İÇDAŞ®

İÇDAŞ ÇELİK ENERJİ TERSANE VE ULAŞIM SANAYİ A.Ş.

İÇDAŞ®

ELEKTRİK ENERJİSİ ÜRETİM VE YATIRIM A.Ş

Sustainability Report **2024**

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Sustainability Report **2024**

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About The Report

The İÇDAŞ 2024 Sustainability Report has been prepared to present our Company's sustainability performance for the year 2024 and to ensure transparent communication with our stakeholders. The report covers the data and performance of two companies: İÇDAŞ Çelik Enerji Tersane ve Ulaşım Sanayi A.Ş. and İÇDAŞ Elektrik Enerjisi Üretim ve Yatırım A.Ş. These entities will hereinafter be referred to collectively as İÇDAŞ throughout the report.

Scope of Reporting

This report is İÇDAŞ's thirteenth sustainability report and covers the period from 1 January to 31 December 2024. It presents the Company's sustainability strategy, activities, and targets in the environmental, social, and governance domains, outlines its strategic priorities, and highlights the progress achieved in the climate field, along with the practices implemented in this context.

Reporting Principles and Standards

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards. Its content has been developed by considering the topics and disclosures defined by GRI and in alignment with the requirements of the Task Force on Climate-related Financial Disclosures (TCFD) methodology. In addition, the report reflects İÇDAŞ's contributions to the United Nations Sustainable Development Goals (SDGs), which are widely recognized across the sector.

Publication Date and Frequency

The report is published annually as a reflection of İÇDAŞ's commitment to transparently sharing its sustainability performance with stakeholders. The İÇDAŞ 2024 Sustainability Report was released in September 2025.

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For more information about our sustainability report, please emailicdas@icdas.com.tr or contact us at www.icdas.com.tr.

GENERAL MANAGER MESSAGE

Dear Stakeholders, Business Partners and Colleagues,

2024 was a year marked by ongoing global uncertainties, yet it also presented new opportunities for agile and resilient organizations. In the global steel sector, dynamics such as weakening demand, geopolitical tensions, and rising operational costs came to the fore, while the acceleration of the green transition and the spread of carbon regulations shaped the sector's strategies for the coming decade.

Despite the global decline in production, Turkey's steel industry demonstrated a strong recovery, achieving a 9.4% increase in production in 2024. With this performance, our country became one of the fastest-growing producers worldwide in proportional terms. This success was driven by the private sector's investment capacity, technological transformation, and highly skilled human resources.

We Continue Our Operations with Energy and Low-Emission Production Models

Alongside our strong environmental awareness, energy efficiency remains a cornerstone of both environmental and operational sustainability for İÇDAŞ, given the nature of the sectors in which we operate. In 2024, through modernization projects, process improvements, and energy recovery initiatives, we achieved energy savings exceeding 40 million kWh. With continuous monitoring and performance improvement under the ISO 50001 Energy Management System, we continue to reinforce our resource efficiency-based production model.

Contributing to Turkey's Energy Transition

We maintain our position as a strong player in the energy sector by meeting 3.71% of Turkey's electricity demand. At the same time, we are expanding our renewable energy investments to contribute to our country's energy transition. As of 2024, our installed renewable energy capacity has reached 79.47 MW.

We Have Developed Our Climate Transition Plan and Are Committed to SBTi

2024 was a pivotal year for İÇDAŞ as we integrated climate action into our corporate strategy. With the aim of advancing our efforts to combat the climate crisis, contributing to global commitments, and accelerating the shift towards green growth, we decided to declare our targets under the Science Based Targets initiative (SBTi). In line with the Paris Climate Agreement's goal of limiting global temperature rise to 1.5°C, we have prepared a comprehensive Climate Transition Plan with concrete and measurable steps for reducing greenhouse gas emissions. Within this framework, we aim to submit our official commitment to the SBTi in 2025, aligning our production processes with low-carbon economy targets.

We have also completed our risk and opportunity analyses in line with the Task Force on Climate-related Financial Disclosures (TCFD) methodology. This has provided us with a systematic roadmap to manage both the potential operational impacts of climate change and the financial implications of the risks we have identified.

We Prioritise Our Social Contribution and Responsibility

Our sustainable development vision is based on generating social benefits as well as reducing environmental impact. In the region where we operate, we contribute to regional development in the areas of agriculture, livestock, sports, cultural heritage and education, in addition to the employment we create. With the social projects we implemented in 2024, we continued to contribute to the economic well-being and social development of the local community.

We are Moving Steadily Toward the Future

In 2025 and beyond, we will continue on our path with a production approach that is climate-friendly, resource-efficient, socially beneficial, and high in added value. I wholeheartedly believe that we will take even stronger steps together on this journey, which we pursue with the trust of all our stakeholders, the hard work of our employees, and an awareness of our responsibilities.

With best regards,

Tarık YEGÜL
General Manager of İÇDAŞ

SECTOR OVERVIEW

“Guiding the Changing Rhythm of the Market with Steel-Strong Steps.”

Sector Overview

2024 has been a challenging year for the global steel sector. High interest rates, inflationary pressures, geopolitical uncertainties and fluctuations in energy costs have negatively affected global steel demand and production. Worldwide crude steel production declined to approximately 1.84 billion tonnes compared to the previous year.

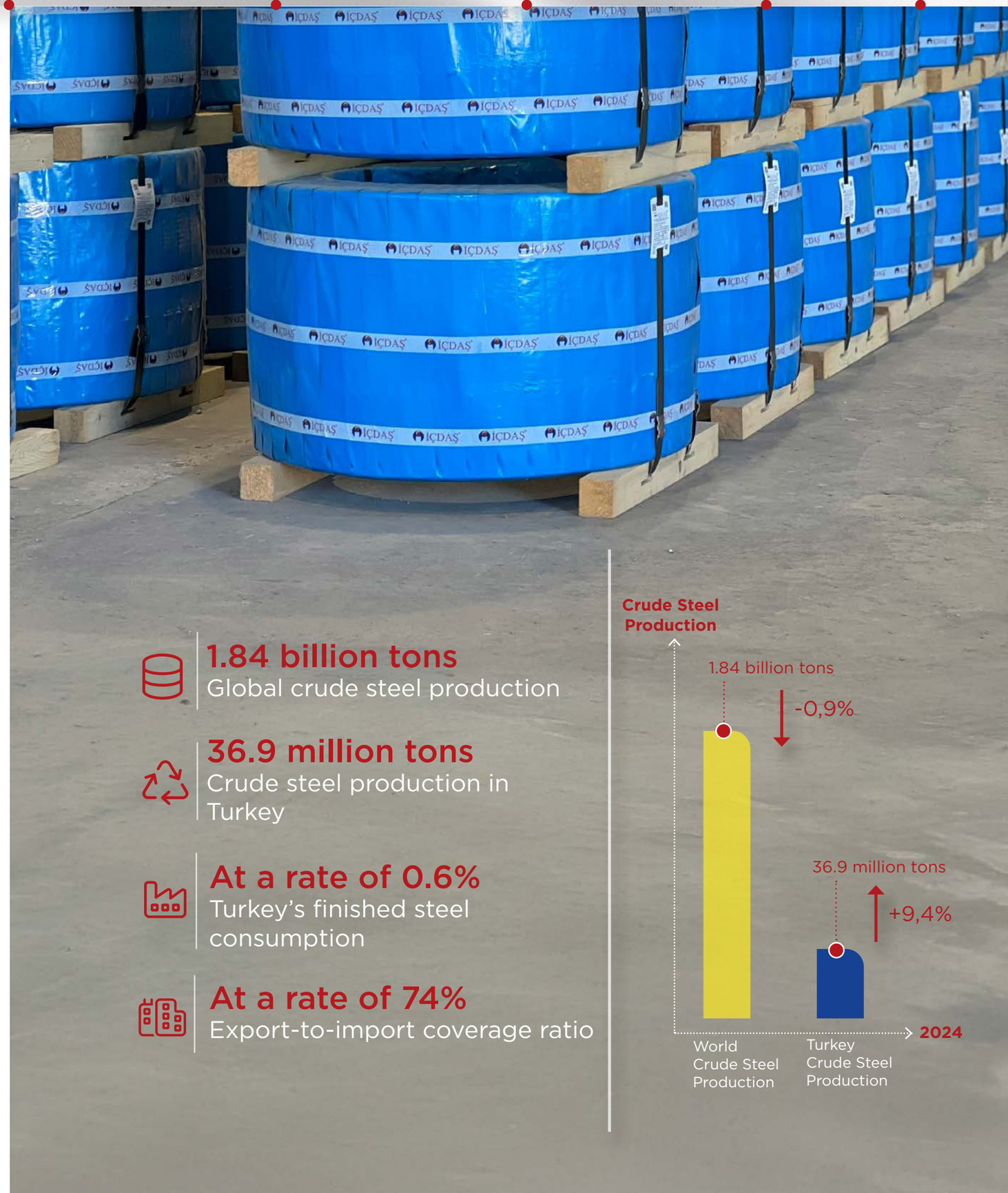
While production declined in China, the largest producer, similar trends were observed in countries such as Japan, South Korea, Russia and the United States. Similarly, Japan experienced a 3.4 per cent decline in production, South Korea 4.7 per cent and the United States 2.4 per cent. Some producers, such as Russia, have seen a contraction of 7%. In contrast, developing countries such as India and Turkey have increased their production, balancing their weight in global production.

The ongoing stagnation in the manufacturing industry, tight monetary policies against high inflation, and geopolitical uncertainties have negatively affected steel demand. The slowdown in the construction sector due to high financing costs and the declining purchasing power of households have been the main factors reducing demand for durable goods and, consequently, steel.

Global crude steel production in 2024 also decreased by 0.9% compared to the previous year, reaching 1.84 billion tonnes. China's steel exports reached 110.7 million tonnes in 2024, the second highest level in history. This has negatively affected prices and domestic producers in global markets. Falling steel prices and high energy costs in some regions have challenged the profitability of industry players in 2024.

Turkey increased its crude steel production by 9.4% to 36.9 million tonnes in 2024, maintaining its 8th place in the world rankings. Following the contraction experienced in the 2022-2023 period, the partial recovery of domestic demand and the revival of export markets in 2024 supported production.

Turkey's final steel consumption reached 38.3 million tonnes in 2024, an increase of 0.6%. While exports saw a significant increase (up 27.6% year-on-year to 13.4 million tonnes), the increase in imports remained limited (up 1.7% to 17.4 million tonnes). Along with the recovery in the sector, the ratio of exports to imports, which was 56.6% in 2023, rose to 74% in 2024.



Expectations for 2025

Global steel demand is expected to increase by 1.2% in 2025, reaching approximately 1.77 billion tonnes, driven by a general recovery. This growth is expected to be led by India and Southeast Asia, with their strong infrastructure investments. In particular, India's steel demand is forecast to grow by a total of 8% in 2024 and 2025, and India is expected to be the decisive factor in the increase in demand.

While demand growth of over 4% is forecast for developing countries other than China in 2025, a modest growth of approximately 1.9% is expected in developed countries. In particular, EU steel demand is expected to increase for the first time in a long time in 2025, and moderate recoveries are also expected in the US and Japan. In China, steel demand may experience a limited decline due to ongoing problems in the real estate sector, but it is estimated that this loss could be offset by possible government incentives.

