder Communication
Corporate Memberships
Financial Performance
Awards and Achievements

CORPORATE GOVERNANCE SHAPING THE FUTURE

Corporate Governance
Customer Management
Ethics Management
Cyber and Information Security
Management

OPERATIONAL STRENGTH AND CONTINUOUS DEVELOPMENT THROUGH INNOVATION

Product Quality and Safety
Operational Efficiency
R&D and Innovation
Supply Chain Management
Digital Transformation

CLIMATE CHANGE AND TRANSITION TO A LOW-CARBON ECONOMY

Greenhouse Gas Management
Climate Risk Management
Energy Management

RESPONSIBLE ENVIRONMENTAL MANAGEMENT FOR THE STEEL OF THE FUTURE

Circular Economy
Air Quality
Water Management

THE STEEL OF THE FUTURE IS SHAPED BY A STRONG SOCIETY AND WORKFORCE

Our Employees
Talent Management
Equality, Diversity and Inclusion
For The Community, With The Community
Occupational Health and Safety

ANNEXES

Annex 1 - Performance Indicators
Annex 2 - GRI Content Index
Annex 3 - Contact Us

ABOUT THE REPORT

Scope of the Report

This report presents Çolakoğlu Metalurji A.Ş.'s environmental, social and governance (ESG) performance, strategic goals, sustainability vision and contributions to the United Nations Sustainable Development Goals (SDGs) between January 1, 2023 and December 31, 2023.

The sustainability report has been prepared in accordance with the "GRI Standards" published by GRI, and performance disclosures are presented mainly within the scope of "GRI Standards" disclosures. The report also takes into account Sustainability Accounting Standards Board (SASB) and other sector-specific sustainability requirements

The material issues that have an impact on Çolakoğlu Metalurji's steel mill, hot sheet rolling mill, bar rolling mill and energy production activities are included in the report in detail and the targets and outputs related to these issues are presented to all stakeholders in a transparent manner.

Report Period

This report covers the period from January 1, 2023 to December 31, 2023, unless otherwise stated.

The data contained in the report constitutes a benchmark for the reports that Çolakoğlu Metalurji will publish in the future.

Feedback

Any questions, comments and suggestions about the sustainability report or Çolakoğlu Metalurji's sustainability performance can be sent to surdurulebilirlik@colakoglu.com.tr e-mail address.





GENERAL MANAGER MESSAGE



By conducting our activities with an innovative perspective focusing on product management, we created our dynamic roadmap with high value-added steel products that have the most ideal features. As a result, in 2023, we managed to reach an all-time high sales rate of 16.7% in value-added products and our turnover amounted to TL 61.4 billion.



Dear Stakeholders

As we enthusiastically celebrate the 100th anniversary of our Republic in 2023, we take great pride in taking firm steps forward on the path opened by the Great Leader Mustafa Kemal Atatürk and committing to his values.

We make significant contributions to many industries with our high-strength steel products.

Today, Çolakoğlu Metalurji's high-strength steel products make significant contributions to many industries such as automotive, white goods, automotive sub-industry, wheels, machinery manufacturing, oil and pipe drilling, agricultural tools, construction and construction. We export our high quality steel products produced using the latest technology to more than 150 countries.

Our wide quality range ensures that we adapt to technological and sectoral developments and we aim for sustainable growth by maintaining the balance between capacity and cost within the framework of our corporate governance approach.

2023 was a year of significant developments for the global iron and steel industry.

Following the year 2022, which was a positive period for Çolakoğlu Metalurji unlike the rest of the world after the pandemic, 2023 was a time of significant developments for the iron and

steel industry globally, one in which the industry faced challenges. In addition to supply chain interruptions due to the war in Ukraine, there was a significant increase in energy costs, especially in Europe, which led to a 4% decrease in steel production in the region.

Total production rates also declined in the United States, while China, the world's leader in steel production, maintained its position. In 2023, global crude steel production stood at 1,888.2 million tons, while this amount was 33.7 million tons in Türkiye, one of the few countries to achieve an increase in production. With this growth, Türkiye has also demonstrated the regional strength of the sector.

We are constantly improving ourselves to provide a better future for upcoming generations.

As we approach our 80th year in business, we contribute to the sustainable growth of our country with our experience, know-how, suppliers, customers and employees. In accordance with the slogan **"We Give Life to the Steel of the Future"**, we continuously improve ourselves with the aim of offering a better future to the upcoming generations. As one of the leading companies of the Turkish industry since the day we were founded, we have been working constantly without compromising our quality.

2023, a year of highly volatile conditions, was a successful period for Çolakoğlu Metalurji in which our total sales values increased and tests were initiated in our main and sub automotive industry groups.

By conducting our activities with an innovative perspective focusing on product management, we created our dynamic roadmap with high value-added steel products that have the most ideal features. As a result, in 2023, we managed to reach an all-time high sales rate of 16.7% in value-added products and our turnover amounted to TL 61.4 billion.

While achieving over 85% customer satisfaction, we defined our focus as improving product quality and reliability, increasing operational efficiency and completely fulfilling the expectations of our stakeholders.

In this context, in 2023, we implemented projects that will contribute to our growth such as hot sheet rolling mill development and capacity increase investments, digitalization projects, S4HANA Project, steam fan capacity increase and the Rgl system. These projects further strengthened our leading position in our industry.

We are determined to steadily continue our value-adding investments and activities in the coming periods.

We will maintain our pioneering position in the transition to a low carbon economy, which is supported by policies and regulations all over the world. We will realize our renewable energy investments and energy efficiency projects in line with our targets of 55% emission reduction by 2030 and carbon neutrality by 2050, which we have set in line with our sustainability strategy.

Thanks to our electric arc furnace (EAF) based production model, which has lowest emission intensity in the iron and steel industry and our high efficiency efforts, our Scope 1 and 2 emission value per steel was realized as 0.34 tCO₂/ton in 2023. This value, which is much lower than the BOF production model used extensively in the rest of the industry, is also among the lowest emission levels among EAF production models. We aim to speed up our work with the confidence of implementing the lowest emission production model in the iron and steel industry.

In line with the United Nations Sustainable Development Goals, we will continue to make value-adding investments and work without interruption in order to be a company that benefits society and contributes to the well-being of people, a company that safeguards the environment and natural resources, and responds to the needs of future generations with a sustainable approach.

With the awareness of the responsibility we have assumed, I would like to thank all our stakeholders, especially our valuable colleagues and business partners, who have contributed to our sustainability report, which outlines our performance and the results we have achieved in the environmental, social and governance (ESG) areas.

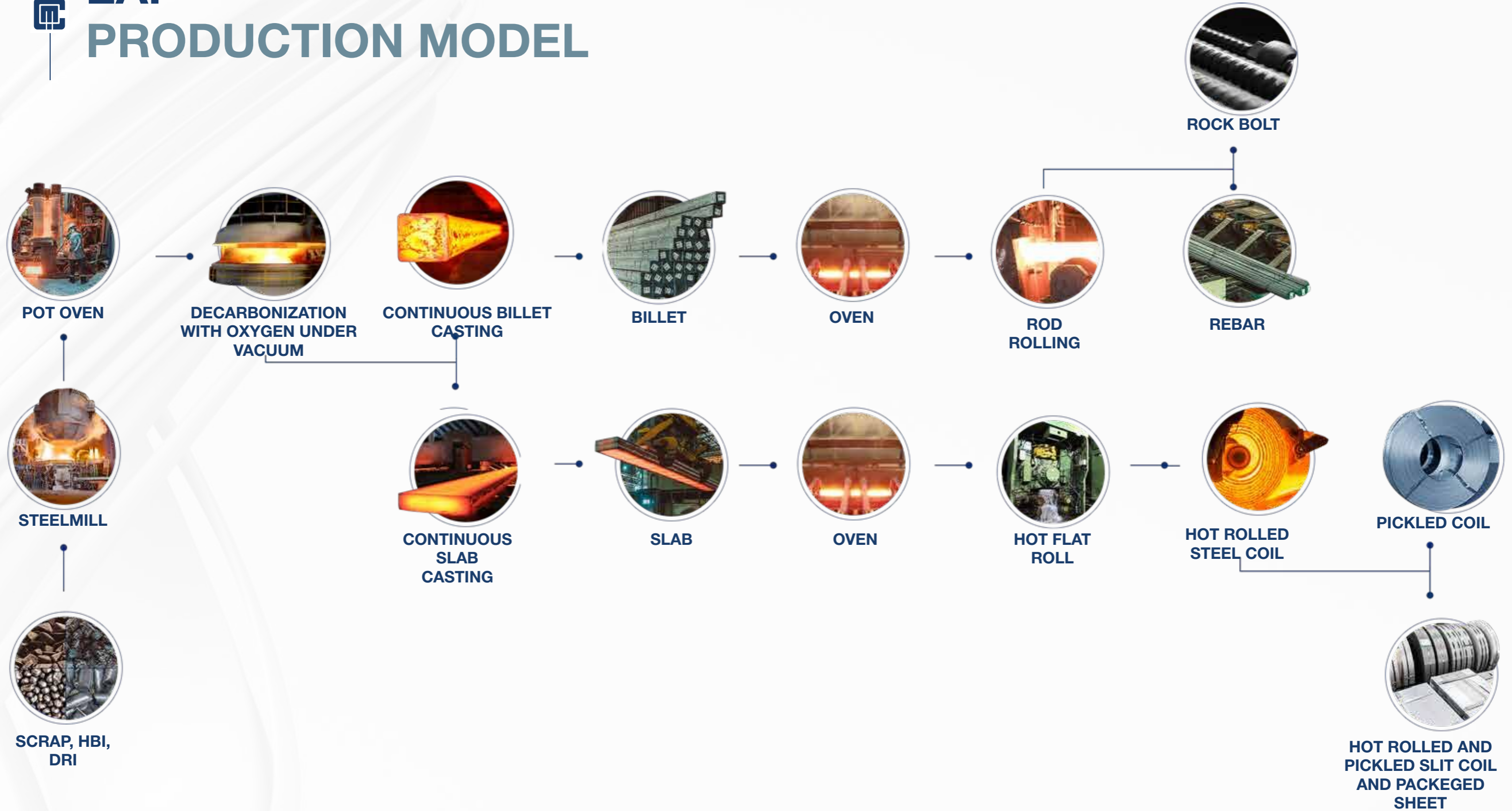
Uğur DALBELER
 General Manager



CORPORATE PROFILE



EAF **PRODUCTION MODEL**



“ FLAT STEEL PRODUCTION CAPACITY INCREASED BY 50%. IN 2023, WITH THE 2ND SLAB FURNACE INVESTMENT, FLAT STEEL PRODUCTION CAPACITY WAS INCREASED BY 50% TO 4.5 MILLION TONS. ”

ABOUT US

Çolakoğlu Metalurji attaches great importance to bringing the latest and environmentally friendly technologies to the country in all of its projects and it has always taken significant steps that have shaped the industry.

Çolakoğlu Metalurji A.Ş. was founded in 1945 by Mehmet Rüştü Çolakoğlu and started its first activities in the iron and steel sector as a Steel Trading Company in Karaköy, İstanbul. Production activities gained momentum with the commissioning of the first steel rolling mill in Söğütözü, İstanbul in the 1950s and the first steel mill in Dilovası in 1969.

Çolakoğlu Metalurji maintained its leading position within the industry with new achievements in the following years. In 1985, the Company realized the first wire rod production in the Turkish private sector and added ribbed construction steel to its product range in 1990.

Çolakoğlu Metalurji attaches great importance to bringing the latest and environmentally friendly technologies to the country in all its projects. The Company has always taken significant steps that have shaped the industry such as the renewal of the steel mill in 2007 and the transition to sheet metal production in 2010. Çolakoğlu's 2nd Slab Furnace investment In 2023 meant that its sheet metal production capacity rose by 50% to 4.5 million tons.

For 78 years, Çolakoğlu Metalurji has been operating with a safe and high-quality service mentality, making significant contributions to many sectors with its products such as sheet metal, automotive, rim, machinery manufacturing, oil and pipe drilling, construction and agricultural tools. In addition, the Company serves the construction industry with ribbed construction steel manufactured in the long product category.

Today, Çolakoğlu Metalurji is one of the largest companies in the iron and steel industry in Türkiye, making a significant contribution to the country's exports with sales to more than 150 countries from America to Europe, Africa to South America.



OUR JOURNEY FROM PAST TO PRESENT

Start of Commercial Activity

Steel Mill Investment in Dilovası

Wire Rod and Construction Steel Investment

2.5 Million Ton Capacity Steel Mill Modernization Investment

EAF Renewal

Artificial Intelligence Integration in Melting

1960

1983

1988-1990

2007-2010

2020

2023

1945

1968-1969

1983-1985

2004-2007

2010

2022

Rolling Mill Investment in Sütlüce

The Beginning of Export

Second Construction Steel Investment

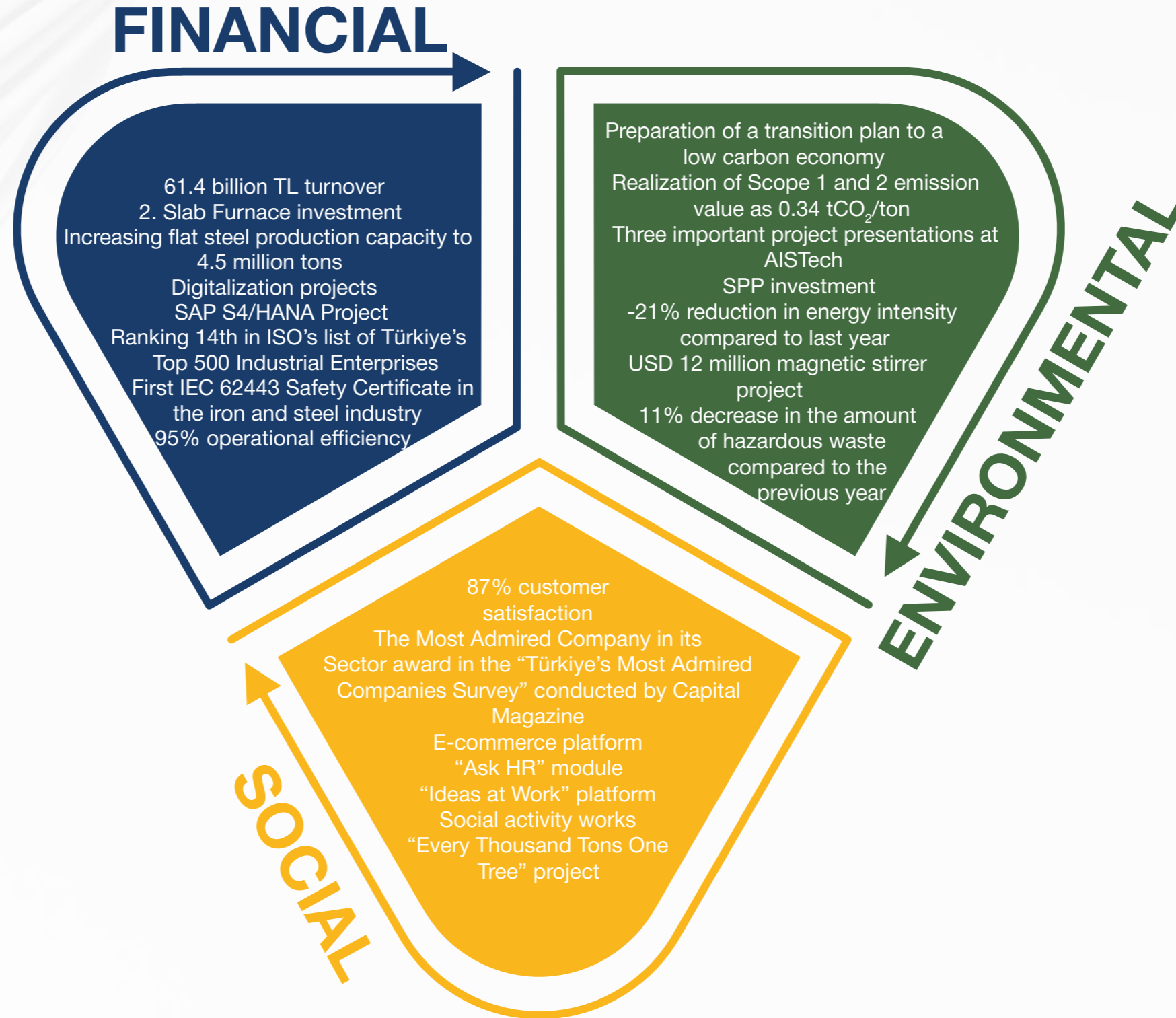
Hot Sheet Rolling Mill Investment

Stainless Steel Production

4.5 Million Tons Flat Steel Production Capacity Achieved with the 2nd Slab Furnace Investment

Çolakoğlu Metalurji

HIGHLIGHTS IN 2023



**“OUR ENVIRONMENTAL AND SOCIAL AWARENESS
OUR ENVIRONMENT-ORIENTED TECHNOLOGIES
AND RECYCLING PRACTICES REFLECT THE
LATEST DEVELOPMENTS IN THE WORLD. ”**



VISION, MISSION AND VALUES

Çolakoğlu Metalurji's core value is to manufacture products for user-friendly, strong and modern structures that offer a quality life by using the latest technologies in accordance with its environmental and corporate responsibilities. Focusing on building long-term relationships with its customers, Çolakoğlu Metalurji has been one of Türkiye's most qualified and reliable industrial companies for many years by taking steps to develop both its stakeholders and the industry.

Steel is the most fundamental substance in our lives. Based on this fact, we are constantly working to produce steel industry products that add value to people's lives. With this vision, as one of the most advanced and innovative companies in the Turkish industry since the day we started our operations, we have made it our duty to carry forward not only our organization and our stakeholders, but also the industry itself. Guided by the awareness of our environmental and social responsibilities, manufacturing the very best is our indispensable corporate value. We are proudly moving forward on our path by adhering to these values.

STRATEGY AND OBJECTIVES

Çolakoğlu Metalurji defines the key elements that ensure long-term success and social benefit as an integral part of its business processes.

For the last 78 years, Çolakoğlu Metalurji has been working with all of its employees to build a sustainable world under the slogan “We Give Life to the Steel of the Future” and it has indeed been present with its steel at every point of life. The Company conducts sector-leading activities in line with the United Nations Sustainable Development Goals (SDGs) by addressing its environmental, social and governance performance in an integrated manner with its corporate values and sustainability strategies.

Within the scope of its sustainable business strategy, Çolakoğlu Metalurji defines the key elements that ensure long-term success and social benefit as an integral part of its business processes.

ENVIRONMENTAL RESPONSIBILITY

To increase energy and resource efficiency, reduce waste generation and facilitate the transition to renewable resources through production models that minimize environmental impacts

Informing and raising awareness of suppliers on sustainability and preferring sustainable supply sources

HUMAN RIGHTS AND EMPLOYEE WELFARE

Respecting the rights of employees, providing fair wages and safe working conditions, conducting activities to promote equality, diversity and inclusion, improving employee well-being and investing in the workforce

LONG-TERM PLANNING AND GOVERNANCE

Focusing on sustainability goals, creating effective governance structures to achieve these goals

COMMUNITY ENGAGEMENT AND COLLABORATIONS

Responding to social expectations and working in cooperation with local communities through a transparent and participatory communication and business model, taking into account the needs of the community

INNOVATION AND TECHNOLOGY

Invest in renewable energy sources, adopt green technologies to reduce carbon footprint and promote a culture of continuous improvement and innovation



Çolakoğlu Metalurji's goals to promote a culture of sustainability and contribute to the United Nations Sustainable Development Goals (SDGs) are set out below:



PROMOTING GENDER EQUALITY

Çolakoğlu Metalurji has 28% female employees in its senior management and the current white-collar female employee ratio for 2023 is 17.5%. The company target is to increase this ratio to 20% in 2024.



RENEWABLE ENERGY

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



ESTABLISHING AN EFFECTIVE GOVERNANCE STRUCTURE

Çolakoğlu Metalurji aims to increase its liquid steel production to 5 million tons, increase employee satisfaction by 10% and achieve "Zero Accident" rate within the scope of occupational health and safety priority with its sustainable management model in line with its multinational structure.



DEVELOPING R&D AND DIGITAL INFRASTRUCTURE

Çolakoğlu Metalurji aims to increase its production efficiency through an R&D Center investment and digital transformation projects leading to the development of new products. The Company further aims to increase the sales of these products to 25%.



REDUCING INEQUALITIES

Çolakoğlu Metalurji aims to increase social cohesion and adaptation in the society by establishing a sports club in the Dilovası region where its production facilities are located with a view to bring different communities together and create an environment of equal opportunity.



WASTE REDUCTION AND TRANSITION TO CIRCULAR ECONOMY

Until the year 2025, Çolakoğlu Metalurji aims to reduce the amount of hazardous waste generated in its production facilities by 1% on a unit product basis compared to 2023. This action will support the circular economy by ensuring that at least 85% of these wastes are recovered and strengthen the Company's sustainability strategy



LOW CARBON

By adopting low-carbon production processes, Çolakoğlu Metalurji aims to reduce its carbon footprint from Scope 1 and Scope 2 in its operations by 55% by 2030 and to achieve net zero emissions by 2050.



SUSTAINABLE OF NATURAL RESOURCES

Çolakoğlu Metalurji obtains 89% of the water used in its production stages by purifying sea water. In the future, the Company aims to work on projects that will reduce the water footprint per unit of product by eliminating fresh water consumption in production.

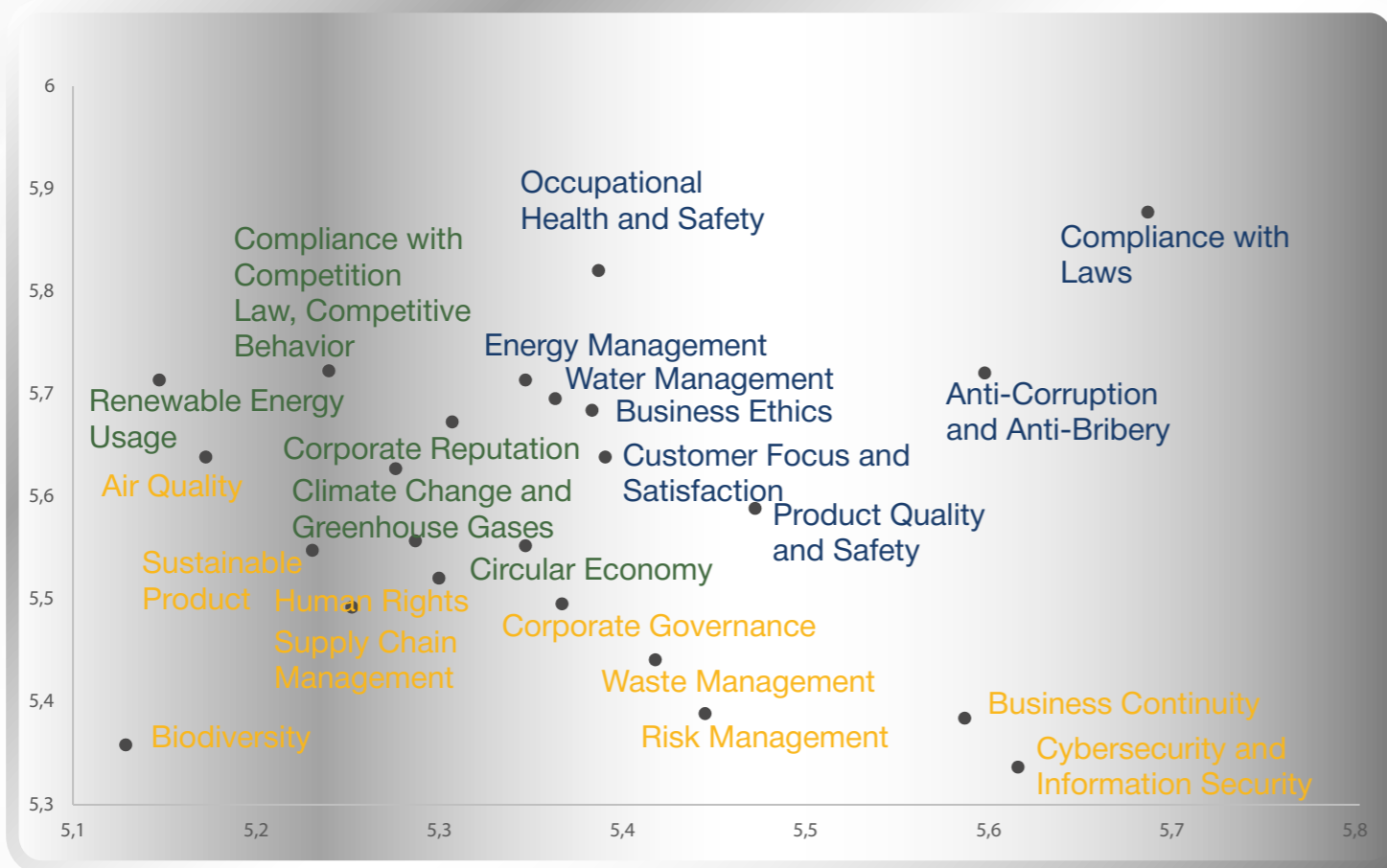
MATERIALITY ANALYSIS

Çolakoğlu Metalurji is aware of the sectoral and corporate importance of stakeholder engagement for the continuity of its sustainability actions. In this context, the Company aims for development, change and continuous improvement in its business conduct by enhancing its communication with its stakeholders via feedback. Çolakoğlu Metalurji also identifies potential risks that may affect its operations early, makes appropriate action plans and develops risk management policies.

Çolakoğlu Metalurji conducted a double materiality analysis study in 2024 within the framework of the expectations it defined. As a first step, we organized a workshop on January 5-6 with the participation of all process-owner managers and evaluated the planned sanctions for carbon emission reduction in line with national and international carbon emission targets.

We then created a long list of issues by examining the requirements of international sustainability indices, the Sustainable Development Goals and standards specific to the iron and steel industry. In this process, we took into consideration the corporate and social impacts of all of the issues. Following internal assessments we identified eight different stakeholder groups and reached them through both questionnaires and face-to-face interviews.

