



İÇDAŞ ÇELİK ENERJİ TEKSAN VE ULAŞIM SANAYİ A.Ş.



ELEKTRİK ENERJİSİ ÜRETİM VE YATIRIM A.Ş.

İÇDAŞ

SUSTAINABILITY REPORT - 2021



CONTENTS



Previous
Page



Contents



Next
Page



Verified
Data

ABOUT THE REPORT 3

General Manager Message	5
İÇDAŞ At A Glance	6

ABOUT İÇDAŞ 9

Mission & Vision	9
About Us	10
Our History	14

STAKEHOLDER ANALYSIS 15

Stakeholder Engagement	16
Materiality Analysis	17
Materiality Matrix and Material Topics	18

STRATEGY AND GOVERNANCE 19

Responsible Governance	19
Risks and Opportunities Analysis	22
Legacy of İÇDAŞ to the Future	23
Memberships	24

ECONOMIC PERFORMANCE 39

Global Leadership	40
Our Economical Impacts	40
Responsible Supply Chain	48
Business Ethics	50

ENVIRONMENTAL PERFORMANCE 53

Energy and Emissions	55
I. Energy Transition	57
II. Carbon Footprint	57
Water	58
Waste	61
Biodiversity	62

SOCIAL PERFORMANCE 68

Employee Welfare	69
Employee Development	71
Health and Safety	73
Investment in Locals	79

INDICES 88

GRI Index	89
SDG Index	93



39 ECONOMIC PERFORMANCE



53 ENVIRONMENTAL PERFORMANCE



3 ABOUT THE REPORT



68 SOCIAL PERFORMANCE



01

ABOUT THE REPORT

About the Report	3
General Manager Message	5
İÇDAŞ At A Glance	6
About İÇDAŞ	9
Mission & Vision	9
About Us	10
Our History	14
Stakeholder Analysis	15
Stakeholder Engagement	16
Materiality Analysis	17
Materiality Matrix and Material Topics	18

About The Report

Apart from steel production, our company İÇDAŞ Çelik Enerji Tersane ve Ulaşım Sanayi A.Ş. is also involved in energy production and sales to independent consumers, construction, maintenance and operation of dry cargo ships, chemical tanker ships and tugboats, railway and maritime transport and mining activities. İÇDAŞ Elektrik Enerjisi Üretim ve Yatırım A.Ş. is involved in electricity generation.

Our 2021 Sustainability Report focuses on our two companies, namely İÇDAŞ Çelik Enerji Tersane ve Ulaşım Sanayi A.Ş. and İÇDAŞ Elektrik Enerjisi Üretim ve Yatırım A.Ş.

Our company İÇDAŞ has been operating steel production as its main activity since 1970 and also operates in the energy industry. There are 3 steel mills, 4 rolling mills, 2 Power Plants, 1 Wind Power Plant (WPP), 4 Hydroelectric Power Plants (HEPP), 1 Solar Power Plant (SPP), 1 Seed Bank, 1 Lime plant and 2 port managements and a salvage centre. Additionally, a shipyard for ship construction and repair-renovation is available.

The headquarters of our İÇDAŞ Çelik, İÇDAŞ Elektrik and group companies are in Istanbul and our production factory is in Çanakkale. İÇDAŞ, which has 100% ownership in the company, has served 130 countries around the world since its establishment; In 2021, it continues to review its effects both locally and internationally by exporting to 39 countries.

Since 2012, as İÇDAŞ we have published annual reports. With the 2021 Sustainability Report, the tenth of these reports, our economic, environmental and social impact remains to be shared.

This report has been prepared in accordance with GRI Standards: Core option; covers the time period from January 1, 2021 to December 31, 2021.

For more information about our sustainability report, please get in touch with us via icdas@icdas.com.tr and www.icdas.com.tr. We would be glad to hear your comments and suggestions.

Our Group Affiliates

102-45



İÇDAŞ Çelik Enerji Tersane ve Ulaşım San. A.Ş.
Steel Production



İÇDAŞ Elektrik Enerjisi Üretim ve Yatırım A.Ş.
Electricity Generation



İÇDAŞ Elektrik Enerjisi Toptan Satış İthalat ve İhracat A.Ş.
Electricity Sales



ERAS Taşımacılık Taahhüt İnşaat ve Ticaret A.Ş.
Land Transport



BİGAİR Havacılık ve Taşımacılık Sanayi ve Ticaret A.Ş.
Airline



İÇDAŞ Dış Ticaret A.Ş.
Agriculture and Livestock



İÇDAŞ Sigorta Aracılık Hizmetleri A.Ş.
Insurance



İÇYAPI İnşaat Taahhüt ve Ticaret A.Ş.
Construction



ICE TANKER Deniz Taşımacılık LTD.ŞTİ.
Ship Management

General Manager Message



Dear Stakeholders,

We are delighted to present our tenth sustainability report, an indicator of our economic, social and environmental performance in 2021, in which we share our efforts and targets in the field of sustainability.

As İÇDAŞ, our activities in the fields of steel, energy and ship production, ship manufacturing, and maintenance are carried

out with innovative and sustainable technologies. As Turkey's second largest steel exporter in the industry, we have a prominent position in Turkey as well as abroad.

In 2021, our country ranked as the world's 7th largest crude steel producer, with a production of 40.4 million tonnes. At İÇDAŞ, we produced 3.53 million tonnes of crude steel last year. In 2021, by generating 10,338,355 MWh of electricity, we produced 3.38% of Turkey's total electricity. The majority of our sales consist of steel with 72.57% and electricity with 22.78%. We continue to contribute to the national economy with our 6055 employees and billions of dollars of added value. In addition to our large-scale economic investments, we support local development with social responsibility projects we carry out throughout the country.

We aim to support all of our communities, starting from the local level, with our social investments and social responsibility projects in the social and environmental infrastructure, sports, education and cultural fields we have made throughout Turkey, especially in Çanakkale. We contribute to employee growth through the technical and vocational pieces of training provided to our employees. We give priority occupational health and safety by getting strict precautions are taken throughout all our business processes with the goal of zero accidents.

Regarding recruitment within our company, we support the applications from the local community by evaluating local employment and regional development. Respecting the values of equal opportunities and fundamental human rights, the practices towards environmental, economic, and social progress in our country remain consistent.

Operating in sectors with high environmental impact, our efforts are directed towards mitigation of such impact to a minimum. In line with sustainable growth, we have practices such as emission management, protection of natural resources, water management, and waste management.

At İÇDAŞ, we are investing in renewable energy resources with the mission of building a sustainable future. Together with our power plants in Bekirli and Değirmencik, we have a total installed capacity of 1710.27 MWh with our WPP, SPP, and HEPP projects on our area. Our objective is to expand the use of clean energy with our Wind and Solar Energy projects in Biga.

With our 2021 sustainability report, we transparently disclose the impact of our company. Opinions and suggestions about our report and our sustainability practices would serve as guidance on our sustainability journey.

TARİK YEGÜL

Bir Bakışta İÇDAŞ



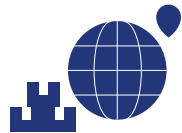
6055

Number of Employees



29,95

Turnover of billion TL



2nd

Ranked in the steel industry in exports



Ranked 4th in Turkey

104th in the World

According to 2021 production



2021 Electricity Generation Capacity

Total Installed Capacity: 1710,27 MW (1641 MW from coal, 60 MW from wind energy, and the remaining amount generated from HEPP and SPP.

Electricity Generation: 10338355,261 MWh

2021 Steel Generation Capacity

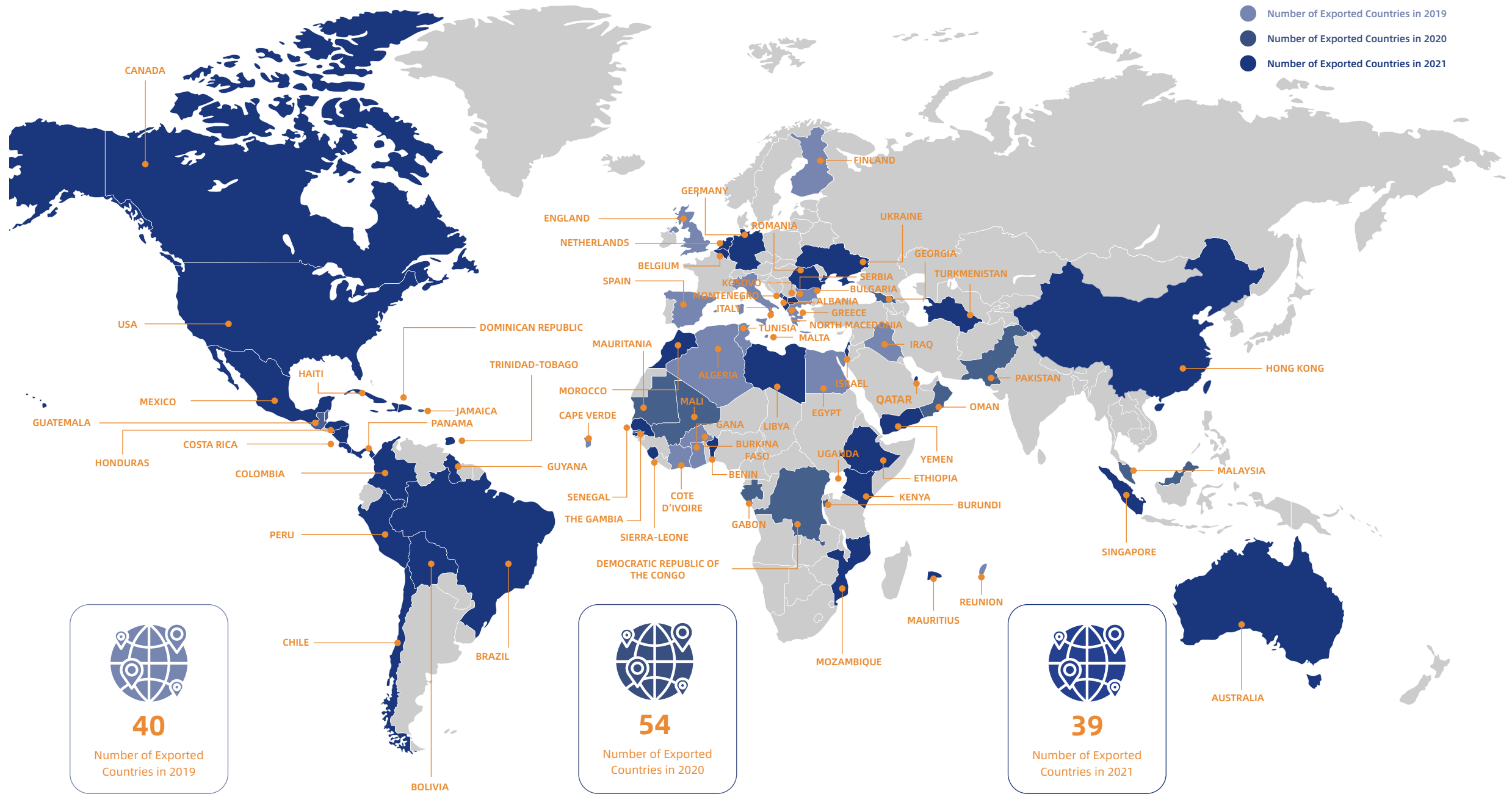
Steel Generation: 3.53 million tonnes

- The world's 7th largest crude steel manufacturer with a production of **40.4 million tonnes** (We manufacture 8.75% of Turkey's production).
- **Ranked 11th** among Turkey's 500 largest industrial enterprises.





Countries Where Are Used İÇDAŞ's Steel Between 2019 and 2021





Our Awards

The infographic displays eight awards in a grid layout, connected by dotted lines. Each award is represented by a blue box with a number, a trophy icon, and a checkmark. The background is white with scattered gold confetti and streamers.

- 1st Prize** in Semi-Finished Goods Exports
- 1st Prize** in Construction Steel and Wire Rod Exports
- İÇDAŞ Sports Club Sailing Team Athlete Merve Vatan, 1st in Europe and 2nd in the World**
- 2nd Prize** for the Most Exported in All Products
- Ranked 12th** among Turkey's top 1000 exporters within the scope of TIM (Turkish Exporters Assembly)
- 15th Prize** in the Powerful Women of Export
- Bronze Manufacturer of the Year Award** from Ford
- Publication of a book titled "**Parion'dan Ampohora Ve Lagynos Mühürleri, Grafito Ve Dipinto Yazıtlar**" as a result of the excavation work carried out under the direction of Prof. Dr. Vedat Keleş Parion

About İÇDAŞ

Mission



- To preserve our success as a profitable and responsible manufacturer with our outstanding products,
- To be a pioneering company that fulfils its responsibilities towards society and the environment by conducting our business in compliance with moral values,
- To ensure the safety and efficiency of our work environment and to exhibit fair behaviour to our employees,
- To provide opportunities for teamwork, open communication, personal credibility, and development,
- To maintain all our activities in the best way by adhering to our traditions and culture.

Vision



Becoming a pioneer company, offering products and services of universal quality and standards in the iron and steel industry through high-efficiency targets and investments.





About Us

As İÇDAŞ we plant the initial seeds with the arrival of Koca Mustafa Bey, the eldest member of the family, to Istanbul in the 1880s to enter the ship repair business. Subsequently, the Aslan family ventured into casting and machinery in 1954 and established the first rolling mill in 1961.

In 1969, we officially founded Istanbul Çelik Demir İzabe Sanayi A.Ş.. Manufacturing construction steel and alloy steel since 1970, İÇDAŞ has become one of the largest steel manufacturers in Turkey with its production capacity.

According to the Istanbul Chamber of Industry (ISO), İÇDAŞ ranked 11th in the overall ranking of Turkey's Top 500 Industrial Enterprises, including the public sector, in 2021, with 6055 employees including its group companies.

As a leader in technology and quality in the steel industry, as İÇDAŞ family, we are aware of the strategic importance of the national steel industry on the Turkish economy,

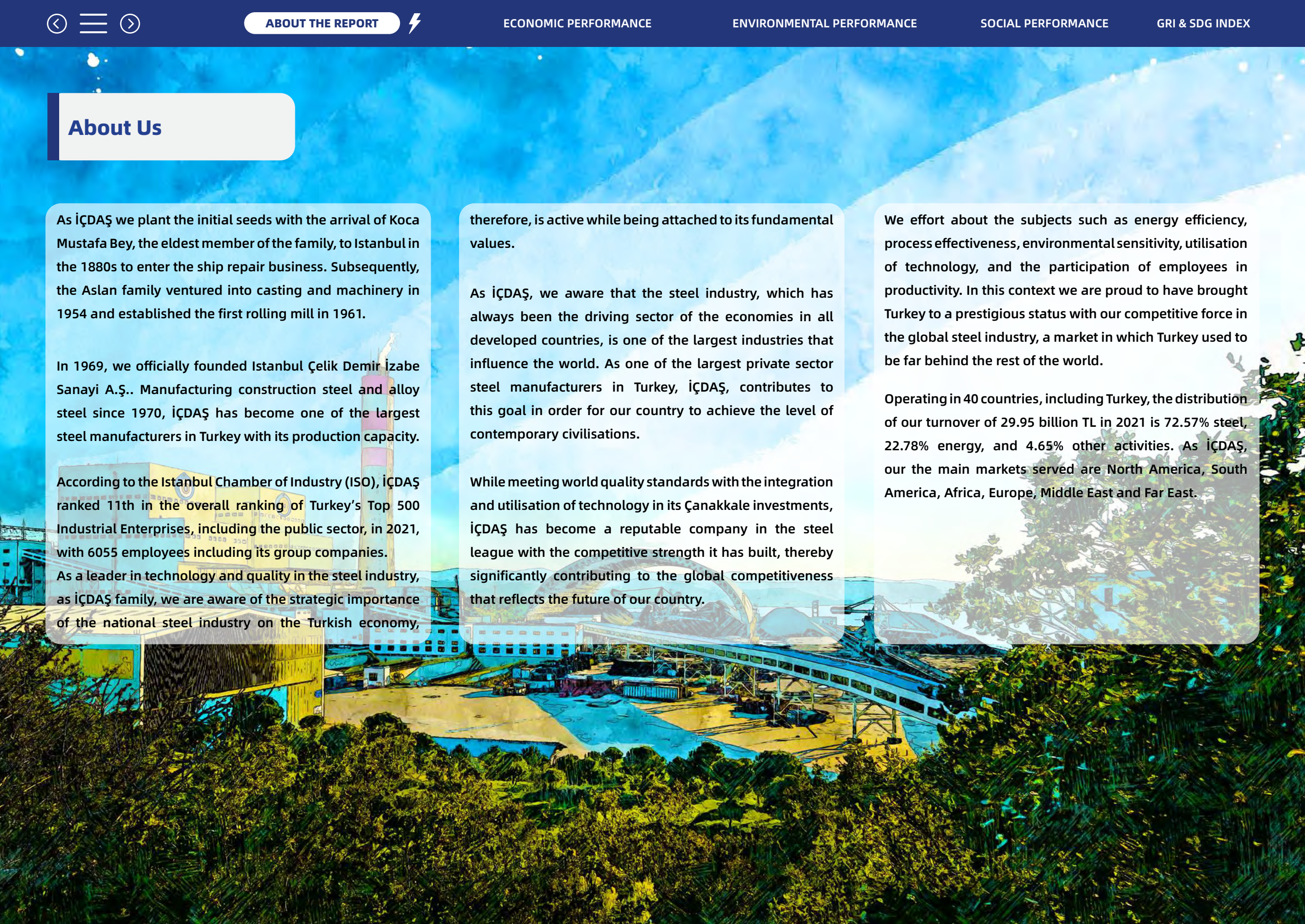
therefore, is active while being attached to its fundamental values.

As İÇDAŞ, we aware that the steel industry, which has always been the driving sector of the economies in all developed countries, is one of the largest industries that influence the world. As one of the largest private sector steel manufacturers in Turkey, İÇDAŞ, contributes to this goal in order for our country to achieve the level of contemporary civilisations.

While meeting world quality standards with the integration and utilisation of technology in its Çanakkale investments, İÇDAŞ has become a reputable company in the steel league with the competitive strength it has built, thereby significantly contributing to the global competitiveness that reflects the future of our country.

We effort about the subjects such as energy efficiency, process effectiveness, environmental sensitivity, utilisation of technology, and the participation of employees in productivity. In this context we are proud to have brought Turkey to a prestigious status with our competitive force in the global steel industry, a market in which Turkey used to be far behind the rest of the world.

Operating in 40 countries, including Turkey, the distribution of our turnover of 29.95 billion TL in 2021 is 72.57% steel, 22.78% energy, and 4.65% other activities. As İÇDAŞ, our the main markets served are North America, South America, Africa, Europe, Middle East and Far East.

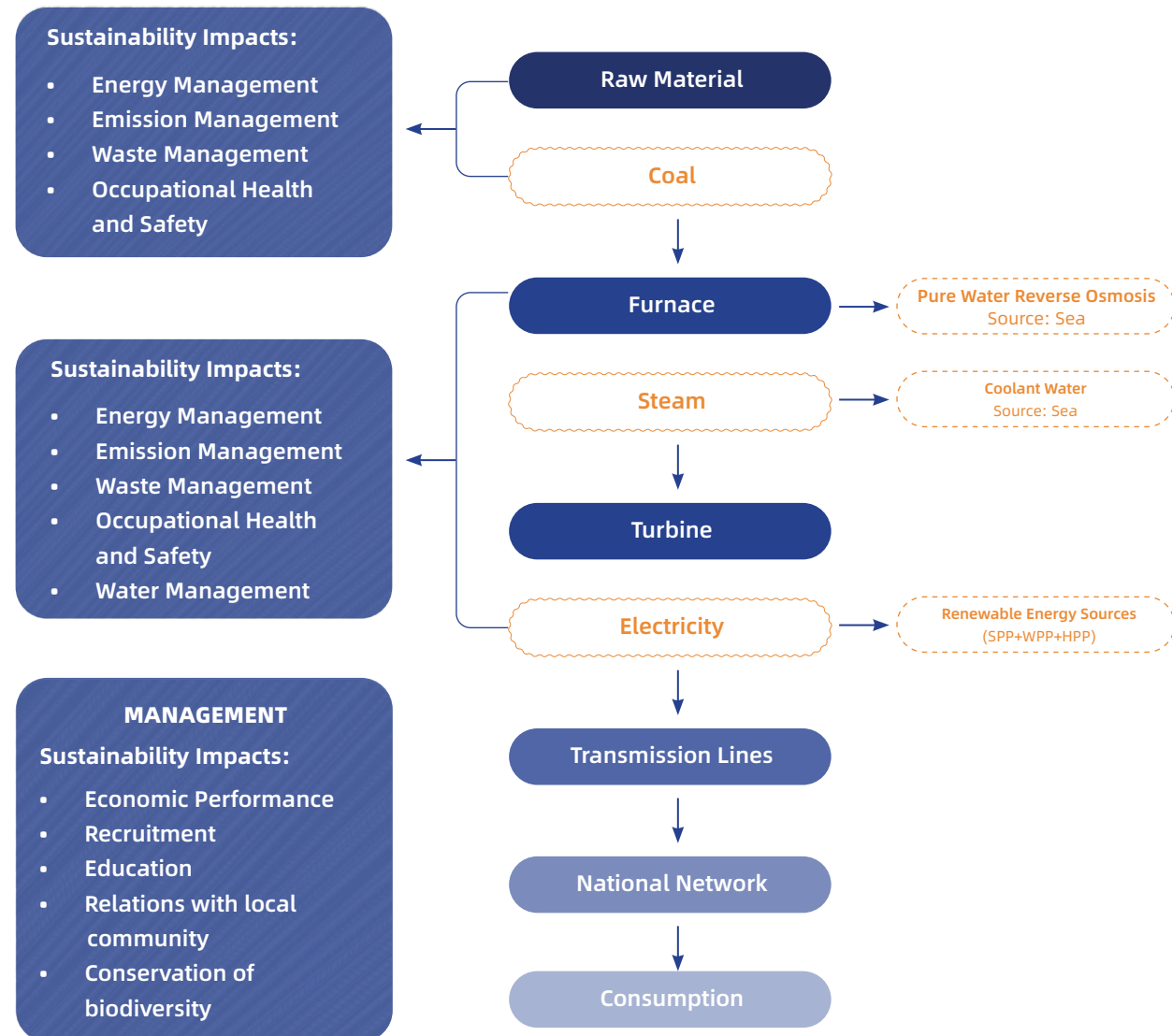


Sustainability Impacts In İÇDAŞ Value Chain (Steel Production)





Sustainability Impact In İÇDAŞ Value Chain (Energy Production)



Sustainability Impact In İÇDAŞ Value Chain (Ship Production)



Customer Groups

Distribution of Electricity to Customers (According to the Number of Subscribers)

Electricity Customers	2021
Finance	31.13%
Tourism	4.37%
Industrial	2.22%
Food	14.27%
Textile	0.41%
Logistics	21.09%
Other	26.51%
Total	%100



Distribution of Electricity to Customers (According to Energy Consumption)

Electricity Customers	2021
Finance	0.73%
Tourism	1.66%
Industrial	8.39%
Food	1.32%
Textile	0.42%
Logistics	3.52%
Other	66.00%
Wholesale	17.98%
Total	%100