For the Turkish steel sector, an increase in domestic demand and capacity utilisation is anticipated. With the gradual easing of the tight monetary policy by 2025, expectations of a revival in domestic demand are coming to the fore. The capacity utilisation rate, which stood at 62% in 2024, is expected to rise further in 2025.

The recovery that began in export markets in 2024 is expected to continue in 2025. In particular, the improvement in the European economy is expected to have a positive impact on Turkey's flat and long product exports. Turkey is expected to become a major supplier of steel products needed for the post-war reconstruction of neighbouring Ukraine and Syria. Stability in the region and reconstruction efforts will enable the Turkish steel sector to achieve significant export potential in the medium term.

2025 is generally a year of cautious optimism for the steel sector. Although the expected recovery in demand, declining energy costs and regional construction activities are positive signs, global geopolitical uncertainties and fluctuations in commodity prices remain risk factors.

Environmental Risks and Sustainability Dynamics

The findings of the Global Risks Report published annually by the World Economic Forum (WEF) indicate that environmental impacts and risk factors will come to the fore in the coming period. Factors such as climate change, extreme weather events and biodiversity loss create both physical and transition risks for industrial sectors.

The steel sector accounts for approximately 7% of global greenhouse gas emissions. Therefore, the sector is at the centre of climate policies and regulations. Regulations affecting trade, such as the Carbon Border Adjustment Mechanism (CBAM) implemented by the European Union, increase the costs of exporting carbon-intensive products and force the sector to switch to low-carbon production.

Approximately 75% of steel production in Turkey is carried out in electric arc furnaces using scrap steel. Steel production in electric arc furnaces generates much lower carbon emissions than blast furnaces that produce from ore, putting Turkey in an advantageous position in this area.

In order for the sector to adapt to the new carbon-based trade regime, it must make progress in areas such as energy efficiency, emission reduction, investment in carbon capture and storage technologies, production using innovative fuel technologies, and circular economy applications. In this context, increasing the use of scrap steel is considered a strategic priority in terms of both environmental and economic sustainability.

İÇDAŞ's Position in the Sector

İÇDAŞ is one of the major producers in the Turkish steel sector. In 2024, approximately 7.56% of the total steel produced in Turkey was manufactured by İÇDAŞ. The company is strengthening its position in the sector by integrating its high production capacity with its efficiency and sustainability-focused approaches.

İÇDAŞ continuously monitors its emissions as part of its production activities; it reduces its costs while also minimising its environmental impact through investments in efficiency-enhancing technologies. Significant gains have been achieved through efficiency projects implemented in steel mill operations over the past three years. In this context, investments made in steelworks over the last three years have resulted in savings of approximately 43.5 million kWh of electricity and 2.8 million m^3 of natural gas; a total economic return of 135.3 million TRY has been achieved . These gains have contributed not only to reducing environmental impacts but also to lowering operational costs through resource efficiency.

In order to strengthen its sustainability vision and fulfil its global responsibilities in combating climate changehas officially applied to the Science Based Targets Initiative (SBTi) system as of 2025. With this step, the company commits to shaping its greenhouse gas emission reduction targets in line with the latest climate science and the Paris Agreement's 1.5°C scenario. Thanks to the science-based emission reduction targets to be set within the framework of the SBTi, İÇDAŞ aims to minimise its environmental impact and increase its competitiveness in global markets by bringing its low-carbon production approach into line with international standards. This process will contribute to the implementation of a comprehensive carbon management strategy by covering not only operational emissions but also emissions from the supply chain.

7.56% of Turkey's steel comes
from İÇDAŞ

In the Last Three Years

43.5 million kWh
Electricity savings

2.8 million m^3
Natural gas savings

Resulting in

135.3 million TRY
Economic gain

CORPORATE PROFILE

“Half a Century Journey, Trust at Every Step”

Corporate Profile

İÇDAŞ is one of Turkey's most established and largest integrated industrial organisations. Founded in 1969, the company has a multifaceted industrial structure that encompasses iron and steel production, energy production, shipbuilding, ship repair and maintenance, port operations and logistics services under one roof. Conducting its production activities mainly at its large-scale integrated facilities in the Biga district of Çanakkale, İÇDAŞ is a strong player in the steel sector, both in the domestic market and internationally.

Thanks to its robust governance structure, İÇDAŞ accurately analyses market trends and establishes strong relationships with its customers. This approach enables our company to position itself as a leader in terms of product and service quality in the markets where it operates. İÇDAŞ combines its sector experience with a competent and qualified workforce to operate in accordance with high standards in the products it manufactures and the services it provides. The sustainable business model established throughout the organisation and in customer relations enables our company to manage its products and services comprehensively, while maximising operational efficiency to meet the growing expectations of customers in the global market.

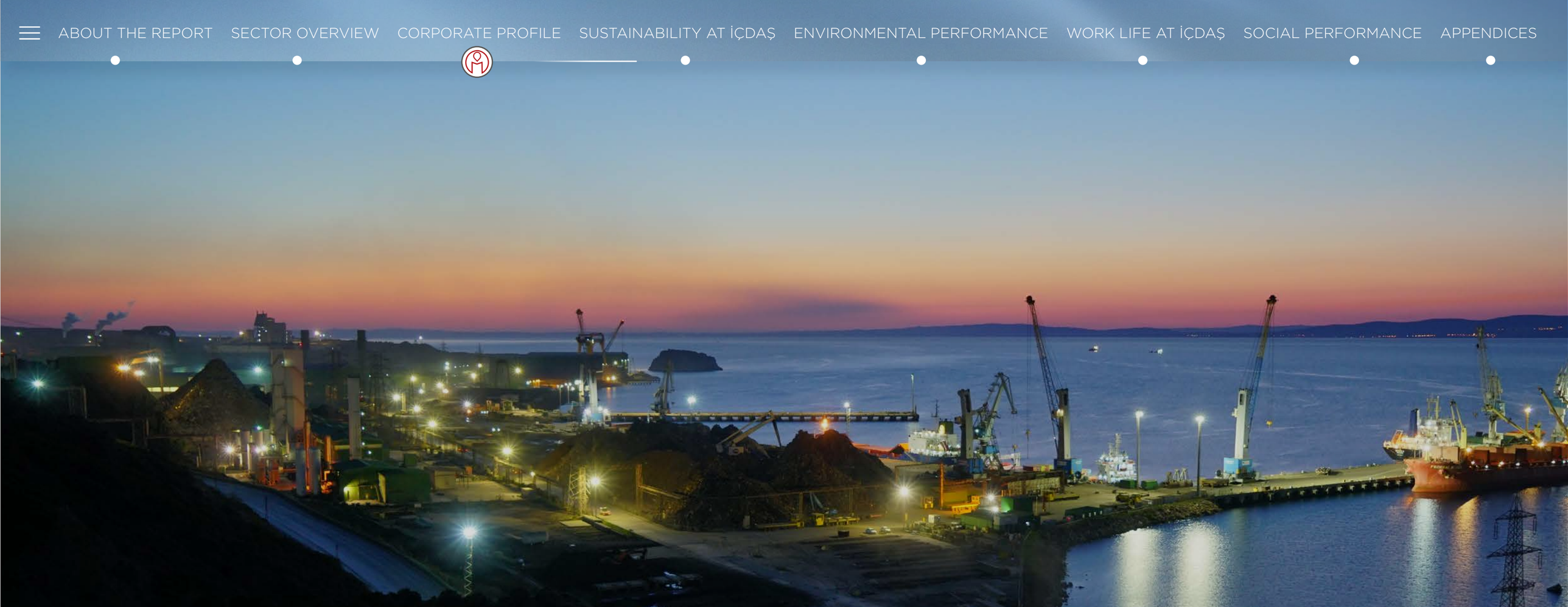
İÇDAŞ operates in Çanakkale and Istanbul with its meltshops, rolling mills, ports, logistics company, shipyards and energy facilities. Exporting a large portion of its production, İÇDAŞ has played an important role in Turkey's integration into the modern world with its advanced technology and superior quality approach.

Our company has an integrated facility located in the Biga district of Çanakkale, approximately 40 kilometres from the city centre, on the coast of the Marmara Sea. The facility includes 2 meltshops, 4 rolling mills, 1 thermal power plant, 1 shipbuilding yard, 1 dry dock (repair and maintenance) yard, 1 cold processing plant, 1 lime plant, 1 oxygen plant, 2 piers, 2 berthing quays, 1 solar power plant, and 4 hydroelectric power plants.

In the field of logistics, which is of great importance for businesses, collection and sorting facilities have been established in Istanbul, Bursa and Kocaeli, and a transfer station has been set up in Bandırma. This ensures that our products are delivered where they are needed and when they are needed.

Thanks to the collection and sorting centres, both our customers' product requests and our suppliers' raw material delivery requests are met in a short time.

With the aim of contributing to the development of environmentally friendly transport and rail transport, our investments in combined transport (a form of transport where the main route is by rail, sea or inland waterway and the start and/or end leg is a short distance by road) began in 2007 with the manufacture of 104 wagons by TÜLOMSAŞ.



Our investments continue, and in addition to our current capacity of 176 wagons, we lease wagons from TCDD. A portion of our domestic shipments are carried out by rail. Our experienced team in wagon operation works to ensure customer and supplier satisfaction by utilising a significant portion of Turkey's railway network.

İÇDAŞ attaches great importance to sustainability principles and makes investments aimed at reducing its environmental impact. By prioritising renewable sources in energy production, it meets part of its energy needs through solar, wind and hydroelectric power plants. At the same time, it adopts environmentally friendly production policies by emphasising waste management and recycling processes.

With its mission to be a socially and environmentally responsible company, İÇDAŞ actively participates in social responsibility projects. It contributes to a sustainable future by implementing various projects in the fields of education, health and the environment.

With its innovative approach, strong production capacity and sustainability-focused strategies, İÇDAŞ continues to be a leader in its sector and contribute to the Turkish economy.

Areas Of Operation

2
Meltshops

4
Rolling Mill

2
Power Plants

4
Hydroelectric Power Plants (HEPP)

1
Solar Power Plant (SPP)

1
Wind Power Plant (WPP)

1
Seed Bank

1
Lime Plant

2
Port Operations

3
Scrap Centres

1
Shipyard (Shipbuilding)

1
Cold Processing Plant

1
Shipyard Dry Dock

1
Agricultural Processing

1
Animal Breeding

Our Companies

İCDAŞ Celik Enerji Tersane ve Ulaşım San. A.Ş.

Field of Activity

- Steel, Energy and Ship Production

İÇDAŞ Elektrik Enerjisi Üretim ve Yatırım A.Ş.

Field of Activity

- Electricity Production

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

Field of Activity

- Electricity Sales

ERAS Taşımacılık Taahhüt İnşaat ve Ticaret A.Ş.

Field of Activity

- Land Transport

İÇDAŞ Sigorta Aracılık Hizmetleri A.Ş.

Field of Activity

- Insurance

İÇDAŞ Dış Ticaret A.Ş.

Field of Activity

- Agriculture and Livestock

İÇYAPI İnşaat Taahhüt ve Ticaret A.Ş.

Field of Activity

- Construction

Ice Tanker Deniz Taşımacılık LTD.ŞTİ.