The double materiality analysis created by consolidating the data thus obtained has become one of the most important inputs of the sustainability strategy being developed by Çolakoğlu Metalurji. We aim to complete the roadmap determination and strategic planning studies in line with this data in the third quarter of 2029.



Very Highly Material Topics	Highly Material Topics	Material Topics
Compliance with Laws	Compliance with Competition Law, Competitive Behavior	Air Quality
Anti-Corruption and Anti-Bribery	Corporate Reputation	Business Continuity
Occupational Health and Safety	Renewable Energy Usage	Human Rights
Energy Management	Climate Change and Greenhouse Gases	Corporate Governance
Business Ethics	Circular Economy	Cybersecurity and Information Security
Water Management		Supply Chain Management
Customer Focus and Satisfaction		Waste Management
Product Quality and Safety		Sustainable Product
		Risk Management
		Biodiversity

STAKEHOLDER COMMUNICATION

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

Çolakoğlu Metalurji’s main stakeholder groups, the subject and methods of communication with these groups are shown in the table below:

STAKEHOLDERS	SUBJECT	COMMUNICATION METHOD	COMMUNICATION FREQUENCY
Company Shareholders	Strategy, Finance	Verbal, Digital, Face to Face	Daily
Senior Management	Strategy, Crisis Management, Internal Communication	Verbal, Digital, Face to Face	Daily
Employees	Operation, Internal Communication, External Communication, Documentation Management, Motivation and Satisfaction, OHS, Trainings	Verbal, Digital, Face to Face	Continuous
Suppliers and Contractors	Supplier Relations, OHS, Sustainability, Incoming Product Complaints	Verbal, Digital	Continuous
Customers	Customer Expectation and Satisfaction, Sales, Complaint Mechanism	Verbal, Digital, Face to Face	Continuous
Public Institutions and Organizations	Public Relations, Social Development, Official Transactions	Verbal, Digital, Face to Face	Continuous
Civil Society Organizations, Trade Unions, Sectoral Organizations, Independent Auditing Organizations	Social Development, Sustainability and Environment, Stakeholder Relations, Working Conditions	Digital, Face to Face	Monthly
Neighboring Businesses and Local Communities	Environment, Community Development, Grievance Mechanism	Verbal, Digital, Face to Face	Monthly



CORPORATE MEMBERSHIPS

Çolakoğlu Metalurji creates value for all its stakeholders by establishing national and international strategic collaborations within the framework of its corporate values. In line with its sustainability goals, the Company closely monitors current developments and works with various unions, associations and trade unions in order to effectively manage risks and opportunities.

Associations and NGOs of which Çolakoğlu Metalurji is a Member

	European Steel Association (Eurofer)		Kocaeli Dilovası Organized Industrial Zone (KOSB)		Human Management Association of Türkiye (PERYÖN)
	Steel Exporters Association (ÇİB)		Kocaeli Chamber of Industry (KSO)		Turkish Port Operators Association (TÜRKLİM)
	Foreign Economic Relations Board (DEİK)		Corporate Communicators Association (KID)		Turkish Metal Industries Union (MESS)
	World Steel Association (WSA)		Responsible Steel - Australia		Union of Chambers and Commodity Exchanges of Türkiye (TOBB)
	Electricity Producers Association (EÜD)		Automotive Suppliers' Association (TAYSAD)		International Rebar Exporters and Producers Association (IREPAS)
	Gebze Chamber of Commerce (GEBZETO)		Turkish Steel Producers Association (TÇÜD)		Flat Steel Exporters and Industrialists Association (YISAD)
	Boiler and Pressure Vessel Industrialists' Association (KBSB)		Turkish Foreign Trade Association (TURKTRADE)		

“ ÇOLAKOĞLU METALURJİ 2023 TURNOVER 61.4 BILLION TL ”

FINANCIAL PERFORMANCE

In 2023, there was a recovery in world steel production.

In the first half of 2023, world steel production contracted due to high energy prices, weakening consumption and investments, particularly in the construction sector, and the recession in the Chinese real estate market.

In the second half of the year, world steel production recovered due to the decline in raw material prices, reduced fluctuations in energy prices, increased infrastructure investments made within the framework of sustainability and decarbonization, and China’s steps to support the steel industry. Thus, in 2023 world crude steel production reached 1.887 billion tons, similarl with 2022 (2022: 1.888 billion tons).

Çolakoğlu Metalurji achieves sustainable growth figures with the product diversity it has achieved with high technology.

The main determining factors in Çolakoğlu Metalurji’s financial policy are customer preferences, including the markets where supply and sales are made, compliance with technological developments, compliance with legal regulations, risk management and corporate governance principles.

The Company achieves sustainable growth figures thanks to the product diversity it has achieved with high technology. Similarly, it minimizes the impact of fluctuations in the economy and the sector with the right cash flow cycle, balance sheet and liquidity management and various derivative instruments in line with its operating structure.

Çolakoğlu Metalurji has determined its vision of becoming a leading steel producer with a comprehensive approach by focusing on all stakeholders, human resources and customer satisfaction within the scope of its quality policy established in accordance with the ISO 9001 Quality Management System. The Company contributes to the national economy with its business processes structured in this direction.

Çolakoğlu Metalurji aims for sustainable growth by maintaining a balance between capacity and cost, and ranks 14th in ISO’s list of Türkiye’s Top 500 Industrial Enterprises.

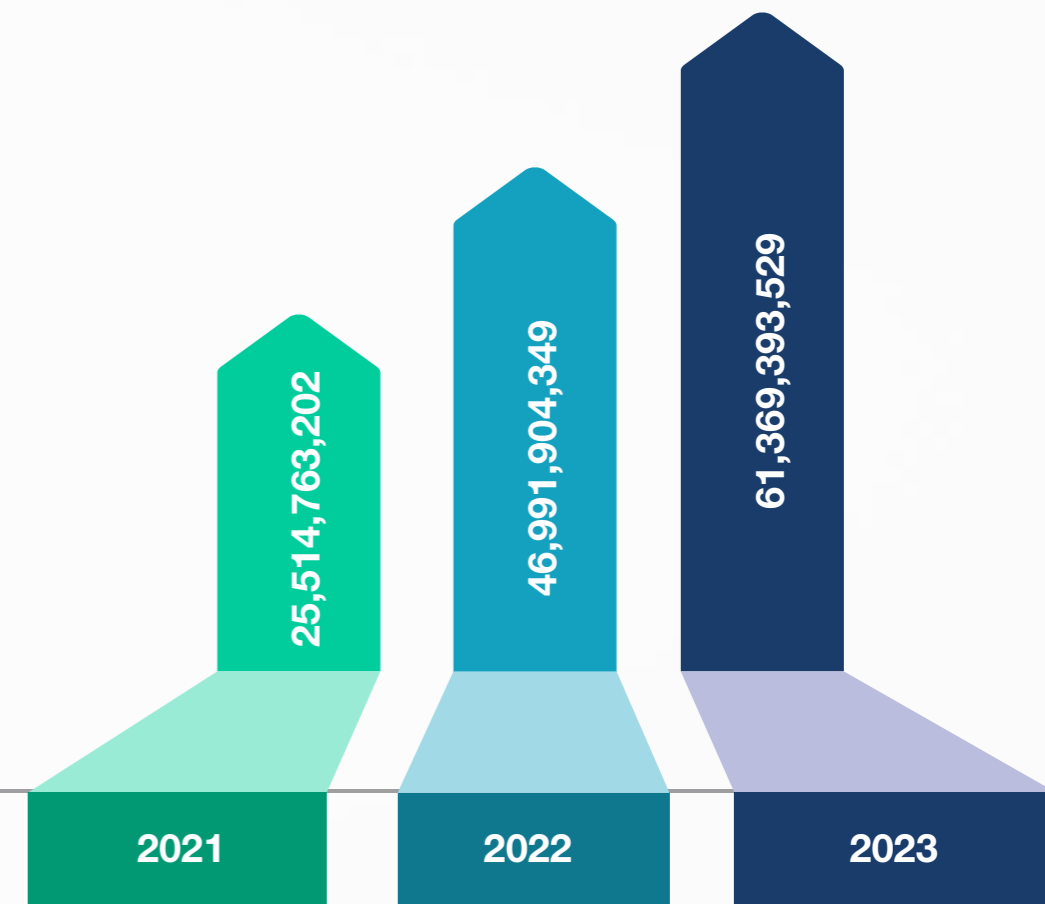
Çolakoğlu Metalurji initiated the sheet metal rolling mill capacity-increase project in 2021, completed and commissioned this investment in the last quarter of 2023 and increased its annual sheet metal production to 4.5 million tons.

Digital solutions are among the most important criteria for maintaining competitiveness in the iron and steel industry. Çolakoğlu Metalurji aims to achieve excellence in operational efficiency by creating an integrated infrastructure with the digitalization efforts implemented in its production processes.

Carrying out digitalization efforts in line with the principle of “Digital Sustainability”, the Company completed the S4U project with SAP S/4HANA, an ERP solution, and put it into use.

Çolakoğlu Metalurji has succeeded in supplying high value-added steel products to the right user at the right time by offering innovative solutions with its product management-oriented approach. Thanks to this strategy, flat steel sales increased by 27% in 2023, while the sales ratio of value-added products in total production reached 16.7%, an all-time high.

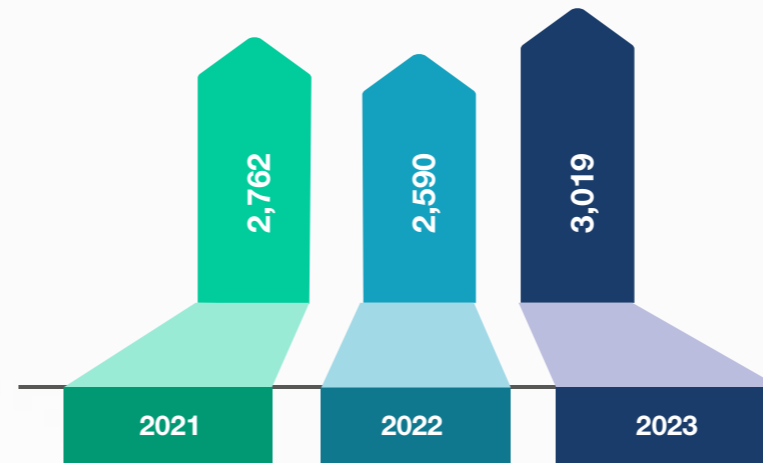
Annual Turnover Values (TL)



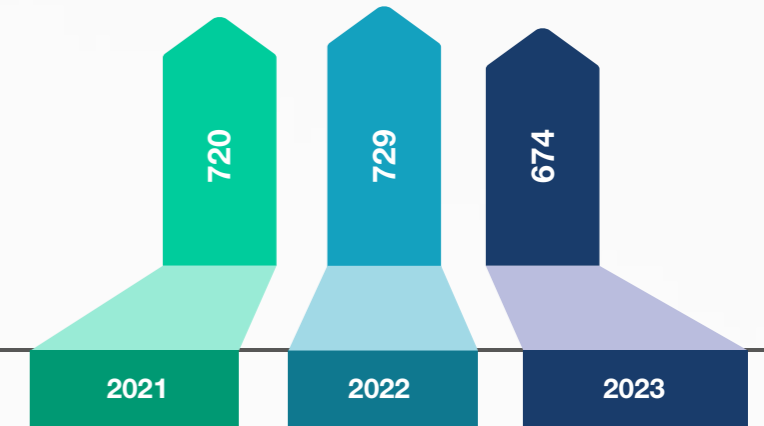
FINANCIAL PERFORMANCE



Flat Steel Sales Amount (kton)

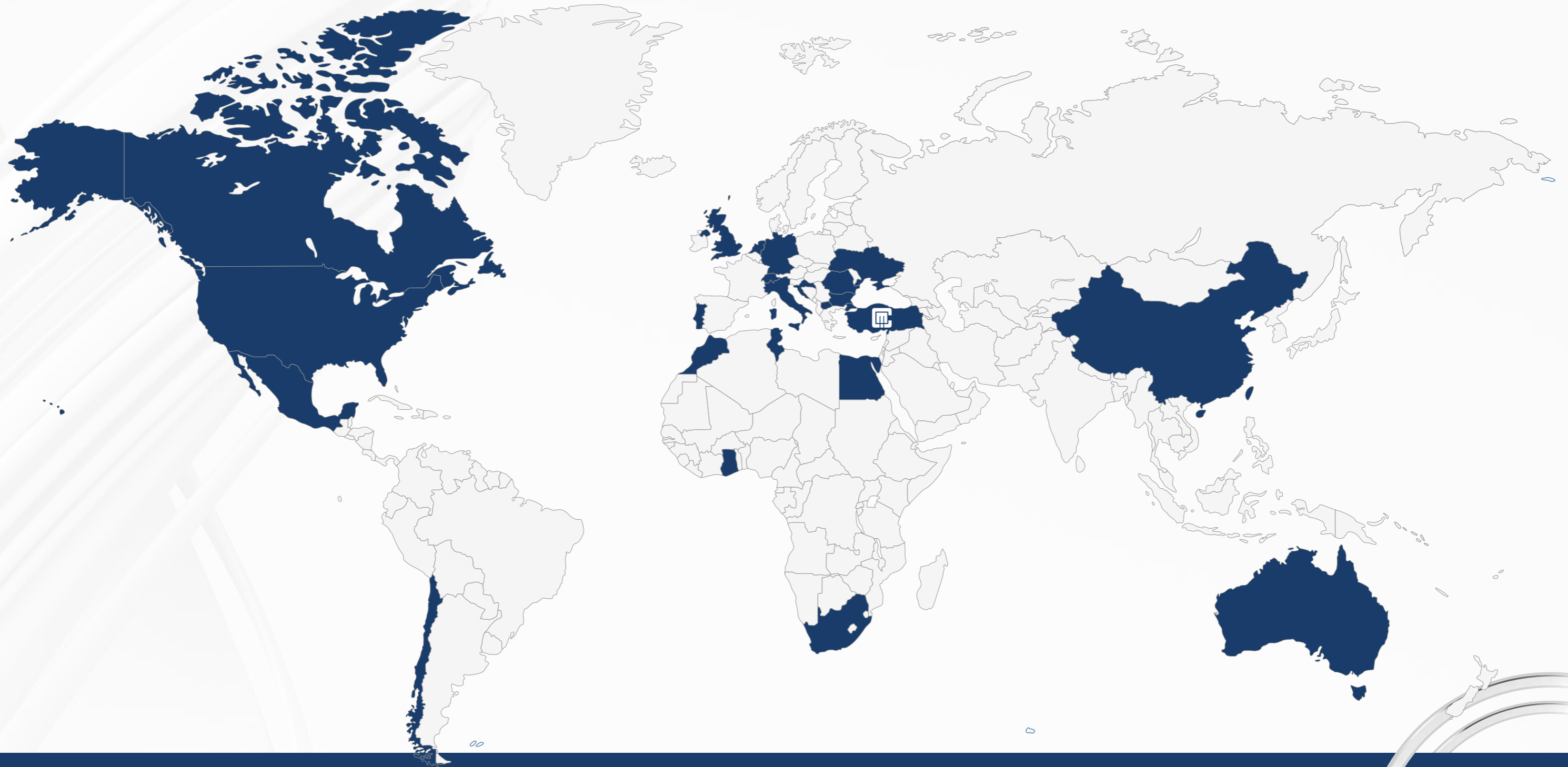


Long Steel Sales Amount (kton)



2023 Total Domestic and International Sales Amount (kton)





AMERICA

- USA
- Canada
- Mexico
- Chile

EUROPE

- Germany
- Belgium
- Bulgaria
- Netherlands
- United Kingdom
- Spain
- Italy
- Portugal

EUROPE – OTHER

- Ukraine
- Macedonia
- Albania
- Kosovo
- Bosnia and Herzegovina
- Romania
- Australia

MIDDLE EAST AND AFRICA (EMEA)

- Morocco
- Ghana
- South Africa
- Egypt
- Tunisia

ASIA

- Hong Kong
- Singapore

AWARDS AND ACHIEVEMENTS

Çolakoğlu Metalurji was honoured with the “Digital Transformation Award of the Year in the Metal Sector” at the SAP Transformation Awards for 2023.

In the “Türkiye’s Most Admired Companies Survey” conducted by Capital Magazine, Çolakoğlu Metalurji ranked first in the Iron and Steel Sector Category and became the Most Admired Company in its sector.

Çolakoğlu Metalurji won the first prize in the “Company with the Most Sales” category and the third prize in the “Companies with the Most Exports” category in the Stars of the OIZ Survey organized by the Supreme Organization of Organized Industrial Zones (OSBÜK).

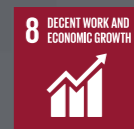
Çolakoğlu Metalurji ranked 14th in the list of Türkiye’s Top 500 Industrial Enterprises published by ISO in 2023

Çolakoğlu Metalurji was a finalist in the 9th Efficiency Project Awards organized by the Republic of Türkiye Ministry of Industry and Technology with the project “Improvement of Argon Production Performance of Air Separation Plant”.





**CORPORATE
GOVERNANCE
SHAPING
THE FUTURE**





CORPORATE GOVERNANCE

The purpose of Çolakoğlu Metalurji's corporate structure is to achieve the Company's objectives by following an ethical approach.

Çolakoğlu Metalurji has adopted a management approach based on transparency and accountability, respect for the environment, adherence to ethical values, and awareness of its responsibilities to the society and its stakeholders all the while complying with its corporate values. The Company's corporate governance structure has been designed in line with this approach.

The strategy and investment plans defined under the leadership of the Board of Directors are implemented by the directors under the chairmanship of the General Manager. Management system practices, which are the facilitators of the sustainable management model, are also effectively implemented within the Company. This structure enables continuous improvement by increasing interdepartmental interaction while strengthening the support processes within the organization.

Çolakoğlu Metalurji leads the industry transformation with its sustainability management approach.

In addition to its existing management model, Çolakoğlu Metalurji has also established its sustainability management structure into its business processes in order to integrate the concept of sustainability, which is expected by today's shareholders and customers.

This structure ensures that the teams who will lead the transformation are identified and placed in charge of the change management and the internalization of the concepts of low carbon economy and sustainability within the organization. This structure also monitors good practices

outside the Company and leads the transformation of the sector by communicating Çolakoğlu Metalurji's sustainability practices to the stakeholders.

As the transition to a low carbon economy is process that requires an important strategic approach and high investment, the Board of Directors has been assigned the highest level of authority.

The members of the Sustainability Committee reporting to the Board of Directors are the General Manager, Human Resources and Corporate Communications Director, Production Director, Finance Director and Sales and Marketing Director.

Working committees were also determined with an objective to spread within the organization, and a total of 6 subcommittees were established.

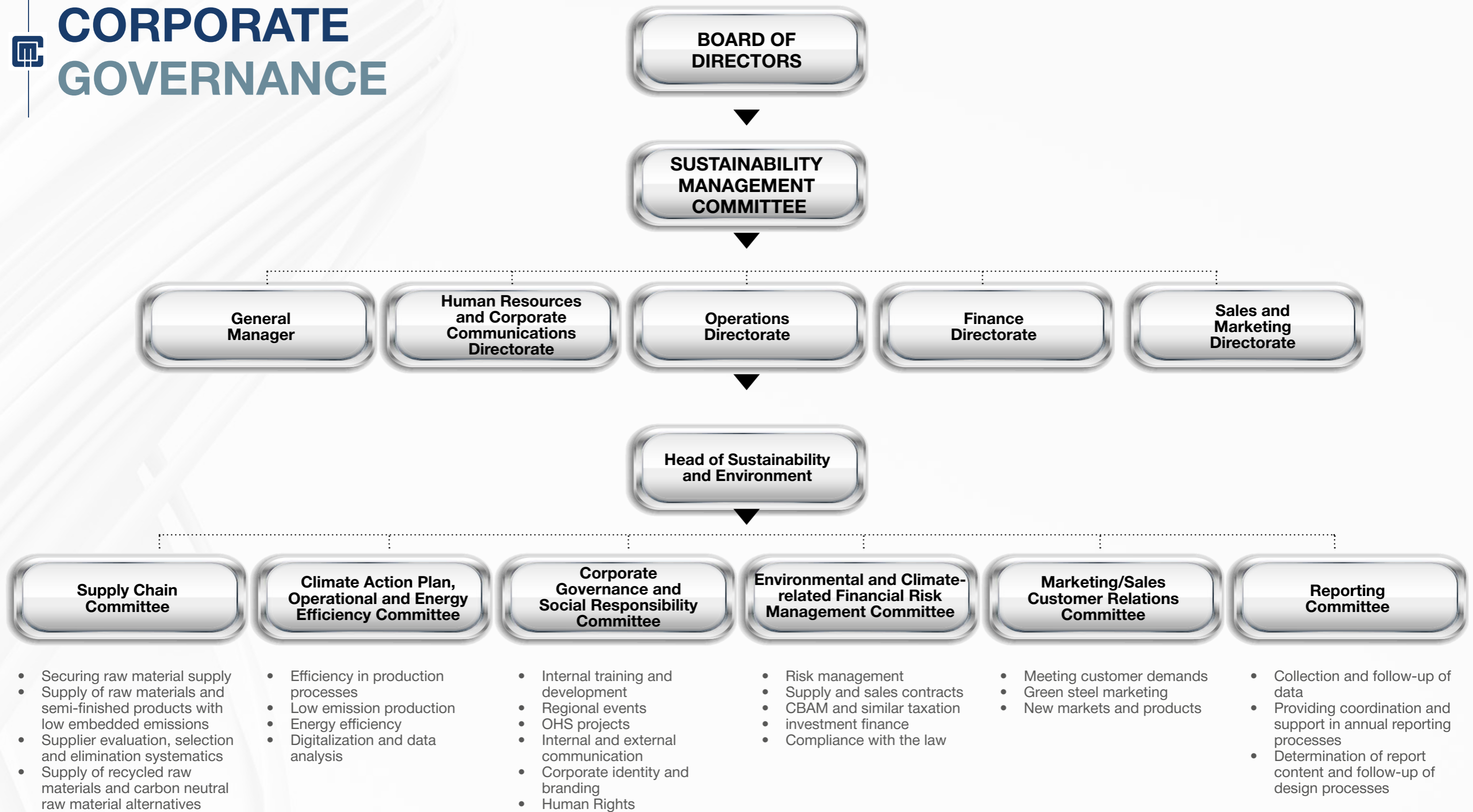
- Supply Chain Committee
- Climate Action Plan, Operational and Energy Efficiency Committee
- Corporate Governance and Social Responsibility
- Environmental and Climate-related Financial Risk Management Committee
- Marketing/Sales Customer Relations Committee
- Reporting Committee

All of the work of these committees is presented to the Sustainability Committee after being evaluated by the Sustainability and Environment Manager and the Sustainability Manager.

With this new management structure, Çolakoğlu Metalurji aims to minimize its environmental impact, add value to society and achieve long-term sustainable growth.



CORPORATE GOVERNANCE





CUSTOMER MANAGEMENT

Çolakoğlu Metalurji offers appropriate solutions to potential problems by understanding customer needs correctly.

Çolakoğlu Metalurji strives to meet customer expectations and demands, to produce high quality products that facilitate human life, and to add value to society through its environmental and social activities. The Company attaches great importance to customer satisfaction and has made it an important dimension of its corporate culture.

Çolakoğlu Metalurji blends its comprehensive and in-depth knowledge of sectoral trends with effective communication skills to accurately understand customer needs and offer appropriate solutions to potential problems in a transparent and consistent manner. The Company supports its relationship of trust with its customers through its ability to adapt to changing market dynamics and its sales structure that can effectively cooperate among departments.

Çolakoğlu Metalurji's marketing strategies prioritize creativity and data-based decision-making processes to ensure that its products stand out and remain preferable in the market.

Focus areas to ensure customer satisfaction:

Product Quality and Variety

To offer high quality products with high added value in accordance with the needs of customers.

Customer Relations

Building long-term relationships with customers to understand their ever-changing needs and responding to them quickly.

Customer Specific Solutions

Design and manufacture products according to customers' special requirements.

Green Steel

Low carbon emissions, energy efficiency, recycling and compliance with environmental standards.

On Time Delivery

Providing effective logistics and distribution solutions to ensure customers have timely and reliable access to products.

Technical Support and Service

Providing customers with expertise and support in product selection, use and application techniques.

Sustainability

Supporting customers' environmental sustainability goals through environmentally-oriented production processes and sustainable resource utilization.





CUSTOMER MANAGEMENT

At Çolakoğlu Metalurji, analyzing customer feedback is important for the continuous improvement of products and services.

Çolakoğlu Metalurji considers the complaint management process, which forms the basis of a customer-oriented approach, as an opportunity to increase customer satisfaction and offers various communication channels such as telephone, e-mail and website by which customers can easily communicate their complaints and requests

The biannual customer satisfaction surveys and visits for quality complaints constitute the data for the Company’s feedback monitoring and analysis.

Quality Metallurgy and R&D Departments technically evaluate and quickly respond to customer suggestions and complaints. Accordingly, necessary measures are taken to prevent similar problems from recurring.

Çolakoğlu Metalurji closely monitors and records the feedback provided by its stakeholders through various communication channels and carries out improvement actions in a coordinated manner. The analysis of customer complaints is important not only for the identification and elimination of defects in products or services, but also for the continuous improvement of products and services. This leads to a more efficient production and service process, thereby improving Çolakoğlu Metalurji’s sustainability performance.