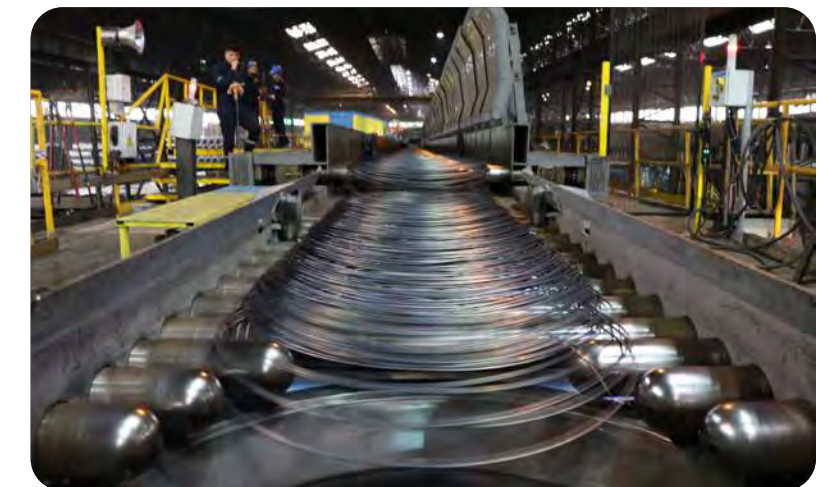
Steel Sales and Customer Information

Steel Sales and Customer Information	2021
Total Internal Sales (mt)	1,386,462.00
Number of end users - Internal Market	643
Number of traders - Internal Market	68
Number of traders - Export	85
Total Export (mt)	1,993,255.39
Number of end users - Export	13

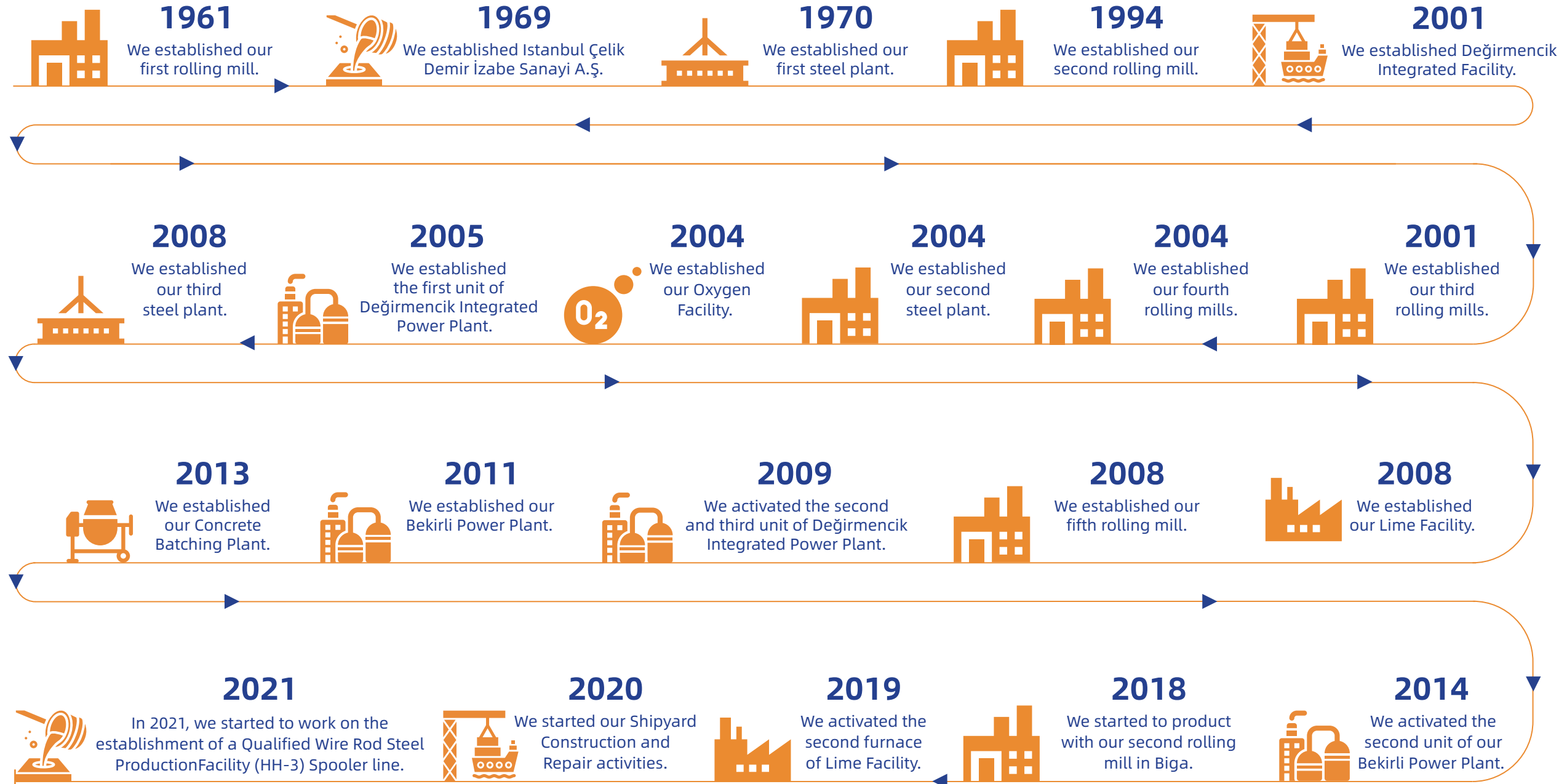
End user group includes construction companies, wire mesh producers, wire producers, etc.

*Traders include distributors and intermediary companies.

*The scope includes all steel product sales such as billet, bar, wire rod and iron parts. (Waste is not included.)



Our History





Stakeholder Analysis

102 -42, 102-43

As İÇDAŞ, we care about communication with our stakeholders accompanying us on this endeavour in the continuation of our activities.

We define our stakeholders as the institutions whose behaviours and decisions have an impact on our financial performance, as well as the individuals who are or may be affected by our operations in the present and the future. Stakeholders are consistently informed about all our activities on various platforms and their opinions are taken into account as a priority.



In such a process, İÇDAŞ Sustainability Survey, launched for the assessment of our sustainability efforts and attended by all our employees, serves as an essential tool.

The participation of our senior executives in our sustainability survey was also assured. In this respect, a strategy workshop was held, subsequently, the topics identified as a result of this workshop were reviewed with the Sustainability Working Group.



Stakeholder Engagement

102 -40, 102-43

Stakeholders	Expectations	Method of Communication	Communication Frequency
Employees and Unions	Enabling the utilisation of union rights, Work environments in compliance with OHS rules, Expansion of side benefits.	POA System	Continuously
		Internet	Continuously
		OHS Meeting	Monthly
		Notice Boards	Continuously
Shareholders	Compliance with all legal obligations Sustainability, Stability, High efficiency	Executive Board Meeting	Weekly
Customers	Quality with affordable price, On-time delivery of the desired quality product, Environmentally friendly technologies used in production, Sustainable products	Call Centre and Customer Portal	Continuously
		Seminars-Congress-Fairs	Several Times a Year
		Reciprocal Meetings	Continuously
		Internet	Continuously
		Product Information Leaflet	Several Times a Year
		Factory visit, Briefing mee-ting	Several Times a Year
Public and Regulatory Authorities	Compliance with all envi-ronmental and other relevant legal obligations, Suppor-ting social and environmental investments in the region	Face-to-face Meeting	Indefinitely
Local Community and Admi-nistrations	Recruitment of local people, Enlarged social investments	Face-to-face Meeting	Several Times a Week
Media Members	Transparency	Face-to-face Meeting	Weekly
		Telephone, E-mail, Social Networks	Several Times a Week

Stakeholder Engagement

102-40, 102-43, 102-44, 102-46

Stakeholders	Expectations	Method of Communication	Communication Frequency
Suppliers	Clarity of related instructions, Consistent approach in contracts involving environmental practices	Ethical Supply Policy Information	Annually
Professional Chambers / Chambers of Industry	Fulfilment of legal membership requirements, Participation in the activities	Memberships	Monthly
		Presentations on the Environment, OHS, etc.	Several Times a Year
Non-Governmental Organizations	Fulfilment of legal membership requirements, Participation in the activities	Memberships	Monthly
Families of Employees	Better work conditions in the framework of the environment and OHS Consultation about work-related modifications	Cultural trips	Several Times a Year
		Picnics and other social events	Several Times a Year
Universities and Research Institu-tes	Economic and technical support in academic research	Factory visits and presentations	Every Other Month
		Vocational courses	Continuously
Students / Potential Employees / Interns	Scholarship opportunities, Increased recruitment	Factory visits and presentations	Monthly
		Presentations on the Environment, OHS, etc.	Several Times a Week

Materiality Analysis

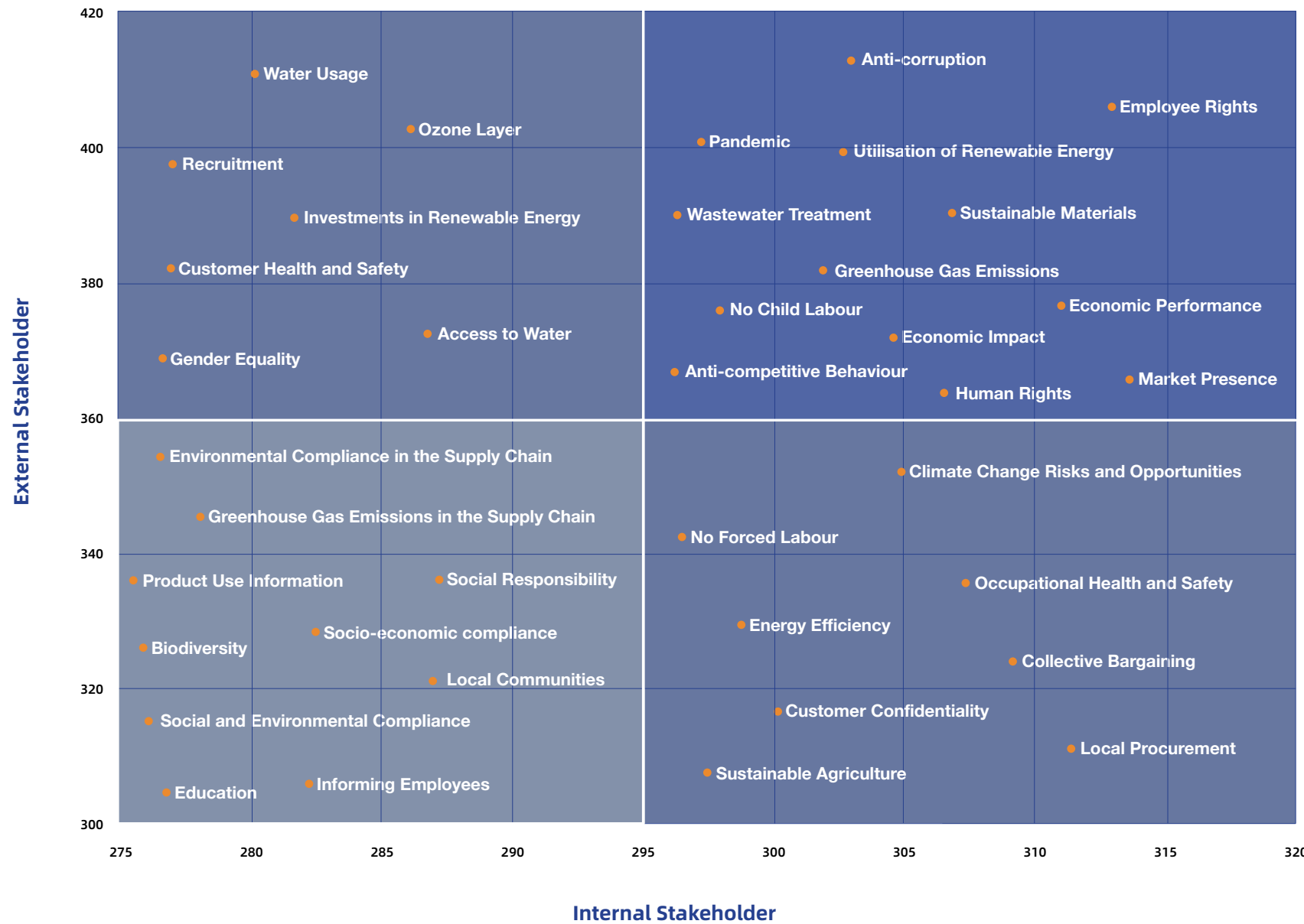
As İÇDAŞ, stakeholders were also included in our sustainability efforts in 2021 under the AA1000 Stakeholder Engagement Standard. In this process, survey results were determined through the participation of both our internal and external stakeholders. Subsequently, based on these survey results, medium and high priority topics requiring action in the field of sustainability were identified.





Materiality Matrix and Materiality Topics

102-44, 102-46, 102-47



High Priority

- Anti-corruption
- Utilisation of Renewable Energy
- Economic Impact
- Greenhouse Gas Emissions
- Market Presence
- Employee Rights
- Sustainable Materials
- No Child Labour
- Wastewater Treatment
- Economic Performance
- Human Rights
- Human Rights
- Anti-competitive Behaviour
- Pandemic

Öncelikli Konular

- Recruitment
- Collective Bargaining
- Access to Water
- Investments in Renewable Energy
- Ozone Layer
- Customer Confidentiality
- Gender Equality
- No Forced Labour
- Water Usage
- Local Procurement
- Climate Change Risks and Opportunities
- Energy Efficiency
- Occupational Health and Safety

Az Öncelikli Konular

- Biodiversity
- Socio-economic Compliance
- Informing Employees
- Product Use Information
- Greenhouse Gas Emissions in the Supply Chain
- Social Responsibility
- Local Communities

- Customer Health and Safety
- Sustainable Agriculture
- Social and Environmental Compliance
- Education
- Environmental Compliance in the Supply Chain

Strategy and Administration

Responsible Governance

Board members have equal responsibility in the determination of the economic, environmental and social performance of the company. At İÇDAŞ, our company, the board of directors is composed of family members while our board members, particularly our founders, are all prominent figures in the business world. Through a self-assessment approach, our members play an integral role in the accomplishment of our company's sustainability goals and its consistent growth.

The members of the board in our sub-group companies undertake different responsibilities and hold executive positions in these companies. No independent members are on the board of directors and no affiliated committees are in place.

A General Manager reporting to the Executive Board and departments with assigned duties reporting to the General Manager are in place. Port Management Directorate reports to the Responsible Directorate of Steel Facilities while all other departments are responsible to the General Manager.

In the annual Management Review meetings, the work carried out in the previous years is evaluated, as well as the activities, improvements and targets planned to be carried out in the short, medium and long term are highlighted. The review and

revision of existing policies and procedures are also discussed at the Management Review meetings.

Risks that may occur within and outside the company are underlined and controlled within the framework of our Risk Procedure. SAP HANA system module is used to perform internal control and general risk management, which also includes sustainability risks. As İÇDAŞ, we have identified existing and potential risks and organised policies against these risks. Our risk management policies for sustainability risks are included in İÇDAŞ Management Policies book.

The decisions taken as the result of the Management Review meetings are reported to the General Manager and processes are initiated to take action.

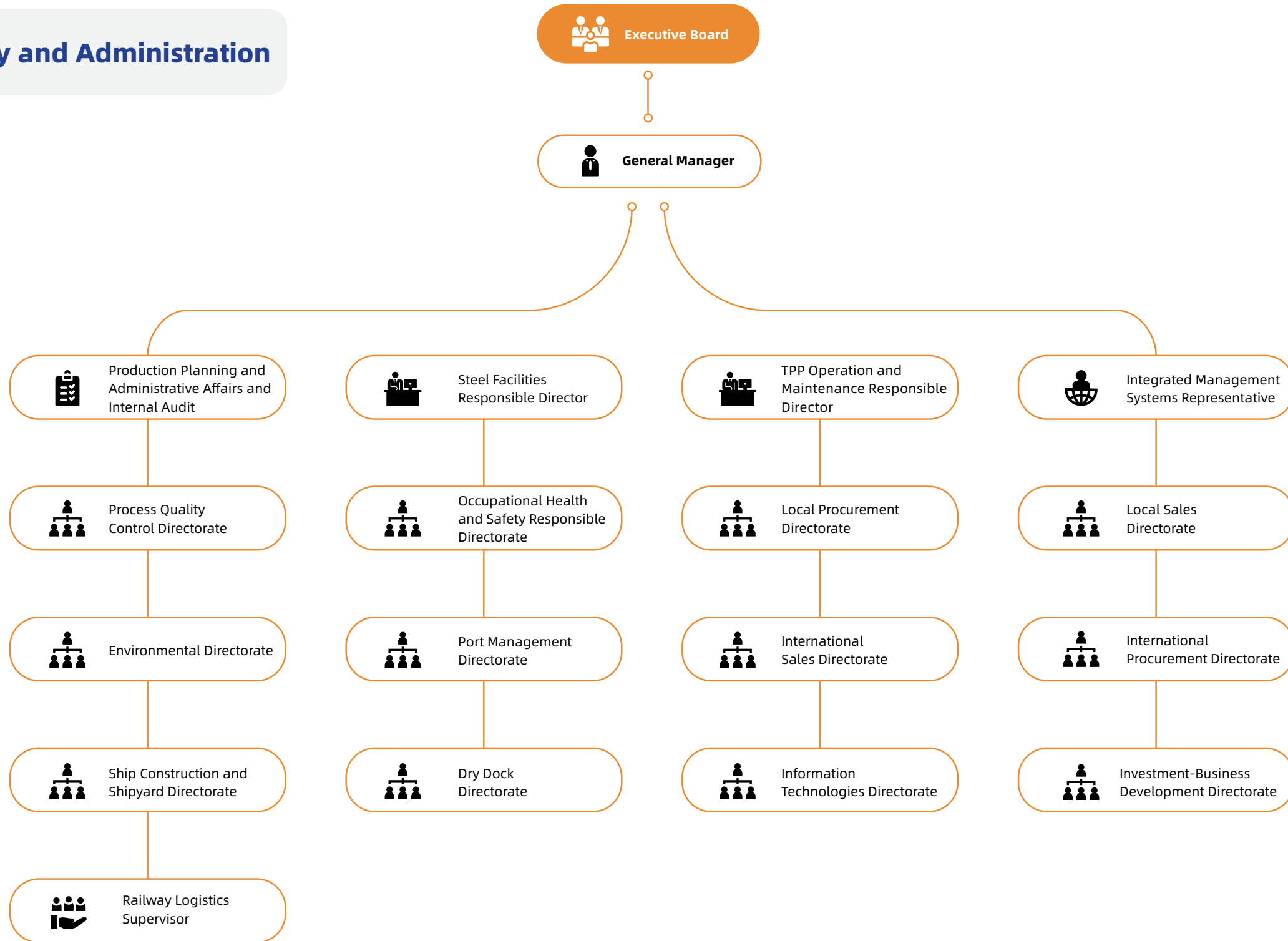
Within the scope of İÇDAŞ Disciplinary Regulation, there are rules and principles that all internal stakeholders in our organisational structure must comply with. The relevant regulation is notified in writing to our employees before the beginning of their employment. The Disciplinary Regulation is intended to prevent behaviours contrary to information security, occupational health, occupational safety and work discipline and to minimise complaints. Complaints and cases are evaluated by the Disciplinary Committee or the relevant department managers.

We act with the responsibility of being listed in the top 500 of the Istanbul Chamber of Industry (ISO), which ranks the largest industrial enterprises of Turkey. The sector-based data and reports of the Turkish Steel Producers Association (TÇÜD) are closely monitored and necessary steps are taken accordingly. We are proud to have a solid company and management structure that reflects the sector, with the awareness of our responsibility starting at İÇDAŞ itself.





Strategy and Administration

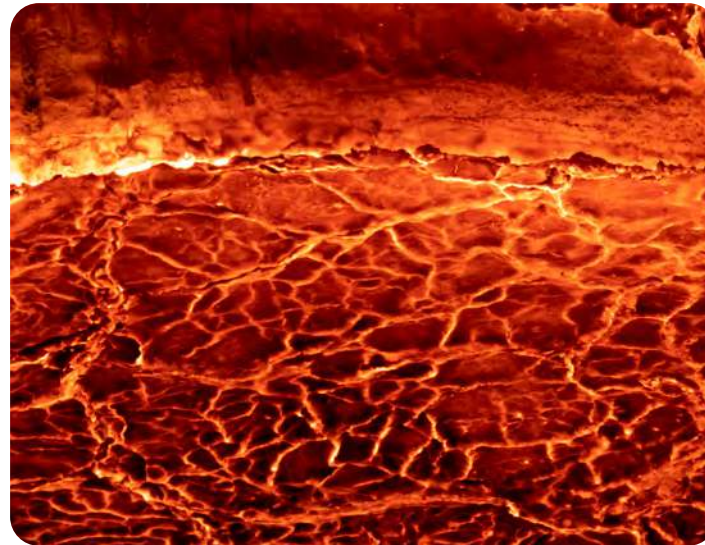




Our Sustainability Policy

Our company attaches significance to environmental management, occupational safety and quality matters by using up-to-date, scientific, efficient and effective working methods with its innovative management approach. Our company, which is a model enterprise aiming to increase sustainable steel production, strives to provide services for our employees and the local community to enjoy a healthy and clean environment and adopts the following principles to achieve these goals:

- To designate and implement technologies suitable for the conditions of the country for the protection of the environment, prevention and rehabilitation of pollution, to develop appropriate projects and to ensure their application,
- To define a waste management policy for our business, to take the necessary measures for the disposal of pollutants arising from our operations in a manner to prevent damage to the environment, and to steadily strengthen our environmental performance,



- To reduce CO2 emissions caused by products and services,
- To establish sustainable performance criteria that gradually grow with management systems and targets,
- To conduct all kinds of measurements, analyses and controls based on environmental standards and ecological criteria for the protection of the environment and prevention of pollution,
- To fulfil the requirements of laws, regulations and international agreements related to the environment concerning our sector,
- To ensure integration of economic and ecological decisions in order to develop our place in the sector in a stable and permanent manner,
- To show due diligence and take measures in the use of natural resources in compliance with sustainable development goals,

- To develop operational policies by taking into account the environmental demands of the local community as well as non-governmental organisations and all implementing institutions and organisations,
- To amplify environmental awareness by implementing a training programme for employees in order to make environmental practices more effective,
- To use methods for minimising the impacts arising from transport activities,
- To ensure efficient use of energy and to improve continuously,
- To ensure efficient use of water and to keep water consumption per unit product at the lowest level.





Risk and Opportunity Analysis

Risk and Opportunity Analysis



The Risk and Opportunity Identification Procedure, established by İÇDAŞ, has been designed to carefully identify and evaluate the risks that may arise during the tasks of the departments, and to specify how measures should be taken to minimise or eliminate these risks



Identification of Risks



Assessment of Risks



Risk Processing



Review of Risks



Identification of Risks



- Risks are identified by using methods such as brainstorming, internal analysis, past data, work flow analysis.

Assessment of Risks

- Corporate risks are assessed through the QDMS / Corporate Risk Assessment Module by taking into account the risk score matrix on topics such as interruption impact on the organisation, replacement cost, impact on energy performance, impact on image, damage to legal and legal obligations (customer information).

Risk Processing

As a result of risk assessment, risk values related to all processes are detected. Risk processing options are as follows:

- Accepting the risk (Continuing to live with risk)
- Risk aversion (Taking a step back)
- Risk minimisation (Taking measures to reduce the level of risk)
- Transfer of risk (placing the risk under the responsibility of another organisation)

Review of Risks

- After risk processing, the monitoring period of the risk is determined. Risks may change in terms of impact - probability as a result of changing conditions or measures taken over time. Since changing conditions may reveal new risk areas, the identified risks and risk management process are reviewed in all aspects.