Field of Activity

- Ship Management

Karsan Gemi İnşa San. Ve TİC. A. Ş

Field of Activity

- Shipbuilding and Repair Maintenance

BİGAİR Havacılık ve Taşımacılık Sanayi ve Ticaret A.Ş.

Field of Activity

- Air Transport

İÇDAŞ in 2024

- **6,183** Employees
- **206.5 Million TRY** Renewable Energy Investment
- **2.79 million tonnes** of steel production, accounting for 7.56% of Turkey's total steel production
- **1.45%** of Turkey's Installed Electricity Capacity
- **2.03 Billion TRY** in Modernisation and New Technology Investment
- **3.71%** of Electricity Produced in Turkey
- **103 million TRY** in consolidated net sales
- **171.9 Million kWh** Renewable Energy Production
- İÇDAŞ Electricity Energy Production and Investment Inc. **Ranked 71st** in the ISO 500
- İÇDAŞ Steel Energy Shipyard and Transportation Industry Inc. **Ranked 21st** in the ISO 500
- Ranked **5th** in the sectoral ranking and **40th** in the overall ranking among the first 1000 exporting companies in TİM
- **1.08 Million Tonnes** of Steel Exported to 37 Countries
- Exports worth **638 million USD**

Awards and Achievements

İÇDAŞ, one of Turkey's leading steel producers, was ranked as the second largest steel exporter in Turkey in the All Products Category in 2023, according to an assessment conducted by the Steel Exporters' Association (ÇİB) in 2024.

İÇDAŞ's Top 10 Rankings by Category

- All Products: 2nd place
- Construction Steel: 2nd place
- Semi-finished Products: 6th place
- Wire Rod: 1st place
- Foreign Trade (İÇDAŞ Foreign Trade Inc.): 8th

İÇDAŞ holds a strong position in the sector with its production volume, export expertise and product diversity. Standing out as Turkey's leading exporter in the wire rod product group, İÇDAŞ supports its growth momentum in exports with its technical infrastructure, production quality and customer relations in foreign markets. Its export performance highlights not only İÇDAŞ's commercial success but also its operational sustainability. Thanks to its highly efficient production infrastructure, performance monitoring and process improvements aimed at digitalisation, İÇDAŞ is reducing its environmental impact while strengthening its competitive advantage in foreign markets.

İÇDAŞ'S APPROACH TO THE DIGITAL AGE

İÇDAŞ has achieved significant success in 2024 through its ongoing efforts to continuously develop its occupational health and safety culture. In the national stage of the European Good Practice Awards Competition organised by the Ministry of Labour and Social Security under the theme of "Occupational Health and Safety in the Digital Age", İÇDAŞ Çelik Enerji Tersane ve Ulaşım Sanayi A.Ş. was awarded the "Jury Special Award".

The project, which focuses on developing innovative solutions to reduce and/or eliminate the risks that may be encountered in temperature measurement applications in steel mill production processes, exemplifies the effective use of technology to prevent accidents and increase worker safety by placing digitalisation at its core.

Developed by the İÇDAŞ project team, this application was selected from among 52 submissions and was highly regarded by the jury in terms of both innovation and applicability. The award ceremony was held on 7 November 2024 at the Reşat Moralı Meeting Hall of the Ministry of Labour and Social Security. İÇDAŞ continues to integrate technology-based improvements and risk-based management approaches into its occupational health and safety processes.

Our Export Network

In 2024, İCDAŞ exported 1.08 million tonnes of products to 37 countries across Asia/Middle East, Africa, Europe, and South America.

Our Products and Services

As İÇDAŞ, we provide services in many sectors such as construction, automotive, tyres, and machine manufacturing with our wide range of products and various services. We also play a leading role in the fields of energy, ship production, and maintenance and repair. Our products and services are shaped by our high quality standards and customer satisfaction-focused production processes.

Steel Products

Our steel products have a wide range of applications across various sectors:

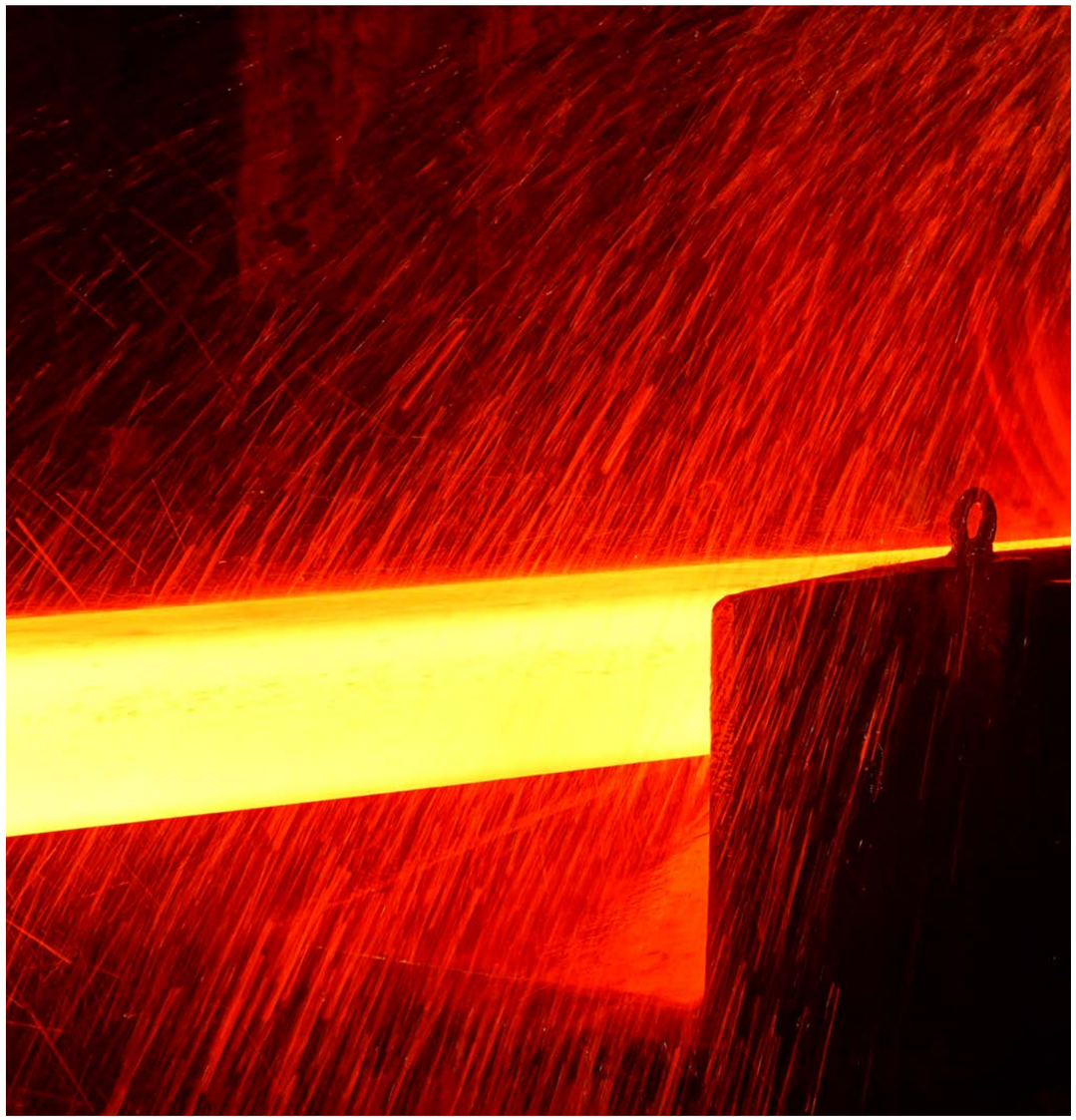
- **Construction Steel:** Construction steel, used in reinforced concrete building materials, is a type of steel with ribs (protrusions) on its surface. Ribbed bars are produced in diameters of 6-50 mm and lengths of 6-18 m. Ribbed wire rods are produced in diameters ranging from 6 to 20 mm and shipped in 2-3 tonne coils. Ribbed steel provides high durability and safety in construction projects.

- **Steel Ingots:** Steel ingots, which are the starting point for rolled products, are long, continuous cast semi-finished products with square cross-sections ranging from 100 mm to 200 mm. These ingots are used in the production of construction steel, flat bars, profiles and wire rods.

- **Wire Rod:** Wire rods are semi-finished metal bars, usually with a round cross-section, produced by hot rolling and used for cold drawing. Wire rods, wound into coils, are used in the production of welding electrodes, steel mesh, wire, bolts, springs and similar products.

- **Prestressed Concrete Strand:** Consists of a group formed by uniformly twisting six wires in a helical pattern around a central wire in a single layer. These strands are used in bridge/viaduct beams, reinforced concrete prefabricated structural elements, concrete silo manufacturing, and ground anchoring applications.

- **Prestressed Concrete Wire:** Produced in straight or grooved form, it is delivered packaged in coils or as bundles of straight bars cut to the same length. These wires are generally used in railway sleeper manufacturing (90%), ground stabilisation piles and beams, and pipe systems.



Electricity Production

ICDAS, which also has a strong structure in energy production, generates electricity using various energy sources:

- **Power Plants:** Electricity generated in power plants using fossil fuels is transferred to various corporate customers via the state grid.

- **Hydroelectric Power Plants (HEPP):** Hydroelectric power plants, one of the renewable energy sources, provide environmentally friendly energy production.

- **Solar Power Plant (SPP) and Wind Power Plant (WPP):** We produce clean and sustainable energy by utilising solar and wind energy. The energy produced is delivered uninterruptedly, primarily to industrial establishments, hotels, shopping centres, public institutions, and residential areas. Recently, priority has been given to SPP and WPP investments in order to strengthen our electricity production portfolio. These investments increase our company's renewable energy capacity, contribute to our sustainability goals, and enable us to provide our customers with cleaner energy.

Shipbuilding and Maintenance

At our shipyards, we offer high-quality shipbuilding and maintenance and repair services:

- **Shipbuilding:** As İÇDAŞ Shipyard, we build stainless steel oil and chemical tankers of various sizes and types. With our modern shipyard infrastructure and strong production capacity, we contribute to the maritime sector by building ships that meet international standards.

- **Ship Maintenance and Repair:** In our dry dock, the largest in our country and the Mediterranean basin, we provide maintenance and repair services for ships up to 370x70 m in size. Thanks to this infrastructure, we provide reliable, fast and high-quality services to a wide variety of ship types, including large tonnage ships.