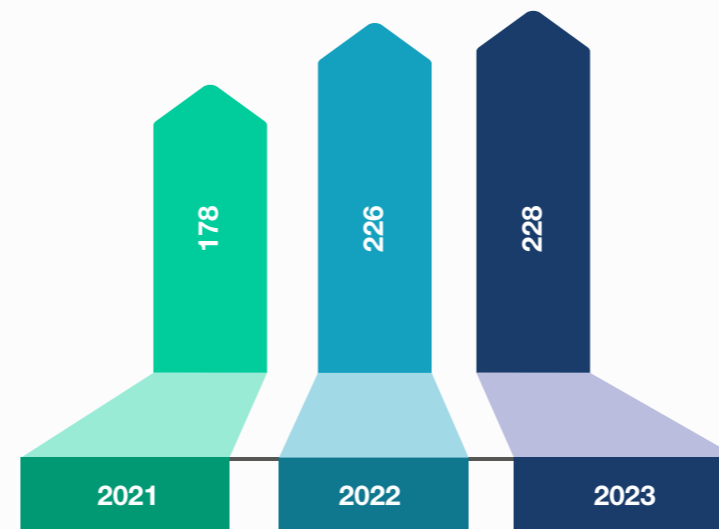
Çolakoğlu Metalurji achieves high customer satisfaction thanks to the quality service approach it adopts and increases the number of its customers every year.



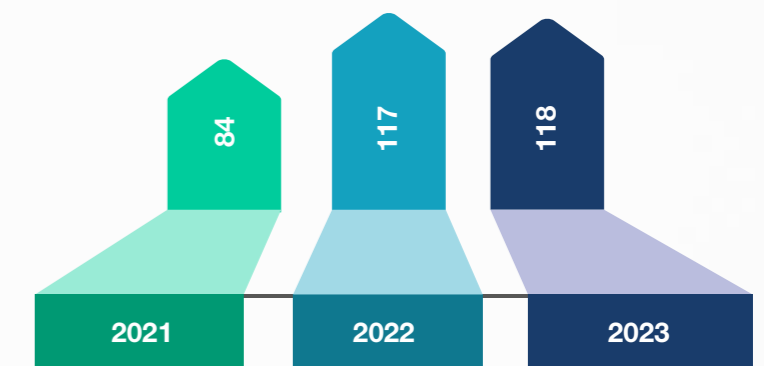
Customer Satisfaction Rate (%)



Number of Flat Steel Customers



Number of Long Steel Customers



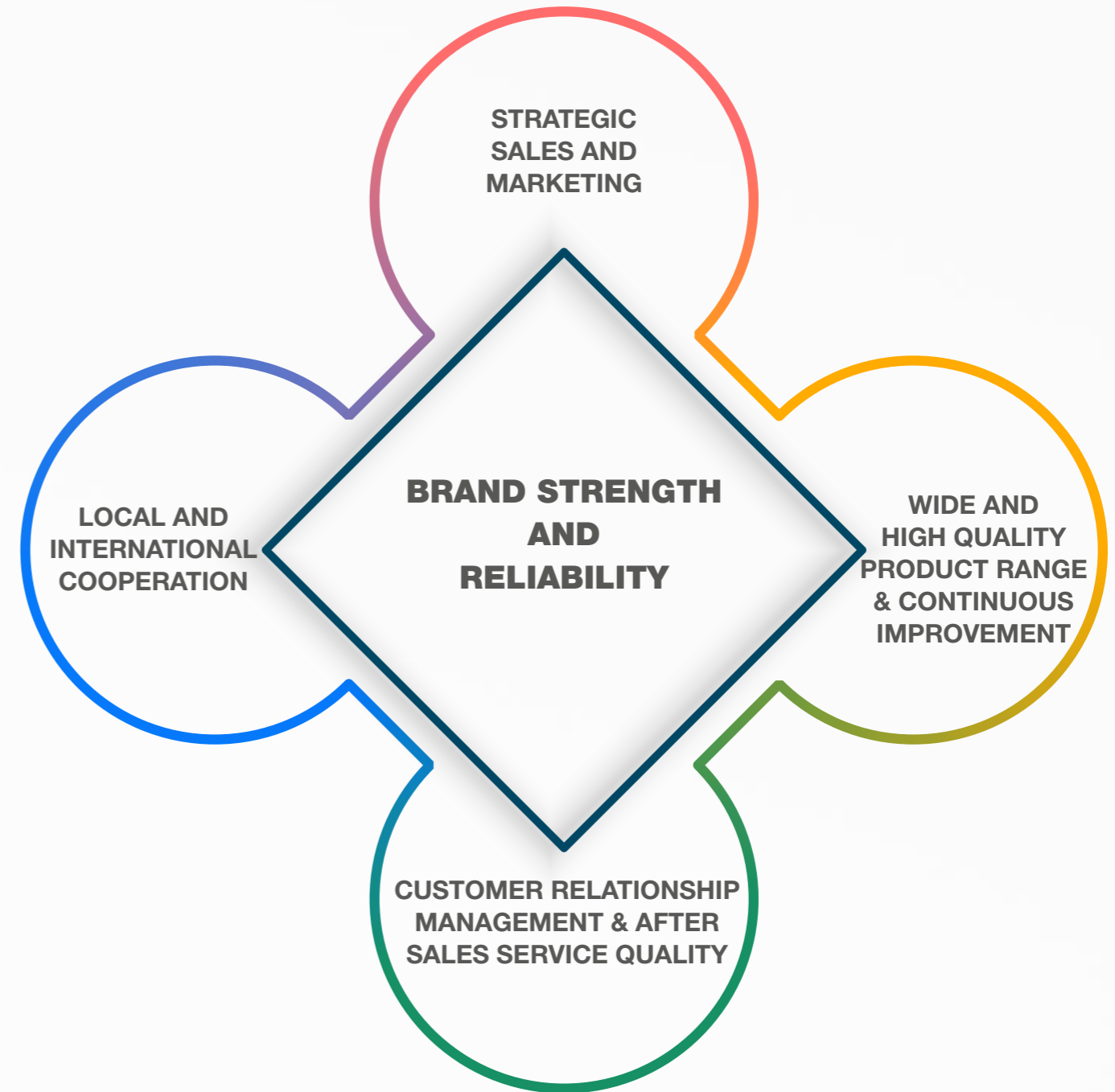
COMPETITIVENESS

As one of the basic building blocks of industry and economy, the iron and steel industry plays a critical role in the development and industrialization of the country. Türkiye has achieved an important position in the global iron and steel industry thanks to its highly flexible working methods that quickly adapt to broad changes at the global level.

Çolakoğlu Metalurji has gained a strong competitive advantage in both local and international markets thanks to its advantages in green steel production and its status as one of the leading companies of the industry.

By providing quality products and services locally and internationally through effective project management, Çolakoğlu Metalurji gained a major share in the realization of many important projects in different parts of the world such as renewable energy, restoration, housing / business center construction, gas distribution, drinking water supply, energy transmission line, port, dam and water lines, natural gas and energy / oil pipelines.

For Çolakoğlu Metalurji, 2023 was a year in which the Çolakoğlu Metalurji ratio in the supplier share of newly acquired customers has increased, the total sales figure increased and trial production runs were initiated in the automotive main industry and sub-industry group.



ETHICS MANAGEMENT

All processes at Çolakoğlu Metalurji are carried out in compliance with national and international legislation and regulations.

Çolakoğlu Metalurji conducts its activities in accordance with ethical rules, establishes relationships with all stakeholders within the framework of ethical working principles and prioritizes transparent, fair, honest and accountable business processes. All processes at the Company are carried out in compliance with national and international legislation and regulations.

These management practices enabled Çolakoğlu Metalurji to obtain the Authorized Economic Operator Certificate (AEO), which was developed to increase reliability and efficiency in customs and trade processes, enabling international trade operations to be carried out more quickly and smoothly.

Compliance with the Çolakoğlu Metalurji's Code of Ethics is sought in all activities and decisions taken, and the Company acts on the basis of efficiency in the use of all its financial resources and other assets. It is strictly forbidden to use these resources in violation of ethical rules such as personal use, spending, giving gifts, donations and political aid. The Company does not tolerate corruption, bribery, bullying or any similar behavior

In case of any hesitation regarding compliance with the code of ethics or any other violation of procedures, employees can report to the e-mail address etik@colakoglu.com.tr or via the "Artemis" platform. In 2023, there were no incidents of corruption and bribery

Çolakoğlu Metalurji employees and third parties representing Çolakoğlu Metalurji have the obligation to comply with the principle of professional confidentiality, to fulfill their duties honestly, to act in accordance with legal and internal regulations, and to protect the personal data of employees, customers, suppliers and other business partners if such data is required by their business.

Çolakoğlu Metalurji does not allow child labor and forced labor and adopts a zero-tolerance policy in this regard. Likewise, the Company expects its business partners and suppliers to respect human rights, fully comply with ethical business principles, stand against child labor and forced labor, and to conduct their business processes in a fair, respectful and responsible manner.



CYBER AND INFORMATION SECURITY MANAGEMENT

Çolakoğlu Metalurji holds internationally recognized certificates on cyber security.

With technological developments and digitalization processes, the risks and severity of cyber-attacks are increasing. At the same time, cyber-attacks negatively affect business continuity and cause damage to customer trust. Therefore, cyber security plays an important role in ensuring information security, confidentiality, integrity and accessibility of information assets.

Çolakoğlu Metalurji evaluates potential cyber security risks and eliminates threats by making the necessary infrastructure improvements and controls. Up-to-date endpoint security, continuous monitoring of attack surfaces and penetration tests are the components that form the basis of these controls.

Strict measures are taken as well to ensure the confidentiality of employee and customer information. In this vein, areas that need to be tightened against internal and external threats are identified and security gaps are prevented by using systems that prevent data leakage.

Çolakoğlu Metalurji has internationally recognized certificates on cyber security that demonstrate the Company's awareness and maturity.

In addition, the Company;

- It has established a cyber security infrastructure within the scope of IEC 62443 - Industrial Cyber Security Certificate.
- The Company started to conduct cyber security competency model self-assessment for critical Energy (Electricity) infrastructures in accordance with EMRA requirements.
- The National Institute of Standards and Technology plans to establish a follow-up structure with the NIST Framework and establish a Cyber Security Operations Center.

At Çolakoğlu Metalurji, the audits conducted in 2023 for IEC 62443 Industrial Cyber Security and ISO 27001 Information Security Management System certificates were successfully concluded

FIRST IEC 62443 SAFETY CERTIFICATE IN THE IRON AND STEEL INDUSTRY

Çolakoğlu Metalurji, which has improved its safety level in the field of automation with IEC 62443 safety certifications, is the first organization in Türkiye and the world to receive this certification in the iron and steel sector.





**OPERATIONAL
STRENGTH AND
CONTINUOUS
DEVELOPMENT
THROUGH
INNOVATION**

- 8** DECENT WORK AND ECONOMIC GROWTH 
- 9** INDUSTRY, INNOVATION AND INFRASTRUCTURE 
- 11** SUSTAINABLE CITIES AND COMMUNITIES 
- 12** RESPONSIBLE CONSUMPTION AND PRODUCTION 
- 13** CLIMATE ACTION 
- 14** LIFE BELOW WATER 
- 17** PARTNERSHIPS FOR THE GOALS 



PRODUCT QUALITY AND SAFETY

Çolakoğlu Metalurji follows globally recognized systems and national standards regarding product quality and safety.

For Çolakoğlu Metalurji, product quality and safety are important in order to meet the expectations of stakeholders with a customer satisfaction-oriented approach and to maintain the Company's reputation and reliability. The Company's main objectives include foreseeing needs through customer feedback, taking the opportunity to improve and develop new products, and reducing costs in the long term by minimizing customer complaints.

Çolakoğlu Metalurji's sensitivity to quality during the production phase ensures that stakeholder expectations are fully met in compliance with the relevant standards and the product's lifespan has increased.

Çolakoğlu Metalurji follows globally recognized systems and national standards for product quality and safety, as well as many different standards as there are different requirements for each country and product.

Since Çolakoğlu Metalurji supplies intermediate products to the automotive industry, IATF 16949 - Automotive Quality Management System is of great importance. Within the scope of this standard, the performance of meeting the expectations of relevant stakeholders is actively monitored. The audit conducted in 2023 was successfully concluded for the certificate, which has been maintained through annual audits since 2016.

Attaching importance to product quality and safety, Çolakoğlu Metalurji continued its projects and investments in this vein in 2023. The relevant projects and investments carried out in 2023 are as follows:

- Digitalization Projects
- Laboratory Accreditations
- S4/HANA Project
- Hot Sheet Rolling Mill 2nd Furnace Investment
- Development Investments in Production Facilities

The standards followed by Çolakoğlu Metalurji are listed below

- CE - European Certificate of Conformity
- IATF 16949 - Automotive Quality Management System
- ISO 14001 - Environmental Management System
- ISO 17025 - Laboratory Accreditation Certificate
- ISO 27001 - Information Security Management System
- ISO 45001 - Occupational Health and Safety Management System
- ISO 50001 - Energy Management System
- ISO 9001 - Quality Management System
- REACH - Registration, Evaluation, Authorization and Restriction of Chemicals
- ROHS - Restriction of Hazardous Substances Directive
- TS 708 - Steel - For Reinforced Concrete - Reinforcing Steel



OPERATIONAL EFFICIENCY

Çolakoğlu Metalurji aims to increase its operational efficiency through continuous development and improvement efforts in its business processes.

Operational efficiency is the ability of an organization to use its resources in a way to achieve maximum product or service output with minimum waste and cost. Çolakoğlu Metalurji aims to increase its operational efficiency through continuous development and improvement efforts in its business processes. In this context, the Company develops projects in line with its strategic goals by proactively taking into account innovative project ideas from stakeholders, customer demands and suggestions.

Çolakoğlu Metalurji produces with high efficiency thanks to its specialized employees and technological equipment.

Among the strategies adopted by Çolakoğlu Metalurji to increase operational efficiency are continuous monitoring and optimization of production processes, increasing energy efficiency projects, waste management and process improvement. These strategies enable the Company to lower costs, reduce environmental impact and increase customer satisfaction.

95% OPERATIONAL EFFICIENCY

Çolakoğlu Metalurji's production facilities operate above the sector average with an operational efficiency of 95%. This high efficiency rate reflects the Company's perfectionist approach in operational processes and technological investments.



OPERATIONAL EFFICIENCY PROJECTS

Çolakoğlu Metalurji started significant investments in 2023 to increase operational efficiency. Completed and ongoing investments are listed in the table below:

PROJECT	Area of Contribution					
	OPERATIONAL EFFICIENCY AND ENERGY EFFICIENCY	QUALITY	ENVIRONMENT	OHS	FINISHED	ONGOING
Annealing Furnace Capacity Increase Project	✓				✓	
Packaging Capacity Increase Project	✓				✓	
Lane Centering Project	✓	✓			✓	
Lubrication System Modernization Project	✓	✓			✓	
Magnetic Stirrer Project	✓					✓
Material Continuous Feeding System Project	✓					✓
Marking Robot Project	✓	✓			✓	
Automatic Level Measurement System Project	✓		✓	✓	✓	
Crucible Image Processing System Project	✓	✓			✓	
Burr Scraper Modernization Project	✓	✓			✓	
Cooling System Modernization Project	✓	✓		✓	✓	
Slab Steam Fan Capacity Increase Project	✓				✓	
Combustion Chamber Modernization Project	✓					✓
Automatic Wire Feeding Modernization Project in Crucible	✓	✓		✓	✓	
Charging System Modernization Project	✓			✓	✓	
Flow Control System in Gas Lines Project	✓	✓			✓	
Gas Control System Project in Slab Mold Process	✓	✓			✓	
Artificial Intelligence Supported Temperature Control System	✓					✓
Fault Detection Project with Online Monitoring in Cranes	✓				✓	
Combustion Efficiency Monitoring Project with Image Processing in Annealing Furnaces	✓					✓
Quality Modeling Project	✓	✓			✓	

20% EFFICIENCY INCREASE WITH 2ND ANNEALING FURNACE INVESTMENT

With the 2nd Annealing Furnace investment, annual production capacity was increased by 50%. This significant investment also led to a 20% increase in operational efficiency in production processes. Thanks to increased capacity and efficiency, Çolakoğlu Metalurji's production performance and competitiveness have improved significantly.



ÇOLAKOĞLU METALURJI'S PROJECTS ON THE INTERNATIONAL PLATFORM

AISTech is the world's leading trade fair for the iron and steel industry and is organized to showcase the industry's latest technologies and innovative solutions. Bringing together hundreds of exhibitors and thousands of visitors each year, it provides an opportunity to share and view the latest developments and research in the industry.

Çolakoğlu Metalurji presented three important projects at AISTech, showcasing its innovative approaches and technological advances.

These projects make significant contributions to operational efficiency and sustainability. The common point of the projects is to increase operational efficiency by using artificial intelligence and advanced data analytics technologies.

Artificial intelligence-based solutions make significant contributions to optimizing energy consumption, reducing maintenance costs and improving product quality in Çolakoğlu Metalurji's production processes. These projects are expected to play an important role in making industrial operations smarter, more efficient and sustainable.



SUSTAINABILITY APPROACH IN PRODUCTION

INDUSTRIAL COLLABORATIONS AND PARTNERSHIPS

Collaborations strengthen and expand sustainability efforts. The experience of experts is utilized during product and process development so that targets are achieved.

OPTIMIZATION OF MATERIALS AND RAW MATERIALS

Tests are conducted for the efficient use of materials and raw materials in production. Costs are reduced and quality is increased through new product development and improvement efforts.

PRODUCT INNOVATION AND DIVERSITY

Steel grades are improved with the aim of high strength and weight reduction. Customer needs are met by taking into account the chemical and physical properties of the product in the selection of raw materials.

INNOVATIVE PRODUCTION TECHNOLOGIES

R&D investments encourage the use of innovative technologies in steel production processes. The "Power Cooling" system in the hot rolling mill improves quality and ensures more efficient production.





PROJECTS PRESENTED

DIGITALIZATION (ARTIFICIAL INTELLIGENCE) SUPERHEAT

Artificial Intelligence Based Temperature Control in Secondary Metallurgy Based on Continuous Temperature Measurement

PROJECT OBJECTIVE:

- Reducing operational costs
- Improving energy efficiency
- Making production processes more reliable and precise
- Reducing overheating
- Minimizing electrode consumption

RESULTS AND OUTCOMES:

Before the implementation of the project, spot measurements were taken at random intervals, providing continuous data flow with CasTemp and increasing the accuracy of the AI model

Results achieved in the first 3 months:

- 20% reduction in overheating
- Annual savings of 3,500 MWh in energy consumption
- Reduction of 1,745 tons of CO₂ emissions per year

CASTING CRANE ONLINE MONITORING

Online Condition Monitoring Systems for Lifting and Bridge Traveling Equipment of Cranes in Steel Industry

PROJECT OBJECTIVE:

- Improving the reliability of cranes critical lifting and handling equipment
- Anticipate unexpected failures
- Minimizing production interruptions
- Reduce maintenance costs
- Using vibration and temperature monitoring systems

RESULTS AND OUTCOMES:

- Ensuring rapid intervention by detecting faults in advance
- Elimination of the fault detected in the KV43 gearbox in 8 hours
- Timely detection and intervention of abnormal increases in bed temperatures

STRIP MILL BUR RGL SYSTEM

Comparison of New Design and General Roll Gap Lubrication Method in Hot Rolling Mill

PROJECT OBJECTIVE:

- Reducing energy consumption in hot rolling processes
- Reducing roll wear
- Improve product surface quality
- Increasing the stability of production processes
- Improvements in energy consumption and roll wear by reducing friction between working and spare rolls

RESULTS AND OUTCOMES:

- 15-30% reduction in energy consumption
- Reduction of spare roll wear by 16
- 42% reduction in wear of F1-F4 working rollers
- Reduced wear of F5-F7 working rollers by 27
- Longer roll life and fewer roll change stops
- Improved strip surface quality due to reduced friction forces

QUALITY MODELING

Improvement of Lightweight S700 Mechanical Properties with Low Carbon Thin Bainitic Microstructure

PROJECT OBJECTIVE:

- Improving the mechanical properties of mild S700 steel with low carbon fine bainitic microstructure
- Achieving appropriate strength levels
- Ensure stable ductility properties
- Develop an optimized alloy design and manufacturing process in the production process
- Achieving optimized bainitic microstructure through time-consuming and costly production trials
- Improve manufacturing processes using austenite evolution, phase transformation and strength prediction models

RESULTS AND OUTCOMES:

- Development of a metallurgical design based on a low carbon fine bainitic microstructure
- Adopting a more controllable process instead of TiC precipitation strength
- Optimizing the existing S700MC alloy and machining design using MicroSim HSM and PhasSimTrans models

R&D AND INNOVATION

Çolakoğlu Metalurji reinforces its leading position in the sector by increasing its competitiveness through sustainability-oriented R&D and innovation strategies.

Çolakoğlu Metalurji continues its sustainability-oriented R&D projects and environmentally friendly technological investments in order to produce solutions to the needs of today and the future with an innovative perspective. Placing innovation and technology at the center of its business strategy the Company manages its operational processes with an innovative perspective

Çolakoğlu Metalurji complies with ISO 17025 standards to ensure the highest level of quality and reliability standards and applies internationally recognized quality criteria in its production and service activities.

The Company's R&D efforts focus on renewing production processes, making improvements in line with technology and creating added value with innovative products. In this context, the Company aims to minimize its environmental impact by foregrounding digitalization of production processes, increasing energy efficiency and waste management.

While carrying out all these actions, Çolakoğlu Metalurji takes into account the expectations of customers and stakeholders and emphasizes the importance of providing a more sustainable future for the environment, society and future generations. To this end, the Company develops sustainable production techniques, increases the use of renewable energy resources and carries out continuous improvement work to reduce its carbon footprint.

Çolakoğlu Metalurji reinforces its leading position in the sector by increasing its competitiveness through sustainability-oriented R&D and innovation strategies. The Company strives to be prepared for the challenges of today and the future and to add value to society through innovative solutions and sustainable practices.

At Çolakoğlu Metalurji, the technical evaluation of customer complaints is carried out by the Quality Metallurgy and R&D department. Rigorous review of customer complaints helps to identify and eliminate the defects in products or services. This enables the development of more durable and efficient products, thereby improving the Company's sustainability performance.

CONTRIBUTION TO SUSTAINABILITY WITH EQUIPPED LABORATORY INFRASTRUCTURE

Technological infrastructures such as Optical Microscope, Image Analysis Systems, Scanning Electron Microscope (SEM), which enable microstructural examination of materials, contribute to product and process development, R&D and sustainability.

Material/Defect Characterization: The characterization of steel materials by examining their phase structure and inclusion content at the micro level facilitates quality improvement and defect source detection, and the data obtained as a result of the examinations are used for the optimization of production processes. In this way, product quality is improved, customer expectations are met and productivity is increased.

Surface Inspection: By examining surface defects, the source of the defect is identified and such situations are prevented in the future. This information especially supports the resolution of customer complaints and increasing customer satisfaction.



SUPPLY CHAIN MANAGEMENT

Çolakoğlu Metalurji observes compliance with ethical standards and working principles in its relations with suppliers.

Çolakoğlu Metalurji carefully selects and evaluates the suppliers with whom it will cooperate in order to make its supply chain effective and sustainable. The Company continuously monitors its suppliers in terms of the quality of the materials/services they provide as well as their corporate governance approach and environmental impact. Çolakoğlu Metalurji observes compliance with ethical standards and working principles in its relations with suppliers and prefers to cooperate with suppliers that have adopted this approach.

The main headings of the criteria that Çolakoğlu Metalurji considers when selecting a new supplier or evaluating existing suppliers are listed below:

- **Supplier's Code of Conduct and Sustainability Culture:** Suppliers must comply with all legal regulations related to free trade. In addition to compliance with the laws in all matters, the supplier company's management has to show maximum of effort for the preservation of the working conditions and the environment; It has to prioritize contributing to economic and social development and has to be sensitive to human rights and ethical rules. The rules that suppliers must comply with are shared on Çolakoğlu Metalurji's website under the title "Ethical Rules and Working Principles for Our Suppliers".
- **Supplier Experience and Certifications:** In order to deliver the desired service performance, it is important that suppliers have experience and industry-recognized certifications.
- **Reliability:** The supplier must adhere to contract terms and commitments, respect business confidentiality and meet delivery deadlines.
- **Process Capability and Quality Management Level:** The supplier's production/service process must be sufficient to ensure the desired level of quality.
- **Production Flexibility and Technical Competence:** Flexibility is assessed in terms of the supplier's ability to adapt to changes in design requirements, delivery dates and delivery quantities. Technical competence is considered in terms of improvements in business processes and designs.
- **Adequacy of Material and Supply of Appropriate Quality:** The supplier's quality and delivery performance must comply with Çolakoğlu Metalurji's requirements.
- **Price Level and Performance:** Prices are expected to be commensurate with the prices paid to similar businesses for the same services.
- **Financial Strength:** The supplier's financial position must be sound and the prices it offers must be reasonable and consistent for the buyer and itself.
- **Authorized Economic Operator Status (AEO):** Authorized Economic Operator Status (AEO): Within the scope of the Regulation on Facilitation of Customs Transactions: AEO is a status that provides various facilities and privileges in customs procedures to reliable companies that fulfill their customs obligations, have a regular and traceable registration system, meet financial competence and security standards, and have an auto-control mechanism.
- **Warranty and Service Adequacy:** The scope and duration are expected to maximize compliance with the needs of Çolakoğlu Metalurji.



In the periodic evaluations of new/potential suppliers or existing ones, Çolakoğlu Metalurji follows different processes by referring to the risk maps that were created according to material and supplier groups. As it consults the risk maps, the Company decides the weight of the topics to be evaluated, the tools to be used for evaluation, on-site audit needs and the audit teams.

In all material, service and investment contracts with suppliers, the **“Code of Ethics and Conduct for Çolakoğlu Metalurji Suppliers”** is included as an integral part of the contract in addition to technical and commercial conditions. This code includes clauses on management systems requirements, freedom of association and the right to collective bargaining, freedom from forced labor and abuse, prevention of child labor, anti-discrimination, employee safety and health, working hours and wages, environment, confidentiality, anti-corruption including threats and bribery, conflict of interest, transparency and honesty. In addition, there are additional specifications for jobs and situations that are particularly labor intensive and carry high occupational, health and safety risks.



Çolakoğlu Metalurji requests different certificates from suppliers to document their management systems according to the supply groups.