Legacy of İÇDAŞ to the Future

At İÇDAŞ, we utilise innovative management practices and up-to-date, scientific, efficient and effective business methods. Among these methods, environmental management, occupational safety and quality topics are prioritised. Our goal is to maximise sustainable steel production and set an example in this regard. We adopt the following principles for our employees and the local community to live in a healthy and clean environment:

- By utilising technologies suitable for the conditions of the country, our aim is to protect the environment, prevent pollution and improve.
- We determine a waste management policy in order to take the necessary measures and continuously improve our environmental performance. Disposal of wastes arising from our activities is ensured in a harmless manner to the environment.
- We reduce greenhouse gas (GHG) emissions caused from our operations.
- Through management systems and new targets, viable sustainable performance criteria are set.
- For environmental conservation, all kinds of measurements, analyses and controls are performed. In this process, environmental standards and ecological criteria are the basis.
- We fulfill national laws, regulations and international agreements concerning the environment that are relevant to our sector completely.

- By ensuring the combination of economic and ecological decisions, we intend to establish a balanced and stable position in the sector.
- By showing the necessary attentiveness and taking precautions in the use of natural resources, the Sustainable Development Goals are complied with.
- We develop our business policies by taking into account the environmental demands of non-governmental organisations and all implementing institutions and organisations.
- By the training programmes created to amplify environmental awareness among our employees, we rendere environmental practices more effective.
- We utilise required methods to minimise the impacts caused by transportation.
- We are committed to efficient use of energy with the optimisation of the processes that will ensure this.





Memberships

ASSOCIATIONS, FOUNDATIONS, CHAMBERS AND ORGANISATIONS



- > Turkish Shipowners Association
- > BISIAD - Biga Industrialists' and Businessmen's Association
- > BSTP - Biga Non-Governmental Platform
- > CARES Sustainability Committee
- > CARES Construction Steel Technical Committee
- > Committee of European Standard(CEN) meetings for Construction and Prestressed Steels
- > ÇİB - Steel Exporters' Association
- > ÇTSO - Çanakkale Chamber Of Commerce And Industry
- > DTD - Railway Transport Association
- > ENSAR Foundation
- > EUROFER - The European Steel Association
- > GAN TURKEY - Global Apprenticeships Network
- > GİSBİR - Turkish Shipbuilders' Association
- > IREPAS - International Rebar Producers And Exporters Association
- > IKV - Economic Development Foundation
- > IAV - Economic Research Foundation



ASSOCIATIONS, FOUNDATIONS, CHAMBERS AND ORGANISATIONS



- > IMMIB - Istanbul Mineral and Metals Exporters' Association
- > ITO - Istanbul Chamber of Commerce
- > KASIAD - Kastamonu Industrialist and Businessmen's Association
- > KOSDER - Coaster Shipowners and Operators' Association
- > MESS - Turkish Employers' Association of Metal Industries
- > MÜSIAD - Independent Industrialists and Businessmen Association
- > TÇÜD - Turkish Steel Producers Association
- > TÇÜD - Occupational Health and Safety Committee
- > TÇÜD - Technical Quality Committee
- > TMD - Miners Association of Turkey
- > TURMEPA - Turkish Marine Environment Protection Association
- > TSE - Turkish Standards Institution
- > IMEAK - Chamber of Shipping

Strategic Sustainability Targets

Strategic Sustainability Topics

Targets

Completion Target

Completed/New Targets

Economic Performance



National and Local Economic Contributions

4 units of 6700 DWT Stainless Chemical Tanker	2026	Our work is ongoing.
Construction of 2 4500 DWT stainless tanker ships	2022	In 2021, our work is ongoing.
7500 DWT Stainless Steel Chemical Tanker	2019	Completed in 2021.
12.500 DWT General Cargo Ship	2024	Our work will start in 2023.
Enhancing our employment rates with our new investments	Continuous	941 new personnel were employed in 2021.
Construction of additional shore facilities to the dry dock	2024	In 2021, EIA processes were completed.
Qualified Wire Rod Steel Production Facility	2022	It is targetted to be completed in 2022 and start production.
Concrete bundle and concrete wire production facility (PC-WIRE)	2023	Our work is ongoing.

Strategic Sustainability Targets

Strategic Sustainability Topics

Targets

Completion Target

Completed/New Targets

Social Performance



Occupational Health and Safety



Recruitment

Reducing accident frequency and severity rate	Continuous	Training activities are continued consistently.
Providing OHS training to 100% of our employees	Continuous	In 2021, OHS training was provided to all new employees.
Providing OHS and Environmental training to 100% of our subcontractors	Continuous	In 2021, OHS and environmental training was provided to all subcontractors who commenced work.
Increasing the total OHS Training time	Continuous	Research on trainings that may contribute to our employees is being conducted on a regular basis.
Increasing the satisfaction of our employees	Continuous	Satisfaction is monitored through surveys. Our investments for the improvement of physical conditions are constant.
Maintaining the POA Suggestion System effectively	Continuous	By the end of 2021, a total of 854 suggestions were collected; 312 of these suggestions were implemented.

Strategic Sustainability Targets

Strategic Sustainability Topics

Targets

Completion Target

Completed/New Targets

Social Performance



Ethics

Keeping the ratio of female employees above 2%.

Continuous

In 2021, the rate of women in the workforce was recorded as 2.54%.

Keeping the rate of unionised employees above 50%.

Continuous

In 2021, the ratio of unionised employees to all employees is 53.79%.

The rate of child labour is 0%.

Continuous

In 2021, there are no child labourers in İÇDAŞ and subcontractor companies providing services to İÇDAŞ.

Social investments, predominantly in education, sports and culture

Continuous

The activities and cultural investments within İÇDAŞ Sports Club carry on at all times.



Relations With Local Communities

Receiving visitors to our facilities from 2011 onwards, we provide a reputable corporate perception through direct observation

Continuous

In 2020, facility promotion trips were suspended due to the Covid-19 outbreak. As of 2022, our facility visits will resume to NGOs, public institutions and organisations with which we are associated, also to high school and university level students.

Strategic Sustainability Targets

Strategic Sustainability Topics

Targets

Completion Target

Completed/New Targets

Social Performance



Relations With Local Communities

Introducing 200 yo-ung people to swimming, 300 yo-ung people to sailing and 300 young people to surfing every year	Continuous	Participation exceeded the targeted numbers.
Increasing the number of students in the Sports Club	Continuous	In 2021, a total of 407 students were reached, 131 of which were licensed.
Keeping the main sponsorship of Parion excavations	2026	Excavations are ongoing.
To continue spon-sorship of Apollon Smintheion excavations	2023	Excavations are ongoing. 14,126 people visited the ruins of Apollon Smintheion in 2021.
To continue sponsorship of Troy excavations.	2023	Excavations are ongoing. In 2021, 198,127 people visited the ruins and museum of Troy.
To continue Alexandria Troas excavations spon-sorship	2028	Excavations are ongoing. In 2021, 8,304 people visited Alexandria Troas archaeological site.
To continue sponsorship of Assos excavations	2022	Excavations are ongoing. In 2021, 114,592 people visited the archaeological site of Assos.
To continue sponsorship of Maydos Kilisetepe Mound Excavation Area	2028	Excavations are ongoing.



Strategic Sustainability Targets

Strategic Sustainability Topics

Targets

Completion Target

Completed/New Targets

Environmental Performance



Emission Management

Reducing road transport, focusing on railway and maritime transport	Continuous	In 2021, we carried out our logistics activities mainly by sea and railway. In 2021, our transport impact target of 1% did not reach our target due to an increase of 5%. The raw materials we purchased for energy efficiency played a role in increasing our transport impact.
Increasing primary material utilisation and material efficiency in liquid steel production	Continuous	In 2021, our material efficiency was determined as 82%. In 2021, our material efficiency target was realised as 81.93%.
Raising the total number of planted tree saplings to 400 thousand	2023	24,000 saplings were planted in 2021. By the end of 2021, 288,600 saplings were planted in total.
To monitor and publicise the air quality in our facility impact area online	Continuous	By making periodic maintenance of the station, air quality data production continues throughout the year and the data is transmitted to the Ministry online.
Keeping chimney emissions below legal limit values.	Continuous	In 2021, we achieved a reduction in emissions by keeping our levels below the legal limit values.

Strategic Sustainability Targets

Strategic Sustainability Topics

Targets

Completion Target

Completed/New Targets

Environmental Performance



Waste Management

Reducing the amount of waste going to landfill to 5%	2021	Gas concrete, cement, lime etc. of Power Plant ashes. R&D studies are carried out for its use in fields. Our work continues within the scope of zero waste.
To contribute to the study carried out in partnership with ITU, Ministry of Environment, Urbanisation and Climate Change, TÇÜD and KGM (General Directorate of Highways) to develop the possibilities of using artificial aggregate in highway construction	Continuous	In 2017, the project was completed. In 2018, artificial aggregates were included in the Highways Technical Specifications. Since 2018, artificial aggregates produced from Cinder began to be used in highways as a by product.
Investigation of the possibilities of using steel plant cinder as "Coastal Port Filling Aggregate, Railway Ballast Material and Mineral Fertiliser in Agriculture" and formulation of a legislative proposal. Turkish Steel Producers Association (TÇÜD) and Istanbul Technical University (ITU)	2021	Project studies were initiated at the end of 2018. Work continues in 2021.
Efficient utilisation of salvage and alloying materials to produce steel in our steel production facilities.	Continuous	In 2021, our facilities operated with 92.4% efficiency.



Strategic Sustainability Targets

Strategic Sustainability Topics

Targets

Completion Target

Completed/New Targets

Environmental Performance



Waste Management

Reduction of domestic wastes sent to landfill facilities	Continuous	In 2021, the amount of household waste per capita sent to landfill facilities decreased by 0.04% within the scope of sepa-rate collection at source.
Maximisation of the amount of waste sent for recycling	Continuous	In 2021, the amount of waste generated in our facilities and our recovery rates are given in the Waste Data section of our report. We recovered 60.71% of our wastes at our Değirmencik Integrated Facility and 66% at our Bekirli Power Plant.
Reducing the amount of cinders, chimney dust, and oxide layer generated as a result of steel production.	2021	In 2021, the ratio of our waste to total steel production was 2%, a decrease was recorded and the target was achieved.

Strategic Sustainability Targets

Strategic Sustainability Topics

Targets

Completion Target

Completed/New Targets

Environmental Performance



Water Management



Energy Management

Reduce water consumption by 2% per tonne of steel produced.	Continuous	While our water consumption was 0.63 m3 in 2020, it was 0.83 m3 per tonne of steel in 2021. In 2021, major and minor maintenance was carried out and our target was not achieved due to the amount of water used during commissioning and testing phases.
Keeping the amount of carbon in cinders below 10% in 3 units of Değirmencik Power Plant	Continuous	2021 year-end average was recorded as 8.28%. Our 2021 target was set as 10% therefore the target was achieved.
Denizden tatlı su elde etmeye devam ederek kısıtlı su kaynaklarını korumak	Sürekli	2021 yılında Değirmencik ve Bekirli tesislerimizin tüm su ihtiyacını denizden karşılamaya devam ettik.
Reducing the energy consumed per tonne of steel produced	Continuous	In 2021, our energy reduction target of 1% increased by 1.5%. We did not reach our target.
To proceed with TUBITAK MAM Environmental Monitoring Project	2021	In 2016, the first 6-year period ended and the final report was prepared. In 2016, a new 5-year contract was signed with TÜBİTAK MAM and the monitoring was completed in 2021 and the final reports were shared.

Strategic Sustainability Targets

Strategic Sustainability Topics

Targets

Completion Target

Completed/New Targets

Environmental Performance



Conservation of Biodiversity

To share the biological diversity in the region where our Biga facilities are located with our stakeholders interactively on an annual basis.

Continuous

In 2021, all our activities related to biodiversity and living inventories in our region were interactively posted on İÇDAŞ website.

Conducting ornitho-logical and wildlife monitoring in WPP Sites

Continuous

In 2021, it was monitored and reported by our biologist between 1 March-30 October.

Installing the temperature monitoring system for cooling water 1 channel and switching to temperature monitoring process

Continuous

Temperatures continue to be actively monitored. With 4 Continuous Waste Water Monitoring Systems, our wastewater measurements are broadcasted live to the Ministry of Environment, Urbanisation and Climate Change.



Cooperation for Sustainable Development Goals

Our company İÇDAŞ is of the opinion that the Sustainable Development Goals are of vital importance to build a more livable future in every respect. In this direction, as İÇDAŞ, we consider integrating our sustainability goals and procedures into mechanisms that will operate in harmony with the SDGs as an important mission and we shape our work within this framework. As a matter of fact, these efforts range from responsible and effective energy management to supporting sports activities.

In this context, as İÇDAŞ, we adopt an approach that addresses a wide area, from excavation works that will revitalize the local economy and life, to continuous emission management activities, with our holistic and comprehensive understanding of sustainability. Our philosophy to carry the rich resources of the geography in which we operate into the future and to evaluate them while carrying them to the future motivates us to work towards making our environment greener as well as aiming to make all our industrial operations energy-efficient.





Cooperation for Sustainable Development Goals

Related SDG	Project Name	Cooperated NGO or Public Institution	Cooperation Start Date	Cooperation End Date
SDG 1 	Animal Breeding, Beekeeping and Small Cattle Breeding	Biga District Directorate of Food, Agriculture and Livestock Biga Red Meat Union Çanakkale Beekeepers Association	2007	In Cooperation
SDG 2 	İÇDAŞ Agricultural Practices	Çanakkale Provincial and Biga District Directorate of Food, Agriculture and Livestock	2007	In Cooperation
SDG 3, 4, 5, 10 	İÇDAŞ Sports Club	Turkish Basketball Federation Turkey Chess Federation Turkish Archery Federation Turkish Sailing Federation Turkish Swimming Federation Çanakkale Provincial Directorate of Youth and Sports Çanakkale Basketball Provincial Representative Çanakkale Chess Provincial Representative Çanakkale Sailing Provincial Representative Çanakkale Swimming Provincial Representative Çanakkale Governorate Biga District Governorate Çanakkale Municipality Karabiga Municipality	2010	In Cooperation



Cooperation for Sustainable Development Goals

Related SDG	Project Name	Cooperated NGO or Public Institution	Cooperation Start Date	Cooperation End Date
SDG 3, 12 	Radiation Safety	Nuclear Regulatory Authority Turkish Energy, Nuclear and Mineral Research Council	Continuous	In Cooperation
SDG 4 	Trainings from İÇDAŞ Employees	Biga Vocational High School	2013	In Cooperation
SDG 7, 9, 13 	Renewable Energy Production with WPP	Ministry of Energy and Natural Resources General Directorate of Renewable Energy	2014	In Cooperation
	Electricity Generation from Cooling Water Discharge with HPP	Ministry of Energy	2011	In Cooperation
	Renewable Energy Production with SPP	Ministry of Energy	2018	In Cooperation
SDG 9 	Investigation of the possibilities of using steelwork cinder as "Coastal Port Filling Aggregate, Railway Ballast Material and Mineral Fertiliser in Agriculture" and formulation of a legislative proposal	Turkish Steel Producers Association (TÇÜD) and Istanbul Technical University (ITU)	2018	In Cooperation

Cooperation for Sustainable Development Goals

Related SDG	Project Name	Cooperated NGO or Public Institution	Cooperation Start Date	Cooperation End Date
SDG 11 	Parion Ancient City Excavations Main Sponsorship	Ministry of Culture and Tourism	2008	In Cooperation
	Apollon Smintheion Excavations Main Sponsorship	Ministry of Culture and Tourism	2011	In Cooperation
	Troia Excavations Main Sponsorship	Ministry of Culture and Tourism	2015	In Cooperation
	Assos Excavations Main Sponsorship	Ministry of Culture and Tourism	2016	2021
	Troas Excavations Main Sponsorship	Ministry of Culture and Tourism	2017	2028
	Maydos Kilisetepe Mound	Ministry of Culture and Tourism	2018	In Cooperation
SDG 12, 13  	Air Quality Monitoring with Continuous Emission Measurement System (CEMS)	Ministry of Environment, Urbanisation and Climate Change	2015	In Cooperation
	Air Quality Monitoring in the Impact Area of Industrial Facilities	Ministry of Environment, Urbanisation and Climate Change	2010	In Cooperation

Cooperation for Sustainable Development Goals

Related SDG	Project Name	Cooperated NGO or Public Institution	Cooperation Start Date	Cooperation End Date
SDG 6, 14  	Monitoring Cooling Water Discharge with Continuous Waste Water Monitoring System (CWMS)	Ministry of Environment, Urbanisation and Climate Change	2012	In Cooperation
SDG 12, 15  	Biga Peninsula Environmental Monitoring Project	TUBITAK Marmara Research Centre	2010	In Cooperation
	Monitoring Biodiversity in the Facility Environment	İÇDAŞ	2013	In Cooperation
SDG 13 	Carbon Verification (Gold Standard)	Rina, Eco-Act	2020	In Cooperation



02

ECONOMIC PERFORMANCE

Global Leadership	40
Our Economical Impacts	40
Responsible Supply Chain	48
Business Ethics	50

Economic Performance

Global Leadership

The concept of international competition in the steel industry consists of uninterrupted production at minimal costs and the extensive use of environment-friendly technologies. As a company that closely follows the changes in the world, our company İÇDAŞ asserts its international stance in the sector by making nature-friendly investments for a sustainable world.

Our company İÇDAŞ draws support from its financial strength to realize its social and environmental sustainability investments and prioritizes economic sustainability in this context. As a local and global leader in its sector, İÇDAŞ recognizes projects that create employment and respect nature and people to add national and international value to production and human life. With its clean technologies and innovative solutions, at İÇDAŞ, we are a leading contractor and investor in steel and clean energy production.

The Covid-19 pandemic, which has affected the whole world, has impacted steel production as it has affected all other sectors. Although the decline in steel production after June 2020 had a negative impact on the industry, Turkey's and the world's crude steel production increased significantly throughout 2021.

According to the World Steel Association, crude steel production increased by 3.7% in 2021, with 1.95 billion tonnes of steel produced. Exports of steel products, which have a considerable share in Turkey's total production and exports, increased by 19.9%, reaching 19.9 million tonnes, thus surpassing Germany in steel production and ranking first in Europe. Regarding economic value, the return on steel exports increased by 93.3% to reach USD 16.5 billion. Thus, the steel sector, which was ranked 4th in Turkey's export ranking, rose to 3rd place with this increase.

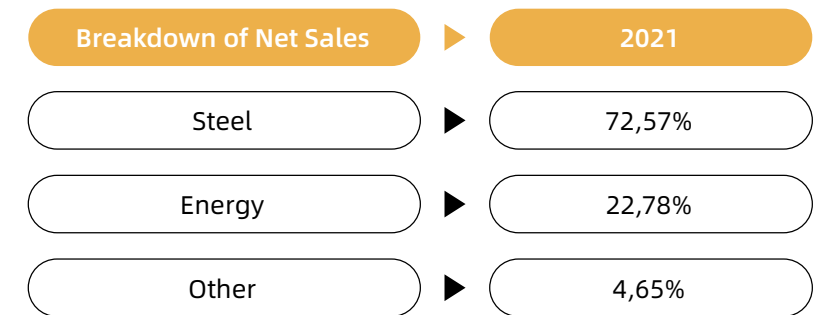
As İÇDAŞ, we are intensely proud to be at the top of Turkey's annual steel export ranking, providing a large amount of foreign currency flow to our country and contributing to Turkey's ranking first in Europe and seventh in the world in the steel sector.

Our Economical Impacts

TTurkey's steel industry rapidly regained its strength after the pandemic downturn, accompanied by a sizable 13.2% increase in steel consumption to 33.4 million tonnes. In 2021, Turkey's steel production increased by a record 12.7% to reach 40.4 million tonnes, comprising a substantial part of our

national income and output. Our company İÇDAŞ is one of the companies with a prominent capacity among steel investors in Turkey.

Steel production has the largest share in our company İÇDAŞ's revenue sources, and 73% of its revenues in 2021 were generated from steel sales. Energy generation plays an essential role in the Company's revenues and activities, with electricity generation and sales accounting for 23% of 2021 revenues.



As a company that has achieved global success in steel production, energy production, shipyard activities and maritime, transportation in which we operate as İÇDAŞ, our turnover in 2021 was 29.95 billion TL. In addition to our international achievements, we would like to briefly highlight our contributions to the local economy.

Economic Performance

Our Economical Impacts



Steel Production

As one of the companies with the largest capacity among steel private sector investors in Turkey, we realized **8.75%** of our country's steel production in 2021 at İÇDAŞ facilities. With this volume, we are proud to be the **2nd** largest steel exporter of our country.

Energy Generation

We produce **3.38%** of the total energy generated in Turkey, including **7.21 billion kilowatt-hours** at our Bekirli Thermal Plant and **2.94 billion kilowatt-hours** at our Değirmencik Inte-grated Facility.



Shipyard Activities and Maritime Transportation

İÇDAŞ's dry dock shipyard at the Değirmencik Integrated Facility is **the largest in Turkey** and has expanded the Company's port capacity. Compared to the expanded port volume, İÇDAŞ produces significant financial returns through ship loading/unloading and berthing activities.



Dry Dock

For the purpose of contributing to sustainable business and unifying industrialization, İÇDAŞ's Shipyard (Dry Dock) project, a length of 370*70 m and a depth of 10 m, is one of our company's efforts to promote an innovative standpoint.

In order for the ships to enter the pool, the pool is first filled with sea water by means of the valves on the covers, and this process continues until the water levels of the sea and the pool are equalized. After the water levels are equalized, the hatches are opened with the help of squid boats and the ship is approached to the pool by tugboats.

The ship is fixed to the pool walls with the help of ropes. The cover is closed and the water in the pool is discharged by means of pumps. According to the ship's Takarya plan, the maintenance and repair processes of the underwater parts of the ships (propeller, rudder, shaft, etc.) can be started by sitting on the blocks called "Takarya", which were arranged on the pool floor before. Thus, the maintenance and repair processes of the ships are easier and safer.

All maintenance operations can be carried out in line with the needs of the ships arriving in the Dry Dock. Maintenance

operations will be carried out up to 330*60 vessels. The operations performed here are mainly welding, jointing, intermediate and top coat paint, machine, electrical and furniture assemblies. In addition to the maintenance and repair operations of the ships, shipbuilding operations can also be carried out in the dry dock.

İÇDAŞ Shipyard is one of the largest dry dock in region and is also the only shipyard in the country capable of manufacturing aircraft carriers. We are proud to contribute to the National Defense Industry with its 100% domestic capital production and shipyard service.



Our Contribution to the Local Economy

Not content with the national and international economic successes it has achieved in the sectors in which it operates, as İÇDAŞ we have made investments that will contribute to the regional economy at a high level to support sustainable economic development in Çanakkale, where all its production facilities are located; in this direction we will continue to make our activities. In addition to employing the people of the region in its enterprises, İÇDAŞ provided 25.4 million liras of investment support for educational, cultural, social infrastructure, and sports expenditures across the country and in Çanakkale in 2021.