Value Chain Map

Our Focus Areas

- Financial Performance and Resilience
- Investments and Growth Strategies
- Efficiency and Cost Management
- Market and Customer Diversification
- Digital Transformation and Technology Use
- Transparency and Corporate

Our Resources / Inputs

- Net Sales Value: 73 billion TL
  Equity: 35 billion TL
  Total Assets: 57 billion TL
- 2 meltshops
  4 rolling mills
  2 power plants
  4 hydroelectric power plants (HEPP)
  1 solar power plant (SPP)
  1 wind power plant (WPP)
- Energy and carbon management
  Biodiversity conservation
  Water management
  Waste management
  Investment in climate-related physical and transition risks
- Partnerships with our customers and suppliers
  Communication Channels
  Engagement with our stakeholders
  Strong and established brand
- R&D and innovation activities and investments
  Digitalisation
- Qualified Workforce
  Human rights, diversity and equal opportunities Talent and performance management

Our Activities

Meltshops | Rolling Mill | Energy Production | Seed Bank | Lime Plant | Port Operations | Scrap Centre | Cold Processing Plant | Shipyard (Shipbuilding) | Dry Dock (ship repair, maintenance and overhaul)

Our Outputs

- Brand reputation
  Strong market share
  Better corporate governance
  Strong financial structure
- Sustainable and clean energy production
  Circular economy model
- Climate action & Environmental awareness Energy and water efficiency
  Sustainable ecosystem
  Compliance with national/international standards
- Social development
  Communication with the local community & social benefit
  Supply of raw materials to stakeholders
- Innovation and R&D
  Digitalisation
- Robust and long-term career planning for our employees
  Talent management

İÇDAŞ's Strategic Importance

Our Position in the Sector

İÇDAŞ stands out as one of the largest players in Turkey's iron and steel production sector. Our company also holds a leading position in various sectors through its integrated energy, logistics, port operations and shipbuilding activities alongside steel production. Our integrated operational structure enables us to enhance operational efficiency while creating cross-sector synergy.

Our Contribution to Local Development

Our integrated facilities in Biga, Çanakkale, provide long-term employment and contribute to the regional economy. We create direct employment for over 6,000 people in our region and make positive contributions to the socio-economic development dynamics of the region.

Trade Network and International Collaborations

İÇDAŞ exports steel to many countries around the world and is Turkey's leading exporter, particularly in the wire rod product group. As one of Turkey's leading steel companies, İÇDAŞ continues to establish active commercial networks in international markets, particularly in Europe, the Middle East and North Africa.

Our Role in the Turkish Economy

The steel sector contributes approximately 3–4% to Turkey's GDP. As İÇDAŞ, we add value to the sector in terms of employment, investment and exports with our significant share of steel production volume.

Employment, Investments, and Operational Integration

Thanks to our integrated operations across different sectors, we interact with a broad network of stakeholders. In recent years, we have focused our investments on sustainable production, energy efficiency and digitalisation. Energy efficiency projects, SPP/WPP investments and energy monitoring systems are among our top priorities during this period. At the same time, we are increasing our capacity utilisation rates by improving our field operations.

Integrated Management System

Management System Standard Certificates	Our Valid Facilities
ISO 9001:2015 Quality Management System	Steel Plants, Power Plants, Shipyards, Lime Plant, Port
ISO 14001:2015 Environmental Management System	Steel Plants, Power Plants, Shipyards, Lime Plant, Port
ISO 45001:2018 Occupational Health and Safety Management System	Steel Plants, Power Plants, Shipyards, Lime Plant, Port
ISO 50001:2018 Energy Management System	Steel Plants, Power Plants, Shipyards, Lime Plant, Port
ISO 27001 Information Security Management System	Steel Plants Non-Production Units and Power Plants
ISO 17025 Laboratory Quality Management System	Environmental Control Laboratory, Fatigue
CARES BS EN 9001:2015 Quality Management Steel Plant	Steel Plants
CARES BS 8902:2009 Sustainability Management System	Steel Plants
CARES BRE BES 6001 Responsible Sourcing for Construction Products Responsible Sourcing	Steel Plants
CARES Nuclear Applications and Mega Projects	Steel Plants
Shipyard Facility Safety Certificate	Shipyard
Republic of Turkey Ministry of National Defence Production Permit Certificate	Shipyard

Our AT Conformity Certificates	Our Valid Facilities
Fly Ash Production - TS EN 450-1:2013	İÇDAŞ Electricity Production and Investment Inc.
Aggregate Production - EN 12620:2002+A1:2008 and EN 13242:2002+A1:2007	Havdan Aggregate Facilities
Aggregate Production - EN 12620:2002+A1:2008	Çakırlı Aggregate Plants
Steel Slag Aggregate Production - EN 13043:2004 EN 13242+A1:2007	Steel Slag (Artificial Aggregate) Plants
Steel Slag Aggregate Production - TS 706 EN 12620:2003+A1:200	Steel Slag (Artificial Aggregate) Plants
G Conformity Certificate Ready-Mix Concrete Production - TS EN 206+A2/TS 13515	Bekirli Ready-Mix Concrete Plant

SUSTAINABILITY AT İÇDAŞ

“A Sustainable Future Built on Solid Foundations.”

SUSTAINABILITY AT İÇDAŞ

At İÇDAŞ, sustainability is approached with a holistic management approach that forms the basis of our activities. We develop strategies in different areas to improve our environmental, social and economic performance, and transform these strategies into concrete projects. We are making systematic progress in reducing carbon emissions through our renewable energy investments, as well as in waste recovery, efficient water use and minimising environmental impact. We contribute to social development by implementing best practices to promote a culture of health and safety, and through social responsibility projects and educational support.

We integrate the principles of innovation, participation and local sensitivity, which form the basis of our corporate values, into all our operations. In line with our goal of generating long-term value, we prioritise creating value together with our stakeholders by producing safely, efficiently and competitively, with environmental and social responsibility in mind.

Key Components of Our Management Strategy

Innovative Management Culture

Our innovative management culture is based on continuous improvement and developing innovative solutions. We operate with an approach that constantly reviews our business processes and closely monitors digitalisation and technological developments. The technological solutions we implement in many areas, from environmentally friendly production processes to energy-saving systems, make resource use more efficient while also contributing to reducing our emissions.

Sharing Impact, Inspiring Change

We regularly share our results, ensuring our sustainability performance is transparently trackable. We share our stories not to showcase our successes, but to contribute to the wider adoption of best practices.

Managing Risks, Turning Opportunities into Value

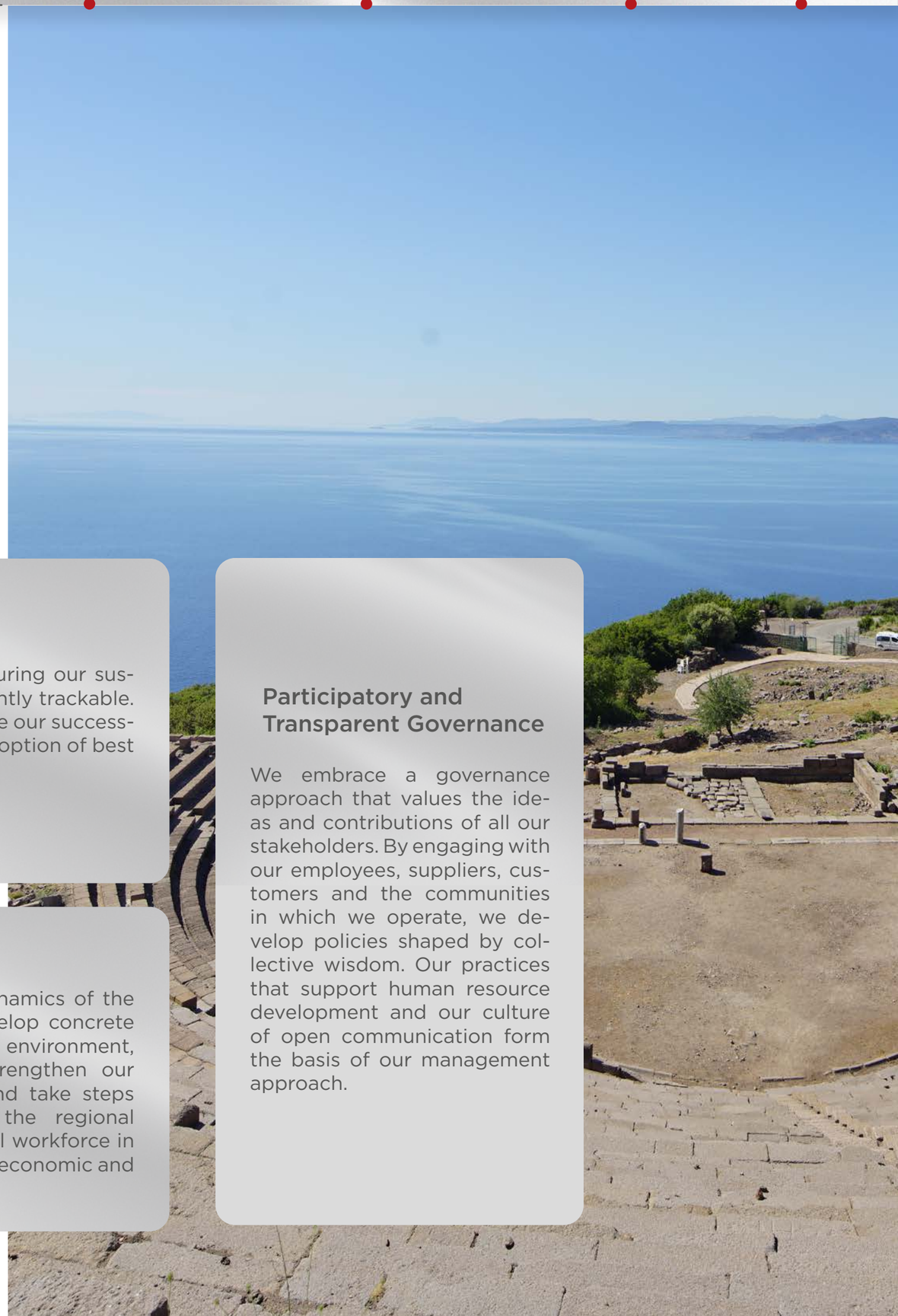
We conduct our operations with an approach sensitive to climate risks, taking environmental, social and governance criteria into account in all decision-making mechanisms. Thanks to effective internal control systems and proactive improvement processes, we continuously develop our capacity to adapt to changing conditions.