For human rights and appropriate working environment conditions, the Company takes into consideration that the relevant ILO or Global Compact (UN Global Compact) of the countries of supply source is signed by the government or by the supplier.

Çolakoğlu Metalurji continues to contribute to the Turkish economy by supporting local procurement and contributes to the development and institutionalization of local suppliers.

Çolakoğlu Metalurji periodically conducts “COMPLIANCE” checks on suppliers with whom it plans to start new commercial relations and not limiting itself to new suppliers, it also conducts checks on its current suppliers. These checks are in the scope of national and international commercial rules and working principles. The accuracy of the information contained in the documents obtained from the suppliers is then checked from publicly available sources.

From the start of the procurement of goods and services from suppliers, the Company monitors the supplier’s operational performance and compliance with contracts and evaluation criteria. The level of performance expected from suppliers and the method of monitoring and evaluation are laid out in the supply and/or service contracts, technical protocols or order forms.

Supplier visits with different content and frequency are also part of the monitoring process. These audits, which are critical for maintaining and improving the sustainability standards in Çolakoğlu Metalurji’s supply chain, continued increasingly in 2023 with the participation of auditors from various disciplines.

The Company evaluates all of the suppliers it currently works with and conducts a Periodic Success Rating once a year. These evaluations not only guide the commercial relations with suppliers, but also constitute important data for the Supplier Development Programs that the Company prepares and monitors in cooperation with the suppliers.

Çolakoğlu Metalurji uses five main evaluation forms for suppliers.

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

The scoring used these forms is based on a 100-point scale and success grades are determined according to the scores obtained. As a result of the evaluations based on the degree of success, the suppliers that Çolakoğlu Metalurji will work with are determined. Suppliers with a success rate of 29% and below do not make it. Companies with a success rate between 30% and 69% are not cooperated with at this stage. However, if potential is seen, a quality improvement plan is requested and will be re-evaluated. The Company will cooperate with suppliers with a success rate between 70%-100%.

Çolakoğlu Metalurji monitors the carbon footprint, which is one of the most important environmental impacts caused by suppliers, through the Carbon at the Limit Application (CBAM) and the Registration of Chemicals Application. These applications are carried out with great care in order to reduce the environmental impact of suppliers and ensure that they achieve their sustainability goals. As part of this requirement, the Company requests and records the data on carbon emissions from all semi-finished and finished construction steel producers.



Çolakoğlu Metalurji procures all of its scrap from recycling and sorting companies. Aiming to increase the number of suppliers, the Company conducts a continuous and effective supplier interaction process in order to receive services from suppliers that operate in accordance with the high working standards it requires.

Çolakoğlu Metalurji has special conditions for the purchase of scrap that include additional requirements related to human health and the environment. These are shared with all suppliers through its website.

Çolakoğlu Metalurji rejects the raw materials that do not meet the standards of the “Internal and External Scrap Purchasing Specification”, which clearly defines the criteria for quality, environment and human health. In the last three years, relations were terminated with 91 suppliers that failed to comply with the specified criteria.

Due to its production model, advanced circular economy practices are of great importance for Çolakoğlu Metalurji. Within the scope of this emphasis, the Company initiated industrial collaborations to improve scrap quality and ensured that scrap is collected from the source. As a result of these business models implemented in the domestic market, separate scrap arrivals were encouraged and the proportion of uniform scrap arrivals was increased to 61% of total scrap purchases.

Çolakoğlu Metalurji plans to commission the Supplier Portal project in 2024.

Suppliers providing auxiliary services at Çolakoğlu Metalurji plants are in the priority group of selection, monitoring, evaluation and improvement plans. 2023 has been a year in which awareness programs, sharing of good practices, joint audits and improvement plans were intensively implemented in this group. Training and audits on occupational safety and health, waste management, environmental management, 5S (Sorting, Order, Cleanliness, Standardization and Discipline) were intensified.

In 2023, Çolakoğlu Metalurji transformed its e-commerce platform, which is used to increase local procurement opportunities and to carry out this process in a more transparent and simple manner, into a more effective and efficient structure. In this way, an open, transparent and quick-turnaround procurement process was supported for all system-member suppliers who wish to offer goods and services to the Company. In addition, in 2024, Çolakoğlu Metalurji plans to commission the Supplier Portal project which will accelerate the effective and efficient information and data sharing with suppliers.

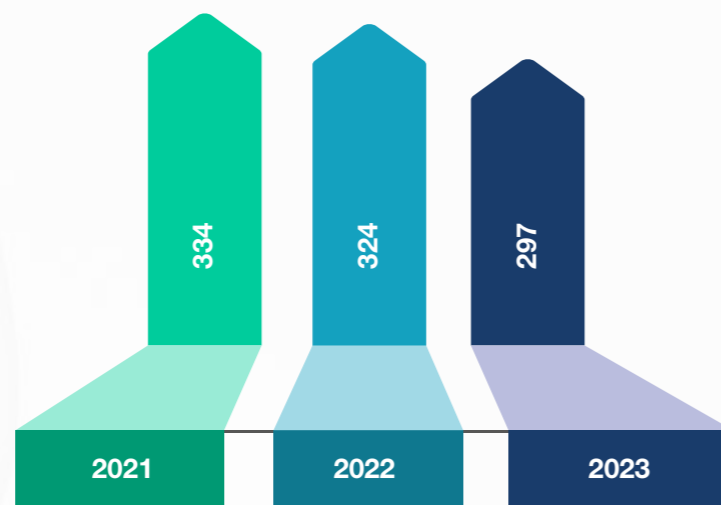
Çolakoğlu Metalurji uses the sea route, which has the lowest emission impact, and the port that it operates as a Coastal Facility Operator, for product shipments and transportation of purchased materials. At Çolakoğlu Metalurji Port, which is one of the largest ports in the Northern Marmara Region

in terms of dry bulk and general cargo loads, all necessary precautions are meticulously taken for the safe berthing and departure of ships and the safe loading and unloading of all loads, including dangerous cargo. In 2023, all audits were successfully passed and the port operation permit was renewed.

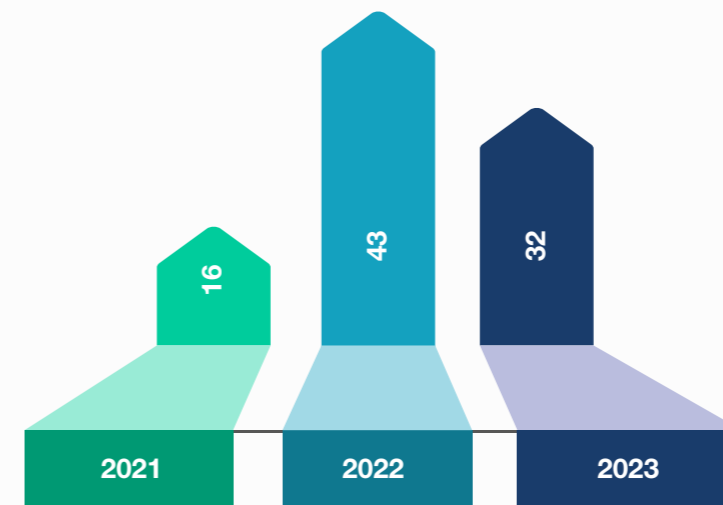
Making the traffic created by the transportation vehicles arriving at Çolakoğlu Metalurji facilities by land safer has been one of the key issues in 2023. Vehicles passing through vehicle acceptance points are admitted inside in a controlled manner according to queue management. Drivers do not get out of the vehicles and all transactions are carried out electronically with RFID systems. Project work for the next stage, the “Appointment System for Shipments”, has begun with the aim of commissioning it in 2024. Accordingly, another objective is to reduce vehicle waiting times by ensuring that vehicle traffic remains balanced throughout the day and make more efficient use of available resources.

The contracts of the companies that provide road transportation services are not limited to load limit but also include conditions regarding the selection of suitable vehicles for the load, the fixing of the load, tarpaulins, other measures to prevent dust and spillage, the documents that the drivers must have and conditions about the complete fulfillment of all legal practices. The said practices were regularly inspected in 2023.

Number of Suppliers and Contractors Subjected to Evaluation



Number of Suppliers Removed from Supplier Pool



DIGITAL TRANSFORMATION

Quickly adapting to the digital transformation process in the sector, Çolakoğlu Metalurji has adopted the “Digital Sustainability” approach.

Besides enabling solutions to current and future needs from an innovative perspective, Digitalization also contributes to sectoral competitiveness.

Significant gains are achieved by integrating digital transformation practices into processes in the iron and steel industry. Improvements can be achieved in inventory management, demand and consumption forecasts with the help of analytical tools over data from the production and sales processes. Digital transformation also has positive impacts on customer satisfaction, sales growth, cost reduction, quality improvement and employee safety.

Çolakoğlu Metalurji continues to work with the “Digital Sustainability” approach by rapidly adapting to the digital transformation process in the industry. With these efforts, the Company aims to maximize operational efficiency by reducing its environmental impact.

Çolakoğlu Metalurji carries out security infrastructure reinforcements, penetration tests and awareness raising trainings against cyber security threats, which are increasing as technology is being used more and more in operations.



2023 DIGITAL TRANSFORMATION JOURNEY

CRM Project:

The project aims to increase customer satisfaction and sales by improving customer relations, storing data in the corporate memory, and making analyses feasible and accessible.

Industrial Wi-Fi Project:

The main objective is to optimize operational processes with mobile device integration, real-time data collection, remote access, advanced security features and cost savings, increase accessibility by creating flexibility in the production facility and warehouse areas, and enable innovative production techniques with IoT and Industry 4.0 applications to ensure rapid response to demands.

Pregate Project:

High efficiency and customer satisfaction will be achieved through the management of vehicles in the factory.

Appointment Project:

With this project, which was developed to make the traffic of transportation vehicles arriving at the facilities by road more organized and safer, vehicles that pass the vehicle acceptance controls are admitted according to queue management, and drivers perform all transactions electronically with RFID systems. With the vehicle traffic becoming less dense throughout the day, vehicle waiting times will be reduced and resources will be used more efficiently.

Lean Visual Dashboards:

This Project aims to increase efficiency by digitalizing the boards that are normally tracked on paper in the fields.

Çolakoğlu Metalurji Portal:

Customers will be able to receive their certificates and order forms at any time through the system.

Mobile Applications Project:

With this project, which aims to increase productivity and employee satisfaction, Company employees will be able to perform certain tasks in situations where they don't have access to a computer.

Qlik Management Cockpit Project:

The aim of the project, which will enable senior management to access all the Company's information through a single application, is to achieve sustainable growth and competitive advantage by reacting more flexibly and quickly.

Supplier Portal:

Fast, effective and efficient information and data sharing with suppliers.

LEADING STEPS IN TRANSFORMATION

IEC 62443 STANDARD

Çolakoğlu Metalurji has improved its safety level in the field of automation with IEC 62443 safety certifications under the supervision of the international inspection organization TÜV Austria. The Company is the first institution in Türkiye and in the world to receive this certification in the iron and steel industry.

Çolakoğlu Metalurji, which has made its production more protected against cyber threats with this certification, continues to set an example for the industry with its pioneering practices in the field of cyber security as in many other fields



SAP S4/HANA DİJİTAL DÖNÜŞÜM PROJESİ ÖDÜLE TAÇLANDIRDIK

Yılın SAP Dönüşüm Ödülleri 2023
Metal Sektöründe Yılın Dijital Dönüşüm Ödülü
ÇOLAKOĞLU METALURJİ A.Ş.



SAP S/4HANA PROJECT

Çolakoğlu Metalurji has successfully completed and implemented the SAP S/4HANA project, which was carried out within the scope of the digital transformation roadmap in order to transform its business processes flexibly and quickly and to achieve a fully integrated and standardized structure internally and externally. With the project, the Company plans to carry out all business processes with full-time communication and coordination, integrated with internal and external environmental systems.

Çolakoğlu Metalurji, which manages all business processes faster by incorporating technology into its production facilities, strategy and corporate culture with the SAP S4/HANA project, has completed the project involving young people, the architects of the future, after approximately 2 years of work. The Project was carried out under the consultancy of Çözümevi & PWC companies with the aim of making all processes ready for the future of digital management and the project's system installation was realized with the Greenfield approach.



CLIMATE CHANGE AND TRANSITION TO A LOW CARBON ECONOMY



GREENHOUSE GAS MANAGEMENT

Çolakoğlu Metalurji meticulously monitors and reports the environmental impact of all its operational activities.

Due to the intensive energy demand of the iron and steel industry in the current period and the concurrent emission intensity, Çolakoğlu Metalurji has been calculating its greenhouse gas emissions every year since 2015 within the scope of the existing Greenhouse Gas Emissions Regulation in Türkiye and this data is verified by organizations authorized by the Ministry.

In addition, the Company reports in accordance with the rules of the Carbon Border Adjustment Mechanism (CBAM), which is part of the European Green Deal. In order to monitor embedded emissions, the Company works in close cooperation with suppliers to collect the necessary data and communicate with them to reduce their emission intensity.

In addition to legal regulations, Çolakoğlu Metalurji calculates and verifies Scope 1, Scope 2 and Scope 3 emissions in accordance with ISO 14064-1 Standard in order to comprehensively manage all emissions in the value chain. This standard ensures that the environmental impacts of all operational activities are meticulously monitored and reported.

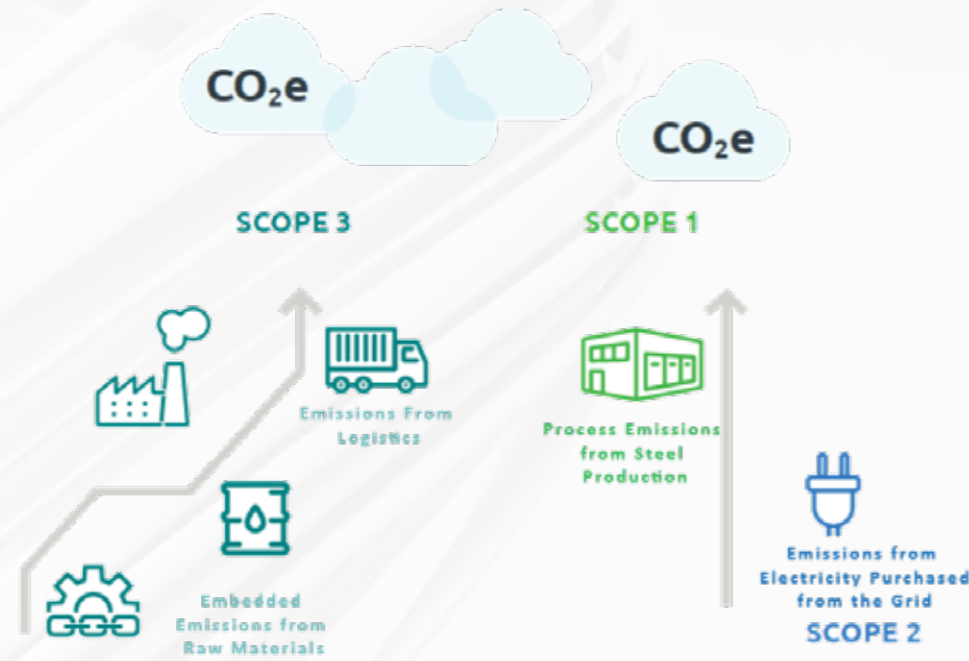
Emissions from steel production, which is the core business of Çolakoğlu Metalurji, are regularly calculated every year.

GREENHOUSE GAS EMISSIONS (tCO ₂ e)*	2021	2022	2023
Scope 1	517,306	493,054	495,035
Scope 2	751,981	725,777	748,514
Scope 3	5,768,728	2,821,709	4,552,599

*Data in the table includes greenhouse gas emissions from steel mill, hot sheet rolling mill and bar rolling mill operations.

In addition to being an energy-intensive industry, the iron and steel sector is also affected by the carbon intensity of raw materials used in production processes. Çolakoğlu Metalurji's Scope 3 emissions do not arise directly from production processes, but from the embedded emissions of raw materials in the supply chain. These emissions arise from the supply processes of iron ore, scrap metal and other auxiliary materials, which have a particularly high carbon content.





Although the fact that Scope 3 emissions are located outside the production boundaries limits Çolakoğlu Metalurji’s control capability in these areas, the company takes steps to reduce embedded emissions by prioritizing sustainability criteria in raw material procurement processes. In this vein, preferring raw materials with lower carbon content and ensuring suppliers’ compliance with sustainability practices constitute the main elements of these efforts.

Çolakoğlu Metalurji aims to reduce product-based carbon intensity and accelerate the transition to a low carbon economy by analyzing greenhouse gas emissions from production processes in detail. The greenhouse gas intensity calculated for each ton of product produced is an important indicator of this transition and is used as a basic tool to identify areas for improvement in processes.

Comprehensive and meticulous monitoring of greenhouse gas emissions, ensuring the accuracy of calculations and verification by impartial organizations are of great importance for achieving the set targets and the transition to a low carbon economy. Çolakoğlu Metalurji meticulously carries out the transition to a low carbon economy in line with its sustainability goals. The iron and steel industry is an energy-intensive industry and has a significant share in carbon emissions. Therefore, transition to a low carbon economy has become a major necessity for our industry if we are to contribute to a sustainable future.

Strategy for Transition to a Low Carbon Economy

- Çolakoğlu Metalurji’s strategy for transition to low carbon economy;
- Raw Material And Operational Efficiency,
 - Energy Efficiency,
 - Renewable Energy,
 - Supply Chain
- are grouped under the headings.

These strategies aim to reduce carbon footprint, optimize energy consumption and accelerate the transition to renewable energy sources.

Liquid Steel Production - Greenhouse Gas Intensities per Product			
GREENHOUSE GAS INTENSITY (tCO ₂ e/ton product)	2021	2022	2023
Liquid Steel			
Scope 1	0.102	0.104	0.1
Scope 2	0.227	0.233	0.245
HRC			
Scope 1	0.069	0.066	0.069
Scope 2	0.036	0.035	0.035
Rod			
Scope 1	0.06	0.06	0.062
Scope 2	0.034	0.033	0.033

PRODUCTION WITH LOW CARBON FOOTPRINT

Since Çolakoğlu Metalurji produces with Electric Arc Furnace (EAF), it causes less carbon emissions in Scope 1 emissions compared to the sector average. Electric Arc Furnace (EAF) technology is a production method that causes less carbon emissions in steel production compared to Blast Furnace-Basic Oxygen Furnace (BF-BOF) technology.

RAW MATERIAL AND OPERATION EFFICIENCY

Among the most critical components of the transition to a low carbon economy in the iron and steel industry are the sustainable use and supply of raw materials and the improvement of operational efficiency. In addition, optimization of production processes and effective management of energy and material use also contribute to reducing carbon emissions by increasing operational efficiency.

Çolakoğlu Metalurji aims to reduce its environmental impact by increasing raw material efficiency and minimizing waste. In this context, the Company attaches importance to increasing scrap efficiency and implementing sustainability criteria in the raw material procurement processes.

Ferrous scrap is recognized as the most strategic resource for the sector in the transition to a low-carbon and circular economy. Çolakoğlu Metalurji is developing various projects to maximize the supply of this resource.

ENERGY EFFICIENCY

Energy efficiency is one of the most effective ways to reduce carbon emissions in the iron and steel industry. Çolakoğlu Metalurji uses innovative technologies and modern energy management systems in its production processes to increase energy efficiency. The Company continuously monitors and optimizes its energy intensity within the framework of the ISO 50001 Energy Management System and aims to reduce energy consumption and costs through energy efficiency projects.

In line with these targets, Çolakoğlu Metalurji focuses on minimizing energy consumption in production processes by using energy resources such as electricity, natural gas, anthracite, diesel and LPG more efficiently. In 2023, the energy efficiency-enhancing projects implemented by the Company enabled it to reduce its energy intensity by 21% compared to the previous year.

RENEWABLE ENERGY

The transition to renewable energy plays an important role in the iron and steel industry's adaptation to a low carbon economy. Çolakoğlu Metalurji aims to reduce carbon emissions and increase environmental sustainability by investing in renewable energy sources. Accordingly, the Company aims to obtain at least 300 MW of its electricity needs from renewable energy sources by the end of 2030

Raw Materials and Operational Efficiency

- Increasing efficiency by increasing the use of high quality scrap
- Reduction of carbon input with raw material input balance
- Use of alternative raw materials with low carbon content
- Detailed data supply and tracking with digitalisation
- Modelling with Artificial Intelligence (Process Optimisation)
- Steel production with alternative recycled carbon sources
- Balancing the need for chemical energy with alternative sources

Energy Efficiency

- Reducing energy consumption by realising projects as a result of comprehensive Energy Efficiency Studies
- Reducing electricity consumption through projects that shorten the smelting time in the steelworks
- Recovery of inert energy generated in production processes through Waste Heat Recovery projects
- Detailed monitoring of processes, data analysis and consequent control of energy consumption through digitalisation projects

Renewable Energy

- Providing electricity need from renewable sources with SPP/HES/RES investments
- Purchasing Renewable Electricity through Bilateral Agreements until the investments are completed
- Management of internal resources through the installation of rooftop SPPs and other projects for the utilisation of idle energy in our facilities

Supply Chain Management

- Establishing a procurement infrastructure from the source in order to ensure raw material continuity and increase raw material quality
- Restructuring of raw material supply to ensure its continuity, taking into account climate-related risks
- Reshaping the supply chain taking into account Scope 3 emissions



CARBON EMISSION REDUCTION STRATEGIES AND OBJECTIVES

Çolakoğlu Metalurji is fully aware that the transition to a low carbon economy is of critical importance for both the Company and its stakeholders. In line with the slogan “We Give Life to the Steel of the Future”, the Company maintains its strong position at national and international level and takes concrete steps to reduce carbon emissions. With the interim targets set in this context, the Company pledges to reduce its carbon emissions and to contribute to a sustainable future.

Çolakoğlu Metalurji sets ambitious targets for greenhouse gas management;

- Reduce Scope 1 and Scope 2 emissions by 13% by 2026,
- Reduce Scope 1 and Scope 2 emissions by 55% by 2030,
- By 2050, it plans to achieve a net zero emissions target for Scope 1 and Scope 2 emissions.

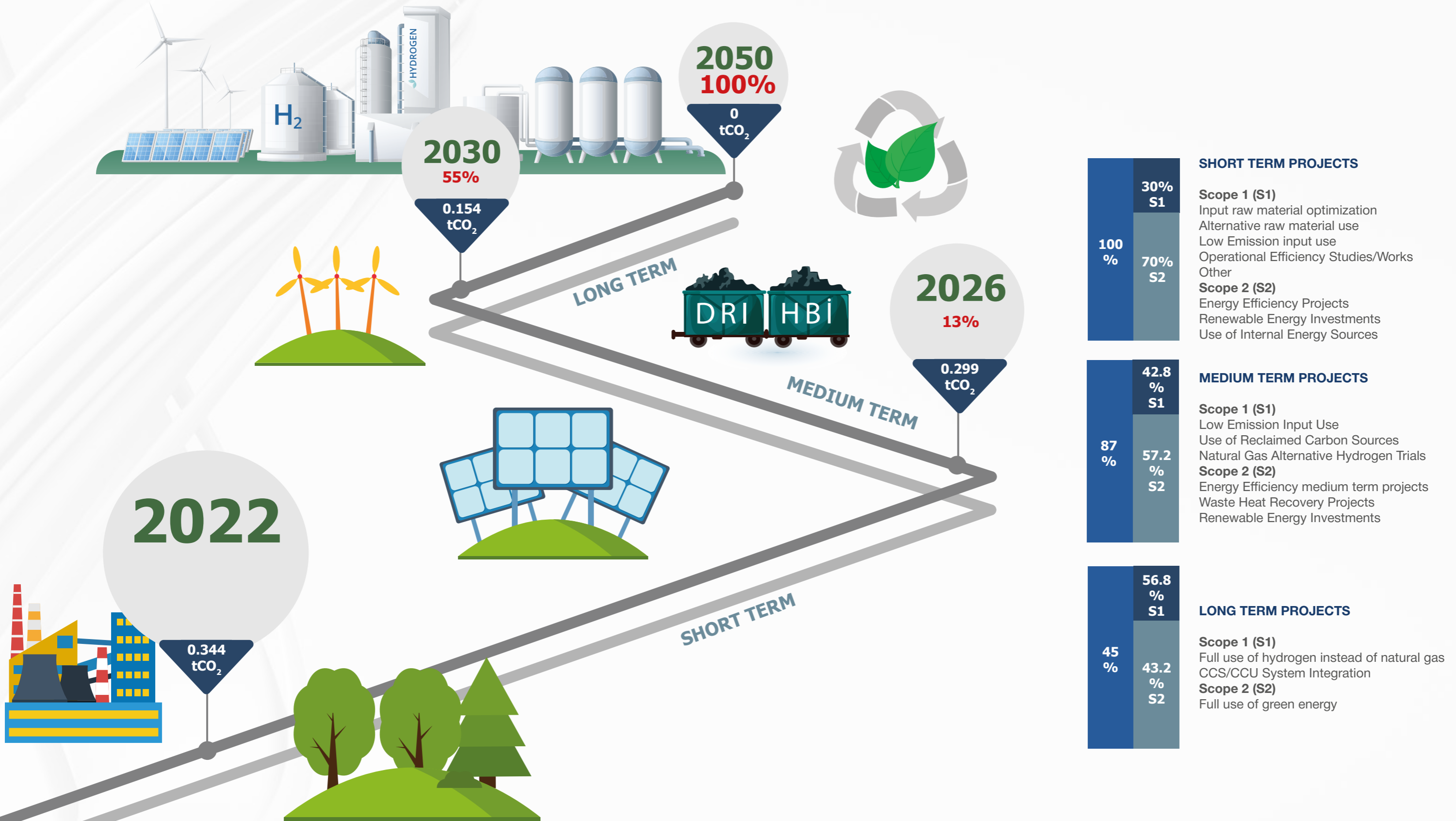
Çolakoğlu Metalurji started work at the end of 2023 to achieve these goals and develop a comprehensive strategy and action plan. Detailed project studies for implementation are ongoing.