Production Target with Domestic Sources in Steel

Earth's Dwindling Resources

Today's consumption and production patterns are out of sync with the planet's needs. Consequently, the Earth's resources have been diminishing for a long time as a result of consumption that exceeds the capacity of nature to renew the resources it provides. Diminishing resources are forcing the steel industry to shrink locally and globally. For this reason, İÇDAŞ continues to work on more efficient processes and alternative raw materials that can replace scrap for steel, its primary production material.

Within our efforts to make efficient use of depleting resources and to realize higher quality products with less cost, we are also working to create value with domestic and national resources. The waste heat potential generated by processes such as steel mill arc furnaces and rolling mill annealing furnaces has been identified, and studies are being conducted to generate electrical energy from this waste heat. In addition, our Company continues its investments to increase energy efficiency.

Energy Investments

Due to the ever-increasing energy demand in the world, energy supply security is of critical importance both on a Turkish and global scale. Energy imports constitute the most oversized expense item in Turkey's foreign trade deficit, and our country is 74% dependent on foreign energy imports. Acting with the motivation of ensuring energy supply security by reducing this dependency, İÇDAŞ aims to produce quality, continuous and secure energy. İÇDAŞ aims to realize its energy investments in renewable resources. Considering Turkey's heavy dependence on foreign sources for natural gas, we continue to invest in power plants that generate locally sourced electricity.



İÇDAŞ Biga WPP (Wind Power Plant) Project

Located at Keçibayırı Hill, Muhittin Hill, Zeytin Hill, Boz Hill, Hacıdede Hill, Güllüdere Hill, Küçükalan Hill, and Üçyollar near Biga, Çanakkale, İÇDAŞ Biga Wind Power Plant started operations in 2015 and generates energy with 19 active turbines. The plant has a License Installed Capacity of 60 MW and is expected to generate 155,798.86 MWh of energy annually. In the period 22/04/2018 - 20/04/2021, 100,989 tCO₂e greenhouse gas emission reduction will be realized depending on the annual production amounts.

As an energy producer, we aim to offer carbon trading by diversifying our energy production portfolio. In this direction, we have started obtaining Gold Standard Certificate for our project to be included in the Voluntary Carbon Market.

İÇDAŞ Biga SPP (Solar Power Plant) Project

At İÇDAŞ, we continue investing in renewable energy sources to reduce the carbon emissions because of our production. Our project to install SPPs on rolling mill roofs, the first of which was realized in 2017 with an investment of nearly TL 2.5 million, was expanded with an additional acquisition of 1.5 million TL in 2021. Increasing the share of clean energy sources that constitute an alternative to fossil fuel-based energy generation, which causes high greenhouse gas emissions, is expected to benefit the ecosystem and vitality in the immediate vicinity, as well as the population of close to 50,000 people in the area of the facility in question.

İÇDAŞ Değirmencik HEPP (Hydroelectric Power Plant) Project

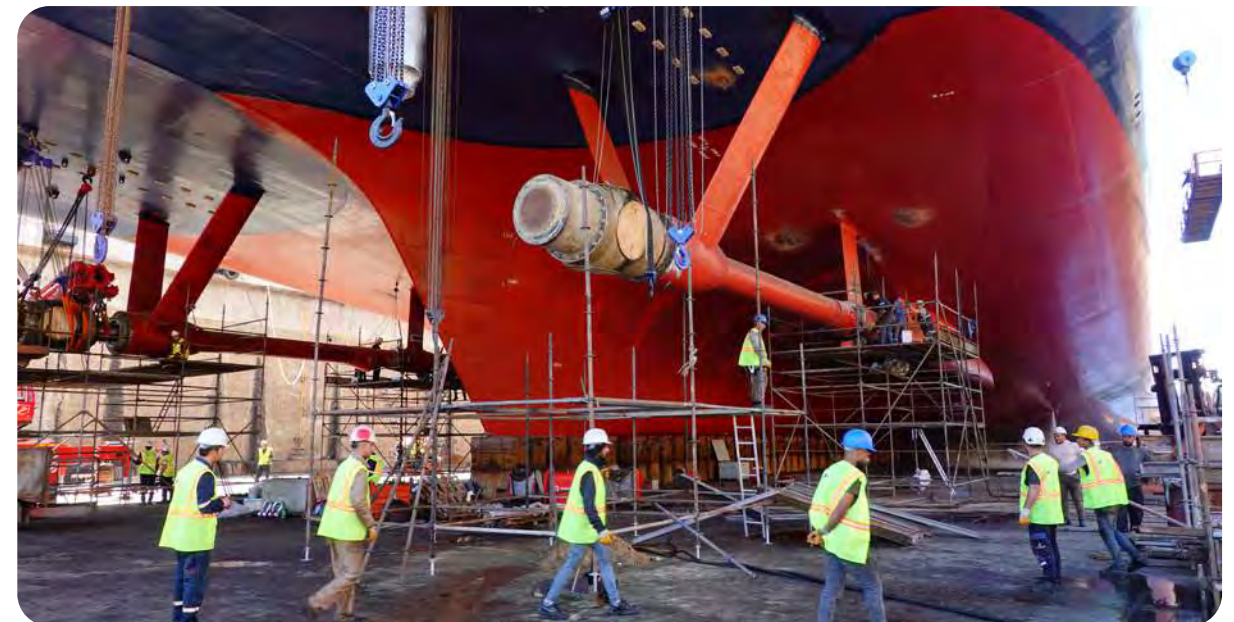
As İÇDAŞ, we have installed a HEPP on the cooling water return line, which is the result of our own processes, as a project realized for the first time in Turkey. Thanks to this project, which was recognized with the principle of efficient use of resources, our energy generation capacity has increased by 3.6 MW, and our total annual energy generation capacity in HEPPs is 37.6 million kWh.





Our completed and ongoing investments as of 2021

Investment Name	Investment Location	Investment Description	Total Budget	Investment Amount
				2021
Coil sheet production plant	Değirmencik - Biga	Assessments are underway.	\$1.000.000.000	-
Additional dry dock and breakwater	Biga / ÇANAKKALE	Assessments are underway.	\$120.000.000	-
Concrete bundle and concrete wire production plant	Biga / ÇANAKKALE	Assessments are underway.	\$16.000.000	\$2.550.000
Qualified Wire Rod Steel Production Plant	Değirmencik - Biga	It has been activated.	\$33.500.000	\$27.700.000
Oxygen plant modernization	Değirmencik - Biga	It has been activated.	\$1.600.000	\$850.000
Scrap cleaning plant	Değirmencik - Biga	It has been activated.	\$2.800.000	\$1.985.000
Değirmencik Integrated Facility Dry Dock	Biga / ÇANAKKALE	Completed	180.000.000 TL	51.246.664 TL
7500 DWT Stainless Chemical Tanker	Değirmencik - Biga	Completed	-	74.156.818 TL
4500 DWT Stainless Chemical Tanker	Değirmencik - Biga	Ongoing.	-	116.899.354 TL



Our completed and ongoing investments as of 2021

Investment Name	Investment Location	Investment Description	Total Budget	Investment Amount
				2021
4500 dwt Stainless Chemical Tanker	Değirmencik - Biga	Ongoing.	-	88.775.769 TL
6700 dwt Stainless Chemical Tanker	Değirmencik - Biga	Ongoing.	-	6.058.554 TL
No. 2 Steel Continuous Casting Machine Road Addition	Değirmencik - Biga	Completed	-	59.376.382 TL
Hh-2 SPP Had.No. 2-Roof Solar Power Plant	Değirmencik - Biga	Ongoing.	-	1.549.390 TL
Degassing Plant Under Vacuum	Değirmencik - Biga	Ongoing.	-	56.883.478 TL
Hh-4 Wire Rod Line Automation Improvement	Değirmencik - Biga	Ongoing.	-	14.752 TL
Steel Mill-2 Modernization	Değirmencik - Biga	Ongoing.	\$18.000.000	\$13.896.529
Steel Mill-3 Modernization	Değirmencik - Biga	Ongoing.	\$7.150.000	\$6.500.000
Shipyards Additional Buildings	Değirmencik - Biga	Ongoing.	-	36.538.608 TL



Our completed and ongoing investments as of 2021

Investment Name	Investment Location	Investment Description	Total Budget	Investment Amount
				2021
Lime Plant	Değirmencik - Biga	Ongoing.	-	204.961 TL
İÇDAŞ Social Facilities	Değirmencik - Biga	Ongoing.	-	140.000 TL
Reverse Osmosis Plant	Değirmencik - Biga	Ongoing.	-	13.724.691 TL
Shipyards 3. Sled Construction	Değirmencik - Biga	Ongoing.	-	32.910.431 TL
Solid Waste Disposal Facility	Değirmencik - Biga	Ongoing.	-	13.424.832 TL
Harbor Tugboat	Değirmencik - Biga	Completed	-	17.139.998 TL
Wire Rod Heat Treatment Plant Additional Capacity	Değirmencik - Biga	Completed	\$6.500.000	\$4.115.000

Certificates

- ISO 17025 Laboratory Quality Management System
- ISO 9001 Quality Management System
- CARES BS EN 9001 Quality Management System
- ISO 14001 Environmental Management System
- ISO 27001 Information Security Management System
- ISO 45001 Occupational Health and Safety Management System
- ISO 50001 Energy Management System

EC Conformity Certificates

- Fly Ash Production - TS EN 450-1:2013
- Aggregate Production - EN 12620:2002+A1:2008 and EN 13242:2002+A1:2007
- Aggregate Production - EN 12620:2002+A1:2008
- Steel Slag Aggregate Production - En 13043:2004 EN 13242+A1:2007
- Steel Slag Aggregate Production - TS 706 EN 12620:2003+A1:2009
- G Certificate of Conformity Ready Mixed Concrete Production TS EN 206+A2/TS 13515
- CARES Manufacturing Conformity Certificate for Nuclear Applications and Mega Projects

Responsible Supply Chain

Our company İÇDAŞ has organized a “Supplier/Vendor Performance Evaluation Instruction” to evaluate the companies that supply raw materials and services to İÇDAŞ. In line with this performance evaluation instruction, supplier performance and material evaluations are made with the specified scoring system.

As İÇDAŞ, we continue our operations with the awareness of the existence of a sustainable supply chain for sustainable production. In this respect, it should be noted that the term “local” in the procurement process defines only the procurements made within the borders of Turkey.

We meet our company’s raw material and other needs from around Turkey and the world, with local supply being a priority. We have established procurement procedures in determining local procurement and suppliers specify our selection and elimination criteria. In cases where the supply alternative, quality, and price performance are maximized, domestic supply is used. Priority raw materials such as scrap and coal rank first among those procured from abroad. On the other hand, our needs, such as fuel oil, machinery, and equipment are procured within Turkey. Of our total procurement needs, 31.3% are met domestically and 68.7% from abroad.

Steel Scrap Procurement Rates

In 2020, the world economy was significantly negatively affected by the global pandemic. Steel production, which provides input to many sectors, is also among the negatively affected sectors. Accordingly, significant production, employment, and income losses were experienced on a global, regional, sectoral, and business basis.

In 2020, when the effects of the pandemic were seen, despite our domestic prioritization targets in the procurement process, our domestic procurement rate was 36.1%, and our import procurement rate was 63.9%. In 2021, 68.7% of our total steel scrap procurement amount was procured from abroad and 31.3% from within Turkey.



Responsible Supply Chain

Steel Scrap Procurement Rates

Evaluation of supply chain's performance is made according to below placed scoring system. In this direction;

Approximate value of payments to suppliers

2021, Rate (%)

Import Amount

68.7

Domestic Procurement Amount

31.3

Total

100



Supplier Information

İÇDAŞ Suppliers	2021		
	Domestic		
	Non-Scrap	Scrap	
Foreign			
Total number of suppliers	2994		218
By Country or Region	Marmara: 2,375 units Aegean: 142 units Central Anatolia: 298 units Eastern Anatolia: 1 piece Black Sea: 46 pieces Southeast Anatolia: 7 units Mediterranean: 54 units	Marmara: 52 Aegean: 6 Central Anatolia: 11 Mediterranean: 2	European Community, EFTA, America, Africa, China, China, Columbia, United Kingdom, India, Israel, Russia, Ukraine, Brazil, Bosnia and Herzegovina, Canada, Canada, European Community, EFTA, Libya, Malaysia, Mozambique, Lebanon, Adriatic, Turkey, Kazakhstan, Mexico, Japan, Lithuania, Ukraine, South Korea, Lithuania, Czech Republic
Types of Suppliers	Leading producers, Licensees, Auditors, Consultants, Intermediaries, Wholesalers, Subcontractors, Transporters		Scrap, Coal, Pig, HBI, HBI, Billet iron, Auxiliary, and Operating materials, and Spare parts suppliers
Approximate value of payments to suppliers	8.56 billion TL		18.8 billion TL

Business Ethics

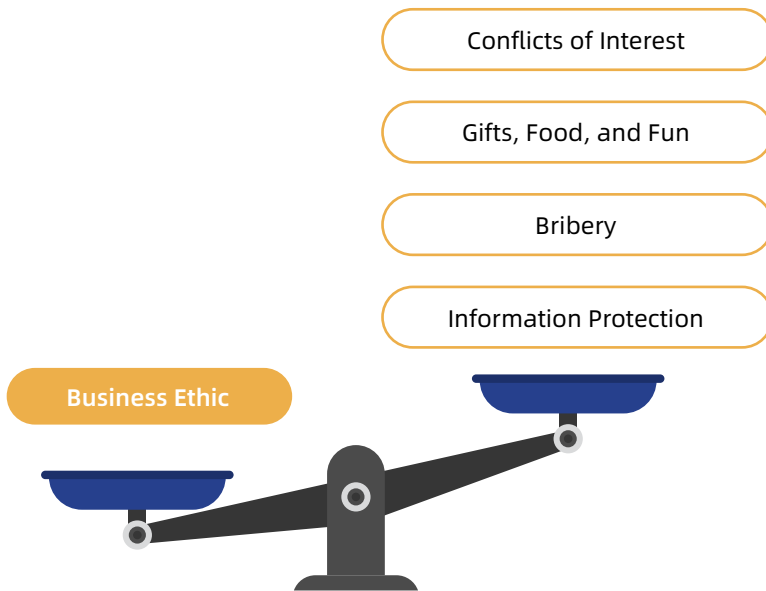
The principles and working patterns that our company's employees, suppliers, and business partners must comply with are set out in our code of ethics. The basic rules we have determined align with these principles to prevent any disputes and conflicts of interest between our organization, employees, business partners, and customers.

Our company İÇDAŞ expects its employees to comply with all laws and act ethically in all matters. We have the exact expectations from our suppliers. While the Code of Conduct for businesses sets the basic standards for employee behavior, the Code of Conduct for suppliers sets the requirements for our suppliers.

İÇDAŞ, one of Turkey's leading steel companies, has been exporting steel to more than a hundred countries since its establishment. In addition, our company is also involved in energy, maritime transportation, shipyard, mining, and port activities.

Our company has always adhered to the principle of conducting its activities responsibly and ethically. We respect and support international principles for the promotion and protection of human rights, including the United Nations Universal Declaration of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. Recognition of these international principles is consistent with our commitment to improve working conditions, respect human rights, protect the environment and strengthen the communities in which we operate.

The critical element of sustainable business is to continue to operate within the framework of the ethical principles we have established. Fair and honest trade is a fundamental element of sustainability in business life. For this reason, our main goals are to ensure the joint contribution and participation of all our employees, to fulfill legal requirements, to satisfy our customers at the highest level, to leave better living opportunities, better quality and livable world for future generations on the way to becoming a sustainable business.



Summary of our Quality Policy

- Quality First
- Compliance with ISO 9001:2015 Standard
- Customer Satisfaction
- Continuous Improvement

The fact that in 2021, there were no corruption cases shows how meticulous İÇDAŞ is in both its activities and supplier selection and evaluation in social and economic terms.



ENVIRONMENTAL PERFORMANCE

Energy and Emissions	55
I. Energy Transition	57
II. Carbon Footprint	57
Water	58
Waste	61
Biodiversity	62

Environmental Performance

As İÇDAŞ, we act with the awareness of the importance of resource utilization while evaluating our environmental performance in our steel and energy activities. Taking today's conditions into account, we aim to ensure efficient resource utilization based on global climate change and to continue our processes with an efficient way of doing business through modern and scientific studies. Accordingly, environmental management, occupational safety and quality standards stand out to be a variety of very important issues in our management culture.

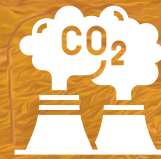
At our Değirmencik Integrated Plant, which is one of the largest electric arc furnace steel plants in Turkey in terms of capacity, we reintroduce tons of steel scrap into our economy by using the most advanced technology; we continue to create value for the environment and our society. While strengthening every part of our business with our environmental awareness, we include our entire value chain in our sustainable production culture with scrap controls carried out at all stages from raw materials to auxiliary materials, from material selection to procurement, from supply acceptance to processing.

At İÇDAŞ, we manage our efforts on the efficient use of natural resources and energy conservation through the Energy Management System with ISO 50001 and our



405 Million TL

In 2021, operating expenses and investments realized within the scope of our environmental awareness and commitments exceed



11,7%

Our greenhouse gas emission decreased compared to 2020

environmental impacts related to all our activities through the Environmental Management System with ISO 14001. Accordingly, we are in compliance with these systems in all our processes and aim to minimize our negative impact on the environment. The fact that İÇDAŞ has not been penalized for non-compliance with environmental laws and regulations during the reporting year shows that our company acts in compliance with the laws in its operations.

Our investments and the production techniques used in our operations are carried out in compliance with the Best Available Techniques (BAT) Reference Documents published by the European Union. In 2021, operating expenses and investments realized within the scope of our environmental awareness and commitments exceeded 405 million TL. 260.9 million TL for our Değirmencik Integrated Plant and 144 million TL for our Bekirli Power Plant. When we look at the greenhouse gas emissions of our plants, we realized a 9% increase in our Değirmencik Integrated Plant and a 22% decrease in our Bekirli Power Plant. This shows that our greenhouse gas emissions decreased by 11.7% in total compared to 2020.

Environmental Performance

Environmental Themes	2021	%
Emission and Climate Protection	₺ 362.801.872,00	89,58%
Wastewater Management	₺ 27.474.752,00	6,78%
Waste Management	₺ 7.968.932,00	1,97%
Conservation of Soil and Groundwater	₺ 1.712.684,00	0,42%
Biodiversity Conservation	₺ 605.437,00	0,15%
Clean Energy, Radiation Safety, Other	₺ 4.458.022,00	1,10%
Total	₺ 405.021.699,00	100%

OUR ENVIRONMENTAL POLICY



Leaving a sustainable environment for the nature's future as well as for our future generations is the basis of the environmental provisions of our corporate policy. In this direction, we undertake to operate continuously in accordance with our environmental policy. In line with our responsibility towards the environment, we strive to determine the appropriate technology for the country's conditions, develop projects and ensure their implementation.

Through the prevention of environmental pollution, reduction of waste, efficient use of energy, control of emissions and responsible use of natural resources, we aim to ensure sustainable growth in all our fields of activity within the parameters of our environmental policy.



İÇDAŞ'ın Environmental History

- **2004:** Establishment of Environmental Unit
- **2005:** ISO 14001 Environmental Management System Certificate
- **2005:** Istanbul Chamber of Industry Sector Environment Award
- **2006:** Kocaeli S.O. Şahabettin Bilgisu Environmental Incentive Award
- **2008:** EU Turkey Programme Management Category 1st Prize
- **2009:** Establishment of Air Quality Measurement Station (First in the Sector)
- **2009:** Akdeniz Univ. Environmental Service Award
- **2010:** Istanbul Chamber of Industry Sustainable Environment Award
- **2010:** TÜBİTAK MAM Biga Peninsula Environmental Monitoring Project
- **2011:** Ministry of Development Best Sustainable Practice Award
- **2011:** Istanbul Chamber of Industry Environmental Management and Corporate Social Responsibility First Prize
- **2011:** Energy Academy Award (in the Coal Category)
- **2012:** Rio+20: The United Nations Conference on Sustainable Development (Best Practice Award)
- **2012:** Performing Continuous Wastewater Monitoring Station's installations
- **2012:** Şahabettin Bilgisu Environmental Award
- **2012:** First Environmental Permit and License in Steel Sector
- **2013:** LACP "World's Top 2nd Sustainability Report" (The first report to be awarded in our country)
- **2013:** Large-Scale Enterprise Eco-Friendly Application Social Responsibility Jury Special Award (Biodiversity Project)
- **2013:** Publication of the İÇDAŞ First Sustainability Report
- **2013:** Energy Academy Award (in Coal Category)
- **2013:** Turkey's Cleanest Industrial Facility Ranked 1st in Turkey
- **2013:** Turkey's Cleanest Industrial Facility Ranked 1st in Çanakkale
- **2013:** Artificial Reef and Biodiversity Support Project
- **2014:** Energy Academy Award (in the Coal Category)
- **2014:** Şahabettin Bilgisu Environmental Award
- **2016:** TÜBİTAK MAM Biga Peninsula Environmental Monitoring Project extension
- **2016:** Project Realized In Cooperation With İÇDAŞ A.Ş. Turmepa "Çanakkale Sea Lovers - Blue Step for Çanakkale"
- **2017:** Low Carbon Heroes Awards
- **2018:** ISO 2018 Environmental Awards Large Scale Business Environment and Sustainability Management Category Finalist
- **2021:** TÜBİTAK MAM Environmental Monitoring Project has been finalized.
- **2021:** On the İÇDAŞ website, all our studies on biodiversity and live inventories in our region started to be shared through the interactive platform.
- **2021:** İÇDAŞ Biga GES Project has been expanded with an investment of 1.5 million TL.

Energy and Emissions

Due to its high energy consumption, the steel industry is of great importance in the fight against climate change. While the steel sector accounts for 7.5% of Turkey's total energy consumption on average, our company's share of energy consumption in the steel sector is 22.9%. For this reason, it is important that the production technologies used provide energy efficiency, and the fact that the sector has inputs that can be evaluated within the scope of minimum waste has a great contribution to sustainability.

The technologies used to ensure energy efficiency must be compatible with measures to increase energy security. At the same time, reducing emissions as a result of energy efficiency is also important for climate protection.

At İÇDAŞ, we closely follow technological developments in order to adapt to changing and developing markets. We are constantly researching the best practices and at the same time taking the opportunity to become more competitive by reducing our costs.

Energy efficiency studies are carried out to realize the same business and service quality with less energy consumption, less greenhouse gas emissions and lower costs. Thanks to our efforts on energy efficiency, we also contribute to reducing our country's foreign dependency on natural resources.

Within the scope of ISO 50001 Energy Management System, we carry out our efforts to save energy and natural resources. Our improvement plans are implemented to reduce electricity and natural gas consumption in our facilities and for maximum efficiency.

We work with international companies to recover the waste heat generated in our steel plants and rolling mills. We also prefer energy-efficient products for facility lighting.