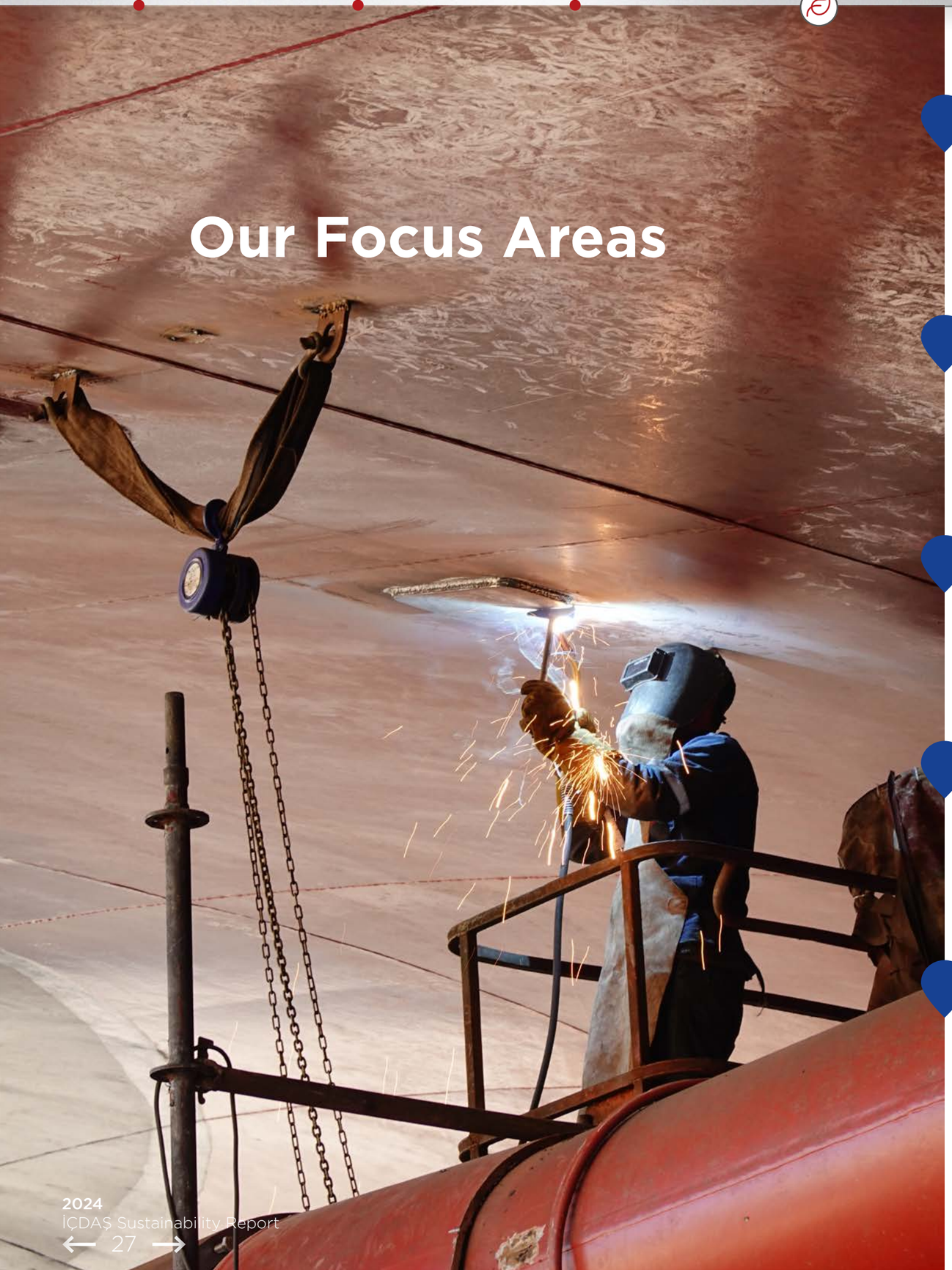
Addressing Local Needs

We take into account the social dynamics of the regions where we operate and develop concrete projects in the areas of education, environment, health and social support. We strengthen our cooperation with local suppliers and take steps that will directly contribute to the regional economy. We also prioritise the local workforce in our employment policies, advancing economic and social development together.

Participatory and Transparent Governance

We embrace a governance approach that values the ideas and contributions of all our stakeholders. By engaging with our employees, suppliers, customers and the communities in which we operate, we develop policies shaped by collective wisdom. Our practices that support human resource development and our culture of open communication form the basis of our management approach.





Our Focus Areas

Financial Performance and Resilience

To maintain our financial stability, we regularly review our performance and establish a robust resilience mechanism against potential economic fluctuations. We safeguard our long-term growth objectives through effective risk management practices.

Investments and Growth Strategies

We shape our strategic investment decisions towards accessing new markets, deepening our existing market share and focusing on innovative solutions. In this way, we contribute to increasing our company value while also supporting our sustainable growth journey.

Efficiency and Cost Management

We operate with a continuous improvement mindset across all our production and operational processes. Through efforts to optimise resource utilisation, streamline processes, and prevent waste, we reduce costs while strengthening our economic sustainability.

Market and Customer Diversification

We are expanding our customer portfolio and adapting to different market dynamics to diversify our revenue streams. While strengthening our relationships with existing business partners, we are taking steps towards long-term collaborations in new segments.

Digital Transformation and Technology Use

We are continuing our digitalisation journey without slowing down. By utilising technology-supported solutions in our business processes, we are both increasing our efficiency and improving our operational flexibility.

We develop projects that protect the environment, prevent pollution and are based on continuous improvement, and we prefer technologies that are suitable for the country's conditions.

As part of our waste management policy, we develop disposal methods that do not harm the environment and advance our environmental performance every year.

We focus on reducing carbon emissions from our products and services.

We continuously improve our integrated management system and energy performance through target-oriented process management; we reduce losses by using raw materials efficiently and minimise the use of natural resources.

We adhere to national environmental standards and environmental criteria in all measurement, analysis and control processes related to the environment.

We fully comply with all legislation and international obligations relevant to our sector.

We shape all our activities with the aim of leaving a liveable environment for future generations; in this regard, we adopt the following basic principles:

We evaluate our financial goals and environmental responsibilities together; we adopt an approach that maintains long-term balance.

We prioritise local resources in the products and services we use; we strengthen cooperation with local producers in our supply processes.

We integrate measures for the protection of natural resources into our business processes and act in line with sustainable development goals.

We maintain constant communication with our stakeholders; we analyse risks and opportunities by taking their expectations into account and shape our policies accordingly.

We focus on the health and safety of our employees; we meticulously implement all measures to prevent occupational accidents and diseases.

We implement continuous training programmes to spread sustainability awareness throughout the organisation.

We systematically implement methods to reduce the environmental impact of transportation.

We develop projects for the efficient use of energy and water, increasing our production efficiency with applications that reduce consumption.

İÇDAŞ Sustainability Policy

At İÇDAŞ, in line with our innovative management culture, we implement scientific, effective and efficient methods in the areas of environment, occupational health and safety, energy and quality management, focusing on strengthening sustainable steel production.

İÇDAŞ Sustainability Approach

At İÇDAŞ, we position sustainability as one of the fundamental elements of long-term value creation; we manage environmental, social and economic impacts with an integrated approach. We align our business practices with national and global climate policies, transforming all our processes into a resilient, agile and sustainable structure.

At the heart of our sustainability strategy lies the creation of climate-conscious production models, the reduction of environmental impacts, and the enhancement of social benefits. To this end, we implement technology-driven projects in key areas such as energy efficiency, waste management, and water conservation, systematically reducing our environmental impact through the efficient use of resources.

In our social impact area, we implement policies that enhance employee welfare, focus on occupational health and safety, and contribute to local development. Through open and transparent communication with our stakeholders, we are making sustainability an integral part of our corporate culture.

We approach financial sustainability not only through economic indicators but also within a balanced structure that incorporates our environmental and social responsibilities. We aim to increase long-term resilience through operational efficiency, digitalisation and a risk-based management approach. In order to track our sustainability performance, we define measurable indicators, clearly identify areas for improvement and demonstrate our progress transparently through regular monitoring and reporting processes. This year, we took our goal- and results-oriented management strategy one step further by creating a climate transition plan to guide our company's low-carbon transformation process. Our climate transition plan includes targets shaped by scientifically based reduction scenarios and the implementation steps that will make these targets achievable.

Governance Structure

İÇDAŞ has adopted an inclusive governance model that integrates its corporate governance approach with sustainability strategies, aiming to meet stakeholder expectations, generate social benefits, and create long-term value.

The organisational structure is designed to ensure that sustainability policies are implemented consistently across the entire organisation.

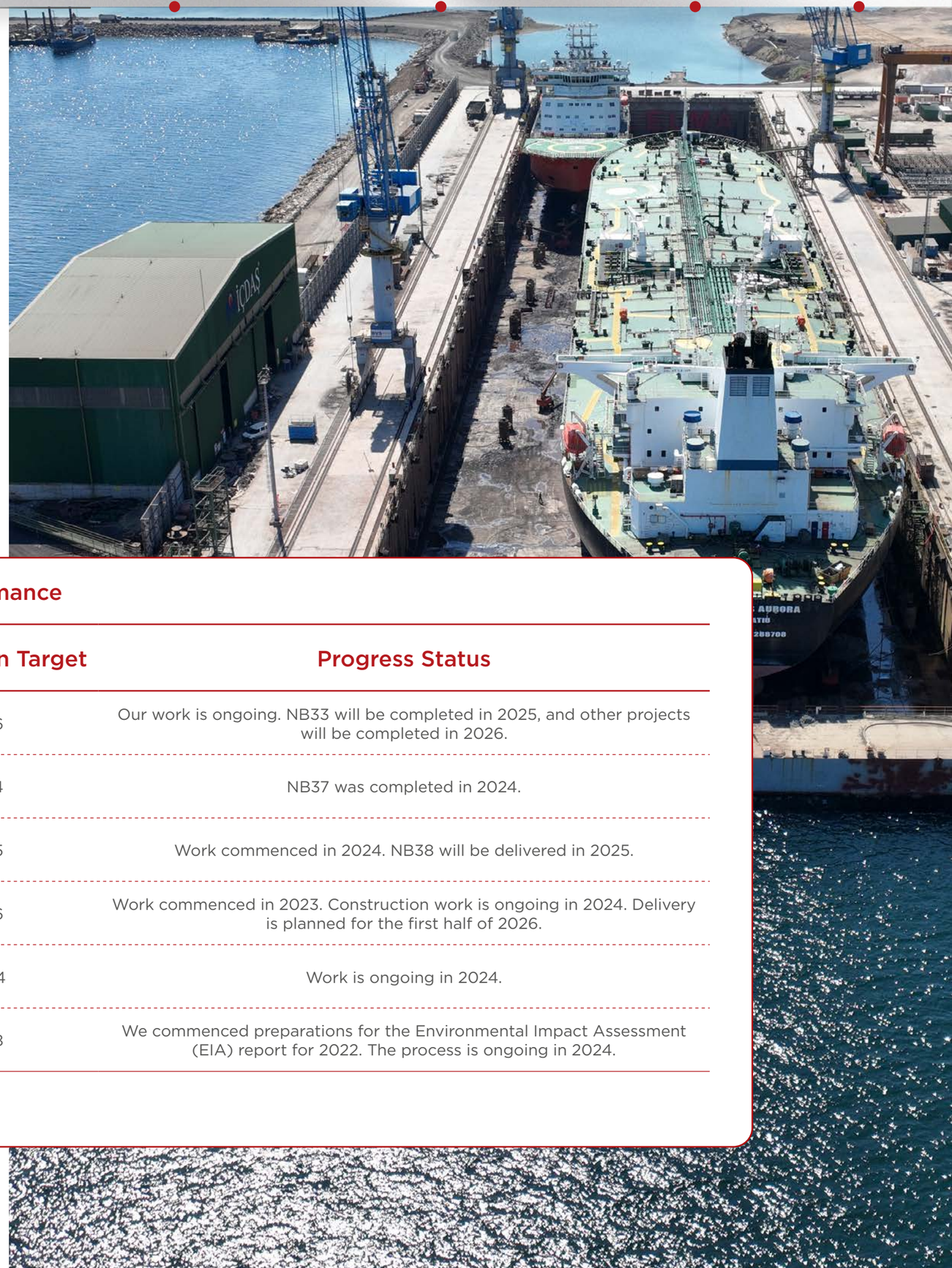
Thanks to our multi-layered structure, extending from our board of directors to our field teams, strong coordination is ensured between strategic decisions and operational implementation. Each unit is empowered to contribute to sustainability goals in line with its area of responsibility.

Our sustainability performance is measured regularly, progress towards targets is assessed using defined indicators, and results are systematically reported to senior management. The structure we have created strengthens strategic feedback mechanisms and enables decision-making processes to be conducted in a more holistic and data-driven manner.