TRANSITION TO DECARBONIZATION AND 2025 PROJECTS

Çolakoğlu Metalurji adopts a comprehensive decarbonization strategy to reduce Scope 1 and Scope 2 emissions in line with the transition to a low carbon economy. Within the scope of this strategy, the Company aims to integrate innovative technologies into production processes and increase energy efficiency. The projects to be implemented by 2025 will make significant contributions to the achievement of Çolakoğlu Metalurji’s decarbonization targets.



GREENHOUSE GAS MANAGEMENT TARGETS



SHORT TERM PROJECTS	
100 %	30% S1
	70% S2
Scope 1 (S1) Input raw material optimization Alternative raw material use Low Emission input use Operational Efficiency Studies/Works Other Scope 2 (S2) Energy Efficiency Projects Renewable Energy Investments Use of Internal Energy Sources	
MEDIUM TERM PROJECTS	
87 %	42.8 % S1
	57.2 % S2
Scope 1 (S1) Low Emission Input Use Use of Reclaimed Carbon Sources Natural Gas Alternative Hydrogen Trials Scope 2 (S2) Energy Efficiency medium term projects Waste Heat Recovery Projects Renewable Energy Investments	
LONG TERM PROJECTS	
45 %	56.8 % S1
	43.2 % S2
Scope 1 (S1) Full use of hydrogen instead of natural gas CCS/CCU System Integration Scope 2 (S2) Full use of green energy	

* Calculated according to base year.

2050 NET ZERO

Çolakoğlu Metalurji aims to achieve net zero emissions by 2050. In line with this goal, in addition to investments in energy efficiency and renewable energy projects, the Company uses low-carbon materials in its production processes and supply chain, and implements technological innovations to improve waste management and carbon reduction.

These comprehensive strategies and targets demonstrate Çolakoğlu Metalurji's commitment to fulfill its environmental responsibilities and its determination to create a sustainable future.

ÇOLAKOĞLU METALURJİ'S PRODUCTS WITH ENVIRONMENTAL PRODUCT DECLARATION (EPD CERTIFIED)

Çolakoğlu Metalurji takes steps to minimize environmental impacts in line with its sustainable production approach. In this context, the Company has obtained Environmental Product Declaration (EPD) certificates that transparently demonstrate the environmental performance of its end products.



CLIMATE RISK MANAGEMENT

Çolakoğlu Metalurji follows a proactive approach to manage emission risks and ensure sustainability.

As a result of global efforts to combat climate change, initially continents and countries, and then companies, have set very strong emission reduction and even carbon neutrality targets. Çolakoğlu Metalurji, which operates in the iron and steel industry, has managed to stay below the average emission in the sector by switching to production with Electric Arc Furnace (EAF). Nevertheless, as an organization that acts with the principle of continuous improvement and prioritizes its responsibility towards society, it has set itself the targets of 55% emission reduction by 2030 and carbon neutrality by 2050. In this way, it has adopted a proactive approach to manage emission risks and ensure sustainability in light of the updated legal regulations, technological developments and market expectations within the scope of transition to a low carbon economy.

Çolakoğlu Metalurji implements ISO management systems to improve its corporate governance practices and to respond to the needs and expectations of its stakeholders quickly and with a high level of service and product quality. These management systems, based on the ISO 31001 risk management, aim to increase the Company's risk resilience.

Each department operating within the Çolakoğlu Metalurji organization identifies the main risk categories such as environmental, business continuity, health and safety and quality risks as well as the frequency and impact of risks. These risks are communicated to the Supply Chain Working Group, Climate Action Plan, Operational and Energy Efficiency Working Group, Corporate Governance and Social Responsibility Working Group and Marketing and Sales Customer Relations Working Group which are all part of the sustainable management structure. The working groups then identify the sustainability information and sustainability risks, financialize the risks and determine the actions to be developed accordingly. The risk list is reviewed by the Environment and Climate-related Financial Risk Management Committee and forwarded to the Board of Directors and the Chairman of the Board of Directors for the necessary approval processes.



Çolakoğlu Metalurji considers the following issues when defining sustainability risks:

- List of material environmental and social issues with double materiality analysis output
- TSRS Standards
- Climate change scenarios (1.5°C target scenario and the scenario (SSP5-8.5) that causes the highest emissions and represents the case where no action is taken on a global scale were evaluated).
- Key issue process maps created to cover procurement and after-sales processes
- Impact on environmental resources and raw materials with natural ingredients used as resources
- Sustainability strategy and goals
- Current and expected legal requirements
- Technological developments
- Market expectations and changing customer preferences
- Risks identified by all departments within the scope of implemented ISO management systems

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

ENERGY MANAGEMENT

Çolakoğlu Metalurji believes that renewable energy and energy efficiency principles are fundamental elements for a sustainable world.

Energy management is of critical importance in the iron and steel industry, which is one of the energy-intensive industrial sectors. The vision of a sustainable future requires that steps are to be taken to reduce environmental impacts and there is a need to develop environmentally-oriented production processes with high energy efficiency.

In line with the carbon emission reduction targets of both Türkiye and Çolakoğlu Metalurji, the reduction of energy consumption to increase efficiency and the need to turn to renewable energy sources instead of fossil resources spearheads a serious change and transformation on a sectoral basis.

Çolakoğlu Metalurji, a company with ISO 50001 Energy Management System certification, accepts the energy policy as its guide, carries out its activities in compliance with the policy principles and makes improvements in its processes. Believing that renewable energy and energy efficiency principles are fundamental elements for a sustainable world, Çolakoğlu Metalurji prioritizes the topics of achieving high efficiency with low energy consumption and the transition to environmentally oriented renewable energy sources within the scope of its Company values and business strategy.

Çolakoğlu Metalurji considers the monitoring and analysis of energy use in business processes as one of the basic requirements of effective energy management. In this vein, the Company monitors, analyzes and reports all energy resources consumed in its facilities through monitoring and measurement systems.

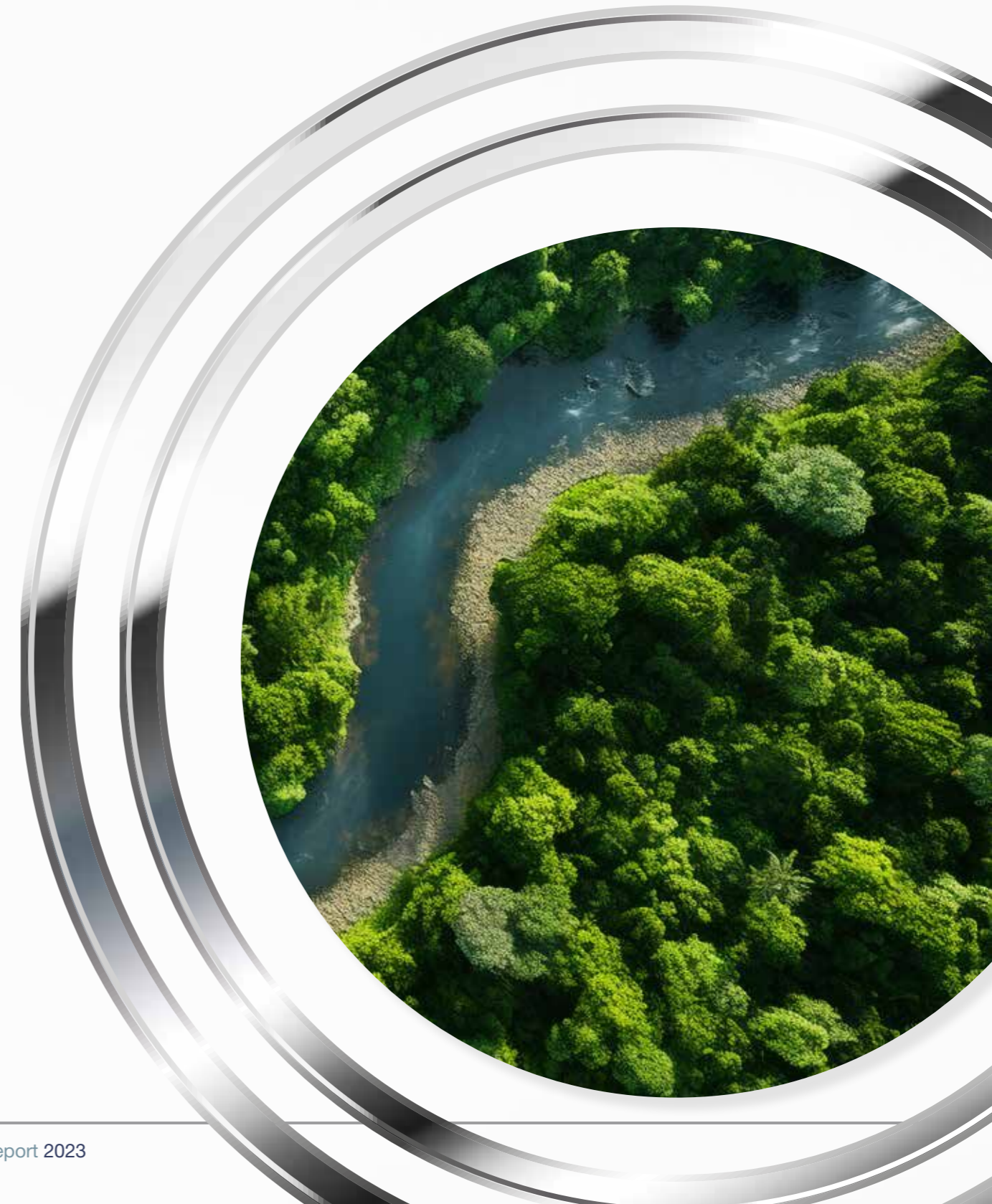
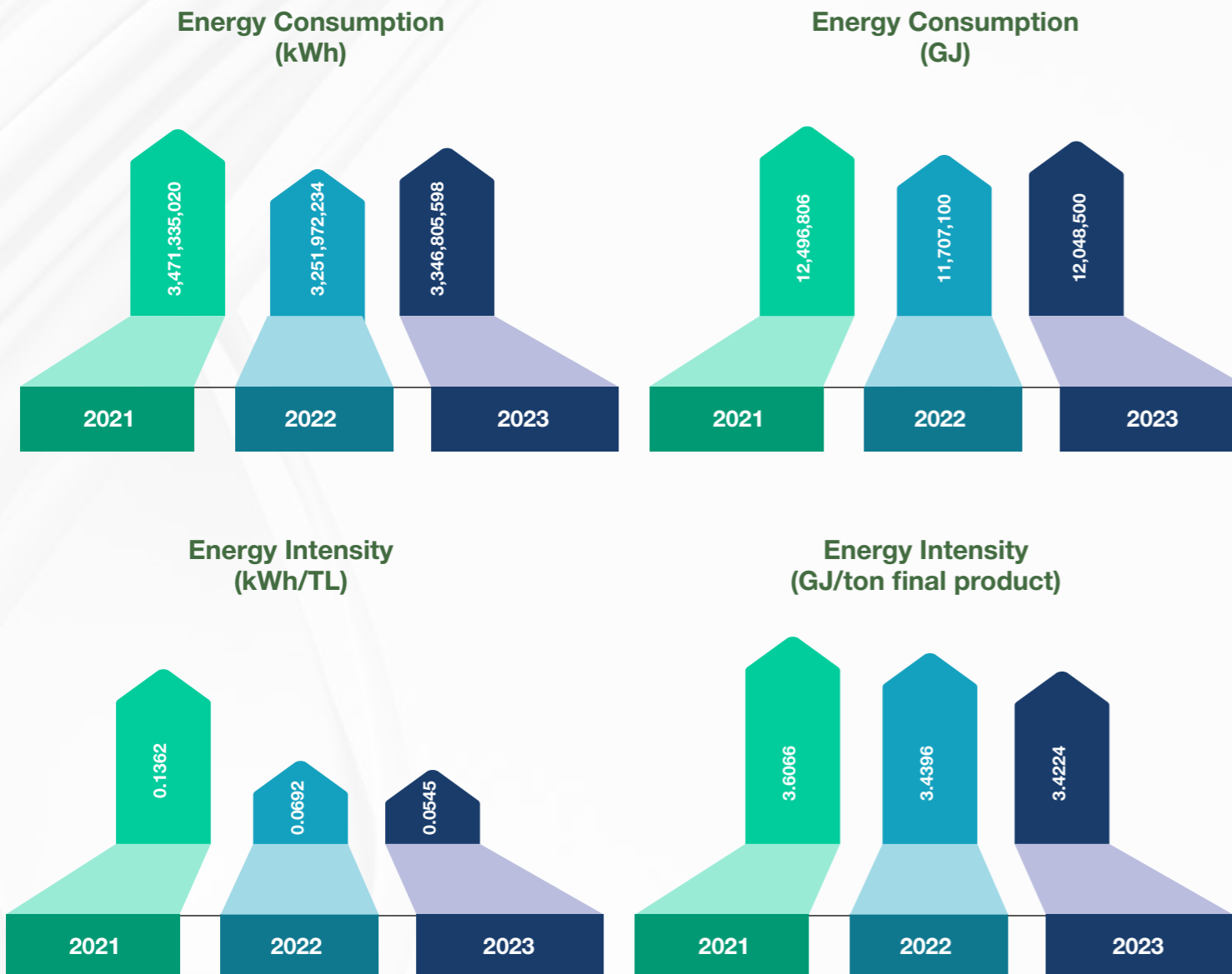
Another performance indicator monitored within the framework of ISO 50001 Energy Management System is energy intensity. The energy types included in energy intensity calculations are electricity, natural gas, anthracite, diesel fuel and LPG.

Çolakoğlu Metalurji managed to reduce its energy intensity by 21% in 2023 compared to last year. This significant reduction is a result of energy efficiency projects.



Çolakoğlu Metalurji implemented various energy efficiency projects in 2023 in order to increase energy efficiency, optimize energy consumption and achieve sustainability targets. The main ones are listed below

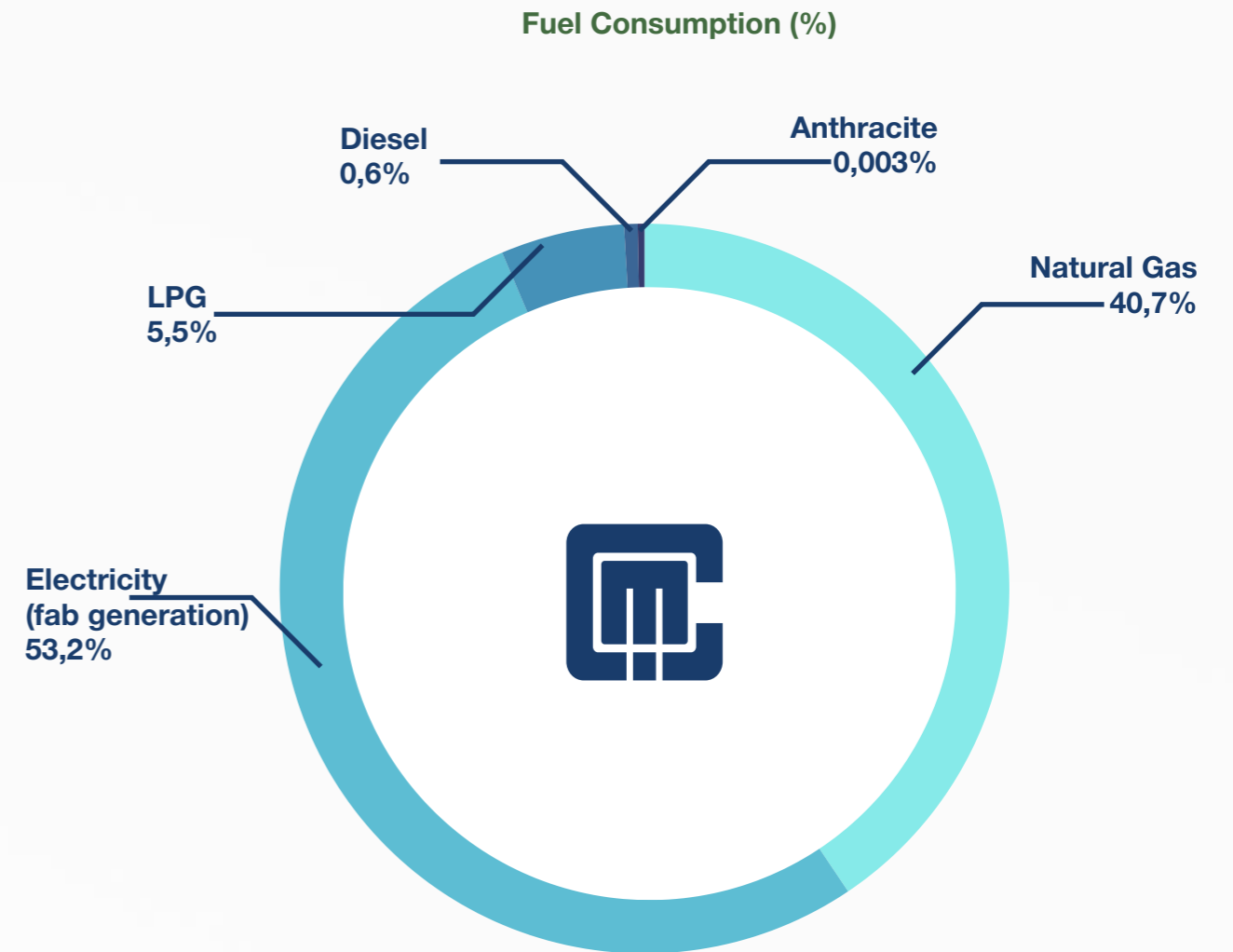
- Using ultrasonic sound waves cleaning system instead of steam soot blowing system
- Installing a driver in the air purification system (scrubber unit) at the slag plant
- Implementation of the lime transfer system energy saving project at the power plant and use of service air instead of blower
- Reducing fuel consumption in kamag transporters
- Steel mill flue cooling pump efficiency coating application
- Power plant vacuum pump efficiency coating application
- Improvement of permeability values of bag filters in dust collection plant



The iron and steel industry is a sector with a high energy demand. For this reason, Çolakoğlu Metalurji meets a significant portion of its energy needs with its own energy production facilities. In these facilities, electricity is generated using fossil fuels and natural gas, and the electricity generated is used effectively in the production processes. Thus, external dependency is reduced and energy security is ensured.

However, in line with the 2030 carbon targets, Çolakoğlu Metalurji plans to completely end the use of fossil fuels in energy production and to switch to lower emission or renewable resources instead of fossil fuels.

This transformation will significantly reduce the carbon footprint of energy consumption and contribute to the achievement of the Company’s environmental sustainability goals. By 2030, the goal of having an energy production facility completely free of fossil fuels is at the center of Çolakoğlu Metalurji’s sustainability strategy. Innovative technologies and energy efficiency projects will be implemented to achieve this goal.



INVESTING IN THE FUTURE: MAGNETIC STIRRER PROJECT

Çolakoğlu Metalurji continues to invest in sustainable production and energy efficiency targets. Among the projects whose budgets have been approved for realization in the coming years, the most important one is the US\$ 12 million Magnetic Mixer project.

The application of this magnetic stirrer in the arc furnace will increase efficiency and consequently increase production. The magnetic stirrer will improve production quality and shorten processing times by mixing metals more homogeneously. In addition, this technology will reduce operational costs and reduce the carbon footprint by optimizing energy use.

The magnetic stirrer project, an important part of Çolakoğlu Metalurji’s sustainability strategy, demonstrates the Company’s commitment to fulfilling its environmental responsibilities and building a greener future.



**RESPONSIBLE
ENVIRONMENTAL
MANAGEMENT
FOR THE STEEL
OF THE FUTURE**



CIRCULAR ECONOMY

Çolakoğlu Metalurji contributes to the circular economy with the targets set and actions taken in waste management.

Proper waste management both reduces the negative impact on natural resources and contributes to the circular economy. The circular economy approach, which aims to systematically reduce waste generation throughout product life cycles, prevents waste by minimizing the use of natural resources and energy as well as labor.

Since steel is a sustainable material that can be 100% recycled, steel production facilities are an important part of the circular economy. Çolakoğlu Metalurji, whose main raw material is iron and steel scrap and which recovers steel with an electric arc furnace, benefits the circular economy and the national economy.

Reducing the use of natural resources in all production processes, ensuring that production wastes are used as alternative raw materials or by-products in other sectors, selecting materials accordingly in production processes and increasing the recycling of wastes generated are important elements of Çolakoğlu Metalurji's sustainability management approach. In this context, the Company sets target KPIs related to raw material and natural resource utilization, recovery and efficiency, as well as actions to achieve these targets.

Çolakoğlu Metalurji, which has led significant developments in the iron and steel industry in terms of the use of process-related wastes as raw materials in another sector, ensures the recovery of chimney dust, which is classified as hazardous waste, through a company that it co-founded, Marzinc Marmara Geri Kazanım A.Ş., a company with a recycling license. In addition, Çolakoğlu Metalurji is the initiator of many projects carried out by the industry association to ensure the circularity of operational waste such as slag, scale and fly ash.

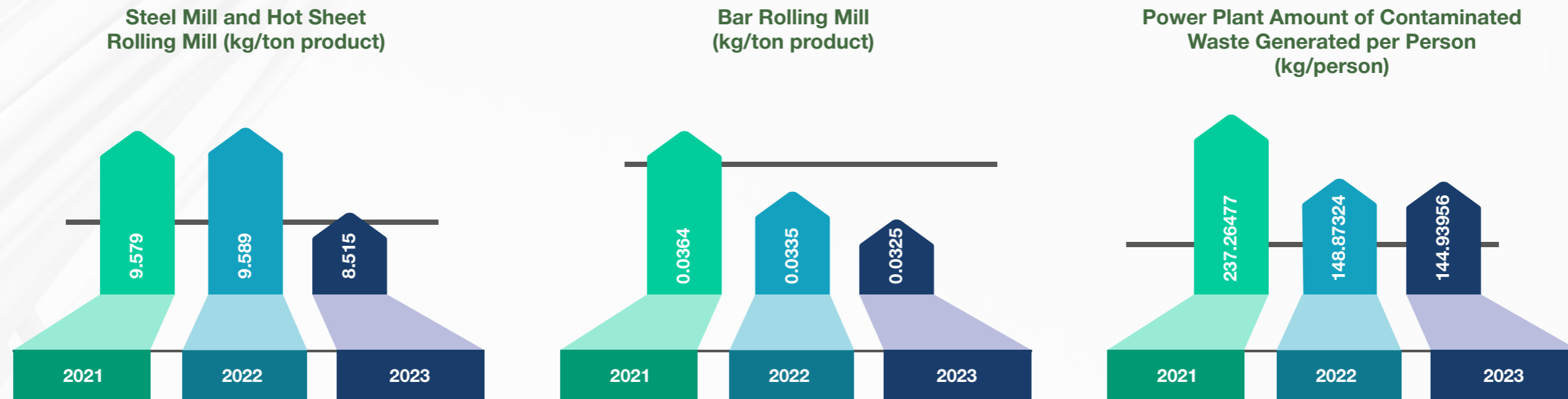
All Çolakoğlu Metalurji facilities have the basic level "Zero Waste Certificate" and feature waste collection points. Waste collected separately at source is sent to recycling facilities in accordance with the legislation.

Aiming to raise environmental awareness among employees, Çolakoğlu Metalurji regularly provides environmental trainings on zero waste, waste classification, separate collection at source and recycling. Waste separation practices are checked through field audits carried out in certain periods, root cause analyses of nonconformities are made, and corrective and preventive actions required to eliminate negative situations are determined and implemented.

The Company expects that nonconformities regarding the separation of waste at source, an indicator included in the performance scorecards of business departments in production facilities, will be eliminated in a timely manner and that this compliance will be 100% in all facilities. In addition, environmental considerations in all processes are controlled and documented by Environmental Management Engineers.



Çolakoğlu Metalurji takes important steps to reduce the amount of waste. In this context, the Company aims to reduce the amount of waste per unit production for the steel mill and hot sheet rolling mill, bar rolling mill and power generation plant.



Çolakoğlu Metalurji managed to reduce the total amount of hazardous waste generated by the steel mill and hot sheet rolling mill by 11% in 2023 compared to the previous year. This reduction rate, which is well above the 4% reduction target, is an indicator of the Company’s commitment to environmental sustainability.

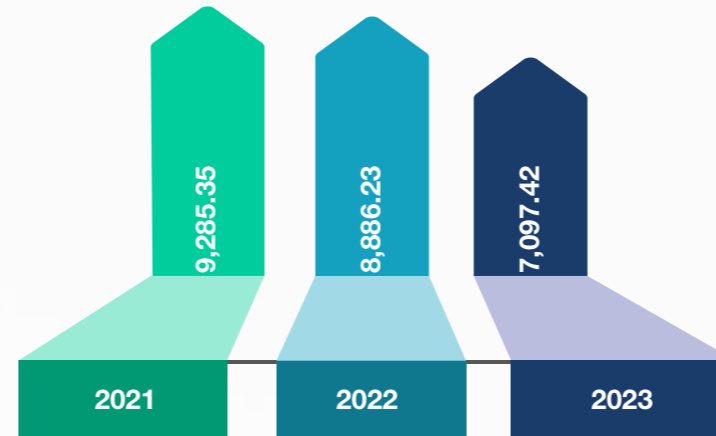
As a result of continuous improvement in production processes and waste management efforts, the total amount of contaminated waste generated as a result of unit production at the bar rolling mill has decreased by 3% compared to the previous year.

Similarly, the amount of contaminated waste generated per person at the power generation facility has decreased by 3% compared to the previous year. This success was achieved through employee awareness raising and continuous improvements in processes.