Total non-renewable energy consumption

Year	2019		2020		2021	
Unit	(GJ)	%	(GJ)	%	(GJ)	%
Coal	110.003.829,70	96,6%	106.005.415,29	96,0%	96.340.097,58	95,1%
Natural Gas (GJ)	3.326.965,46	2,9%	3.888.339,38	3,5%	4.372.014,93	4,3%
Diesel (GJ)	503.749,35	0,4%	533.158,06	0,5%	605.648,44	0,6%
Petroleum (GJ)	624,73	0,001%	794,08	0,001%	1.305,83	0,001%
Grand Total (GJ)	113.835.169,24	100%	110.427.706,81	100%	101.319.066,77	100%

Energy and Emissions

Economic Value of Energy Produced from Renewable Energy Sources and Consumed in the Facility

Name of the Plant	2019	2020	2021	
Steel Plants	HES4	₺ 3.046.215,66	₺ 3.876.206,28	₺ 3.503.362,80
	GES	₺ 272.408,19	₺ 1.526.588,66	₺ 1.799.583,46
Power Plant	HES1-2-3	₺ 9.419.334,07	₺ 9.284.472,80	₺ 9.688.321,38
Total	₺ 12.737.957,93	₺ 14.687.267,74	₺ 14.991.267,63	



Electrical Power Generation from Cooling Water Discharge

In 2008, work on the hydroelectric power plant began with the installation of hydro turbines in the cooling water discharge line as part of the third phase of the Sustainable Water Management Project. In 2011, four hydroelectric power plants with an installed capacity of 6 thousand kilowatt hours (kWh) and an investment of 15 million dollars were commissioned.

In 2021, the economic value of the 25.5 million kilowatt hours of HPP-sourced electricity we consumed was 13.2 million TL. In our country, where the average annual electricity consumption per capita is 3,400 kWh, we prevent the production of emissions equivalent to the greenhouse gas emissions caused by approximately 7,500 people annually. We produce and consume this energy in our processes by meeting efficiency requirements.

We use heat exchanger to cool the products and machinery in our steel plant as well as the steam in our power plant. The annual energy consumption for pumping water to the power plant at 30 meters above sea level and to the steel plant at 50 meters above sea level is 110 million kWh due to the terrain conditions. With HPPs, 25% of this energy is recovered.

Energy and Emissions

Energy Transition

At İÇDAŞ, we carry out our emission management in line with national and international developments and legislation. Emissions in the energy and steel sectors, which are our main production areas, are critical to our environmental principles.

In addition to the emission measurements made since 2006, measurements of dust samples are also carried out every month with internal monitoring at eight different points within the facility. The efficiency of the fume extraction system, dust collection system and filter bags in power plants is 99.98% for dust particles larger than one micrometer.

Carbon Footprint

According to research in the United Nations Environment Programme (UNEP) Report, the effect of global warming is worsening each day and resulting more frequent and severe weather events. The values seen in the research predict that Earth's temperature will increase by 1.5 degrees in 2030 instead of the initial prediction 2040. This increase in temperature will lead the world to irreversible changes. As İÇDAŞ, we consider it our duty to take all necessary measures for our planet and future generations in accordance with national and international norms.

In 2010, İÇDAŞ became the first steel producer in Turkey to start calculating the carbon footprint of our steel production. In 2011, we received the CARES Steel Certification from the British organization CARES Sustainability Constructional Steel (SCS) Scheme for our carbon footprint calculation and sustainability research. Our greenhouse gas emissions were checked and certified by Bureau Veritas in 2011.

Monitoring Emission Data with Continuous Emission Measurement System

With our full transparency at workplace vision, we instantly transfer the emission levels of our steel plants and power plants to the relevant Ministry. These values are monitored by continuous emission measurement devices and chimney cameras installed in the chimneys of our facilities.

In 2007, we implemented the infrastructure of the system for monitoring the emissions from the chimneys of power plants initiated by the Ministry of Environment, Urbanization and Climate Change. Within the scope of the Continuous Emission Measurement Systems Communiqué, we completed the installation of systems at Değirmencik and Bekirli plants in January 2014 with a budget of TL 121,445.

The systems are installed in a total of 10 chimneys in Değirmencik and Bekirli plants. This initiative, which started on a voluntary basis, continues in 10 chimneys as part of our legal obligations.

Calculated emissions are verified by companies accredited by the relevant Ministry. They are then reported to the relevant Ministry through the Integrated Environmental Information System.

With the infrastructure we created to calculate, report, and manage our greenhouse gas emissions between 2012 and 2014. We performed greenhouse gas emission calculations in accordance with ISO 14064-1 between 2012 and 2014. Since 2015, we have been continuing to calculate verified greenhouse gas emissions within the scope of legal requirements.

Product Name	Carbon Footprint (kg CO ₂ /1000kg.product)
Steel Billets	602,95
Rebar	862,51
Wire Rod	883,94

Calculations Made within the Scope of Legal Legislation After 2015

Name of Plant	Greenhouse Gas Amount (ton CO ₂ e)		
	2019	2020	2021
Değirmencik Integrated Plant	4.112.559	3.849.678	4.177.633
Bekirli Power Plant	7.487.003	7.774.615	6.085.166

Water

Water, being a critical component for human life, is essential for the continuation of our civilization. Water is the basis of not only the environment but also of our economic and social progress. The economic aspect of water is another feature that makes it important. It is a natural resource used in heavy industry and energy production. Due to this link between the energy sector and water availability, droughts have a direct impact on energy systems. However, in recent years, the increasing impact of global climate change has started to dangerously shrink water resources.

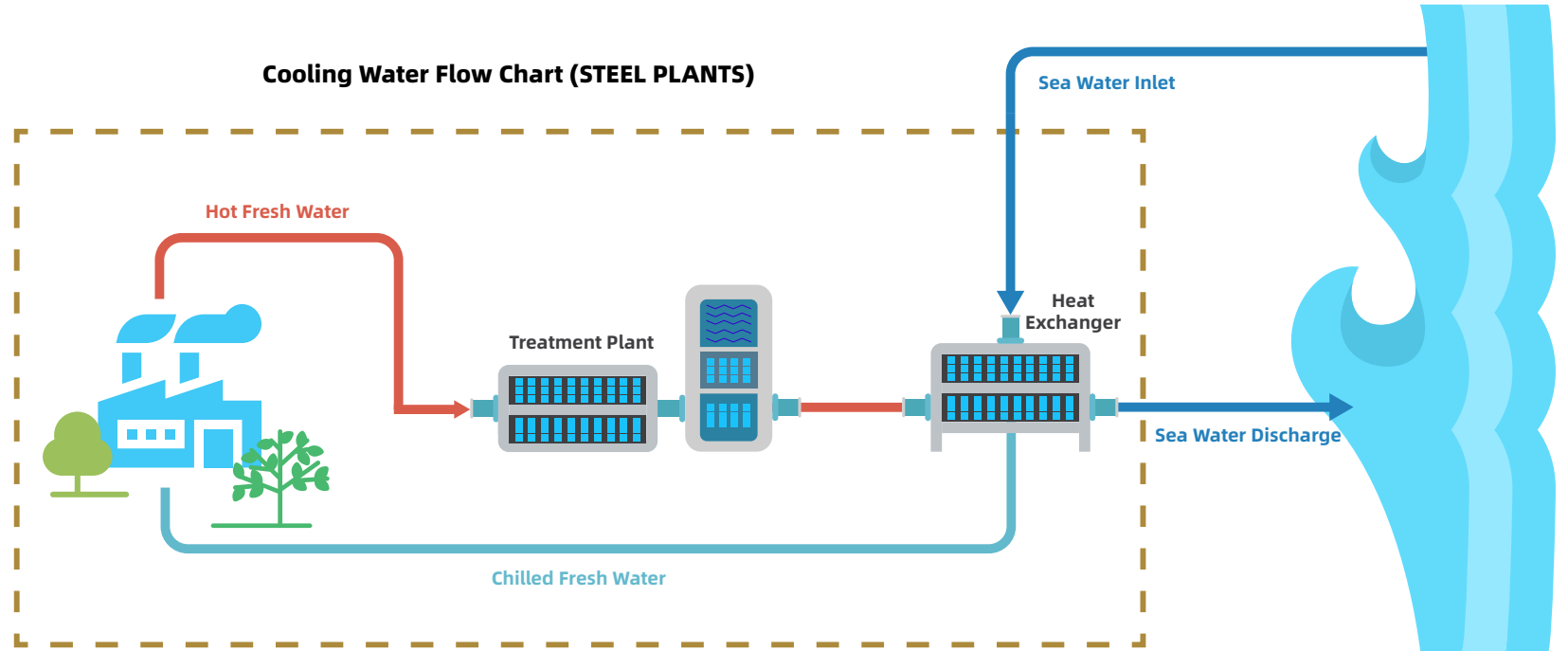
All our plants use seawater as domestic and process water. In our steel plants, we meet 100% of our water needs from seawater. Thus, there is no water source negatively affected by our operations.

With our water management project, İÇDAŞ was selected as one of Turkey's best practices in the field of sustainable development and green economy by the Ministry of Development, United Nations Development Program (UNDP) and Corporate Development and Sustainability Association in 2012 and proudly represented our country at the Rio+20 Summit in Brazil.

Year	m ³ / year
2019	383.661.798
2020	322.511.439
2021	384.887.150

Amount of Water Recovered and Reused

Cooling Water Flow Chart (STEEL PLANTS)



Sustainable Water Management Project

Drought will adversely affect the steel and energy sectors, as it will every other sector. Due to the energy sector's dependence on water, it will be noticed in many areas from production to price increases.

Water, which is used extensively in the sector, is needed both for cooling steel and ensuring the desired quality level in steel production and for energy production. In this context, the water-dependent steel and energy sectors will be affected by the possible impacts of climate change on water resources.

When Değirmencik Integrated and Bekirli Power Plants operate at full capacity, the daily water requirement is approximately 30,000 m³. Reducing water dependency will add an important environmental dimension in terms of both resource conservation and energy management.

With this project, we aimed to completely eliminate the use of groundwater, which is an exhaustible resource. It is aimed to meet all fresh water needs of the power plant from the sea and to generate electricity from the cooling water discharged into the sea.

Water

Fresh Water from the Sea Plant

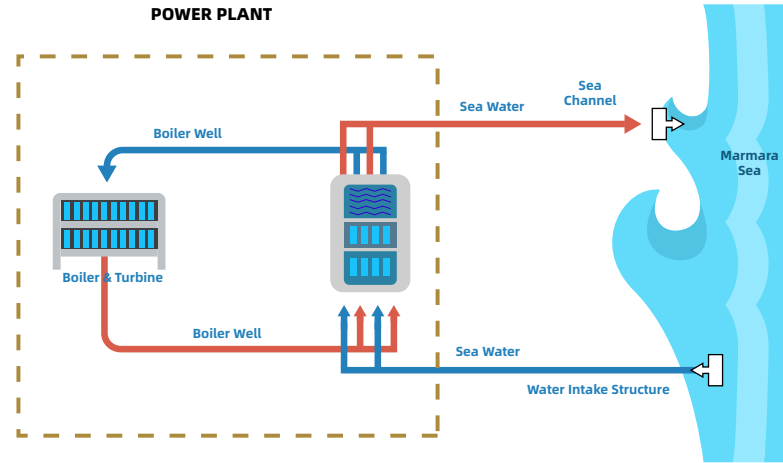


As the first stage of a three-stage application, fresh water is obtained from seawater by reverse osmosis. Obtaining water from the sea is a valuable practice in terms of multiplying and enriching resources.

With the application, which we started in 2006 with a total investment cost of approximately 3 million 650 thousand dollars, we aimed to meet the entire freshwater requirement of 7,000 m3/day from the sea by closing 32 wells and to completely end the use of groundwater.

In 2019, we added a plant with a capacity of 6,000 m3 to our Değirmencik Integrated Plant . Currently, this plant produces 18,000 m3 of fresh water per day. We commissioned a similar project with a capacity of 12,000 m3/day at Bekirli Power Plant, increasing the capacity of our Biga Plant to 30,000 m3/day.

Thanks to these measures, we have ensured the protection of groundwater and reduced the risk of saltwater mixing with fresh water. At the same time, we paved the way for more efficient use of resources in agricultural areas.



Fish Production in Cooling Water Drainage System



As the second stage of the application, we carried out fish production in the cooling water discharge of the production lines.

With this practice, we aimed to produce 100 thousand sea bream and sea bass per year. In addition to fish production in the cooling water outlet for the first time in our country, we also met the entire 180 m3/hour water requirement of the facility by using cooling water.

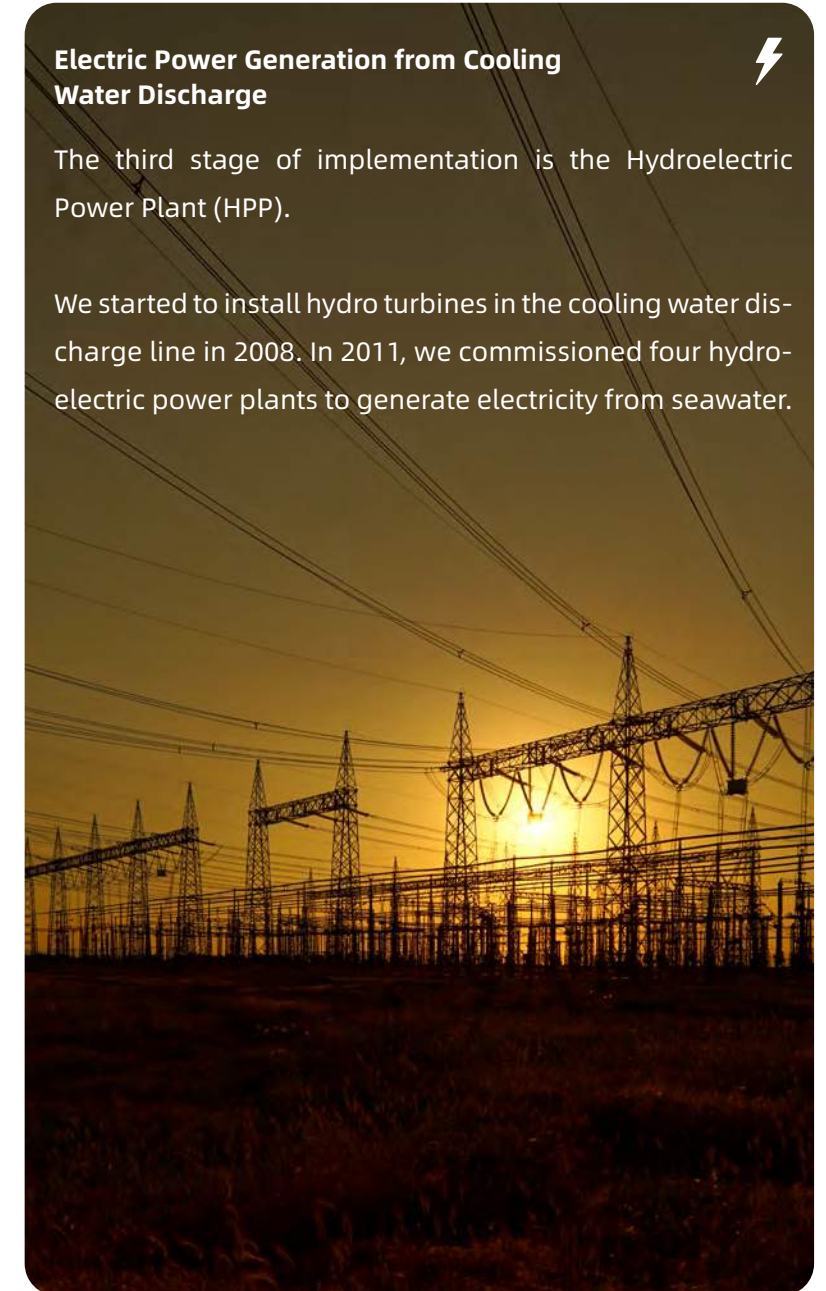
The fact that the temperature of the cooling water is in a suitable range for growth at all times of the year and that no investment is required for water supply is one of the advantages of producing fish in cooling water. And by doing so, we were able to produce 55 thousand bream and 20 thousand sea bass in 2021.

Electric Power Generation from Cooling Water Discharge



The third stage of implementation is the Hydroelectric Power Plant (HPP).

We started to install hydro turbines in the cooling water discharge line in 2008. In 2011, we commissioned four hydroelectric power plants to generate electricity from seawater.



Water

Wastewater Management and Water Quality Monitoring

At İÇDAŞ, we meticulously examine wastewater management by recovering all the water we use in our steel plant and reusing it after treatment. We also recover the steam we use to generate energy through condensation.

The only wastewater that can be considered as a result of our operations is cooling water. However, this cooling water taken from the sea can be discharged back into the sea since it does not come into contact with the process water and therefore there is no chemical contamination.

There is a Continuous Water Monitoring System (CWMS) at the discharge points of our plants. This system is installed at two discharge points at Değirmencik Integrated Plant and one discharge point at Bekirli Power Plant. In this way, we continuously monitor the pH, dissolved oxygen, conductivity, temperature, and flow rate as well as the temperature parameter in the cooling water discharge. Instant reporting of these results are made to the Ministry of Environment, Urbanization and Climate Change.

Authorized by the Ministry of Environment, Urbanization and Climate Change, İÇDAŞ Environmental Control Laboratory is also approved by TÜRKAK. Our wastewater laboratory has first-class technical equipment capable of analyzing all analytical parameters within the scope of its accreditation.

We have domestic wastewater and 1 car wash wastewater at 10 different points at Değirmencik Integrated Plant, domestic wastewater at 2 different points at Bekirli Power Plant, 4 physical treatment plants and 1 chemical treatment plant. We remove sewage sludge by vacuum trucks. At the same time, we discharge the wastewater from car washing after passing it through the physical treatment plant. Our discharge points are specified in the Environmental Permit and License System and in our certificate.

Investment in Artificial Aggregate Plant and Utilization of Slag in Highways Project

İÇDAŞ is the first steel producer in Turkey to produce artificial aggregate from electric arc furnace slag in accordance with CE standards. With this process, which we carry out to prevent storage and environmental pollution, slags are first produced in our facility and then processed in our Değirmencik artificial aggregate facility with CE certification. We continue to actively implement our slag management under İÇDAŞ in the year of 2021.

The project was made possible with a budget of TL 4.6 million in cooperation with the Turkish Steel Producers Association (TÇÜD), Istanbul Technical University (ITU) and the General Directorate of Highways (GDH). The aim is to include the artificial aggregates produced in GDH's technical specifications and to make their use mandatory on roads.

After GDH analyzed the steel slag prepared by ITU, a technical specification was published in 2017. Artificial aggregates were included in the Technical Specifications for Highways in 2018 and since then, artificial aggregates produced from slag have started to be used as a by-product on highways.

In 2018, the Turkish Steel Producers' Association, together with universities, launched a new project to use artificial aggregates produced from slag in sea fill, railway construction and agriculture. The project provided a permanent and effective solution to the major waste problem faced by industrial organizations.



Waste

As İÇDAŞ, we approach our business processes with a focus on improvement every year. In this direction, we monitor the waste generated as a result of our activities through analysis. We compare the waste generated during production per unit product and follow the Best Available Techniques (BAT) in force in the EU.

The main waste generated by our operations is process waste. These wastes are slag, filter dust, rolling mill scale and power plant ash. In addition to these, we can also add waste oil, end-of-life tire, packaging waste and organic waste generated at our facilities.

Our basic policy on waste is to recycle. All waste is collected separately at the source and then sent to recycling or disposal facilities in accordance with the legislation.

Our Değirmencik Integrated Plant recycles more than 15 thousand tons of steel scrap per day during production and is one of the largest recycling facilities in our country.



In 2021, we recycled more than **66%** of the waste from our Bekirli Power Plant



In 2021, more than **60%** of the waste from our Değirmencik Integrated Plant.



As part of our efforts to reduce our process waste, we obtained a by-product certificate for fly ash and started to meet the raw material needs of cement factories and concrete production facilities. Thus, we continued our activities to reduce our process waste generated by our facility.

2021 was closed without any environmental accidents at our facilities. No packaging waste is generated as a result of steel, energy and ship production at our facilities.

Zero Waste at İÇDAŞ

As İÇDAŞ, we always carry out our activities with a perspective that aims to leave a better world for future generations. The Zero Waste Project, which we have created in this direction, is carried out under the Ministry of Environment, Urbanization and Climate Change. With our project aiming to take waste under control, we say "We Are Here For Zero Waste".

Within the scope of the project, we have reached a total of 325 waste containers with 155 waste containers newly placed at various points, both indoors and outdoors. Thus, we are one step closer to recycling or upcycling every possible waste.

Within the scope of our waste policy, which we carry out with a holistic awareness, we conduct environmental trainings on the concept of 'zero waste' with our employees. To this end, we aimed to raise awareness among employees via internal screens and videos shared in the dining halls in our facilities.

In line with our goal of leaving sustainable world to future generations, we aim to prevent waste, use our natural resources efficiently, reduce our waste volumes, separate our waste at its source, and add value to the economy by recycling waste. In this direction, we reinforced our zero-waste policy and obtained zero waste certificates for all our production facilities.

Biodiversity

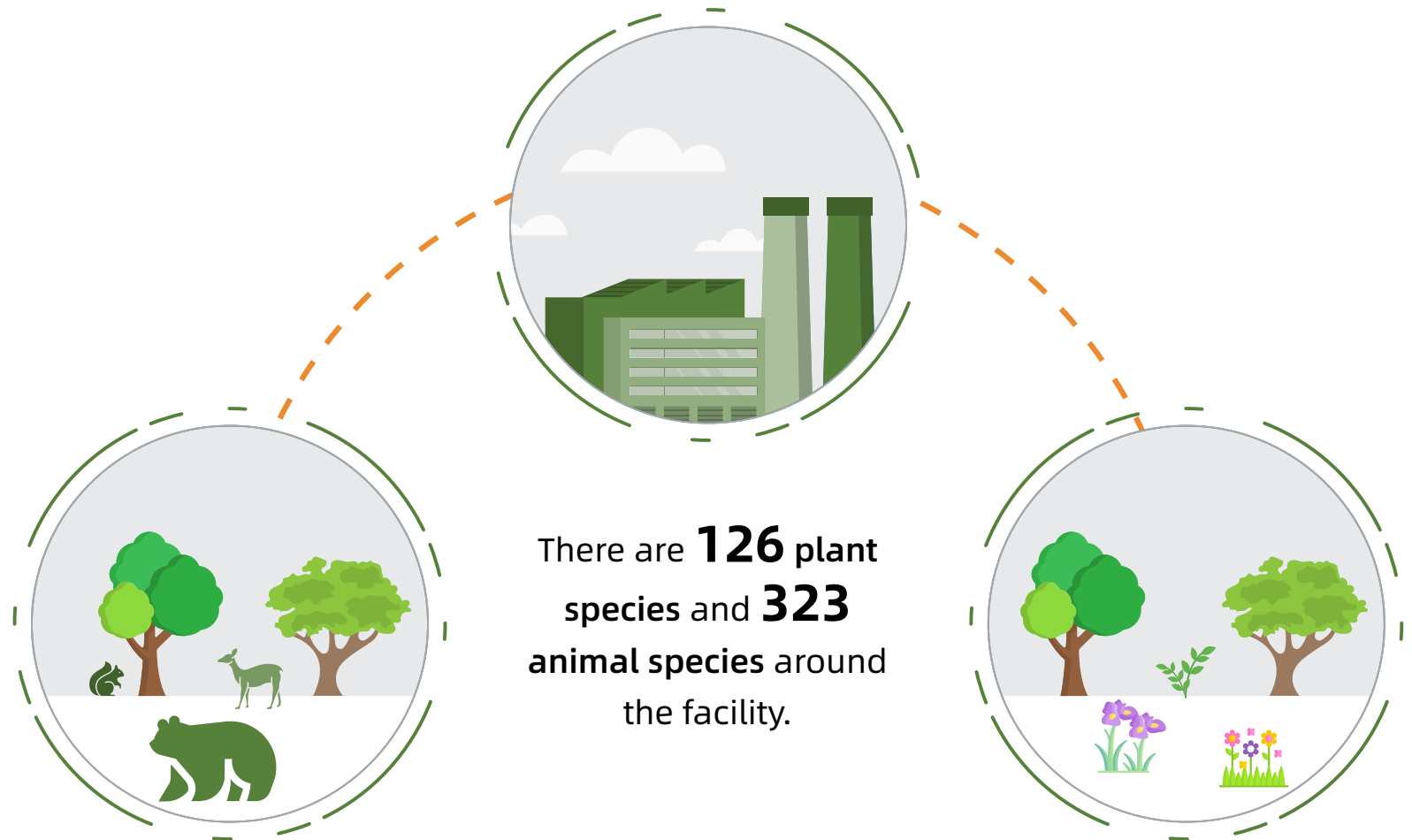
Biodiversity continues to be an important part of sustainable growth. Monitoring the impact of environmental measures in the production process on nearby ecosystems helps to measure the success of these precautions.