Our Sustainability Goals

At İÇDAŞ, our sustainability strategy is based on a balanced and holistic approach that advances with concrete goals in environmental, social and economic areas. We integrate these goals into all our business processes from the perspective of operational excellence and long-term value creation. Reducing greenhouse gas emissions is among our priority goals in the context of combating climate change. To this end, we are promoting energy efficiency measures, investing in low-carbon technologies and developing projects aimed at reducing emission intensity.

In the area of social development, we create employment opportunities by considering the needs of our operating regions and implement inclusive projects in the fields of education, health and social support. With this approach, we both support local prosperity and expand our social impact.



Economic Performance

Our Strategic Sustainability Issues	Our Goals	Completion Target	Progress Status
National and Local Economic Contributions	4 x 6700 DWT Stainless Steel Chemical Tankers	2026	Our work is ongoing. NB33 will be completed in 2025, and other projects will be completed in 2026.
	To build 1 tugboat for our port services	2024	NB37 was completed in 2024.
	To construct 1 tugboat for our port services.	2025	Work commenced in 2024. NB38 will be delivered in 2025.
	To construct a 12,500 DWT general cargo ship	2026	Work commenced in 2023. Construction work is ongoing in 2024. Delivery is planned for the first half of 2026.
	Construction of additional dry dock facilities	2024	Work is ongoing in 2024.
	Establishment of a flat steel production facility	2028	We commenced preparations for the Environmental Impact Assessment (EIA) report for 2022. The process is ongoing in 2024.

Social Performance

Our Strategic Sustainability Issues	Our Goals	Completion Target	Progress Status
Occupational Health and Safety	Reducing the frequency and severity of accidents	Continuous	Training activities are ongoing.
	Providing OHS training to 100% of our employees	Ongoing	All personnel who started work in 2024 have received OHS training.
	Providing OHS and environmental training to 100% of our subcontractors	Ongoing	All subcontractors hired in 2024 have received OHS and environmental training.
	Increasing the total OHS training duration	Ongoing	Research into training programmes that could benefit our employees is ongoing.
Employment	Increasing employee satisfaction	Continuous	Monitored through satisfaction surveys. Our investments in improving physical conditions are ongoing.
Ethics and Transparency	Maintaining our female employee ratio above 2%.	Continuous	In 2024, our female employee ratio was 2.77%.
	Maintain the number of unionised employees above 50%.	Ongoing	In 2024, the ratio of unionised employees to all employees is 53.71%.
	The number of child workers is 0%.	Permanent	In 2024, there are no child workers at İÇDAŞ and subcontracting companies providing services to İÇDAŞ.
Social Investment Programmes	We will continue our social investments with a focus on education, sports, and culture.	Ongoing	We are continuously engaged in activities and cultural investments within the İÇDAŞ Sports Club.
	Since 2011, we have been welcoming visitors to our facilities. We aim to establish a reputable corporate image through direct observation.	Continuous	While our secondary school and university students visit our facilities, NGOs and public institutions and organisations we are affiliated with also have the opportunity to observe our facilities through facility visits.
	Every year, we introduce our young people to swimming and surfing and train licensed and unlicensed athletes.	Continuous	Through the İÇDAŞ Sports Club, we contribute to the sporting activities of our young people.
	Increasing the number of students within the Sports Club	Continuous	In 2024, a total of 748 students were reached, 295 of whom were licensed.
	To continue as the main sponsor of the Parion excavations	2026	The excavations are ongoing.
	Continue sponsorship of the Apollon Smintheion excavations.	2027	Excavations are ongoing.
	Continue sponsorship of the Troia excavations.	2027	Excavations are ongoing.
	Continue sponsorship of the Alexandria Troas excavations.	2028	Excavations are ongoing.
	Continue sponsorship of the Assos excavations.	2027	Excavations are ongoing.
	Continue sponsorship of the Maydos Kilisetepe Mound Excavation Site	2028	Excavations are ongoing.

Environmental Performance

Our Strategic Sustainability Issues	Our Goals	Completion Target	Progress Status
Emissions Management	Reducing road transport, prioritising rail and sea transport	Continuous	In 2024, we continued to carry out our logistics activities primarily by sea and rail. We achieved a 17.23% reduction in our transport impact target, which was 0.25% in 2024.
	Liquid Construction Steel Production Increasing Primary Material Usage and Material Efficiency	Continuous	Our material efficiency was determined to be 82% in 2024. Our material efficiency target for 2024 was achieved at 80.54%.
	Reaching a total of 400,000 planted tree saplings	Ongoing	By the end of 2024, the total number of saplings planted reached 296,282.
	Monitor and publish air quality in our facility's impact area online	Ongoing	By performing periodic maintenance on the station, air quality data production continues throughout the year and the data is transmitted online to the Ministry.
	Ensuring that chimney emissions remain below legal limit values.	Continuous	In 2024, we maintained our data below legal limit values and achieved a reduction in emissions.
Waste Management	Converting waste into economic value	Continuous	Research and development studies are being conducted on the use of thermal power plant ash in areas such as aerated concrete, cement, lime, etc. Our work on zero waste continues.
	Research into the potential uses of steel mill slag as "Coastal Port Fill Aggregate, Railway Ballast Material, and Mineral Fertiliser in Agriculture," and the development of regulatory proposals.	2024	Project work commenced at the end of 2018. Work is continuing in 2024.
	Efficient use of scrap and alloy materials to produce steel in our steel production facilities.	Continuous	In 2024, our facilities operated at 91.7% efficiency. There was a 0.87% increase compared to 2023.
	Reducing household waste sent to regular storage facilities	Continuous	In 2024, the amount of household waste sent to regular storage facilities per person was 0.059 kg/tonne. Construction Steel.
	Increasing the amount of waste sent for recycling	Ongoing	The amount of waste generated at our facilities and our recovery rates for 2024 are provided in the Waste Data section of our Report. We recovered 49.30% of our waste at our Değirmencik Integrated Facility and 74% at our Bekirli Power Plant.
	Reducing the amounts of slag, flue dust, and fly ash generated as a result of our primary activity, steel production.	Continuous	In 2024, the ratio of our total waste to construction steel production was 274.68 kg/tonne of steel, while in 2024 it was 263.40 kg/tonne of steel. The target was achieved with a 4.1% reduction.
	Continuing to obtain fresh water from the sea to protect limited water resources	Continuous	In 2024, we continued to meet all the water needs of our Değirmencik Integrated Facility and Bekirli Power Plant from the sea.
Water Management	Reduce water consumption per tonne of construction steel produced by 2%.	Continuous	In 2023, our water consumption was 0.68 m^3 per ton of steel, whereas in 2024 it increased to 0.75 m^3 per ton of steel. With a 9.08% increase, we were unable to meet our target.
	Keep the carbon content in the ash of the three units at the Değirmencik Power Plant below 11%.	Continuous	The year-end average for 2024 was 10.32%. The target for 2024 had been set at 11%, and the target was achieved.
Energy Management	To reduce energy consumption per tonne of steel produced	Continuous	In 2024, our energy reduction target of 0.25 per tonne of construction steel was not achieved, 3.56GJ/Tonne with an increase of 4.67 per cent.
Biodiversity Conservation	Sharing the biodiversity of the region where our Biga facilities are located with our stakeholders on our website	Ongoing	In 2024, we continue to share all our work related to biodiversity and the living inventory in our region on the İÇDAŞ website via an interactive platform. As a result of the work carried out in our region, the species Atherine hepsetus was observed on our shores for the first time and added to our living inventory on our website.
	Conducting ornithological and wildlife monitoring in WPP areas	Continuous	Monitored and reported by our biologist between 1 March and 30 October 2024.
	Artificial reef monitoring studies	Ongoing	The artificial reefs we have created are monitored twice a year during the fish spawning season through diving activities.

Stakeholder Communication

At İÇDAŞ, we view the trust-based relationships we have established with our stakeholders as a strategic value area; we believe that these relationships play a fundamental role in our company's journey towards sustainable growth. We adopt a transparent, accountable and participatory management approach towards all our stakeholders; we regularly share information about our activities with the public.

Stakeholder engagement, one of the most important components of our sustainability strategy, is treated as an integral part of our corporate culture. We value developing mutual communication and understanding with all our stakeholder groups, from our employees to local communities, and from our customers to our suppliers.

The interaction we establish through surveys, meetings, digital platforms, and feedback mechanisms forms one of the cornerstones of our strategic decision-making processes. Thanks to our successful communication network, we are able to accurately analyse our stakeholders' expectations and manage the social and environmental impacts of our activities more effectively.

We prioritise transparency and accountability in our decision-making processes; we maintain regular, open and clear communication with the public.

Our Stakeholders	Communication Platform	Communication Frequency
Communication Frequency	Internal Communication System	Continuous
	İnternet	Continuous
	Health and Safety Meeting	Monthly
	Notice Boards	Continuous
Shareholders	Board Meeting	Weekly
Customers	Call Centre and Customer Portal	Ongoing
	Seminars, conferences, and trade fairs	Several times a year
	Mutual visits	Ongoing
	İnternet	Continuous
	Product Information Brochure	Several times a year
	Factory tour and information meeting	Once a year
Public and Regulatory Authorities	Face-to-face meeting	Indefinite
Local Communities and Authorities	Face-to-face meeting	Several times a week
Media Representatives	Face-to-face meeting	Weekly
	Phone, email, social media	Several times a week
Suppliers	Ethical Procurement Policy Briefin	Once a year
Professional Associations / Industry Associations	Memberships	Monthly
	Presentations on Environment, OHS, etc.	Several times a year
Non-Governmental Organisations	Memberships	Monthly
Employee families	Cultural trips	Several times a year
	Picnics and social events	Once a year
Universities and Research Institutions	Factory tours and presentations	Six times a year
	Professional courses	Continuous
Students / Potential Employees	Factory tours and presentations	Once a month
	Presentations on topics such as the environment, health and safety, etc.	Once or twice a week

Stakeholder Engagement

We evaluate the contribution of our stakeholders to achieving our sustainability goals at every stage by establishing strong and meaningful relationships with them. Stakeholder engagement is one of the cornerstones of our sustainability strategy and is effectively implemented in all our business processes. We maintain constant communication with our stakeholders, taking their expectations and feedback into consideration.

Our communication processes with our stakeholders are based on the principles of transparency and open communication. We gather the views of our stakeholders through regular meetings, surveys and feedback mechanisms. In this way, we ensure that our sustainability strategies and projects are more effective and successful. By developing solutions that meet the expectations of our stakeholders, we aim to increase their satisfaction.

We attach great importance to the principles of diversity and inclusivity in our stakeholder engagement processes. We shape our sustainability projects by taking into account the needs and expectations of different stakeholder groups. By collaborating with different stakeholder groups such as our employees, customers, suppliers, local communities and civil society organisations, we aim to create synergy in the field of sustainability.

Identifying Material Issues

Material Sustainability Issues

The materaility matrix we have created involves a comprehensive self-assessment process that aims to respond to stakeholder demands, identify value-creating issues, and maximise the benefits provided to all stakeholders.

By analysing developments in the sector, our business strategies and various factors, we have identified priority issues for our company. Each of these issues has been evaluated in terms of its importance to our company, our stakeholders and society, taking into account its impact on our corporate strategy and sustainable profitability.