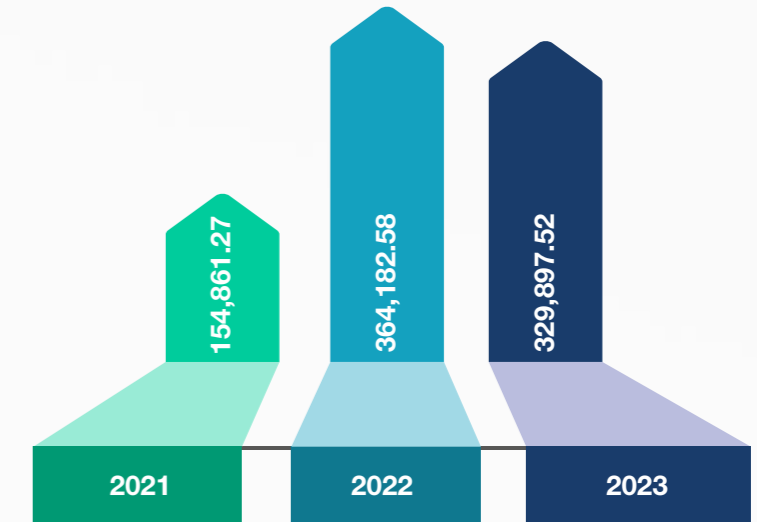
These good practices, which mark the important steps taken by Çolakoğlu Metalurji towards achieving its environmental sustainability goals, equally prove its effectiveness in waste management. The Company continues its efforts to minimize negative impacts on the environment and use resources more efficiently.



Amount of Hazardous Waste (Ton)



Amount of Waste Recovered (Ton)



Çolakoğlu Metalurji aims to reduce the amount of hazardous waste generated in its production facilities by 1% on a unit product basis by 2025 compared to 2023, to contribute to the circular economy by ensuring that at least 85% of these wastes are recovered and to further strengthen its sustainability strategy. To achieve this latter goal, the Company plans its activities to prevent, reduce, reuse, recycle and recover waste at the source.

Çolakoğlu Metalurji, which does not prefer the incineration method for waste disposal due to its environmental impacts, has set the target of zero waste sent to incineration and of reducing the amount of waste sent to landfill every year.

AIR **QUALITY**

Çolakoğlu Metalurji takes the necessary steps to protect air quality and reduce particulate emissions in its operations.

The main achievements of Çolakoğlu Metalurji as a result of its various improvement efforts are listed below:

- The steel plant has a dust collection and filter plant to capture gaseous and dust pollutants from production. The dust collection system is designed to capture 30% more gas and dust from production than the current situation.
- In electric arc furnaces, ladle furnaces and coal drying, a direct suction system with a hood is used. In this way, leaks during charging, casting and melting can be captured.
- The treatment of the gases generated is carried out with bag filters. Approximately 12,200 bag filters are used in the facility.
- The Thermal Power Plant has two separate boilers, one chimney outlet for each boiler and one measurement sensor in each chimney. Measurement sensors located in special rooms in the chimney ducts are activated with an audible and visual alarm mechanism when the limit value is exceeded. The chimneys are continuously monitored by operators with a camera system.
- Each chimney is equipped with an electrostatic filter to control dust emission and to collect the dust in the flue gas generated by combustion.
- Scrap dust generated during scrap evacuation is minimized by pulverizations.
- Watering and sweeping vehicles are actively working in 3 shifts to keep the ambient air under control in the facilities.

In addition, the results obtained from the continuous emission measurement system installed in the steel mill and energy plant chimneys are shared online with the Republic of Türkiye Ministry of Environment, Urbanization and Climate Change.



WATER MANAGEMENT

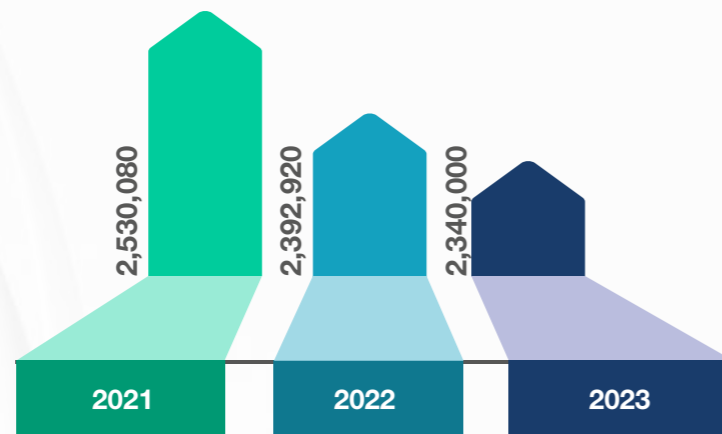
Çolakoğlu Metalurji carefully monitors the amount of water consumed in its operations and takes actions for its efficient use.

Climate change and population increases around the world are increasing the burden on natural resources. Therefore, the efficient use of water, one of the most valuable resources, and the protection of water resources are of vital importance.

Water management is among Çolakoğlu Metalurji’s material sustainability issues. In line with this priority, the Company carefully monitors the amount of water consumed in its operations and carries out studies for its efficient use

The cooling water needed in the process is supplied from seawater processed in the osmosis plant. Process water, which is obtained by treating seawater and used in production processes, is treated in water treatment plants through physical precipitators and sand filters. It is then reused in production and is not discharged to the receiving environment. This ensures the efficient use of water. In order to compensate for losses due to evaporation, water is supplemented, mainly from the osmosis plant. **In 2023, a total of 2,304,000 m³ of water was produced in the osmosis plant. In addition, thanks to the water efficiency studies carried out, the need for water is regularly decreasing every year.**

Osmosis plant water production (m³/year)



The process cooling water is cooled using a closed loop system and titanium heat exchanger technology. This system prevents the use of fresh water and ensures sustainable water utilization. The process water, which is repeatedly used and heated in the closed loop, is cooled by sea water. The seawater is cooled in titanium heat exchangers without contact with the process water and then discharged back into the sea.

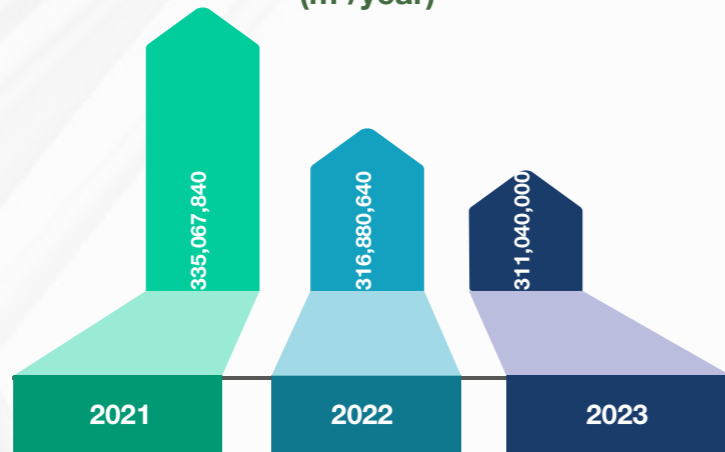


The quality of the water discharged into the sea is monitored by the Continuous Wastewater Monitoring System (CWMS) and the measurement results are shared with the Republic of Türkiye Ministry of Environment, Urbanization and Climate Change. **Thanks to the titanium heat exchanger system, a total of 5,644,604 m³ of fresh water use was prevented in 2023.**

All surface water within the factory site is collected in a closed circuit system and reused as process water after the necessary sedimentation processes. Approximately 360,000 m³ of water is collected annually, preventing the use of surface water.

Thanks to the effective use of the closed loop system, a total of 311 million m³ of water was recovered in 2023. While this significant recovery increases efficiency in water management processes, it also contributes greatly to the protection of natural water resources.

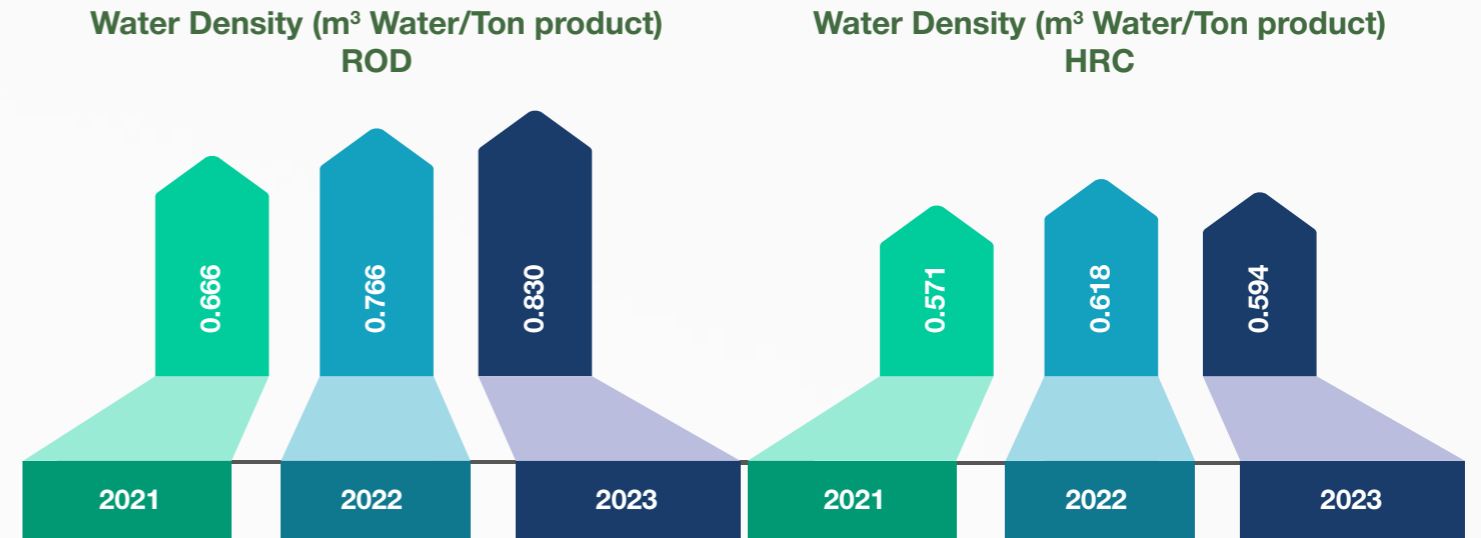
Amount of Water Reclaimed and Reused (m³/year)



Çolakoğlu Metalurji regularly monitors water consumption rates (water intensity) per ton produced in order to optimize water management processes and support the protection of natural resources. Water intensity is calculated for each production line and this data is used as a basic tool to identify areas for improvement in production processes.

Water consumption per ton in bar production was 0.830 m³ in 2023, compared to 0.666 m³ in 2021. This increase is monitored in line with the change in production quantities and the need for process optimizations.

Water consumption per ton in HRC (Hot Rolled Steel Sheet) production was measured as 0.571 m³ in 2021. In 2022, this value increased to 0.618 m³, and in 2023, it was reduced to 0.594 m³ and an improvement was achieved.








Water Density (m ³ water / ton product)	2021	2022	2023
Rod	0.666	0.766	0.83
HRC	0.571	0.618	0.594

In addition, the drinking water used in the factory is obtained by filtering and purifying the mains water. Domestic waste water is discharged to the waste water treatment plant of the Dilovası Organized Industrial Zone Directorate as per the connection permit. Waste water is discharged into the receiving environment.

Water Use by Source	m ³ /year
Sea Water	198,881,280
Mains Water	12,814
Other	290,000
Total	199,184,094



**THE STEEL OF
THE FUTURE IS
SHAPED WITH
A STRONG
SOCIETY AND
WORKFORCE**

- 4** QUALITY EDUCATION 
- 5** GENDER EQUALITY 
- 8** DECENT WORK AND ECONOMIC GROWTH 
- 10** REDUCED INEQUALITIES 
- 16** PEACE, JUSTICE AND STRONG INSTITUTIONS 

“ **ÇOLAKOĞLU METALURJİ**
is committed to creating a safe work environment
where employees feel valued and happy.

”



OUR EMPLOYEES

Çolakoğlu Metalurji, while shaping all its processes with the vision of becoming a global player in the iron and steel industry, aims to create a work environment that will support the development of its most valuable resource, its employees. The Company attaches importance to employee satisfaction and loyalty, and strives to create a safe work environment where employees feel valued and happy.

Çolakoğlu Metalurji conducts human resources management in line with its strategic goals and aims to mobilize the knowledge, skills and competencies of its employees.

Encouraging a culture of high achievement, the Company aims to establish processes and systems that enable employees to take proactive actions to demonstrate superior performance and contribute to its long-term success.

Çolakoğlu Metalurji attaches great importance to the opinions and suggestions of its employees. Creating an environment that encourages employee participation, the Company recognizes that each individual's contribution is valuable and provides feedback mechanisms for continuous improvement.

The “Ideas at Work” platform, which was launched to ensure employee satisfaction and continuous improvement, allows employees to share their ideas and observations on various topics with the Company. Through this platform, employees offer constructive suggestions on issues such as improving business processes and increasing overall efficiency, as well as reporting potential health and safety hazards.

All notifications and suggestions received from the platform are meticulously analyzed by the relevant departments and necessary actions are taken. The benefit of each notification and suggestion for the Company is evaluated by taking into account factors such as human resources, time management and cost. The ratings made in this context are recorded in the relevant employee accounts.

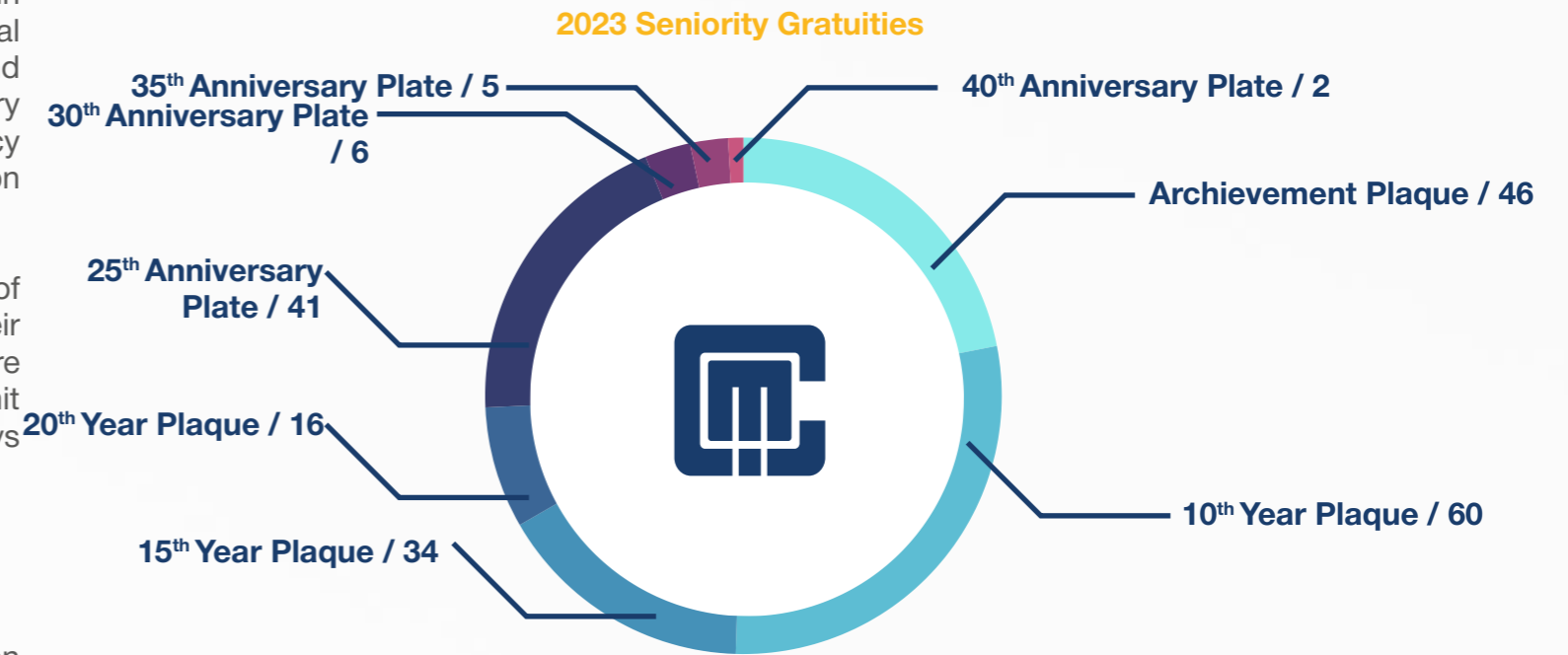
In addition, employees can send any questions, comments, suggestions and service requests regarding Human Resources processes to the Human Resources Department through the "Ask HRmodule. With this module, employee satisfaction is targeted and the accessibility of Human Resources is increased. At the same time, the module aims to increase efficiency by accelerating operational processes.

Çolakoğlu Metalurji organizes various social and cultural activities to motivate employees in the context of work-life balance and to create a sustainable working environment. The Social Activities Committee, established under the name "Haydi", organizes many social events and activities throughout the year with volunteer Çolakoğlu Metalurji employees. In order to carry out its activities more effectively, this committee periodically conducts a Social Tendency Survey to obtain the expectations, opinions and suggestions of employees and decides on the activities based on the results of this survey.

In order to encourage successful and distinctive employees who contribute to the realization of the Company's growth strategy, to make their contributions more valuable and to reward their devoted efforts, awards are given in different categories. In this context, seniority plaques are presented to employees who add value to the organization at the annual Stars of the Summit Award Ceremony. In addition, employees are supported on special occasions and holidays such as births and marriages, and their individual achievements are also rewarded.

- 5S Awards
- Kaizen Awards (Most Efficient Kaizen - Most Creative Kaizen)
- Apps that Make a Difference
- Suggestion Awards - Ideas at Work (Employee with the Most Suggestions - Suggestion with the Most Points - Best OHS Suggestion)
- Lean Planned Maintenance Awards
- Trainer of the Year Awards

Çolakoğlu Metalurji always prioritizes the value and contribution of its employees. The selfless contributions and efforts of employees over many years play a major role in the Company's success. In this context, Çolakoğlu Metalurji appreciates the long-term commitment of its employees and rewards these contributions through practices such as seniority gifts. Recognizing the value of its employees, the Company continuously supports their satisfaction and loyalty in the workplace and shows that it cares about every step taken in this direction.



PRACTICES THAT INCREASE EMPLOYEE SATISFACTION

- Suggestion System
- Social Events Committee
- Employee Relations
- Wage and Benefits Management
- Recognition, Appreciation and Reward
- Performance Management
- Talent Management
- Promotion Appointment/Step Advancement
- Training and Development Support
- Fast Communication with Electronic Human



Together for the Future

LET'S WORK ON SOCIAL ACTIVITIES COMMITTEE

The Social Activities Committee organizes events for employees to socialize and have a pleasant time. In addition to football training, pilates and yoga classes in 2023, the Company's employees enjoyed unforgettable and beautiful moments during the Erciyes and Cappadocia Trip, Marmaris Diving Tour, Erikli Plateau Tent Camp, October 29 Değirmendere Dive, Usla Cooking Workshops and Hello to Summer Boat Event.

EVERY THOUSAND TONS ONE TREE PROJECT

Aiming to traditionalize its efforts to protect nature for a sustainable world, on November 11, National Afforestation Day, Çolakoğlu Metalurji planted 3,500 tree saplings in the Kocaeli Region, where it operates, under the Every Thousand Tons One Tree Project.

APRIL 23 PAINTING CONTEST

Within the scope of internal communication activities, the traditional April 23rd Painting Contest for the children of Çolakoğlu Metalurji employees was held under the theme "Being a Child in the 100th Year of the Republic". 72 children participated in the contest and the children who ranked in the competition were awarded and all participating children were given gifts.

ENVIRONMENT WEEK ROBOTIC CODING PROJECT

As part of June 5 World Environment Day, Çolakoğlu Metalurji took part in the "Türkiye Environment Week" event organized by Kocaeli Municipality and Kocaeli Governorship Provincial Directorate of Environment, Urbanization and Climate Change. Çolakoğlu Metalurji introduced children to new generation environmentally friendly technologies and provided 300 children with information about renewable energy generating technology systems in the "Robotic Environmental Technologies" workshop.

Studying of the house that produces its own energy with solar panels and wind turbines, future environmental volunteers had the opportunity to get to know the technological tools that produce clean energy and gained a perspective on what the use of new generation smart city technologies can add to human life in the construction of the future.



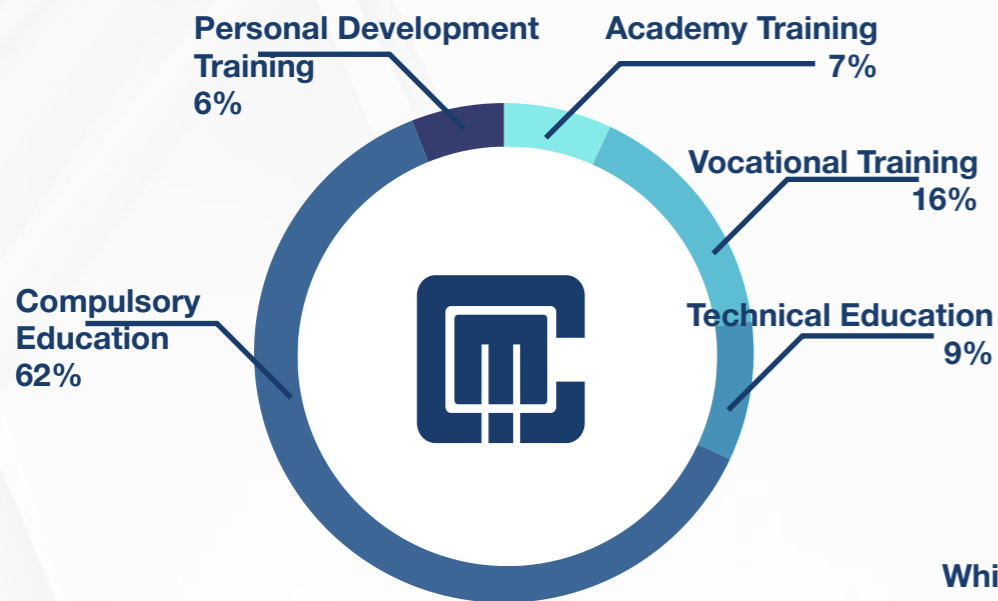
TALENT MANAGEMENT

Çolakoğlu Metalurji organizes training programs to improve the professional, personal development, technical and leadership skills of its employees.

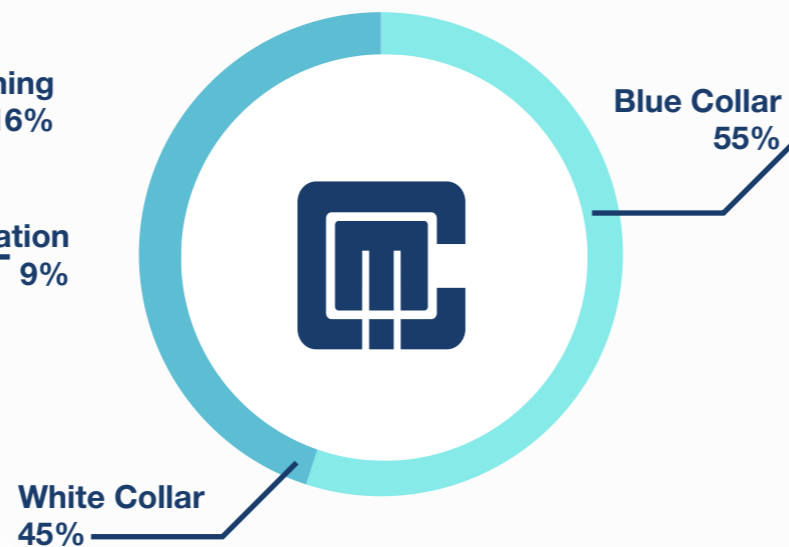
Believing that human resources are the most valuable resource in achieving strategic goals, Çolakoğlu Metalurji closely monitors the performance of its employees by offering them training opportunities to discover their potential talents and improve themselves.

The Company regularly organizes training programs to improve employees' professional, personal development, technical and leadership skills. In this way, both employees can access the training programs they request and managers can offer development opportunities according to the aspects they want to improve. Employees have access to thousands of training resources on the online platform and also have the opportunity to participate in face-to-face trainings scheduled throughout the year.

Distribution of Total Duration of Education



Distribution Of Training Duration Of Blue-Collar And White-Collar Employees



EQUALITY, DIVERSITY AND INCLUSION

Çolakoğlu Metalurji aims to increase the number of female employees and support their career development.

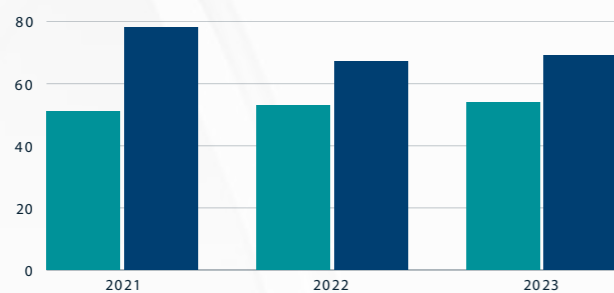
As clearly stated in its human resources policy, Çolakoğlu Metalurji aims to create an environment where employees can work with confidence, where everyone is given equal and fair development opportunities, where opportunities for promotion and appointment are created in line with the principle of equality, and where ideas are freely expressed

In this context, the Company does not allow any discrimination based on ethnic origin, religion, language, age, gender or physical disability, and no such incident occurred in 2023

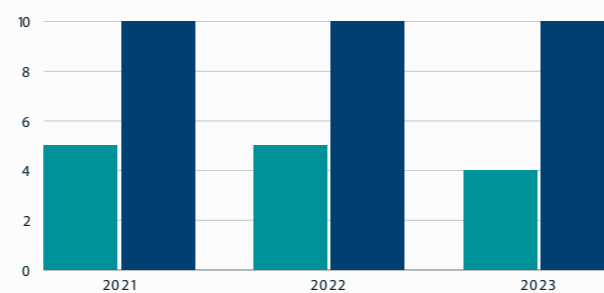
The unionization rate of blue-collar employees at Çolakoğlu Metalurji is 100%.

Çolakoğlu Metalurji aims to increase the number of female employees and support their career development despite the fact that its field of activity, the iron and steel industry, is in the heavy industry category.