With our biodiversity project, we aim to better recognize and protect the living diversity in the impact area of our facilities and to further strengthen the ecosystem by increasing the diversity of living organisms here.

In 2013, we hired a biologist to record the species in the terrestrial and aquatic ecosystems surrounding our facilities. The first living inventory was created by identifying and photographing plant and animal species in and around the facility. In this way, we started to systematically monitor the biodiversity around our operations.

Our facilities are located in both marine-coastal ecosystems and terrestrial ecosystems. For this reason, our research was carried out in terrestrial and aquatic ecosystems surrounding our facilities.

Within the scope of these studies, it was determined that there are no endemic species in our activity areas. In 2021, biodiversity surveys in the marine ecosystem, terrestrial ecosystem-wildlife monitoring studies and ornithological observations continued. A total of 78 mammal species (48.1%) belonging to 7 orders, 20 families and 44 generation live within Çanakkale borders. There are certain areas of scrub-shrub and forests around our facility. The limited open areas of the region are home to dense maquis formation as well as annual plant and shrub species.



Especially during the summer months, this structure maintains its dense formation characteristic. Such environments provide habitat for numerous species of lizards and snakes, small mammals (especially mice and rabbits) and carnivores (martens, weasels, etc.).

Every year, our studies on biodiversity are published on our website and shared with our stakeholders. With this report within the scope of İÇDAŞ-Biodiversity Project, we were deemed worthy of the ISO Environment Friendly Award, a first in our sector.



Biodiversity

İÇDAŞ Biga RES Ornithological and Wildlife Monitoring Project



Wind turbines are an important alternative energy source for sustainable ecosystems and cheaper electricity. However, studies have shown that wind turbines can cause bird deaths in the regions where they are located, as well as habitat loss during the construction process.

The ornithological observations carried out and reported by İÇDAŞ's in-house biologist cover spring and fall migrations and the breeding season. Since 2013, these ornithological observations have revealed that birds are more stationary during fall migration than during spring migration.

Wind turbines also have a negative impact on migratory birds. In this context, the Ministry of Forestry and Water Affairs decided to carry out ornithological and wildlife monitoring studies for two years since İÇDAŞ Biga WPP (Wind Power Plant) site is located on the migration route of birds.

Within the scope of the project, which was carried out with a budget of 262 thousand TL between 2015-2017, the impact of the power plant on bird migration would be monitored and, if deemed necessary, turbines that could pose a threat during bird migration would be shut down.

Monitoring of bat species, populations, breeding and habitats and migration areas in and around İÇDAŞ Biga WPP. A scientific report has been prepared on the impact of the project on bat species and measures to be taken, if any. In this fauna monitoring and bat impact assessment study, 9 new bat species were added to our list. The otter photographed by SAD-AFAG is another new mammal species on our list.

As a result of the research we conducted, a total of 10 new mammal species were added to our list. We included these species in our biodiversity report prepared by IUCN (International Union for Conservation of Nature) which is based on the European Red List criteria.

In 2021, our biologist photographed migratory movements in the field and scanned carcasses. These surveys were recorded on daily observation forms.

Artificial Reef and Biodiversity Support Project



In June 2013, we signed a protocol with Çanakkale Onsekiz Mart University and launched the Artificial Reef and Biodiversity Support Project. The project aims to support professional and amateur fishermen with artificial reefs to be created in the regions. Our aim is to support fishing, prevent illegal fishing activities and protect marine biodiversity.

Within the scope of the project, underwater diving activities were carried out by the Faculty of Marine Sciences and Technologies in and around our port and underwater discoveries were made regarding the existing biodiversity.

2 thousand reefs were planned to be put into operation and the project, for which we allocated a budget of approximately 750 thousand TL, was implemented in 2014 and completed in July 2015. The artificial reef areas recorded during the diving activities showed that our project is progressing positively. In addition, as another result of the project, it was observed that fish and other sea creatures moved towards the reefs and the number of individual species increased.

In 2021, İÇDAŞ will continue to actively monitor and research the results of the project.

Biodiversity

TÜBİTAK MAM Biga Peninsula Environmental Monitoring Project

Covering an area of 40,000 km2 from the Marmara Sea to the Gulf of Edremit, our plant and all our facilities in this region are at the center of our project. The project aims to monitor the ecosystem of the region one year before the plant starts operations.

Started in 2009, the project aims to verify the effectiveness of the measures we have taken to protect the environment at our power plant and to provide stakeholders with scientific data on the subject.

In order to ensure an impartial and reliable project, we agreed with TÜBİTAK MAM (The Scientific and Technological Research Council of Turkey, Marmara Research Center) to jointly carry out the project. We financed the project, of which the total cost exceeded 895 thousand TL, for five years.

The project was initially launched to monitor emissions. However, we expanded the scope of the project and finalized the project after meetings with experts from TÜBİTAK MAM. To ensure comprehensive monitoring of the ecosystem, we started to monitor air, soil, surface freshwater, sewerage, groundwater, and stormwater quality. Separately, we started to monitor plants, water and emission discharges from the plant, and noise.



We financed the project which total cost is over **895 thousand TL** for **five years**.

TÜBİTAK MAM Biga Peninsula Environmental Monitoring Project

There are monitoring stations in the region of the Biga Peninsula from the shores of the Marmara Sea to the foothills of the Kaz Mountains. TÜBİTAK MAM personel regularly visit the stations every month and continue monitoring studies by taking all samples within a period of approximately 3-4 days.

6-monthly reports are submitted to us, and a copy of the analysis results are also sent to the Ministry of Environment, Urbanization and Climate Change.

In 2016, 10 monitoring stations were established within the borders of Lapseki and Biga districts according to the updated air quality modeling. Environmental parameters are monitored at these stations at monthly intervals. Within the framework of the project, monitoring activities continued for 60 months until 2021.

Launched in 2010, the project is one of the largest environmental monitoring projects in Turkey in terms of its scope and content. As a result of the published measurement and monitoring reports, it has once again confirmed that the environmental quality is protected thanks to our facilities in the region.

Biodiversity

Agriculture and Livestock Activities

The main sources of livelihood of the local people living around our fields of activity are agriculture, animal husbandry and industry. With our practices in this field, we aim to show the residents that proper industrial development does not have a negative impact on agriculture and animal husbandry.

Our activities such as fish farming, beekeeping, small cattle breeding and agricultural practices are carried out by our Agriculture and Livestock Department. In this context, expert agricultural engineers and technicians, veterinarians and beekeepers are also included in the processes. We consume more than 80% of our products in our facilities.

The positive effects of investment in agriculture and animal husbandry in economic, social and environmental scope are very important. With our awareness in this direction, we increase our investments in the field every year. In this way, livestock breeders, farmers, agricultural equipment and chemical fertilizer sellers, seed distributors and agricultural laboratories in the region are supported.

The lack of qualified personnel, which is one of the biggest challenges we face, has been eliminated with in-house trainings. We were able to positively address the concerns of the locals by opening the doors of our business and giving them the opportunity to visit our facilities.



Biodiversity

Fattening, Beekeeping and Small Cattle Breeding



Place of Application:

Değirmencik - Bekirli villages/Biga District



Animals Raised:

Fish, bees, calves, sheep, chickens, geese, turkeys, ducks



Products:

Fish, honeycomb, strained honey, pollen, carcass meat, eggs

External stakeholders who support or receive support from this application in order to benefit from national level supports and exchange technical information:

- Biga District Directorate of Food, Agriculture and Livestock,
- Biga Red Meat Union,
- Çanakkale Beekeepers Association



Agricultural Applications



Place of Application:

Değirmencik- Biga



Products:

Peppers, tomatoes, apples, melons, watermelons, cabbage, lettuce, eggplant, molasses, grapes, jam, tomato paste

External stakeholders who support or receive support from this implementation in order to benefit from national level supports and exchange technical information:

- Food, Agriculture and Livestock Çanakkale Provincial and Biga District Directorate,
- Local and national fertilizer companies



In 2021, our investments in agricultural practices doubled compared to 2020.

Livestock Applications Investments (1.000 TL)

2019

2020

2021

Cattle Fattening

924

4500

400

Beekeeping

20

350

110

Small cattle

20

1000

400

Agricultural Applications Investments (1.000 TL)

2019

2020

2021

Agriculture

200

1000

2000

Biodiversity

İÇDAŞ's Seed Bank

As İÇDAŞ, we aim to ensure a sustainable future for the generations to come by reducing the environmental impact of our operations and the environmental impacts that result from them. In 2018, we started to establish a high-tech seed bank with the awareness and holistic perspective of being able to access the entire existing ecosystem today, and even years later. The main reason we started this work was that a quarter of the world's plants face the risk of extinction in the next 50 years. In this context, we aim to protect our national seeds with our project.

In 2019, we established Turkey's third seed bank in Çanakkale after Ankara and Izmir. With this project, we aim to provide thousands of decare of agricultural land with seed banks and to save our national agriculture from foreign dependency by securing our seeds.



Within the scope of the project, the species from Anatolia were renewed periodically and the botanical, genetic, agricultural and technological characteristics of local genotypes were analyzed both in the field and in laboratory conditions. Those that showed differences were kept in cold storage for long periods of time after stabilization and uniformity were ensured.

The project aims to collect and preserve 40,000 different genotypes and is supported by universities and research institutes. The studies will be conducted separately for self-pollinated species, cross-pollinated species, cereals, industrial crops, pulses, and vegetables. Material for the studies will be purchased directly from growers, with priority given to research institutes and universities.

An application was made to the Ministry of Agriculture for a Special Agricultural Research Authorization Certificate. In 2021, Seed Producer Certificate was obtained. Within the scope of the projects, the construction of a 2000 m2 warehouse to be used as a seed warehouse was completed and put into operation.

Barley, wheat, triticale and oat seeds were planted in a 4090 deca care area for seed production and sale to farmers in the region. 3 engineers working in our company completed the Bisab course and received a breeder certificate.



SOCIAL PERFORMANCE

Employee Welfare	69
Employee Development	71
Health and Safety	73
Investment in Locals	79



Social Performance

As İÇDAŞ, we continuously observe and evaluate the impact of our activities to our internal and external stakeholders. We carry out activities that will improve business processes and working conditions with an approach that takes into account the development and welfare of our employees, who are the most valuable stakeholders of our company. In this section of our report, the projects and activities we carry out for our internal and external stakeholders are included.

Our company İÇDAŞ's "Guiding Principles for Suppliers", which are critical for basic human rights and business responsibility programs, emphasize responsible workplace policies that act in accordance with environmental laws and local labor regulations. The principles we embody in this section reflect our corporate policies and values. We expect our suppliers to act in accordance with these guidelines.

Our company İÇDAŞ carries out its activities in accordance with ISO 45001 by following the occupational health and safety regulations up-to-date within the framework of EU Harmonization Laws. As İÇDAŞ, we are committed to providing safe and sustainable service to all our stakeholders by prioritizing the confidentiality and information security of personal data within the scope of ISO 27001 Information Security Management System.

Employee Well-being

The stakeholders of our company within the scope of social sustainability consist primarily of employees and the community that includes the families of the employees. Considering the potential risks, social impacts, and consequences of

all our activities, we consider employee health, safety and development as our primary responsibility. We make our social and environmental investments within the framework of our corporate basic human rights policy, taking into account the priorities of both our employees and the local population.

76% of our employment rate in 2021 consists of local people residing in Çanakkale. In this context, we support the increase of welfare in both social and economic terms in Çanakkale, where we operate.

Our Relations with Our Employees

We owe our presence among international companies in terms of production capacity and technological innovations to our knowledge, our technical skills, our sector experience, and finally to our human resources, which is the most valuable capital within all. Our company, which sees the labor force as the most important value, carries the missions of ensuring that the working environment is safe for all our employees, encouraging teamwork and open communication, and recognizing the right to personal development and training. We carry out the activities of our organization by considering employee health and safety, providing employees with the opportunity for personal development and aiming to increase employee welfare.

Additional to the monthly salary, we provide fuel, food, transportation, shoes, natural disaster, supplies, cleaning ma-

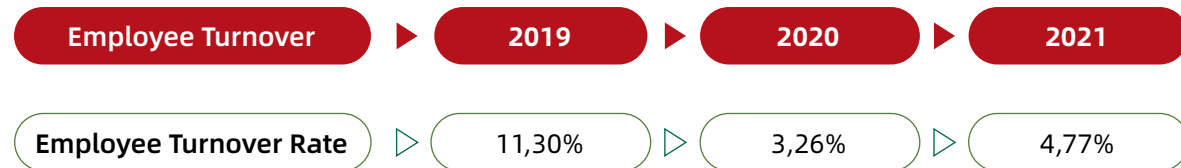
terials, bonuses; paid leave for marriage, birth, death, military service, children, education-training, as well as holidays and annual paid leaves, in order to improve the well-being of all our employees. Furthermore, the right to advance, workers' services, a health centre and lodging are also included to the other services and benefits offered by our company. The activities of İÇDAŞ Sports Club are open to the free participation of working children.



Social Performance

102 -41

İÇDAŞ's employee turnover rate was 11.30% in 2019, 3.26% in 2020 and 4.77% in 2021. The fact that the employee turnover rate has decreased over the years and has progressed steadily in the last two years is an indicator of employee satisfaction.



Equal Opportunities and Human Rights

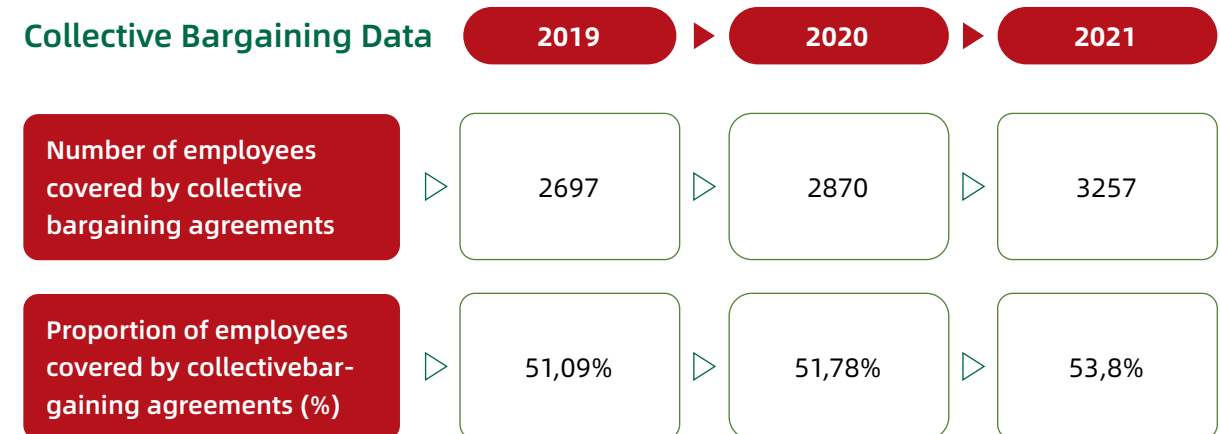


As İÇDAŞ, we carry out recruitment processes by considering gender equality and basic human rights. As we explain in our Human Resources Policy, we apply the principle of "equal pay for equal work". Due to the nature of the steel, energy and shipyard sectors, women's employment is relatively low all over the world. While the ratio of female employment to our total employees in our group companies is 2.5%, our rate of white-collar female employees is 15%.

There is absolutely no forced labor in any of our activities within our organization, including our group companies, and child labor is not employed. Our basic human rights and working conditions policies for our company and suppliers are explained in the Management Policies Book.

Since the sector in which we operate is large-scale and requires heavy labor, the rate of unionized workers within our company is high. Monthly evaluation meetings, in which union representatives and workers' representatives are involved, and encourage employee to participate in the decision-making processes.

Collective Bargaining Data



Social Performance

Our Human Rights Policy

Human Rights Policy of our company İÇDAŞ has been prepared in accordance with internationally recognized human rights standards, including The Universal Declaration of Human Rights (UDHR), The ILO Declaration on Fundamental Principles and Rights at Work, and the UN Global Compact.

İÇDAŞ Human Rights Policy, Special Provisions



- Improving Workplace Health and Safety
- Freedom of Association and Collective Bargaining
- Eliminating and Preventing Forced Labour
- Eliminating Child Labor
- Elimination of Discrimination in Respect of Employment and Occupation
- The Fair Labor Standards Act (FLSA)
- Workplace Safety
- Cruel, Inhuman or Degrading treatment (CIDT)

Employee Development

Employee development and training plays an important role in the success of the company by making business processes more efficient and improving the quality of work. Every training received in the steel sector is also important in terms of occupational health and safety by reducing the risks related to the line of work. In addition, we have launched a Recommendation System to actively monitor and manage employee development within our company.

İÇDAŞ Suggestion System (İÇÖS)



As İÇDAŞ, we take into consideration the opinions and suggestions of all our employees. In this direction, we, as İÇDAŞ, consider it a fundamental value to develop solutions in order to best evaluate employee demands and suggestions.

In 2008, we launched the İÇDAŞ Suggestion System (İÇÖS) platform to enable communications between employees and management and to evaluate employee suggestions. We shared a handbook explaining how this communication platform works, its scope and the benefit it will provide to employees.

Our employees submit their opinions and suggestions through the İÇÖS suggestion forms by using suggestion boxes or by filling them out via the online platform. Then, the demands and suggestions from the employees are discussed in the meetings of the İÇÖS working unit. While the applicable suggestions are submitted to the Steering Committee of the İÇÖS, necessary processes begin for the approved suggestions.

The İÇDAŞ Recommendation System (İÇÖS) is managed by a committee of 20 people consisting of the Executive Board and the Working Unit. From the date of the first establishment of the platform until the end of 2021, a total of 854 recommendations were recorded and 312 recommendations were implemented in order to improve Occupational Health and Safety and increase work efficiency. In addition, costs in production processes were reduced and savings were achieved. With İÇÖS, we aim to make business processes more efficient and to create a more effective working environment.

As İÇDAŞ, we place importance on the right to education of all our employees. In 2021, İÇDAŞ personnel; 138.720 hours of training was provided under 9 main categories including health, safety, and personal development trainings. It is calculated that employees are given 22.9 hours of professional, technical, and personal development training per person. The trainings organized in 2021 are 1.4 times higher than in 2020.



From the date of the first establishment of the platform until the end of 2021, a total of **854** recommendations were recorded and **312** recommendations were implemented in order to improve Occupational Health and Safety and increase work efficiency.



In 2021, İÇDAŞ personnel; **138.720** hours of training was provided under **9** main categories including health, safety, and personal development trainings.



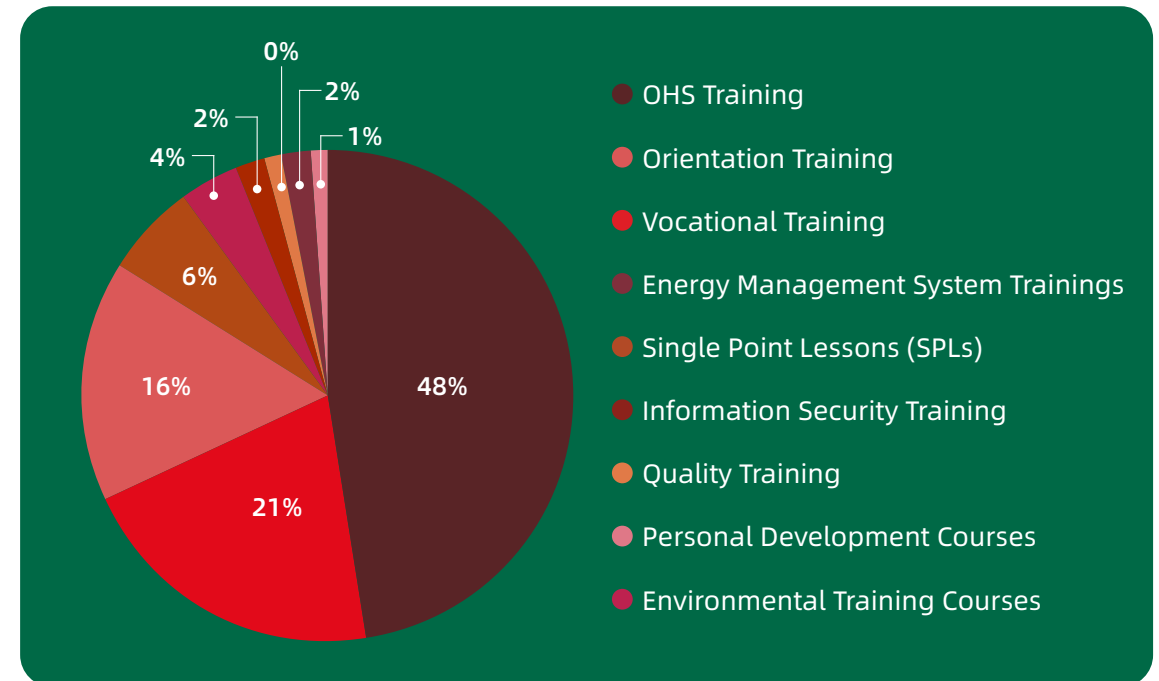
1,4 times more

Rate of trainings which were organised in 2021 according to 2020

Social Performance

Total Training Times by Subject (Working x hours)

Subject of Education	2019	2020	2021
OHS Training	86.397,00	48.292,00	66.989,00
Orientation Training	10.496,00	11.488,00	21.864,00
Vocational Training	9.233,00	20.183,00	29.856,00
Single Point Lessons (SPLs)	7.000,00	6.312,00	8.022,00
Information Security Training	4.332,00	2.581,00	2.344,00
Quality Training	4.576,00	2.189,00	1.862,00
Personal Development Courses	2.704,00	480,00	32,00
Environmental Training Courses	4.053,00	2.133,00	5.592,00
Energy Management System Trainings	4.921,00	2.571,00	2.159,00
Total	133.712,00	96.229,00	138.720,00





Occupational Health and Safety

Occupational Health and Safety



The operations we conduct in the steel industry are one of the most hazardous work branches that may pose health and safety risks, primarily affecting the ear, nose, eye, and skin due to heavy and large-mass machinery and metallurgy processes at elevated temperatures up to 1800 degrees.