Identifying Material Issues

At İÇDAŞ, we identify material issues covering our environmental, social and economic impacts in order to effectively manage our sustainability performance. We shape this process by taking into account both stakeholder expectations and our business strategies.

First, we analyse global sustainability trends, developments in our sector, and regulatory frameworks to create a comprehensive list of issues. We align the list we prepare with nationally and internationally recognised standards that also provide a framework for our reporting. We seek the views of our internal and external stakeholders and assess the importance of each issue for us and our stakeholders through dialogues and surveys conducted with groups such as our employees, business partners, local communities and customers.

We analyse our findings and prioritise issues that have a high impact and strategic importance. We assign responsibility for the prioritised issues to the relevant departments to ensure that the objectives are met in the field.

We monitor the performance data we obtain throughout the process and update our assessments at regular intervals. This enables us to respond proactively to evolving needs and changing conditions, continuously strengthening our management approach to priority issues.

İÇDAŞ Materiality Matrix

Highest Material Issues

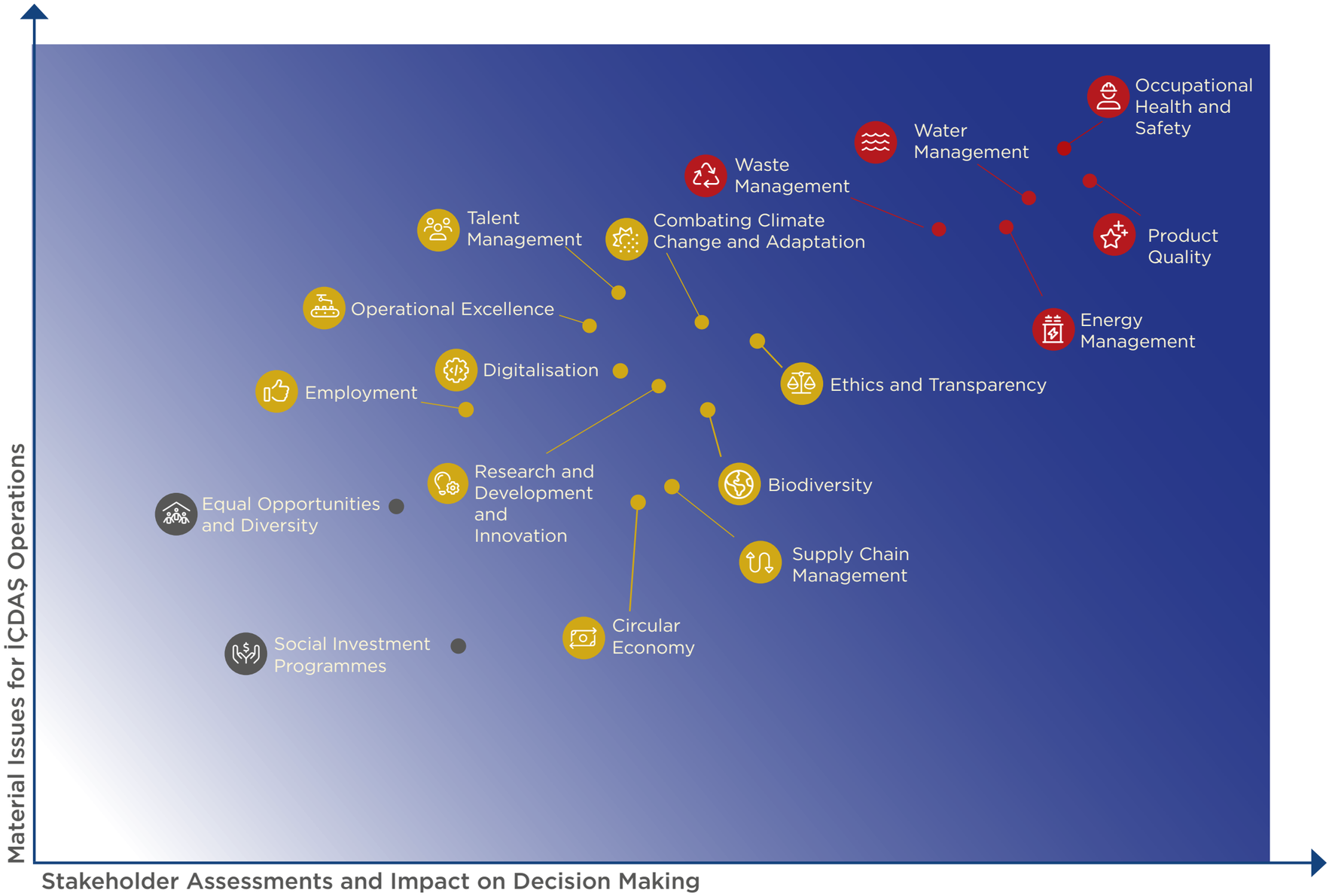
- Occupational Health and Safety (OHS)
- Product Quality
- Water Management
- Energy Management
- Waste Management

High Material Issues

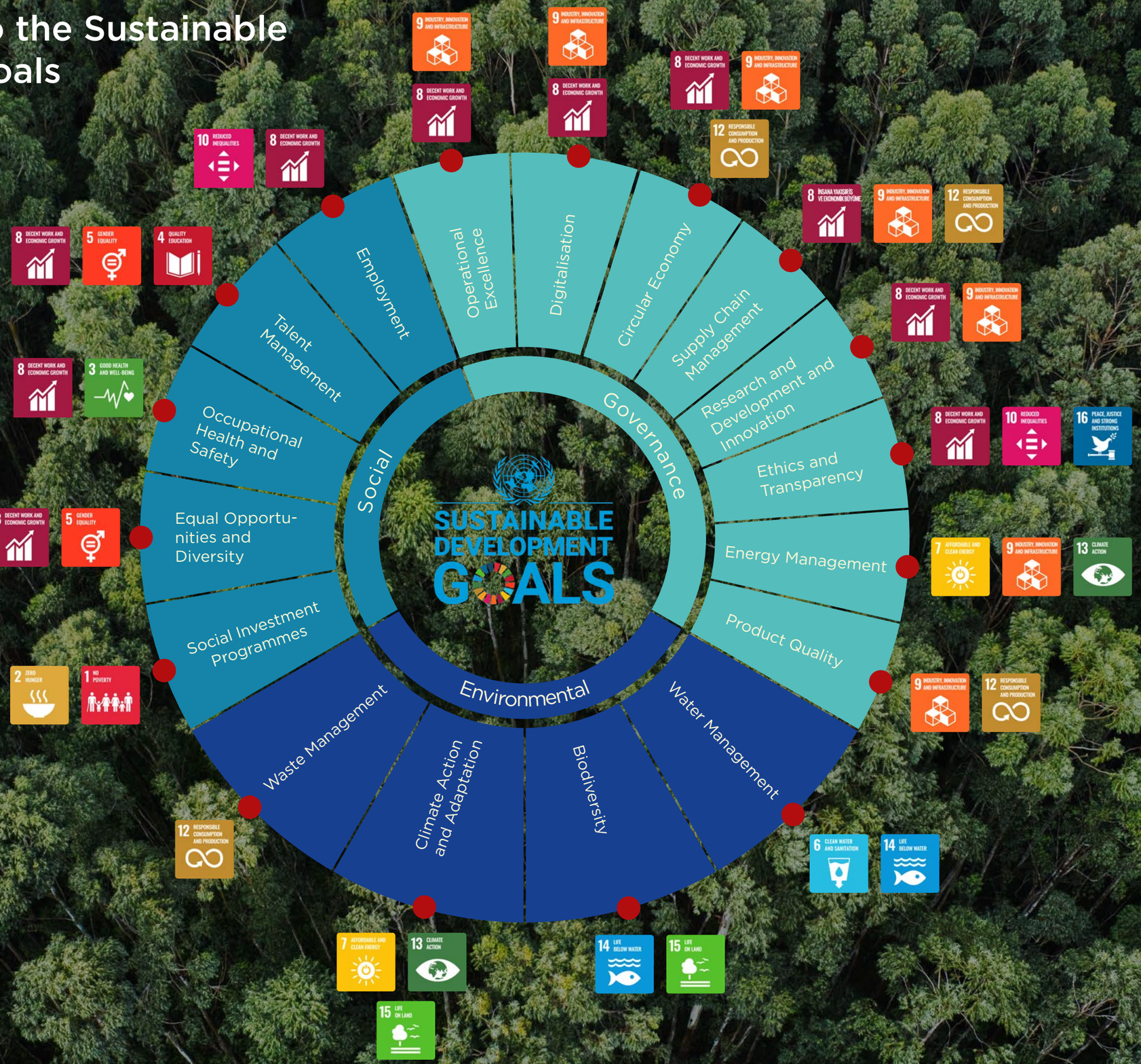
- Combating Climate Change and Adaptation
- Talent Management
- Ethics and Transparency
- Operational Excellence
- Biodiversity
- Supply Chain Management
- Research and Development and Innovation
- Digitalisation
- Employment
- Circular Economy

Material Issues

- Equal Opportunities and Diversity
- Social Investment Programmes



Contributions to the Sustainable Development Goals



Sustainability and Climate-Related Risks and Opportunities

The climate crisis, with its global environmental, economic and social impacts, has become one of the business world's top priorities. According to the World Economic Forum's 2024 Global Risks Report, environmental threats are among the greatest systemic risks for the next decade. In this regard, it is strategically essential for companies to accurately analyse climate risks, gain flexibility against these risks, and respond quickly to new opportunities.

At İÇDAŞ, we adopt a comprehensive management approach to anticipate the effects of climate change and increase our resilience against these effects. We strengthen our compliance capacity by closely monitoring developments such as regulatory changes, carbon pricing mechanisms, carbon border adjustment mechanisms, and environmental reporting obligations.

We prioritise reducing physical risks that may arise in our operational activities, increasing infrastructure resilience against extreme weather events, and ensuring production continuity by diversifying our energy sources.

Risk Assessment Processes

During the reporting period, we established the framework of our Climate Transition Plan, which is designed to include short-, medium- and long-term emission reduction targets, feasible roadmaps, and science-based scenarios. Within this plan, the impacts of climate change and our dependencies on ecosystem services expose our company to a range of risks over different time horizons. However, if managed effectively, these risks can also generate potential opportunities.

In the risk and opportunity management structure we have developed, the short term is defined as 1–3 years, the medium term as 3–10 years, and the long term as over 10 years. These horizons are directly aligned with the planning periods used in strategic decision-making. The short-term period focuses on operational priorities and process improvements, while the medium-term period involves planning investments, adopting new technologies, and implementing strategies to achieve sustainability goals. The long-term period covers transformation projects across the value chain and the realization of the company's strategic vision for sustainable growth. All risk and opportunity analyses have been structured in accordance with the Turkish Sustainability Reporting Standards (TSRS) published by the Public Oversight, Accounting and Auditing Standards Authority (KGK).

Climate-Related Risk Management at İÇDAŞ

At İÇDAŞ, climate-related risk management is regarded as a core element of our sustainability strategy. To reduce the impact and likelihood of risks and to ensure operational continuity, we conduct comprehensive analyses of both physical and transition risks, guided by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

We assess the potential impacts of physical risks such as rising temperatures, floods, droughts, and storms on our production processes. We also evaluate transition risks, including carbon pricing policies, regulatory changes, evolving customer expectations, and investments in new technologies. In response, we develop action plans aimed at preventing operational disruptions, achieving emission reduction targets, and supporting the transition to low-carbon technologies.