**Number of Employees by Gender
General Directorate**



**By Gender Senior Management
Number of Employees**



■ Female ■ Male

100% UNIONIZATION RATE FOR BLUE COLLAR EMPLOYEES





EQUALITY, DIVERSITY AND INCLUSION

WOMEN OF STEEL OF THE REPUBLIC

Çolakoğlu Metalurji, which wants to spread the perspective of gender equality throughout the entire organization and the sector and to set an example to industrial institutions and other sectors with fewer female employees with supportive practices in this field by raising awareness, has signed an important event with the theme of “Steel Women of the Republic” in the 100th anniversary of our Republic.

The event was organized with the participation of women/men senior executives from the business world and the steel industry, women’s associations, members of the press and in cooperation with Steel Orbis, the only e-Marketplace and content provider serving the steel industry. At the event, valuable names from the business world talked about their career journeys and their experiences in the sector and inspired young women.



FOR THE COMMUNITY, WITH THE COMMUNITY

Çolakoğlu Metalurji has adopted adding value to society as a fundamental principle with a strong sense of social responsibility inherited from its founders.

Çolakoğlu Metalurji prioritizes contributing to the education of children, the development of young people through sports and the overall social progress of society. With the projects realized in line with this approach, the Company aims to leave a lasting and positive impact on future generations.

Considering education and sports as the most important elements of social sustainability, Çolakoğlu Metalurji believes in the importance of growing and developing together with society. Acting with an understanding that supports not only economic success but also social development, the Company works in cooperation with all segments of society to contribute to a sustainable future and to build a stronger tomorrow together with society.

ÇOLAKOĞLU METALURJİ SPORTS CLUB

Founded in 2022, Çolakoğlu Metalurji Sports Club has set out with a sustainability approach that aims to develop young people not only physically but also socially and culturally. Through sports activities, the Club encourages young people to grow up as individuals with high self-confidence, responsibility, the ability to use their talents to benefit society and moral values. To this end, the Club contributes to the cultural and social development of young people who do not have the opportunity to play sports by providing equal opportunities.

Çolakoğlu Metalurji Sports Club aims to create a lasting awareness in the lives of young people by using the power of sports and to raise conscious individuals who have adopted sports ethics. In line with the goal of promoting a sustainable sports culture, volleyball, artistic gymnastics, tennis, basketball and athletics branches were added to the Club in 2023 and a general assembly was held, a general assembly was held, which was an important step.

APRIL 23RD INTER-PRIMARY SCHOOL QUIZ COMPETITION

In the 100th anniversary of the Republic, Çolakoğlu Metalurji took its social responsibility approach one step further and focused on the education of children, which it considers one of the most important areas.

The Company organized the “April 23rd National Sovereignty and Children’s Day Quiz Contest” in cooperation with the Dilovası District Directorate of National Education in order to increase enthusiasm for learning and encourage education. This project was implemented in cooperation with the ministry as part of its goal of ensuring sustainability in education and creating a knowledge-based society. The students who ranked first in the competition were rewarded with various gifts in return for their success and their passion for learning was supported. Çolakoğlu Metalurji continues to support education projects in the region, which is its top priority.

DILOVASI BELEDİYESPOR SPONSORSHIP AGREEMENT

Having successfully pursued its mission of contributing to the development of sports for years, Çolakoğlu Metalurji has once again renewed its six-year partnership with Dilovası Belediyespor with the aim of creating a sustainable sports culture. Through this strong partnership, the Company provides long-term support not only to a sports club, but also to the social and sports development of Dilovası. This cooperation stands out as a step that aims to contribute to the physical and social development of young people in the region by increasing their access to sports.





OCCUPATIONAL HEALTH AND SAFETY

Çolakoğlu Metalurji adheres to its Occupational Health and Safety Policy and takes necessary measures against risks that may impair the health and safety of all employees.

Making it a priority to create a healthy and safe working environment in its fields of activity and operations, Çolakoğlu Metalurji meticulously carries out processes related to occupational health and safety, which it considers an important part of its corporate culture. The Company adheres to its Occupational Health and Safety Policy, complies with the ISO 45001 Occupational Health and Safety Management System, fulfills the obligations of relevant national and international standards and legislation, and takes the necessary measures against risks that may impair the health and safety of all employees.

At Çolakoğlu Metalurji, occupational health and safety processes are managed with sensitivity and risks are effectively anticipated and taken under control. These processes include;

- Identification of any potential hazards that may occur during the activities of the workplace,
 - assessment of risks,
 - Determining the methods and principles for taking measures,
 - to decide on the measures to be taken
- are available.

The Company uses Fine-Kinney methodology for risk analysis. According to this methodology, the reason for the assessment is primarily based on reasons such as legal period, technology, process changes.

These studies consist of five basic types of assessment: space, work, equipment, chemical-based and general risk assessment. Then, hazard and risk definitions are made and it is investigated whether there have been accidents in the past related to the hazard definition. Measures already taken regarding the risk are added, and the risk level is determined after calculating the predicted and actual risk scores with frequency, probability and severity multipliers.

Believing that occupational accidents and occupational diseases are preventable, Çolakoğlu Metalurji makes improvements in its operations to minimize occupational accidents, lost day rates and losses that may occur, and fulfills its responsibilities by considering the health of all employees.

In accordance with Law No. 6331 on Occupational Health and Safety, Çolakoğlu Metalurji has a Workplace Health and Safety Unit (Occupational Health and Safety Directorate) consisting of occupational safety experts and workplace physicians authorized by the Ministry of Labor and Social Security.

The Workplace Health and Safety Unit manages risk processes and works to ensure compliance of activities with legal and relevant national/international standards and technological innovations. The unit also works on adequate resource transfers, compliance with legal processes, the creation of monitoring and measurement plans, and setting targets as a result of the evaluation of processes in terms of occupational health and safety.

There is an infirmary within the workplace with 24/7 access. There are infirmaries and health personnel at three different locations in the factory.

The basic structure of the occupational health and safety management system at Çolakoğlu Metalurji includes;

- In addition to OHS Board meetings, departmental OHS meetings,
- Daily field inspections covering the entire factory
- Safety walks,
- Annual statutory OHS trainings as well as on-the-job talks, single point lessons,
- Process, machinery and equipment, chemical, location-based risk assessment studies,
- Subcontractor, subcontractor, supplier managements,
- Hazardous situation, incident, accident root cause investigations,
- Corrective action follow-up through digital audit application,
- PPE management,
- Occupational hygiene measurements on an annual basis,
- Work permits,
- Ideas at Work reward system,
- Information screens, newsletters, etc.



OCCUPATIONAL HEALTH AND SAFETY PROJECTS

“Zero Accident, FSP Project”

Çolakoğlu Metalurji has adopted the Behavior-Oriented Safety Management (BODM) approach in its “Zero Accident” project, which is called BADI in the field of occupational health and safety.

Launched with the slogan “We Don’t Want 1 Ton of Steel Produced with Risk” with the participation of the Company’s General Manager, the Zero Accident, FSI Project adopted 6 basic principles to achieve the primary goal.

- All accidents and work-related diseases are preventable.
- Management and supervisors are responsible for overall occupational health and safety performance.
- High-performance occupational health and safety practices are inevitable for high-performance business results.
- Workers must work in a safe and healthy environment.
- All employees and subcontractors are primarily responsible for occupational health and safety. It is essential to raise awareness and train them.
- Occupational health and safety is an integral part of management processes.

“10 Golden Rules”

Within the scope of the Occupational Health and Safety Management System, “10 Golden Rules” were selected with employees.

“FSI Actual Information Brochures”

All employees are continuously informed within the scope of the Zero Accident, FSI Project. “FSI Actual” brochures were prepared in order to learn lessons from incidents and accidents and prevent recurrence.

“OHS Handbook”

The main objective of Çolakoğlu Metalurji is to control the risks faced by employees in compliance with legal requirements, to prevent occupational accidents and occupational diseases and to make all necessary efforts in these matters. As an extension of the procedures and instructions, the OHS Handbook has been prepared to explain the basic rules regarding occupational health and safety that all employees must comply with.

“Hard Hat Renewal Project”

Within the scope of the occupational health and safety culture it has built since its establishment, Çolakoğlu Metalurji has renewed the hard hats used in the factory area in order to increase the recognizability of employees by including their roles and duties. The renewed hard hats include descriptions such as the name and surname of the employees, the field in which they work, their department, professional skills and certifications.



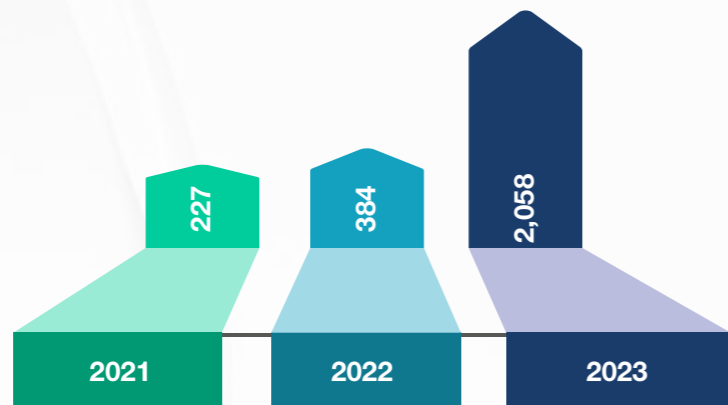
“Ideas at Work Project”

With this project, Çolakoğlu Metalurji aims to ensure that employees participate more actively in occupational safety and to make their access to OHS more convenient. Considering the importance of employee participation in the evaluation, development and implementation of the OHS system, the opinions and ideas of employees on occupational health and safety issues such as risk assessment, incident and accident analysis are received through the Ideas at Work individual suggestion platform.

Gains of the Project

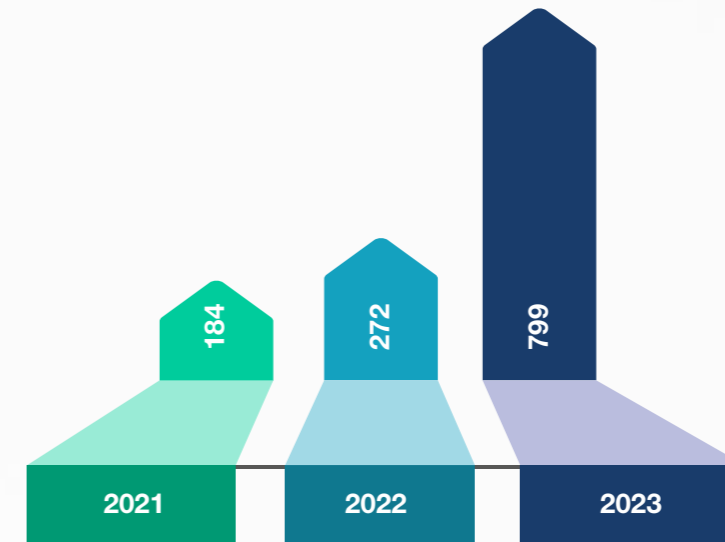
- In the project, first of all, a more comfortable access to employees was provided in terms of solving problems in occupational safety and generating ideas. While previously written messages were sent in writing to express opinions, thanks to this system, it has been made shorter and easier for the relevant employees to reach the department they want by taking photos and uploading them immediately.
- With the near-miss and hazard notification application, a systemic integrity has been achieved in ensuring that the incident information occurring in the field reaches the relevant units in the fastest way possible and regarding the actions to be taken regarding the near-miss.
- A platform has been created where employees can easily communicate their suggestions and project ideas to their departments, allowing them to report anonymously.
- With this application, it is convenient for them to use this application at the desired time interval.
- The product range of the Ideas in Business awards was broadened and a platform open to online shopping was created for all family members to choose together.
- Root cause investigations of reported hazardous situations and near miss incidents are carried out and a proactive approach is developed accordingly. This has resulted in an increase in the number of near-miss notifications and a decrease in the number of accidents.
- An increase in ideas on active OHS issues was observed.

2021-2022-2023 Number of Idea Notifications at Ideas at Work



Similarly, employees can use the same application to report a possible near-miss incident, hazard notifications that they think may threaten OHS, or work-related health problems. Notifications are evaluated by an occupational safety specialist or workplace physician, and various modules are used for the control measures determined as a result of the evaluation.

2021-2022-2023 Hazard Notification Numbers



“OHS Digital Audit Tracking System”

With the “OHS Digital Audit System” that audits OHS activities, nonconformities are identified, those concerned are warned, nonconformities and actions are archived and management is informed in real time. The purpose of this system is to guide the Company’s OHS targets and activities and to monitor them in real time.

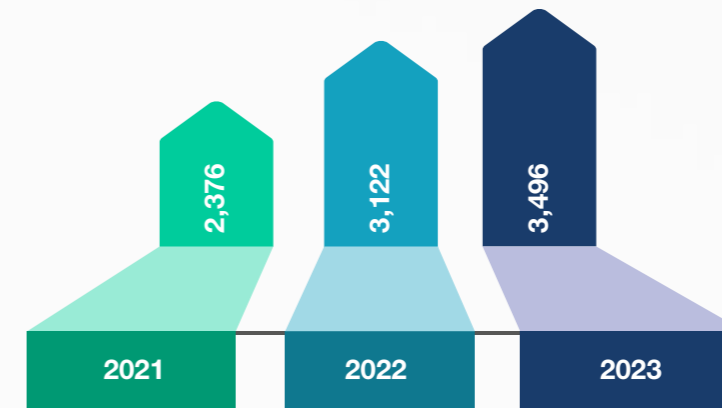
Actions are determined in line with the notifications received through the İş’te Fikir application on occupational health and safety, safety walks within the factory work sites, field inspections, periodic controls carried out in line with legal regulations, occupational health and safety meetings held with departments, and action follow-ups are carried out through the application.

Uygunluk Listesi										
Düzenle	Aksiyon	Kontrol	İzlet	Rapor	Uygunluk No	Aksiyon Durumu	Uygunluk Durumu	Modül	Modül Kodu	Tespit Tarihi
✓	✓	✓	✓	✓	6767	Devam Eden Aksiyon	Devam Ediyor	Smal Audit	SMAT5626	21.04.2022
✓	✓	✓	✓	✓	6766	Devam Eden Aksiyon	Devam Ediyor	Smal Audit	SMAT5628	21.04.2022
✓	✓	✓	✓	✓	6765	Devam Eden Aksiyon	Devam Ediyor	Smal Audit	SMAT5627	21.04.2022
✓	✓	✓	✓	✓	6764	Devam Eden Aksiyon	Devam Ediyor	Smal Audit	SMAT5626	20.04.2022
✓	✓	✓	✓	✓	6763	Devam Eden Aksiyon	Devam Ediyor	Smal Audit	SMAT5625	20.04.2022
✓	✓	✓	✓	✓	6762	Devam Eden Aksiyon	Devam Ediyor	Smal Audit	SMAT5624	20.04.2022
✓	✓	✓	✓	✓	6761	Devam Eden Aksiyon	Devam Ediyor	Smal Audit	SMAT5623	20.04.2022
✓	✓	✓	✓	✓	6760	Devam Eden Aksiyon	Devam Ediyor	Smal Audit	SMAT5622	20.04.2022
✓	✓	✓	✓	✓	6759	Devam Eden Aksiyon	Devam Ediyor	Smal Audit	SMAT5621	19.04.2022
✓	✓	✓	✓	✓	6758	Tamamlanmış Aksiyon	Tamamlandı	Smal Audit	SMAT5620	19.04.2022

System Benefits

- Nonconformity records were created through the Digital Audit Tracking System.
- Nonconformity action follow-ups were realized.
- With the ease of action tracking, closure of completed actions was carried out in a more organized manner.
- It was checked whether the actions taken led to any other risks.
- Unit managers were informed about the actions that were not closed on the deadline. It was determined that nonconformities were resolved more quickly with automatic reminder e-mails sent to department managers through the system.
- Due to the increase in the number of hazardous situations and nonconformities detected in the field, there has been a decrease in near-miss incidents and occupational accidents.

2021-2022-2023 Number of Actions

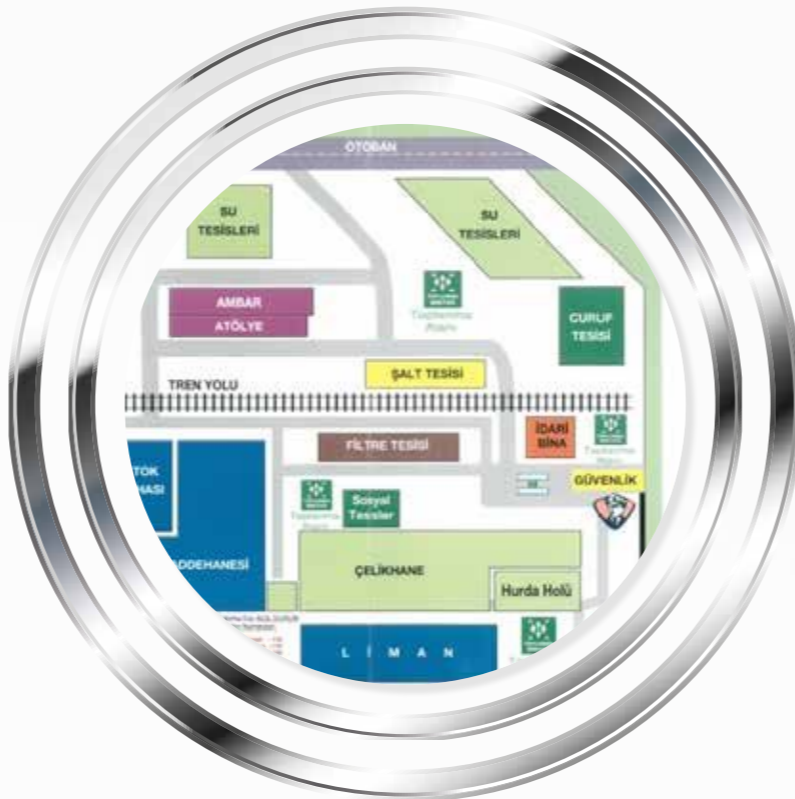
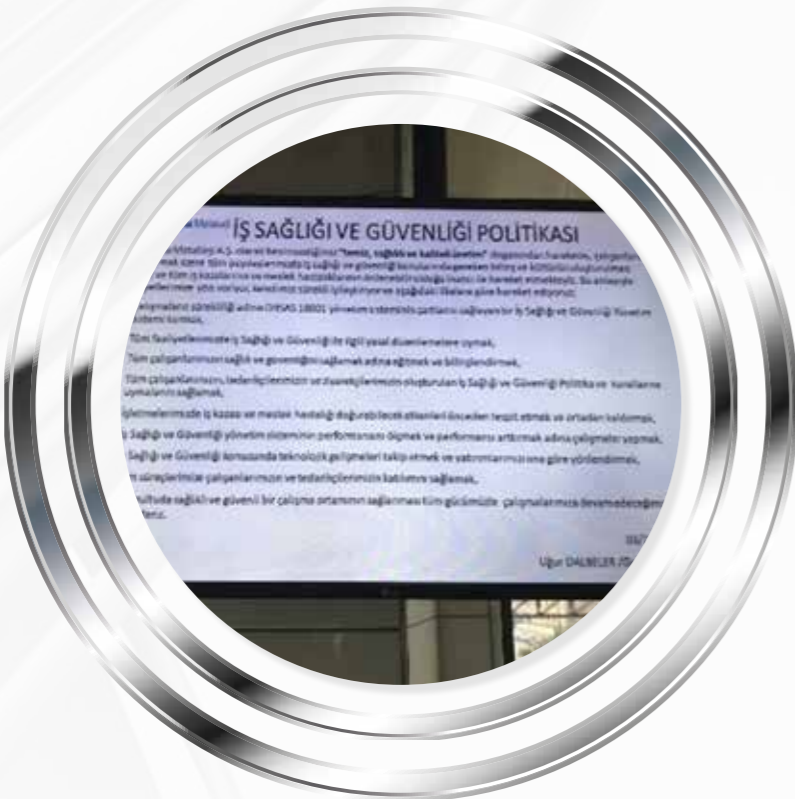


Health surveillance is also carried out through the Digital Audit Tracking System. All examinations, illness and work accident records are carried out in a systematic manner. The examinations determined according to work environment risks are listed below. In addition, periodic heavy metal examinations and toxicological examinations are carried out when necessary.

- Lung PA
- Liver Function
- Urea
- Creatinine
- Calcium
- Potassium
- Sodium
- HBA1C
- Hemogram
- Lead
- Chromium
- Zinc
- Aluminum
- Manganese
- Nickel
- Phenol
- Hippuric acid
- Pulmonary Hypertension
- TIT
- Eye Examination
- ODYC

OTHER OHS COMMUNICATION PROJECTS

Employee information on occupational health and safety is provided through the Quality Documents Integrated Management System, Çolakoğlu Metalurji's online systems, bulletin boards, TV screens in social areas, and the SMS notification system of the relevant application for approved persons coming from outside the organization.



OHS Meetings

- Management review meeting (annual basis)
- OHS committee meetings (monthly basis)
- Department OHS meetings (monthly)
- Subcontractor foremen meetings (when necessary)
- OHS assessment meetings (weekly)
- Subcontractor OHS assessment meetings (when necessary)
- Incident & accident investigation meetings (when necessary)

Employees must comply with the rules, prohibitions and measures set by occupational health and safety committees to protect and improve health and safety. However, they can apply to the department manager and the OHS Board Chairman, Operations Director, when they detect deviations in health and safety measures. The application is evaluated and the decision is notified to the employee in writing. However, in emergency situations such as earthquakes and fires, this process is not applied and the employee has the right to immediately stop work and move to a safe area.

Trainings

Çolakoğlu Metalurji organizes trainings at regular intervals to raise awareness of responsibility among its employees and to ensure the adoption of OHS culture.

Visitor Information Cards

All visitors to the Çolakoğlu Metalurji plant are informed about facility rules and matters to be considered in case of emergency.

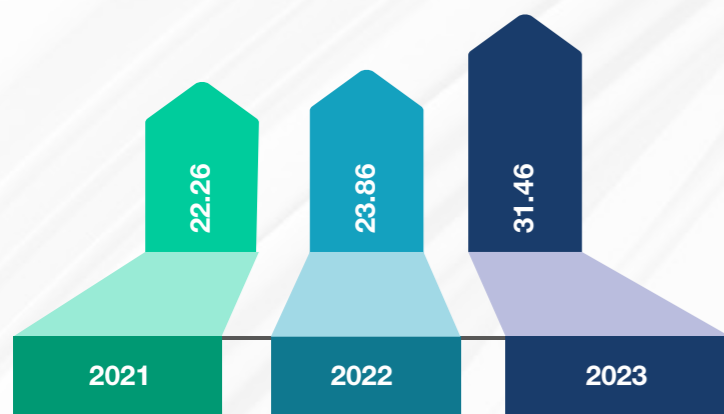
Contractor On-the-Job Talks

By including contractors in on-the-job talks, their participation in management system processes is kept alive.

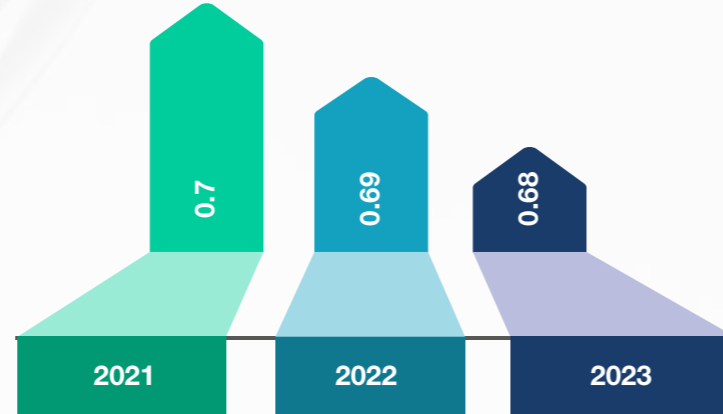
Incident & Accident Investigations

At Çolakoğlu Metalurji, the W-H and fishbone method is used to identify the root cause(s) of a near-miss incident/work accident. In this context, what, when, where, how and who questions are answered. Then, human, accident site, machinery, equipment and related documents are examined. In line with all the data obtained, critical factors and root causes are identified, a corrective action is determined for each critical factor found and an action is assigned to the relevant responsible person for these activities.

Accident Frequency Rate



Accident Weight Ratio



In 2023, improvements made to reduce accident risks:

In the refractory ladle weaving area of the steel plant, the risk of falling from height was minimized by constructing a personnel descent and ascent elevator.

Fire lines in the port area were revised and a fire line with sufficient pressure was provided in the area.

With the artificial intelligence camera system, audible and light signals are activated in case personnel are detected on the rails to which the overhead cranes used in the production areas are connected and on which they move on their axis.

Work Permits & EKED Applications

It is the control systematic that Çolakoğlu Metalurji has established to ensure that routine and non-routine activities that carry potential hazards in the factory are carried out under safe conditions and situations.

Door Entry Application Project

Visitor, subcontractor and supplier management is carried out digitally through the “Door Entry Application” program. The purpose of this application is to systematically track the documents required before visitors/contractors/suppliers enter the factory site in accordance with Law No. 6331, to inform about the timeliness of the documents uploaded to the system, and to provide easy access and information to all stakeholders via SMS in a short time in case of possible emergencies.

This practice facilitates training in a busy visitor/contractor circulation and informs visitors/contractors about the occupational safety rules of the factory.



Gains of the Project

- People who do not want to waste time at the factory gate can complete their training over the phone before they arrive.
- It is ensured that the security personnel can see the trained people through the system and it is possible to print their commitment letters automatically when they come to the factory.
- Thanks to the Door Entry Application, guests can register on a self-service basis and print their own personalized picture commitment form. In addition, they can access information and notifications faster and automatically, and take online exams without being affected by the intensity of the gate security.
- Visitors/contractors/suppliers coming to the factory for the second time can use and update their registered information and documents. Their trainings are valid for the period determined by the OHS unit.
- Employees without smartphones can complete their training on a tablet placed in the training or rest room.
- Survey module The HR department can conduct employee surveys through the system and can also provide information via SMS.
- For expired documents, the contractor is automatically notified via SMS or e-mail.