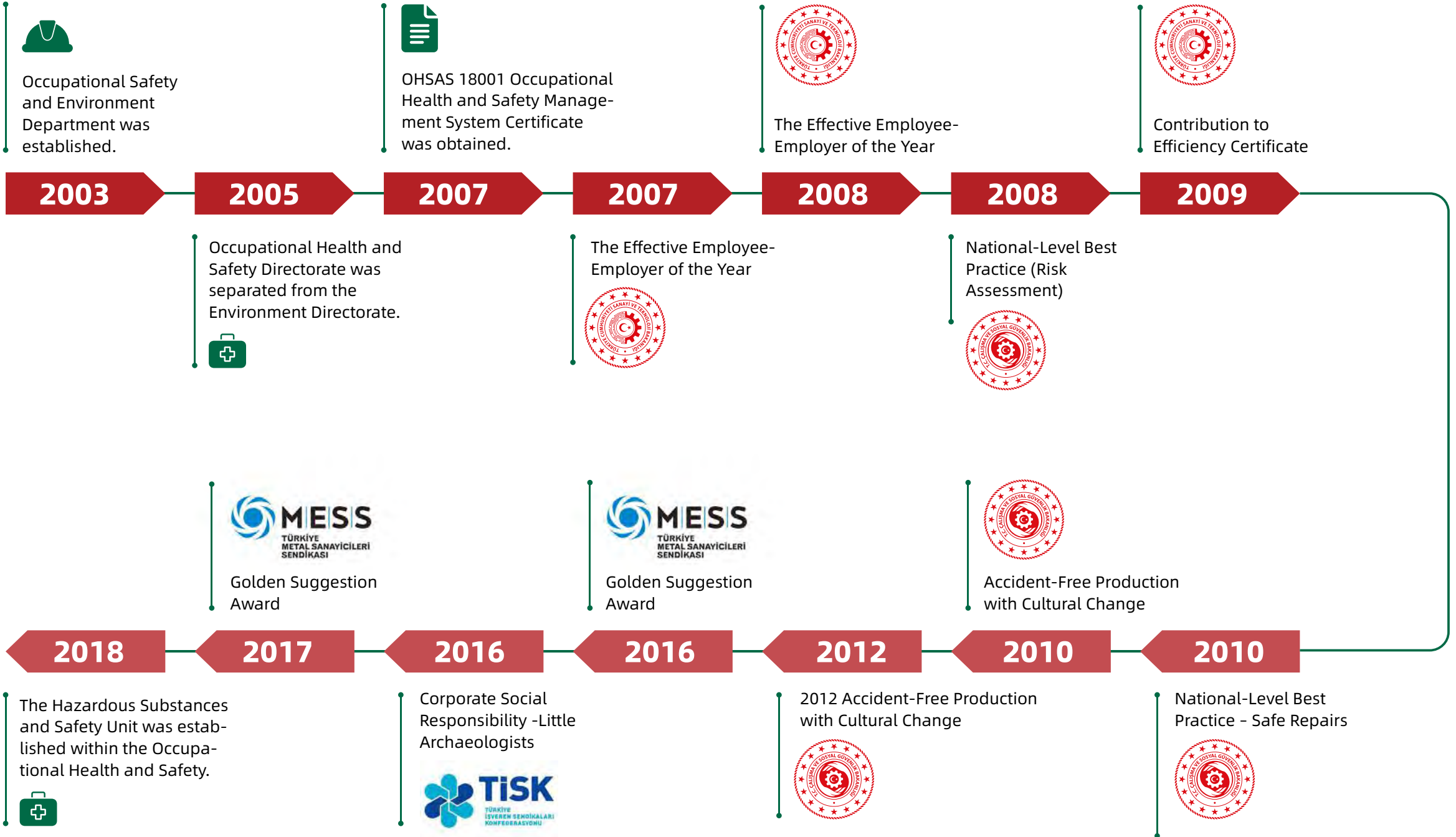
At İÇDAŞ, we adopt employee health and safety as our prior strategy and working principle, with our Occupational Health and Safety (OHS) Policy and ISO 45001:2018 OHS Management System applications.

Compliance with legal codes within the scope of the OHS Management System is regularly and extensively monitored. İÇDAŞ complies with the ISO 45001:2018 Occupational Health and Safety Management System, and accordingly, it is an organization that has certified all its business operations and processes within this relevant scope. OHS Management System enables our company İÇDAŞ to identify and assess occupational health and safety risks, minimize the chances of occupational mishaps, and detect prospective threats.

In 2021, our company İÇDAŞ provided 23 hours of professional, technical, and personal training to our employees, 12.4 hours of OHS per person.



Occupational Health and Safety



Occupational Health and Safety



Our company İÇDAŞ has defined relevant risks and opportunities, respective legal and other conditions, and emergency procedures while considering the processes and changes to achieve the proposed targets and ensure continuous progress. The following documents are used to ensure this knowledge communication continuity and monitoring.



Risk Assessment Procedure



Occupational Safety Legislation List



Legal Compliance Monitoring Table



Emergency Plans



Measurement and Monitoring Plan

As İÇDAŞ, we implement easily measurable & accountable OHS metric assessments to ensure and improve the continuity of the OHS Management System and its performance, which it carries out under the leadership of OHS Policy. While figuring out the OHS targets, the following issues are taken into consideration.

Requirements of legal regulations



Evaluation results of risks and opportunities



Results of consultation with employees and employee representatives



Training necessities

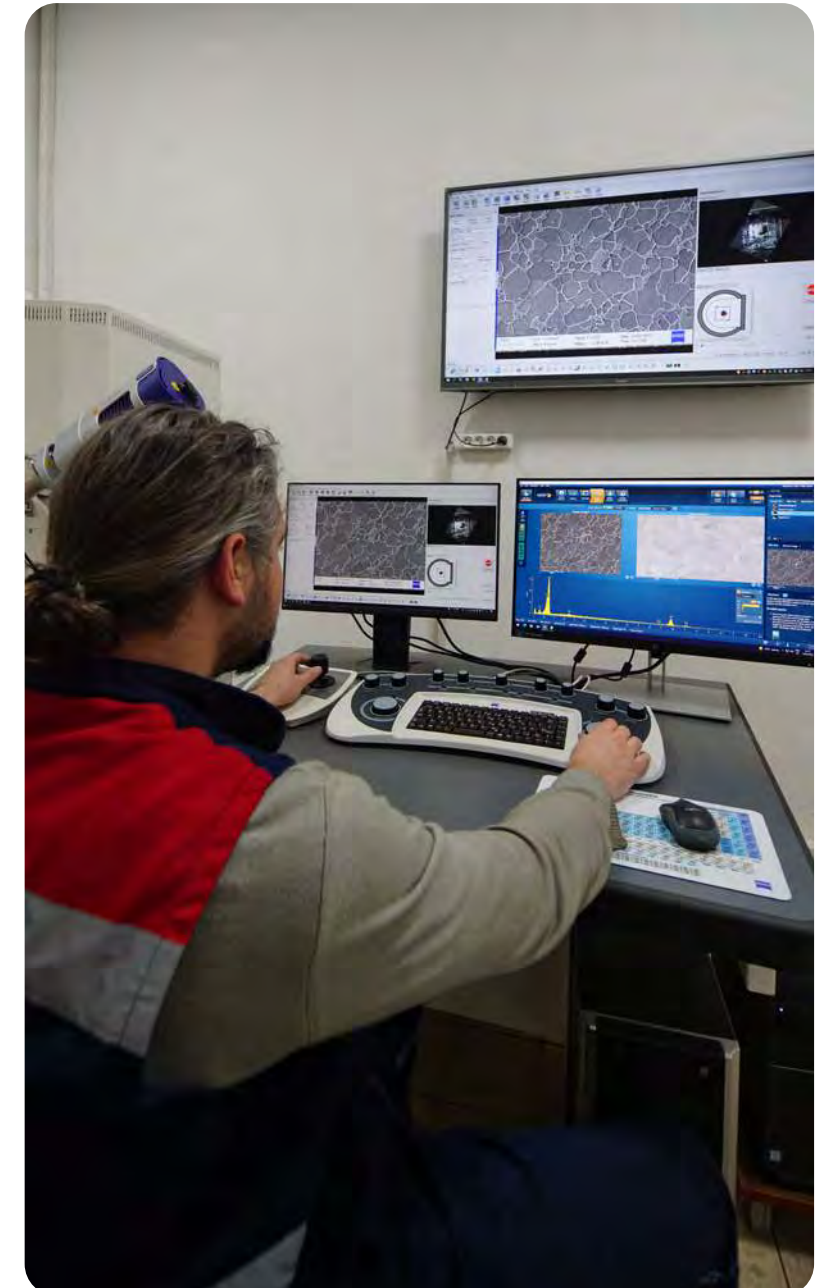




Occupational Health and Safety

Participation of employees has been defined and instructed by relevant procedures. Risk Reporting and Near Miss (Ramak Kala) Reports can be made through the boxes we designate for these specific purposes, located at certain points of our facilities. In addition, any warning or report can be delivered to the OHS unit by e-mail service. A legally recognized union represents our employees. Employee representatives employed in the union can also be involved in respective activities and works related to the matter. Moreover, a "Human Rights Policy" is issued and announced by senior management to guarantee that our employees are guarded against retaliation.

In terms of danger and threat identification and evaluation of risks and opportunities in this line, our company İÇDAŞ utilizes the following control hierarchy in order of importance to eliminate possible threats and reduce corresponding OHS risks.



Occupational Health and Safety



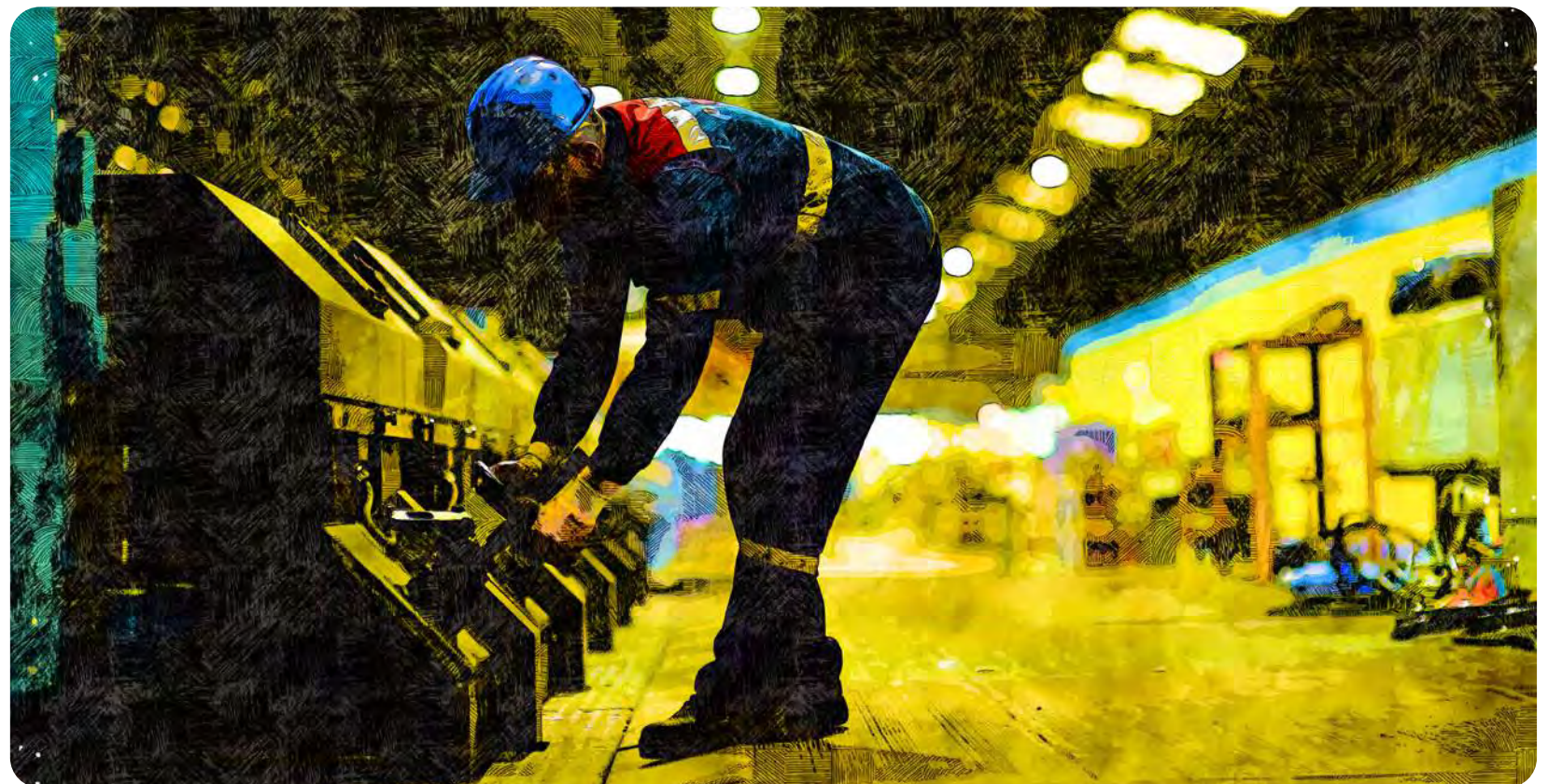
**Adding together to fulfilling the Occupational Health and Safety-related pieces of training put by legal codes, on-the-job “Single Point Trainings” are conducted to instruct the unsafe behaviors in the workplace or the rules to be taken into consideration at work. Furthermore, we have the “İÇDAŞ Academy” platform, which supplies distance education opportunities for our employees. Pieces of training are defined for employees in this field. In addition, our employees can receive help from Occupational Health and Safety and many diverse types of training.

**There is a Workplace Health and Safety Unit in our company. It is ensured that the health needs of the employees are met 24 hours a day, seven days a week, with a staff of Occupational Physician and Other Health Personnel. Complementary health insurance is also offered for our employees.

**As a result of the problems detected by the Occupational Physicians during the Periodic Health Controls conducted in our workplace, the employees went to the hospitals, and further medical examinations and treatments were provided for them.

At İÇDAŞ, we have one death case due to work-related injuries among our employees. The number of work-related injuries resulting in 50 days or more of rest is 32, excluding fatalities, standing for 11%. The number of recordable work injuries is 228, which corresponds to 80%. Accidents with lost hours or days are also included in this data. Primary work injuries include crushes, cuts, burns, sprains, strains, and fractures.

Processes and roles with a substantial risk of injury are identified by reviews of legal regulations, relevant literature, and records of occupational mishaps. Cases of severe muscle strain, falling off a piece or object, being cut by an object, being caught between two things, falling the employee on the ground, and falling from a high place have been identified as workplace dangers that cause or contribute to injury in this reporting period.



Epidemic Diseases (COVID-19 Epidemic)



Following the COVID-19 epidemic, which emerged in December 2019 and spread rapidly across the globe, pandemic measures and practices were implemented accordingly. At İÇDAŞ, we started the administrative decision process by holding an emergency meeting to create our corporate pandemic strategy and prepare the precautions for the COVID-19 Epidemic and the Emergency Action Plan. In line with the decisions taken and implemented quickly, updates and informative content regarding COVID-19 were introduced to all our employees via e-mail and posters.

Although the severity of the COVID-19 pandemic and related measures have eased in the reporting year, as İÇDAŞ, we continue to monitor the health of our employees and their families. We implement our company's gradually reduced measures and continue observing the possibility of a similar epidemic. Our İÇDAŞ company will continue to act with the awareness we gained in this epoch and will continue to prioritize employee, stakeholder, and public health.

- Spots actively used by employees in our facilities are disinfected at specific intervals with ULV devices.
- Employees with chronic illnesses are sent on leave.
- Surgical masks started to be distributed to employees regularly.
- Single-person seating arrangements were made in the personal service buses, and temperature measurements were started while getting on the vehicles.
- Face-to-face training organizations were suspended, and the Distance Education Module was implemented to continue the active employee training.
- The dining hall seating arrangement has been reviewed. The number of televisions in cafeterias has increased. Video content that will raise awareness about COVID-19 has started to be broadcast on these screens.
- Thermal thermometers are positioned at the main entrances.
- Periodic PCR tests have begun for our employees.
- The possibility of the risky employee entering the workplace was prevented by switching to HEPP control in the card pass system found at the main entrance gates.
- Kleentech nano-ion silver technology is used for disinfection purposes.
- TÜV-SUD audited our company within the scope of the COVID-19 Occupational Health and Safety Control Measures Audit Form, and a certificate of compliance was obtained.



Local Investments

Local Employment

As İÇDAŞ, the idea behind supporting local employment is to strengthen the internal communication of the personnel, to create a more harmonious working environment and, of course, to contribute and to improving the quality of life of the local people. With this in mind, we prioritize the employment of candidates residing in the region in job applications to Bekirli Power Plant and Değirmencik Integrated Plant. While increasing direct employment in the region, we also create indirect employment opportunities through the job opportunities we create.



76%

Local Employment Rate



Local Employment in Çanakkale		Locality	Unit	2019	2020	2021
Senior Executives	Local	Person	24	26	27	
		%	48%	46%	47%	
	Other	Person	26	31	31	
		%	52%	54%	53%	
Değirmencik Integrated Plant	Local	Person	3195	3285	3641	
		%	79%	76%	76%	
	Other	Person	859	1013	1169	
		%	21%	24%	24%	
Bekirli Power Plant	Local	Person	567	586	578	
		%	82%	83%	82%	
	Other	Person	126	123	124	
		%	18%	17%	18%	
Total Local Employment in Çanakkale	Local	Person	3786	3897	4246	
		%	79%	77%	76%	
	Other	Person	1011	1167	1324	
		%	21%	23%	24%	

As a company with a local employment rate of 76%, we provide direct and indirect employment for the people of the region through our work. We employ more than four thousand local people in our organization, and through our business processes and services we provide in the region, we create indirect employment, reaching 6 thousand local people.

Local Investments

Plant Tours

In order to inform the local people and the public about the production processes and environmental activities of İÇDAŞ, İÇDAŞ Press and Public Relations Directorate started to organize facility tours in 2010. The tours to the factory take place from March to October of each year.

In addition to the primary, secondary, high school, college and university students in our region, representatives of NGOs and associations, members of the media, members of various chambers of tradesmen, representatives of local/central administrations and deputies participated in the trips that have been going on for more than ten years. In 2021, visits to the facility were suspended due to the pandemic and with normalization plans put in force tours continued as planned.

In order to ensure that the factory tours and information shared during the tours were not only for the visitors but also for the rest of the society, we asked the participants for their opinions and thoughts on the trips and announced the findings in the press. As İÇDAŞ, we primarily aimed our stakeholders in our region and all other external stakeholders to get informed through their own visits and observations; we have shared and will continue to share our company’s social responsibility activities, our business process and working conditions, İÇDAŞ’s environmental and water management model, and our innovative production practices with the local people in order to continue to strengthen our solidarity.

Our Social Investments

While our company, İÇDAŞ, continues its operations, it also strives to serve the benefit of the community, to provide social benefit and to offer a better quality of life for everyone. “Healthy-Educated-Social Youth; Robust Society” which is identified as the slogan and guide, serves also as a principle allowing the company to operate by considering the expectations and needs of society. For example, a second PCR test device was purchased at Biga State Hospital with the motivation of supporting the safety of everyone’s lives during the intense period of the Covid-19 pandemic.

While planning ways to support society, we take a holistic approach that considers the future which will increase the welfare of society with the idea that the effect of one-way development will be temporary, ineffective and inefficient. In order to raise an educated, self-confident and healthy youth, we offer support in sporting activities. By protecting our cultural and historical heritage, we indirectly protect our heritage by supporting to raise individuals with high awareness.

Our company, which has placed importance on social support and investments since its establishment, has made investments of a total of 359,600.00 TL in Çanakkale, the region where it was founded. That number is projected to be 25.5 million TL in 2021. Among the investment supports it provides are investments in environmental infrastructure; structural infrastructure supports such as road, bridge, and tender line

construction; there are structural supports with social infrastructures, such as the construction of parks and mosques; these supports are diversified into financial and in-kind assistance covering both construction, maintenance and repair processes.

Although our company prioritizes investments in social infrastructure and environmental, it has also placed importance on sports and cultural support and increased its investments in this field in 2021.

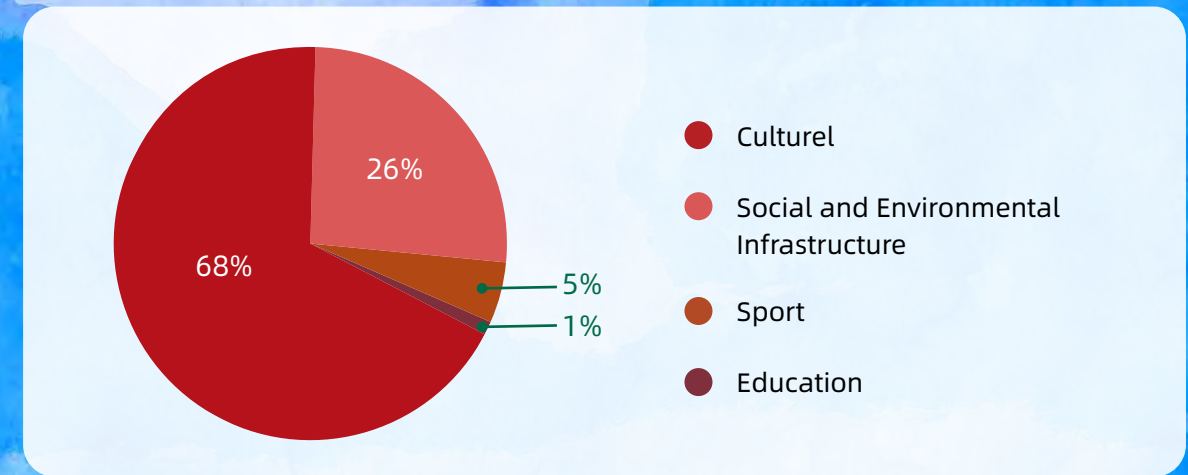


Local Investments

Contributions to the Local Community (Social Responsibility)

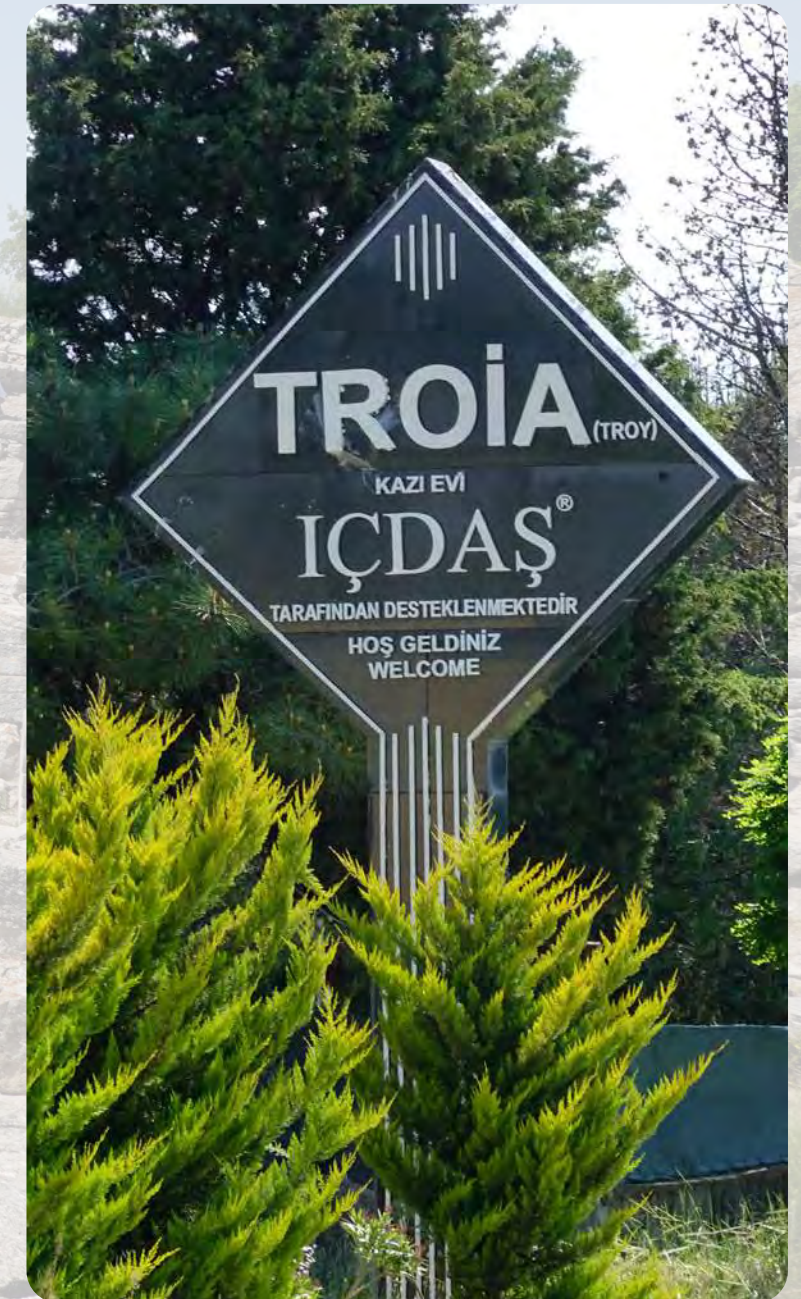
Our Contribution to the Local People and Economy	2019	2020	2021
Social and Environmental Infrastructure	34.774.244 TL	21.404.051 TL	6.663.382 TL
Sport	343.201 TL	337.920 TL	1.362.601 TL
Education	158.662 TL	1.682.623 TL	97.000 TL
Cultural	4.157.660 TL	2.116.816 TL	17.337.416 TL
Total	39.433.767 TL	25.541.410 TL	25.460.399 TL

In 2021, Contributions to the Local Community



Local Investments

	Activity	Activity Province	Related Institution Establishment	Type
1	Parion Excavation Site	Çanakkale	Ministry of Culture and Tourism	Cultural
2	Assos Excavation Site	Çanakkale	Ministry of Culture and Tourism	Cultural
3	Troy Excavation Site	Çanakkale	Ministry of Culture and Tourism	Cultural
4	Lexandra Troas	Çanakkale	Ministry of Culture and Tourism	Cultural
5	Maydos Excavation Site	Çanakkale	Ministry of Culture and Tourism	Cultural
6	National Solidarity Campaign	Nationwide		Social and Environmental Infrastructure
7	Sports Sponsorship	Çanakkale	Sports Clubs	Sport
8	Knowledge Dissemination Foundation			Education
9	Türk Polis Teşkilatını Güçlendirme Vakfı	Nationwide	General Directorate of Security	Social and Environmental Infrastructure
10	Muğla Directorate of Provincial Agriculture and Forestry (TÇÜD Memorial Forest)	Muğla	Regional Directorate of Forestry	Social and Environmental Infrastructure
11	Foundation, Mukhtar, District Governorship, Municipality, Police Station, Iron and Other Donations	Nationwide		Social and Environmental Infrastructure
12	İÇDAŞ Çanakkale Sailing Club	Çanakkale	İÇDAŞ Sailing Club	Sport
13	Biga Kemer İÇDAŞ Primary School	Çanakkale	Directorate of National Education	Education
14	İÇDAŞ Karabiga Indoor Sports Hall	Çanakkale	Provincial Directorate of Youth and Sports	Sport
15	Apollon Excavation Site	Çanakkale	Ministry of Culture and Tourism	Cultural
16	Maydos Excavation Site	Çanakkale	Ministry of Culture and Tourism	Cultural
17	18 Mart Hatime Ana Grand Mosque	Çanakkale	Religious Affairs/18 Mart University	Cultural
18	Çanakkale Port Authority	Çanakkale	Çanakkale Port Authority	Social and Environmental Infrastructure
19	Biga Turkish Metal Union Tavern	Çanakkale	Turkish Metal Union	Social and Environmental Infrastructure
20	Çanakkale Provincial Health Directorate	Çanakkale	Provincial Health Directorate	Social and Environmental Infrastructure
21	Port Authority Support	Çanakkale	Port authority	Social and Environmental Infrastructure
22	Tacettin Aslan Mosque	Çanakkale	Religious Affairs/18 Mart University	Social and Environmental Infrastructure
23	Çanakkale Onsekiz Mart Üniversitesi	Çanakkale	18 Mart University	Social and Environmental Infrastructure



Local Investments

İÇDAŞ Sport Club

One of our objectives in supporting and sponsoring sports activities in the region is to ensure that the youth of the region can benefit from the privileges of geography. The Karabiga Sailing School, which we established in 2004 to support the needs of youth and which is free of charge, serves the purpose and offers the youth of our region the opportunity to practice water sports at world standards. In Çanakkale province, we started sponsoring swimming in 2008 and launched the Çanakkale Sailing School in 2010. The following year, we gathered our sports activities in different regions and branches under a single roof, İÇDAŞ Sports Club. In addition to sailing and swimming training, we started to provide windsurfing training in 2013, and basketball and chess training in 2014.



We care for and encourage our employees and their children to benefit from and take part in swimming, basketball, chess, windsurfing, sailing and archery branch training and support provided by İÇDAŞ Sports Club. We believe that our activities will contribute to raising healthy young generations with self-confidence and team spirit, who support fair competition. Furthermore, we provide support to other sports branches and clubs operating in the vicinity. We are proud of our athletes who represent İÇDAŞ in national competitions and represent Turkey in international competitions.

We place great importance on discovering the potential of the children in our region and planting the seeds of their future success. For this reason, we conduct annual visits to all primary schools in the city center thanks to our cooperation with the Directorate of National Education and the Provincial Directorate of Youth and Sports in order to

reach talented young swimmers. We are supported by the Governorship of Çanakkale, Çanakkale Municipality, Çanakkale Provincial Directorate of Youth and Sports, Biga District Governorship and Karabiga Municipality, Türkiye Sailing Federation and Çanakkale Sailing Provincial Representative, Turkish Swimming Federation and Çanakkale Swimming Provincial Representative in organizing local and national races, logistical needs and providing space for our club activities.

Aiming for local, national and international sporting success and standards, İÇDAŞ Sports Club's infrastructure is therefore at world standards. Of the 408 students in five different branches of our club, 131 of them have licenses. Unfortunately, due to the negative effects of the Covid-19 outbreak, our young athletes within our club could not take part in the competitions held in 2020; however, we are happy to report that İÇDAŞ Sports Club continues to support our athletes during the normalization period following the negative effects of the pandemic and continues to participate in competitions.

In 2021, the number of licensed athletes supported by İÇDAŞ Sports Club in surfing, archery, basketball, swimming and sailing is 131 and the number of amateur athletes is 277.



2021

The number of licensed athletes is **131**
the number of amateur athletes is **277**

Local Investments

Sports Branches and Number of Students Engaged in the Relevant Year

No:	Sports Branch Name	2021		
		Licensed	Amateur	Total
1-2	Sailing-Surfing	40	47	87
3	Swimming	43	107	150
4	Basketball	48	84	132
5	Archery	-	39	39
Total		131	277	408

İÇDAŞ Sports Club 2021 Achievements

Sports Branch Name	Awards	Contests
Swimming	97 Gold medals 92 Silver medals 31 Bronze medals	216 International 4 National
Sailing-Surfing	43 Gold medals 43 Silver medals 34 Bronze medals	1 International 18 National 101 Local
Basketball	7 Gold medals 2 Silver medals	9 Local

Awarded Achievements in 3 branches


217
International


22
National


110
Local




127
First Place


137
Second Place


65
Third Place

Merve Vatan Interview

The Pride of İÇDAŞ Sports Club: Merve Vatan

We support sports activities considering their importance in transforming the youth of our country and region into self-confident adults. We had a short interview with our National Surfer Merve Vatan, who receives support from İÇDAŞ Sports Club, about her sports life and experiences.

In the 4th grade, Merve started surfing and quickly got hooked on surfing with the feeling that the sea liberated her, and it didn't take her long to develop in the field. Merve progressed professionally in surfing by practicing and improving herself; in 2016, she won the Turkish championship in the U-13 girls and general categories. In 2019, the young athlete was selected for the national team and ranked second among the Stars. Merve's achievements include her first international races in Spain and Israel, 1st place in the national team girl's category in 2021, 2nd place in the world at the European World Championships and European Championships at the European Championships.

As Merve progressed professionally in surfing, she felt freer and started to lead a more disciplined life. In this process, after meeting İÇDAŞ Sports School, she started to receive support from İÇDAŞ for equipment supply, which is one of the biggest obstacles in surfing.

The young athlete, who had the opportunity to continue this sport under İÇDAŞ sponsorship, overcame all these difficulties

and returned to surfing despite having to take a break from the sport due to pandemic conditions and struggling with various injuries and health problems afterward.

Merve wants surfing to come to mind when we think of sports in Turkey same as we do for football, basketball, volleyball and other sports. She states that this sport can be practiced almost everywhere in Turkey with the combination of sea and wind underlines that this sport can be popularized in our country with the support of the federation, non-governmental organizations and institutions such as İÇDAŞ. She emphasizes that there are athletes who have achieved great success in Europe and in the world which are not mainstream in Turkey and that every sport branch should be supported and encouraged.

Merve is a very disciplined athlete who never skips a day of training. Since her physical development progressed faster than her peers, Merve competed with older athletes for years and never gave up her virtuous competition in the youth team camps. Merve, who aims to return with a medal by participating in the Olympics and represent our country in the best way possible, states that she is able to practice this sport without financial obstacles thanks to İÇDAŞ's support.



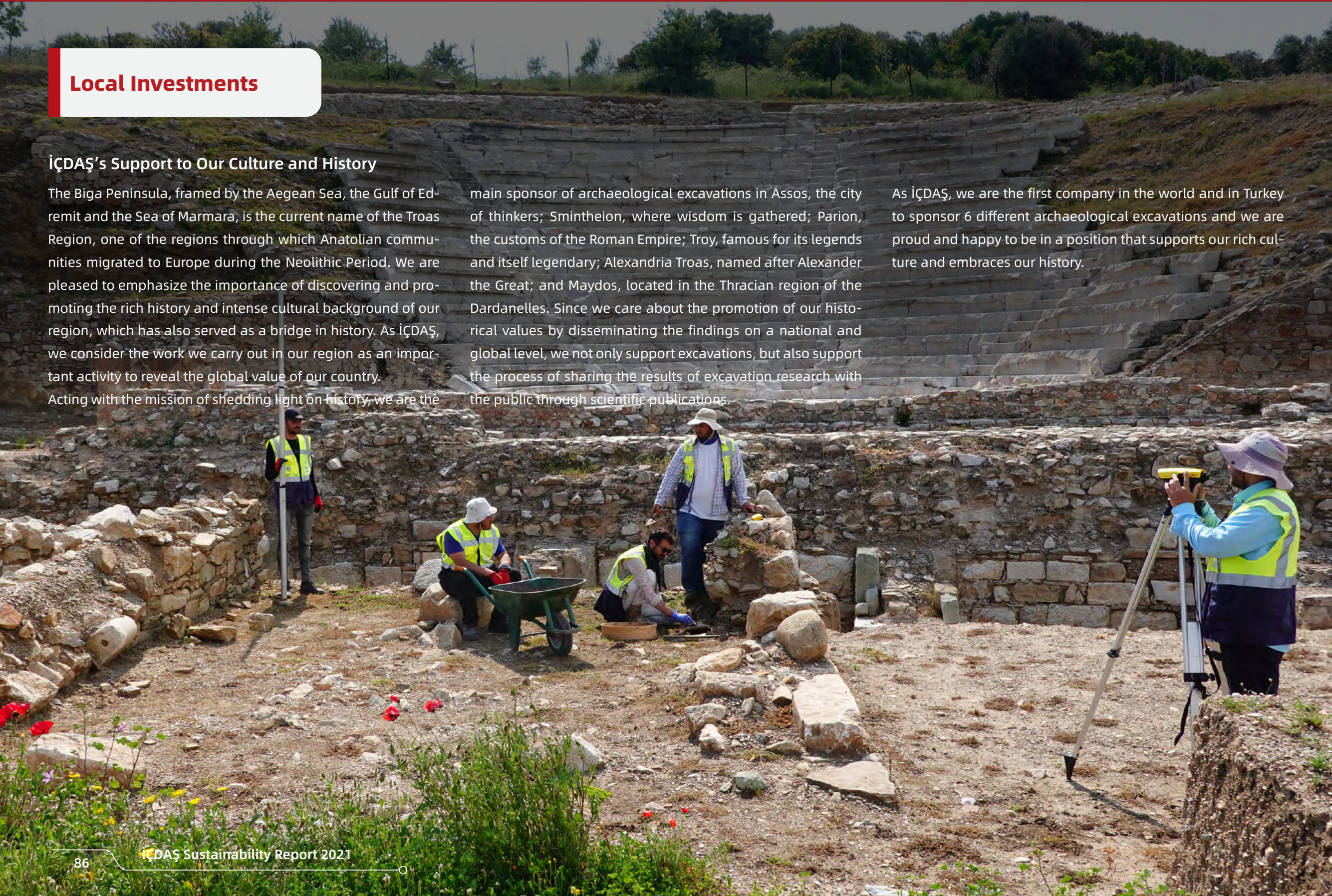
Local Investments

İÇDAŞ's Support to Our Culture and History

The Biga Peninsula, framed by the Aegean Sea, the Gulf of Edremit and the Sea of Marmara, is the current name of the Troas Region, one of the regions through which Anatolian communities migrated to Europe during the Neolithic Period. We are pleased to emphasize the importance of discovering and promoting the rich history and intense cultural background of our region, which has also served as a bridge in history. As İÇDAŞ, we consider the work we carry out in our region as an important activity to reveal the global value of our country. Acting with the mission of shedding light on history, we are the

main sponsor of archaeological excavations in Assos, the city of thinkers; Smintheion, where wisdom is gathered; Parion, the customs of the Roman Empire; Troy, famous for its legends and itself legendary; Alexandria Troas, named after Alexander the Great; and Maydos, located in the Thracian region of the Dardanelles. Since we care about the promotion of our historical values by disseminating the findings on a national and global level, we not only support excavations, but also support the process of sharing the results of excavation research with the public through scientific publications.

As İÇDAŞ, we are the first company in the world and in Turkey to sponsor 6 different archaeological excavations and we are proud and happy to be in a position that supports our rich culture and embraces our history.



Local Investments

Support to Education / Student Scholarships

Based on the idea that “our youth are our future”, we provide student scholarships so that they can experience a good education and enjoyable social life. In order to increase the quality of higher education, we support raising self-confident and well-equipped youth by providing library, classroom, laboratory, and meeting hall construction support and infrastructure contributions to higher education institutions in the region. Knowing that today’s children and young adults are the founders of the future, we have built a total of 6 campuses, including 1 Kindergarten, 1 Primary School, 1 Science High School, 2 Vocational and Technical Anatolian High Schools and 1 High School, with the aim of providing them with quality and in-depth education. We aim to increase the welfare of society by increasing the welfare of our youth. In 2021, we provided a total of 392,380 TL support to 150 students who benefited from the scholarships we provided.

Number of Students and Scholarship Amounts (TL)

Year		2019	2020	2021
Vocational High Schools	Female	14	13	13
	Male	10	7	4
	Total	24	20	17
University	Female	96	49	58
	Male	54	74	60
	Total	150	123	118
Other	Female	6	6	8
	Male	8	7	7
	Total	14	13	15
Total Students		188	156	150
Total Scholarship Amount		494.550 TL	468.660 TL	392.380 TL





05

GRI & SDG INDEXES

GRI Index	89
SDG Index	93

GRI Index

GRI Standard	Disclosure	Page/Answer
GRI 101: Foundation 2016		
GRI 102: General Disclosures 2016		
Organizational Profile		
GRI 102: General Disclosures 2016	102-1	4
	102-2	10
	102-3	4
	102-4	7, 10
	102-5	4
	102-6	4, 10, 13, 49
	102-7	6, 10
	102-8	27, 70
	102-9	48, 49
	102-10	4, 6, 10, 19-21
	102-11	14
	102-12	24
	102-13	24
Strategy		
GRI 102: General Disclosures 2016	102-14	5
	102-15	22
Ethics and Integrity		
GRI 102: General Disclosures 2016	102-16	9, 19, 50
	102-17	19, 50
Governance		
GRI 102: General Disclosures 2016	102-18	19, 20

GRI Standard	Disclosure	Page/Answer
Stakeholder Engagement		
GRI 102: General Disclosures 2016	102-40	16, 17
	102-41	70
	102-42	15
	102-43	15-17
	102-44	17, 18
Reporting Practice		
GRI 102: General Disclosures 2016	102-45	4
	102-46	17, 18
	102-47	18
	102-48	There is not reorganized information according to previous report.
	102-49	There is not any changes according to previous report.
	102-50	4
	102-51	4
	102-52	4
	102-53	4
	102-54	4
	102-55	89 - 93
	102-56	Information which has "Blue icon-verified signs" in the report is approved by external assurances.



GRI Index

GRI Standard	Disclosure	Page/Answer
GRI 200: Economic		
Economic Performance		
GRI 103: Management Approach 2016	103-1	40, 41
	103-2	40, 41
	103-3	40, 41
GRI 201: Economic Performance 2016	201-1	40, 43-47, 49
Market Presence		
GRI 103: Management Approach 2016	103-1	70
	103-2	70
	103-3	70
GRI 202: Market Presence 2016	202-1	70
	202-2	79
Indirect Economic Impacts		
GRI 103: Management Approach 2016	103-1	43, 80
	103-2	43, 80
	103-3	43, 80
GRI 203: Indirect Economic Impacts 2016	203-1	43, 81-87
Procurement Practices		
GRI 103: Management Approach 2016	103-1	48
	103-2	48
	103-3	48
GRI 204: Procurement Practices 2016	204-1	48, 49

GRI Standard	Disclosure	Page/Answer
Anti-corruption		
GRI 103: Management Approach 2016	103-1	50
	103-2	50
	103-3	50
GRI 205: Anti-corruption 2016	205-1	50
GRI 300: Environmental		
Materials		
GRI 103: Management Approach 2016	103-1	52
	103-2	52
	103-3	52
GRI 301: Materials 2016	301-1	6
	301-2	52
Energy		
GRI 103: Management Approach 2016	103-1	55
	103-2	55
	103-3	55
GRI 302: Energy 2016	302-1	55
	302-4	55
Water and Effluents		
GRI 103: Management Approach 2016	103-1	58
	103-2	58
	103-3	58
GRI 303: Water and Effluents 2018	303-1	58
	303-2	59
	303-3	58
	303-4	60



GRI Index

GRI Standard	Disclosure	Page/Answer
Biodiversity		
GRI 103: Management Approach 2016	103-1	62
	103-2	62
	103-3	62
GRI 304: Biodiversity 2016	304-1	62-67
	304-2	62-67
	304-3	62-67
Emissions		
GRI 103: Management Approach 2016	103-1	57
	103-2	57
	103-3	57
GRI 305: Emissions 2016	305-1	57
	305-2	57
	305-4	57
Waste		
GRI 103: Management Approach 2016	103-1	61
	103-2	61
	103-3	61
GRI 306: Waste 2020	306-1	61
	306-2	61
	306-3	61
	306-4	61















GRI Standard	Disclosure	Page/Answer
Environmental Compliance		
GRI 103: Management Approach 2016	103-1	52
	103-2	52
	103-3	52
GRI 307: Environmental Compliance 2016	307-1	52
GRI 400: Social		
Employment		
GRI 103: Management Approach 2016	103-1	69
	103-2	69
	103-3	69
GRI 401: Employment 2016	401-1	70
	401-2	69
Occupational Health and Safety		
GRI 103: Management Approach 2016	103-1	73
	103-2	73
	103-3	73
GRI 403: Occupational Health and Safety 2018	403-1	73
	403-2	73-76
	403-3	77
	403-4	77
	403-5	73
	403-6	76
	403-7	77
	403-8	77
	403-9	77
	403-10	77

GRI Index

GRI Standard	Disclosure	Page/Answer
Training and Education		
GRI 103: Management Approach 2016	103-1	71
	103-2	71
	103-3	71
GRI 404: Training and Education 2016	404-1	71
	404-2	72
Freedom of Association and Collective Bargaining		
GRI 103: Management Approach 2016	103-1	70
	103-2	70
	103-3	70
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	70
Child Labor		
GRI 103: Management Approach 2016	103-1	70
	103-2	70
	103-3	70
GRI 408: Child Labor 2016	408-1	70
Forced or Compulsory Labor		
GRI 103: Management Approach 2016	103-1	70
	103-2	70
	103-3	70
GRI 409: Forced or Compulsory Labor 2016	409-1	70
Rights of Indigenous People		
GRI 103: Management Approach 2016	103-1	80
	103-2	80
	103-3	80
GRI 411: Rights of Indigenous People 2016	411-1	80

GRI Standard	Disclosure	Page/Answer
Human Rights Assessment		
GRI 103: Management Approach 2016	103-1	50, 70
	103-2	50, 70
	103-3	50, 70
GRI 412: Human Rights Assessment 2016	412-1	50
Local Communities		
GRI 103: Management Approach 2016	103-1	79
	103-2	79
	103-3	79
GRI 413: Local Communities 2016	413-1	79-87
	413-2	79-87
Supplier Social Assessment		
GRI 103: Management Approach 2016	103-1	48
	103-2	48
	103-3	48
GRI 414: Supplier Social Assessment 2016	414-1	48-50
	414-2	48-50
Customer Health and Safety		
GRI 103: Management Approach 2016	103-1	70
	103-2	70
	103-3	70
GRI 418: Customer Health and Safety 2016	418-1	70

SDG Index

Sustainable Development Goals		Page
	No Poverty	35
	Zero Hunger	35
	Good Health and Well-being	35, 36
	Quality Education	35, 36
	Gender Equality	35
	Clean Water and Sanitation	38
	Affordable and Clean Energy	36
	Industry, Innovation and Infrastructure	36
	Reduced Inequality	35
	Sustainable Cities and Communities	37
	Responsible Consumption and Production	36-38
	Climate Action	38
	Life Below Water	38
	Life on Land	38



“This report may contain general information on legal issues, which is not advisory. This information is provided “as is” without any express or implied representation or warranty, and İÇDAŞ makes no representations or warranties with respect to the legal information contained in this report. It is not guaranteed that this information will be complete, accurate, up-to-date or non-misleading, permanent and invariant. İÇDAŞ, its employees, directors and other persons and organizations involved in the reporting process cannot be held liable for any damages that may arise out of the use of the information presented in this report.”

Mahmutbey District, Dilmenler Street, No: 20, 34212
Bağcılar / İstanbul

İÇDAŞ ENVIRONMENTAL MANAGEMENT UNIT

Phone: +90 (286) 395 10 10

 icdas.com.tr

 icdas@icdas.com.tr



Reporting Consultant & Report Design



info@semtrio.com

www.semtrio.com



IÇDAŞ

SUSTAINABILITY REPORT - 2021