Process Safety Studies

Major accident scenario document studies were completed within the scope of process safety. During these studies, the most realistic scenarios were created in line with HAZOP, Dow Fire and Explosion Index, ARAMIS Methodology, ICI MOND Index, Fire, Explosion and Toxicology Index and Hazardous Equipment Grouping Criteria.



Ergonomic Weaving in the Ladle Project

In the Refractory Unit of the Steelworks Department, ergonomic solutions have been developed for ladle knitting in order to minimize the physical strength required for knitting work.



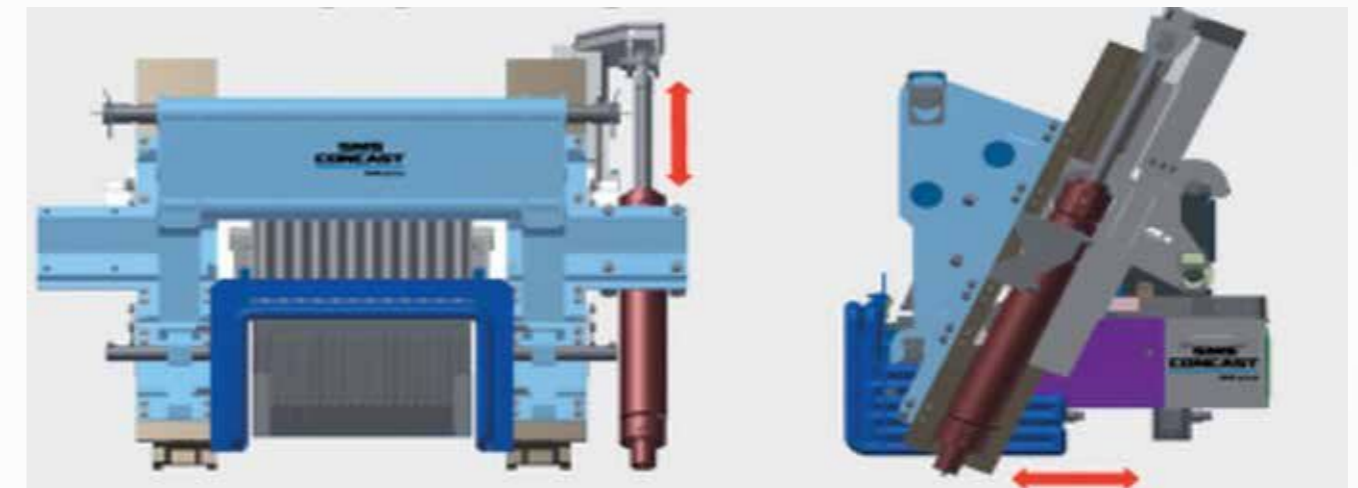
PPE Vending Machine Project

The project was initiated to legally record the distribution of Personal Protective Equipment (PPE) and to ensure the supply of PPE in accordance with standards and job requirements when needed. In this context, a personnel-based PPE inventory list was created and based on this list, a distribution system was developed for person cards, main distribution warehouse and PPE vending machines.



New Generation Safety Gate

With the project, the slag mouth was cleaned automatically with the New Generation Safety Gate System instead of being cleaned manually by personnel with the help of a forklift. This project is the first and only project of its kind ever implemented in Türkiye. Slag mouth cleaning operations were carried out unmanned thanks to the Next Generation Safety Gate System. Thanks to the project, the risk score, which was calculated as high in the previous risk assessment study, was reduced to the desired level by eliminating the source of danger.



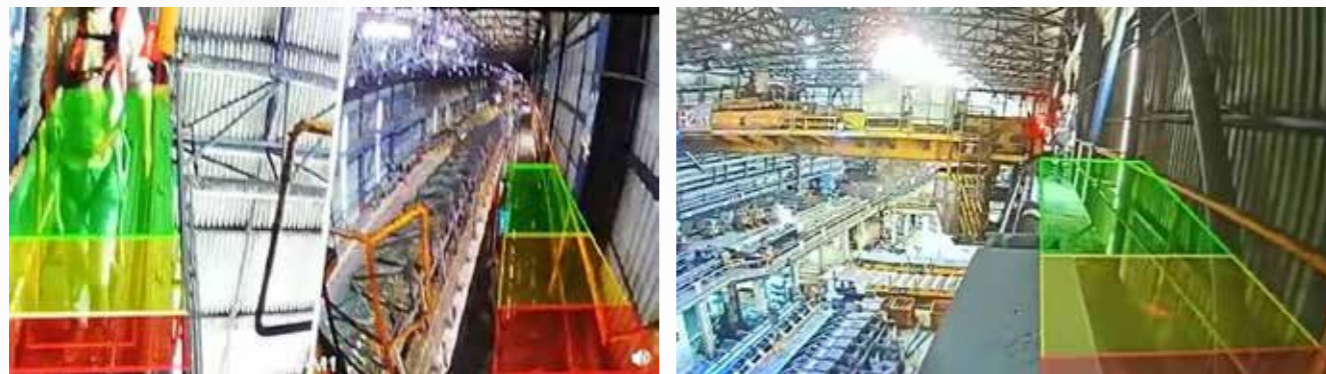
Work Machine Red/Blue Light Project

Blue and red light applications are carried out to maintain a safe distance when working with construction machinery.



Overhead Crane Rail Scanning Project

Overhead cranes used in production sites may have people on the rails to which they are connected and on which they move on their axis, in cases such as repair and maintenance. The presence of people on the rails at height poses a great risk when the cranes are in motion. In this project, human safety was prioritized by aiming to eliminate these potential risks.



Gains of the Project

- The operator is able to control all directions of movement of the crane simultaneously in the cabin.
- A 3-stage warning system has been installed, which is activated when human presence is detected on the rail route.
 - Less Hazardous Distance: Audible warning
 - Medium Dangerous Distance: Reduction of crane speed + Audible warning
 - High Hazard Distance: Complete crane stop + Audible warning
- Unwanted downtime is prevented and operational efficiency is increased.

Pedestrian Roads Project

Within the scope of the pedestrian walkways project, visual displays were increased, the pedestrian walkway at the main entrance was painted, stenciling was applied and the porches were renewed. Precast was placed along the pedestrian walkway at the main entrance, cat's eyes and fences were installed. Sliding doors were installed at points where it is possible to pass through the walkway.



Symposium on Employee Safety and Well-being in the Metallurgical Industry

Çolakoğlu Metalurji participated in the Symposium on Employee Safety and Wellbeing in the Metallurgical Sector held in November 2023 with 4 posters and 3 presentations.





ANNEXES

PERFORMANCE INDICATORS

SOCIAL PERFORMANCE INDICATORS

Number of Employees	Male	Female	Total
2021	1,382	89	1,471
2022	1,454	104	1,558
2023	1,474	105	1,579

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

Number of Employees by Employment Type	Full Time		Part Time	
	Male	Female	Male	Female
2021	1,382	89	0	0
2022	1,454	104	0	0
2023	1,474	105	0	0

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

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

Number of Employees by Region	Türkiye		Abroad	
	Male	Female	Male	Female
2021	1,382	89	0	0
2022	1,454	104	0	0
2023	1,474	105	0	0

Number of Employees by Contract Type	Fixed Term		Indefinite Term	
	Male	Female	Male	Female
2021	1	0	1,381	89
2022	9	0	1,445	104
2023	5	0	1,469	105

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

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

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

SOCIAL PERFORMANCE INDICATORS

Middle Management Structure	Male	Female
2021	34	5
2022	34	5
2023	35	7

Mid-Level Management Structure Age Distribution	Under 30	Between 30-50 Years	Over 50 Years
2021	0	30	9
2022	0	30	9
2023	0	32	10

Middle Management Structure by Nationality	Indigenous	Foreigner
2021	39	0
2022	39	0
2023	42	0

Number of Employees by Age Group	Under 30	Between 30-50 Years	Over 50 Years
2021	236	1,085	150
2022	271	1,125	162
2023	301	1,102	176

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

Average Years of Seniority by Gender	Male	Female
2021	9.4	5.85
2022	9.67	5.8
2023	8.58	5.81

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

Age Distribution of New Hires	Under 30	Between 30-50 Years	Over 50 Years
2021	95	72	3
2022	111	85	3
2023	102	71	2

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

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

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

Training Duration Provided to Employees by Gender (hours)	Male	Female	Total
2021	52,553	3,354	55,907
2022	96,441	9,119	105,560
2023	70,361	6,461	76,822

SOCIAL PERFORMANCE INDICATORS

Training Duration Provided to Employees by Category (hours)	White Collar	Blue Collar	Total
2021	20,181	35,726	55,907
2022	52,616	52,944	105,560
2023	34,838	41,984	76,822

Number of Employees Attending Trainings	Male	Female	Total
2021	1,352	87	1,439
2022	1,584	118	1,702
2023	1,632	130	1,762

OHS management within the scope of international standards or legal requirements	The number of people involved in such a system, including subcontracted workers	Number of those involved in such a system, including subcontracted workers, and audited by the Agency	Number of those involved in such a system, including subcontracted workers, who are audited by external auditors
2021	1,959	CC and subcontractor workplaces are continuously monitored. There is no numerical data.	Audit is carried out by Cares audit organization. There is no numerical data.
2022	2,058	CC and subcontractor workplaces are continuously monitored. There is no numerical data.	Audit is carried out by Cares audit organization. There is no numerical data.
2023	2,259	CC and subcontractor workplaces are continuously monitored. There is no numerical data.	Audit is carried out by Cares audit organization. There is no numerical data.

Number of Employees Attending OHS Trainings	
2021	1,106
2022	2,537
2023	2,223

Absenteeism Rate Due to Accidents	Number of Lost Days	Total Working Time (hours)	Loss due to Occupational Accidents (hours)	Ratio
2021	2,189	3,100,112	25,365	0,008
2022	9,758	3,075,323	19,185	0,006
2023	10,122	3,338,545	20,355	0,006

Training Duration per Employee (Hours)	
2021	38.66
2022	69.02
2023	49.44

	Total Number of OHS Board Members	OHS Board Number of Employee Representatives	Number of OHS Committee Meetings	Total Number of OHS Committee Members	Number of OHS Committee Meetings
2021	24	2	12	92	120
2022	27	2	12	88	93
2023	27	2	12	92	88

SOCIAL PERFORMANCE INDICATORS

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

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

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

Staying at Work One Year After Returning from Maternity Leave Ratio	
2021	100%
2022	100%
2023	100%

Number of Active Suppliers	Local	Foreigner
2021	1,349	155
2022	1,389	130
2023	1,356	150

OHS Training Duration per Employee	
2021	23
2022	11.12
2023	17.89

ECONOMIC PERFORMANCE INDICATORS

Turnover (TL)	
2021	25,514,763,202.00
2022	46,991,904,349.00
2023	61,369,393,529.00

ENVIRONMENTAL PERFORMANCE INDICATORS

Total Production Amount (tons)	Steel Mill	SSH	Rod Rolling Mill
2021	2,753,482	2,785,757	679,200
2022	2,604,063	2,692,677	710,935
2023	2,546,326	2,873,042	647,429

Total Raw Material Consumed (tons)	Scrap Steel	Other Auxiliary Materials	Anthracite	By-Product
2021	3,102,562	212,383	506,907	295,715
2022	2,934,308	272,568	404,663	107,538
2023	2,884,521	299,471	469,353	112,283

In-house Energy Consumption	Natural Gas (GJ)	Diesel (GJ)	Electricity from Grid (kWh)
2021	5,071,156	33,974	1,032,440,503
2022	4,745,385	46,128	1,075,663,491
2023	4,944,277	46,128	866,818,385

Energy Intensity (kWh/TL)	
2021	0.1362
2022	0.0692
2023	0.0545

Energy Intensity of Energy Facility	Total Consumption - TOE	Production MWh	Unit Consumption TOE/MWh
2021	298,419	1,056,495	0.282
2022	256,454	900,168	0.285
2023	306,761	1,082,580	0.283

Steel Production			
Greenhouse Gas Emissions (tCO ₂ e/tonne year)	Scope 1	Scope 2	Scope 3
2021	517,306	751,981	-
2022	493,054	725,777	-
2023	495,035	748,514	4,552,599

Liquid Steel			
Greenhouse Gas Emissions (tCO ₂ e/ton product)	Scope 1	Scope 2	Scope 3
2021	0.102	0.227	-
2022	0.104	0.233	-
2023	0.100	0.245	0.899

HRC		
Greenhouse Gas Emissions (tCO ₂ e/Ton Product)	Scope 1	Scope 2
2021	0.069	0.036
2022	0,066	0.035
2023	0.069	0.035

Rod		
Greenhouse Gas Emissions (tCO ₂ e/Ton Product)	Scope 1	Scope 2
2021	0.06	0.034
2022	0.06	0.033
2023	0.062	0.033

ENVIRONMENTAL PERFORMANCE INDICATORS

Energy Generation			
Greenhouse Gas Emissions (tCO ₂ e/tonne year)		Scope 1	
2021		1,322,688	
2022		1,035,404	
2023		1,253,989	

Energy Facility		
Greenhouse Gas Emissions (tCO ₂ e/ton product)	Scope 1	Scope 2
2021	1.250	0.009
2022	1.067	0.008
2023	1.255	0.008

Amount of Water Used (m ³)	Other	Mains Water	Cooling Water (Sea Water)
2021	182,000	0	196,577,280
2022	177,226	6,987	196,577,280
2023	290,000	12,814	196,577,280

Annual Amount of Wastewater by Discharge Method (m ³)	Receiving Environment	Waste Water Channel
2021	1,095,552	85,465.00
2022	1,095,552	189,137.00
2023	1,095,552	210,537.00

Total Amount of Hazardous Waste (tons)	Recycling	Disposal
2021	718.56	8,566.79
2022	803.41	8,082.82
2023	781.47	6,315.95

Total amount of non-hazardous waste (tons)	Recycling	Disposal
2021	207,451.85	186,159.77
2022	414,019.08	202,236.363
2023	331,396.62	304,097.736

Investment	Water Facilities	Dust Collection	Slag Plant	Environment	Total (TL)
2021	16,827,483	962,365	1,094,916	10,674,346	29,559,110
2022	21,152,214	6,180,870	442,663	21,292,027	49,067,773.84
2023	34,290,607	40,161,114	1,234,565	35,627,778	111,314,063.09

Business	Water Facilities	Dust Collection	Slag Plant	Environment	Total (TL)
2021	20,440,128	8,158,557	13,883,973	19,523,076	62,005,734
2022	43,370,931	17,514,983	41,849,509	41,084,277	143,819,699.93
2023	79,238,806	27,881,123	63,095,971	61,906,203	232,122,103.97

Number of Employees Participating in Environmental Trainings		
2021		1,186
2022		1,293
2023		1,159

Environmental Training Time per Employee (hours)		
2021		8 Hours
2022		8 Hours
2023		8 Hours

GRI CONTENT INDEX

For the Content Index-Essentials service, GRI Services verified that the GRI Content Index is clearly presented in a manner consistent with the Standards and that references for all disclosures are correctly included and aligned with the appropriate sections in the body of the report. This service was performed on the Turkish version of the report.



Statement of Use: Çolakoğlu Metalurji has prepared its report covering the period January 01, 2023 - December 31, 2023 in accordance with GRI Standards.

Use of GRI 1: Foundation 2021

GRI STANDARD	EXPLANATION	EXPLANATIONS AND SECTION
General Explanations		
	2-1 Details of the organisation	About Us, Page: 7
	2-2 Organisations included in sustainability reporting	About The Report, Page: 3
	2-3 Reporting period, frequency and contact information	About The Report, Page: 3
	2-4 Restatement of information	There is no restated information in the report.
	2-5 External audit	External Audit has not been conducted.
	2-6 Activities, value chain and labour relations	About Us, Page: 7
	2-7 Employees	Our Employees, Talent Management, Page: 61-63,64
	2-8 Non-employee workers	Our Employees, Talent Management, Page: 61-63,64
	2-9 Management structure and composition	Corporate Governance, Page: 21-22
	2-10 Nomination and election of the highest governance body	Corporate Governance, Page: 21-22
GRI 2: General Disclosures 2021	2-11 Chairperson of the highest governance body	Corporate Governance, Page: 21-22
	2-12 The role of the highest governance body in overseeing the management of impacts	Corporate Governance, Page: 21-22
	2-13 Delegation of responsibility for managing impacts	Corporate Governance, Page: 21-22
	2-14 The role of the highest governance body in sustainability reporting	Corporate Governance, Page: 21-22
	2-15 Conflict of interest	Ethics Management, Page: 26
	2-16 Communicating critical concerns	Ethics Management, Page: 26
	2-17 Collective knowledge of the highest governance body	Corporate Governance, Page: 21-22
	2-18 Evaluation of the performance of the highest governance body	Strategy and Objectives, Page: 11-12
	2-19 Remuneration policies	Equality, Diversity and Inclusion, Page: 65-67
	2-20 Wage determination process	Equality, Diversity and Inclusion, Page: 65-67
	2-21 Annual total remuneration rate	The data related to the indicator is not disclosed due to confidentiality, as it includes indicators that could affect market competition.

GRI STANDARD	EXPLANATION	EXPLANATIONS AND SECTION
	2-22 Statement on the sustainable development strategy	Strategy and Objectives, Page: 11-12
	2-23 Policy commitments	Corporate Governance, Page: 21-22
	2-24 Embedding policy commitments	Corporate Governance, Page: 21-22
	2-25 Processes to ameliorate negative impacts	Operational Efficiency, Page: 30-33
	2-26 Mechanisms for seeking advice and raising concerns	Ethics Management, Page: 26
	2-27 Compliance with laws and regulations	Ethics Management, Page: 26
	2-28 Memberships	Corporate Memberships, Page: 15
	2-29 Stakeholder engagement and approach	Stakeholder Communication, Page: 14
	2-30 Collective labour agreements	Equality, Diversity and Inclusion, Page: 65-67
Prioritised Issues		
GRI 3: Material Issues 2021	3-1 Process of identifying prioritised topics	Materiality Analysis, Page: 13
	3-2 Prioritised topic list	Materiality Analysis, Page: 13
Compliance with Laws		
GRI 3: Material Issues 2021	3-3 Management of material issues	Ethics Management, Page: 26
GRI 206: Competition Outlier Behaviours 2016	206-1 Anti-competitive behaviour	Ethics Management, Page: 26
Anti-Corruption and Anti-Bribery		
GRI 3: Material Issues 2021	3-3 Management of material issues	Ethics Management, Page: 26
GRI 205: Anti-Corruption Struggle 2016	205-1 Operations assessed for corruption related risks	Ethics Management, Page: 26
	205-2 Communication and training on anti-corruption policies and procedures	Ethics Management, Page: 26
	205-3 Confirmed cases of corruption and measures taken	Ethics Management, Page: 26
Occupational Health and Safety		
GRI 3: Material Issues 2021	3-3 Management of material issues	Occupational Health and Safety, Page: 68-75
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety, Page: 68-75
	403-2 Hazard identification, risk assessment and incident investigation	Occupational Health and Safety, Page: 68-75
	403-3 Occupational health services	Occupational Health and Safety, Page: 68-75
	403-4 Worker participation, consultation and communication on occupational health and safety	Occupational Health and Safety, Page: 68-75
	403-5 OHS trainings provided to employees	Occupational Health and Safety, Page: 68-75
	403-6 Promotion of labour health	Occupational Health and Safety, Page: 68-75
	403-7 Prevention and mitigation of occupational health and safety impacts directly related to labour relations	Occupational Health and Safety, Page: 68-75
	403-8 Workers covered by the occupational health and safety management system	Occupational Health and Safety, Page: 68-75

GRI STANDARD	EXPLANATION	EXPLANATIONS AND SECTION
Business Ethics		
GRI 3: Material Issues 2021	3-3 Management of material issues	Ethics Management, Supply Chain Management, Page: 26,35-37
GRI 408: Child Labour 2016	408-1 Activities and suppliers identified as having a significant risk of child labour	Ethics Management, Supply Chain Management, Page: 26,35-37
GRI 409: Forced or Mandatory Work 2016	409-1 Activities and suppliers identified as posing a significant risk of incidents of forced or compulsory labour	Ethics Management, Supply Chain Management, Page: 26,35-37
Water Management		
GRI 3: Material Issues 2021	3-3 Management of material issues	Water Management, Page: 58-59
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Management, Page: 58-59
	303-2 Management of water discharge related impacts	Water Management, Page: 58-59
	303-3 Water withdrawal	Water Management, Page: 58-59
	303-4 Water discharge	Water Management, Page: 58-59
	303-5 Water consumption	Water Management, Page: 58-59
Energy Management		
GRI 3: Material Issues 2021	3-3 Management of material issues	Energy Management, Page: 50-52
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Management, Page: 50-52
	302-3 Energy intensity	Energy Management, Page: 50-52
	302-4 Reduction of energy consumption	Greenhouse Gas Management, Energy Management, Page: 45-47,50-52
	302-5 Reductions in energy requirements of products and services	Operational Efficiency, Greenhouse Gas Management, Page: 30-33,45-47
	Compliance with Competition Law, Competitive Behavior	
GRI 3: Material Issues 2021	3-3 Management of material issues	Customer Management, Page: 23-24
Renewable Energy Usage		
GRI 3: Material Issues 2021	3-3 Management of material issues	Greenhouse Gas Management, Page: 45-47
Product Quality and Safety		
GRI 3: Material Issues 2021	3-3 Management of material issues	Product Quality and Safety, Page: 29
Customer Focus and Satisfaction		
GRI 3: Material Issues 2021	3-3 Management of material issues	Customer Management, Page: 23-24

GRI STANDARD	EXPLANATION	EXPLANATIONS AND SECTION
Climate Change and Greenhouse Gases		
GRI 3: Material Issues 2021	3-3 Management of material issues	Greenhouse Gas Management, Page: 45-47
GRI 305: Emissions 2016	305-1 Direct (Scope 1) greenhouse gas emissions	Greenhouse Gas Management, Page: 45-47
	305-2 Indirect (Scope 2) greenhouse gas emissions	Greenhouse Gas Management, Page: 45-47
	305-3 Other (Scope 3) greenhouse gas emissions	Greenhouse Gas Management, Page: 45-47
	305-5 Reducing greenhouse gas emissions	Greenhouse Gas Management, Page: 45-47
Corporate Reputation		
GRI 3: Material Issues 2021	3-3 Management of material issues	Product Quality and Safety, Page: 29
Air Quality		
GRI 3: Material Issues 2021	3-3 Management of material issues	Air Quality, Page: 57
Circular Economy		
GRI 3: Material Issues 2021	3-3 Management of material issues	Circular Economy, Page: 54-56
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Environmental Performance Indicators, Page: 81-82
	301-2 Recycled input materials used	Environmental Performance Indicators, Page: 81-82
Human Rights		
GRI 3: Material Issues 2021	3-3 Management of material issues	Ethics Management, Page: 26
Corporate Governance		
GRI 3: Material Issues 2021	3-3 Management of material issues	Corporate Governance, Page: 21-22
Supply Chain Management		
GRI 3: Material Issues 2021	3-3 Management of material issues	Supply Chain Management, Page: 35-37
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Supply Chain Management, Page: 35-37
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply Chain Management, Page: 35-37
	308-2 Negative environmental impacts in the supply chain and measures taken	Supply Chain Management, Page: 35-37
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supply Chain Management, Page: 35-37
	414-2 Negative social impacts in the supply chain and actions taken	Supply Chain Management, Page: 35-37
Sustainable Product		
GRI 3: Material Issues 2021	3-3 Management of material issues	Greenhouse Gas Management, Page: 45-47

GRI STANDARD	EXPLANATION	EXPLANATIONS AND SECTION
Waste Management		
GRI 3: Material Issues 2021	3-3 Management of material issues	Circular Economy, Page: 54-56
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Circular Economy, Page: 54-56
	306-2 Management of significant waste-related impacts	Circular Economy, Page: 54-56
	306-3 Waste generated	Circular Economy, Environmental Performance Indicators, Page: 54-56,81-82
	306-4 Disposed wastes	Circular Economy, Environmental Performance Indicators, Page: 54-56,81-82
	306-5 Waste diverted to disposal	Circular Economy, Environmental Performance Indicators, Page: 54-56,81-82
Cybersecurity and Information Security		
GRI 3: Material Issues 2021	3-3 Management of material issues	Cyber and Information Management, Page: 27
Business Continuity		
GRI 3: Material Issues 2021	3-3 Management of material issues	Climate Risk Management, Page: 48-49
Risk Management		
GRI 3: Material Issues 2021	3-3 Management of material issues	Climate Risk Management, Page: 48-49
Biodiversity		
GRI 3: Material Issues 2021	3-3 Management of material issues	Circular Economy, Page: 54-56
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	There are no operational sites located within the protected area.

CONTACT:

ÇOLAKOĞLU METALURJİ

Headquarters

Rüzgarlıbahçe Mahallesi, Çam Pınarı Sokak, No: 1, İç Kapı No: 16, 34805 Beykoz, İstanbul

Telephone: 444 26 27 (444 CMAS)

Fax: +90 (216) 537 14 01 +90 (216) 537 14 02

Production Facilities (Flat Products)

Dilovası Organize Sanayi Bölgesi, 1. Kısım, Göksu Caddesi, No: 16, 41455 Dilovası, Kocaeli

Telephone: 444 26 27 (444 CMAS) - +90 (262) 676 75 00

Fax: +90 (262) 754 84 20

Production Facilities (Long Products)

Dilovası OSB 5. Kısım, D-5007, No: 15, Dilovası, Kocaeli

Telephone: 444 26 27 (444 CMAS)

Fax: +90 (262) 754 84 20



Reporting Consultant & Design

Address: Palladium Tower No:114 Kat:32 D:96 34746 Ataşehir / İSTANBUL

Telephone : +90 216 687 0950 Fax : +90 850 522 3403

www.seemturkey.com