Alongside risk mitigation, we seek to capture opportunities that climate change may present, such as renewable energy investments, growing demand for environmentally friendly products, and integration into a low-carbon economy. By prioritizing transparency and accountability, we aim to strengthen our long-term competitiveness and build stakeholder confidence. While managing climate-related risks, we continue to enhance resilience across all operations, adopt proactive approaches, and keep sustainable value creation at the center of our strategy.

RISK 1

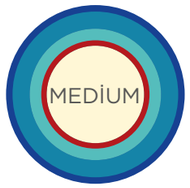
Risk of exposure to high financial costs and volatility in CO_2 prices under carbon pricing mechanisms such as the Emissions Trading System (ETS) and carbon tax, and future carbon-related legislation

TCFD CATEGORY

Transition – Policy and Legislation

RISK HORIZON

RISK LEVEL



İÇDAŞ CURRENT STRATEGIES

Emissions data related to carbon footprint are regularly monitored and reported by the environmental team. Process improvement studies are being carried out in meltshops and rolling mill operations to ensure energy efficiency. Solar energy investments have reduced the carbon intensity of electricity production, lowering CO_2 emissions per unit of production from 1.90 to 1.01. R&D projects are being carried out in collaboration with universities (e.g. ITU Energy Institute, SENTEK, etc.) on thermal capture and carbon capture technologies. A waste heat reactor project has been planned to recover waste heat from the meltshops, but it has not progressed due to the inability to find a supplier. National ETS legislation and EU regulations (such as CBAM) are regularly monitored, and financial impact analyses are carried out according to possible scenarios. Internal consumption has been reduced and sales volume increased, with fluctuations in energy demand balanced by savings measures. Public support has been provided for the investment in the second unit under state-supported energy investments. Fossil fuel use is partially maintained due to grid-related risks, with energy supply security being prioritised. Information is shared between internal departments, and environmental impacts are regularly monitored through technical reports. Waste management, circularity, and anthracite-related emission reduction strategies are being implemented, and pilot trials are being conducted for the use of alternative fuels (such as biochar and walnut shells).

RISK 2

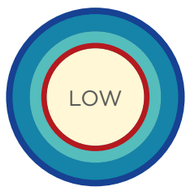
Additional costs arising from carbon pricing in products exported under legislation and regulations

TCFD CATEGORY

Transition – Policy and Legislation

RISK HORIZON

RISK LEVEL



İÇDAŞ CURRENT STRATEGIES

Scenarios regarding the effects of carbon pricing have been prepared by analysing export data for the EU market. Certification processes for different countries are managed by the quality unit. Order-based cost analysis is carried out; if the order volume is low, certification may not be obtained, and the certification process is managed flexibly in such cases, taking into account the cost-benefit balance.

Certification processes are assessed flexibly according to incoming requests, documents such as CARES are obtained, and customer requirements are met. Internal scenario analyses are being conducted for obligations that will come into force after 2025, and cost estimates are being developed regarding the possible effects on trade volume.

RISK 3

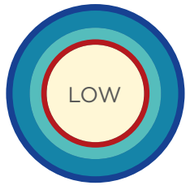
Risk of exposure to climate-related lawsuits or other legal sanctions

TCFD CATEGORY

Transition – Policy and Legislation

RISK HORIZON

RISK LEVEL



İÇDAŞ CURRENT STRATEGIES

Legal environmental permits (EIA, Emissions, Wastewater, etc.) for all facilities are monitored on an ongoing basis and documents are periodically renewed. Air quality monitoring stations have been established to provide transparent data, particularly for facilities located near residential areas. Internal audit targets have been set for processes operating well below legal limits. These targets are monitored through voluntary commitments beyond environmental legislation. Partnerships are maintained with public institutions, universities and technical consultants on environmental projects; for example, environmental impacts have been monitored for 11 years in a project carried out with TÜBİTAK MAM. Technical tours and information activities with the local community, students, local authorities and academic circles are used to dispel misconceptions. Education and support programmes for the local community are carried out as part of corporate social responsibility.

RISK 4

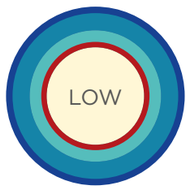
Physical risks that will cause production stoppages, shipment delays, damage to production facilities (auxiliary facilities-port-railway) and employee impact (increased health problems , deterioration of physical working conditions, etc.) due to disasters such as river flooding, floods and fires caused by extreme weather events

TCFD CATEGORY

Physical – Acute

RISK HORIZON

RISK LEVEL



İÇDAŞ CURRENT STRATEGIES

Following the major flood in 2011, the sewerage infrastructure was reinforced and the channels were rebuilt. No similar incident has occurred since then. The risk of products becoming wet due to rainfall has been minimised by moving storage areas to enclosed spaces. Before the winter season, roofs and canal systems were inspected, and maintenance work was completed at a rate of 85%. Rainwater collection systems are being installed, and plans are in place to direct the water to the wastewater treatment plant. This aims to control flood risk and also enable water reuse. To counteract the decline in cooling efficiency due to the increase in sea water temperature, projects to change the sea water pool and extend the water intake line are being planned. Sludge-related filter clogging, cartridge filter costs and chemical consumption are being monitored, and the impact of these risks on operational costs is being calculated. To prevent equipment from being affected by temperature changes , inverter rooms are air-conditioned and continuously monitored. For employee safety, a patrol system has been established in critical equipment areas, and operational adjustments are made during periods of extreme heat or cold. As the water taken from the sea is used for both drinking and production purposes, the location advantage in Marmara is evaluated in terms of water supply continuity.

RISK 5

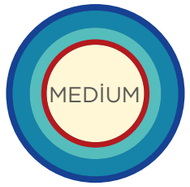
Investors/creditors decide/will decide on their company preferences based on that company's impact on climate change and its efforts to mitigate climate change effects (investment, partnership, collaboration).

TCFD CATEGORY

Transition - Reputation

RISK HORIZON

RISK LEVEL



İÇDAŞ CURRENT STRATEGIES

Financial institutions are demanding metrics related to environmental performance, such as emission intensity and green asset ratio. The company's activities and carbon management performance are shared with the public and financial actors through sustainability reports. In the supply of critical raw materials such as ferrochrome, manganese and logs, it is important to ensure sustainability criteria, especially for companies that produce from ore. Terminating relationships with suppliers that do not meet environmental and social requirements may be considered in the future.

RISK 6

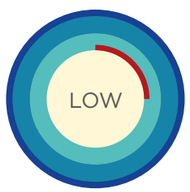
Failure to meet reporting expectations in data sharing with the public, inability to ensure consistency between reports

TCFD CATEGORY

Transition – Reputation

RISK HORIZON

RISK LEVEL



İÇDAŞ CURRENT STRATEGIES

The company prepares reports requested by the public and regulatory authorities and strives to ensure consistency in data sharing through various channels, particularly in sustainability reports. However, inconsistencies may occasionally arise due to the compilation of the same data sets by different individuals across different locations (e.g., Biga and Istanbul). This situation stems primarily from a lack of coordination between departments. SAP and analysis systems (e.g. consumption tracking specific to meltshops via analysers) are used in data management, and critical performance indicators such as energy consumption are monitored digitally. Sufficient internal guidance and procedural infrastructure regarding which data should be obtained from which source, by whom, and in which format has not yet been fully established.

RISK 7

Risk of supply chain disruptions due to extreme weather events

RISK HORIZON

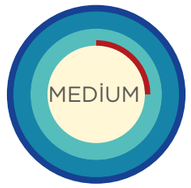
İÇDAŞ CURRENT STRATEGIES

The company strives to ensure operational continuity without relying on a single source by adopting an alternative supplier strategy for raw material procurement. Cooperation with multiple suppliers is established for the procurement of primary raw materials. A large proportion of foreign supplies are transported by sea, while rail transport, previously used for domestic market shipments, has decreased this year. Corporate expectations regarding supplier sustainability have been defined, but a supplier scoring or evaluation system to systematically monitor these expectations has not yet been fully implemented. Priority supplier lists have been created for critical raw materials, and questions have been asked of these suppliers in areas such as the environment, occupational health and safety, and water management. However, no response has been received from many suppliers in this regard. It is considered necessary to conduct product-specific risk analyses to reduce the risk of interruptions caused by suppliers.

TCFD CATEGORY

Physical - Acute

RISK LEVEL



RISK 8

Risks in the supply chain due to problems in coal supply (raw material, intermediate product, final product logistics, etc.) as a result of legal regulations caused by climate change, and due to extreme weather events (storms, floods, fires, etc.)

RISK HORIZON

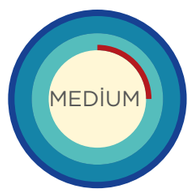
İÇDAŞ CURRENT STRATEGIES

The search for alternative fuels continues in response to potential supply issues in coal supply. Field trials have been conducted on sources such as and(biochar (biocarbon) hazelnut shells with waste)various agricultural and wood . However, the feasibility of these alternatives has been limited in terms of both efficiency and cost. Feasibility studies for new fuel alternatives have been conducted in collaboration with technology providers such as BKC Makine. Nevertheless, as it has not been possible to achieve sufficient efficiency to meet current production capacity, the need for a system transformation has emerged. Alternative fossil fuels such as petcoke are being evaluated for crisis situations. Such raw materials are being tested, particularly in ancillary industrial facilities (e.g. lime plants). To counter potential price fluctuations and logistical disruptions in domestic and international coal supply, the aim is to keep costs under control through long-term supply relationships established directly with producer companies. As part of plant modernisation and process improvement efforts, breakdown/downtime data is analysed and actions are taken, based on an annual working time of 8,000 hours. Supplier diversification is implemented to counter external disruptions in the supply chain. Projections and scenario analyses are conducted for the costs of coal and other key production inputs.

TCFD CATEGORY

Transition – Policy and Legislation

RISK LEVEL



RISK 9

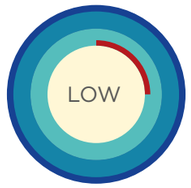
Public pressure on energy-intensive industries such as the steel industry to respond to climate change and take action, and the emergence of demands for social responsibility issues

TCFD CATEGORY

Transition – Reputation

RISK HORIZON

RISK LEVEL



İÇDAŞ CURRENT STRATEGIES

In response to public pressure regarding thermal power plants, awareness campaigns are being conducted to ensure a proper understanding of environmental impacts and prevent misperceptions. Thanks to the plant's fluidised bed system technology, environmental impacts are kept under control, with priority given to the application of best available techniques (BAT). Emissions are continuously monitored by air quality measurement stations established in the region, and operations are maintained at levels well below regulatory requirements. Beyond legal limits, voluntary commitments defined in the company's own quality documents are monitored and controlled through internal audits. As part of an 11-year monitoring study conducted in collaboration with TÜBİTAK MAM, the plant's environmental impacts have been tracked over the long term, and no adverse effects have been detected. (The project was completed in 2021.) The facilities receive an average of 25,000–30,000 visitors per year. Technical tours are organised for groups consisting of universities, local residents, public officials and students to provide transparent information about environmental management systems. Visible dust emissions have been minimised thanks to flue gas treatment systems. Social concerns received through feedback mechanisms are monitored and solutions are developed.

RISK 10

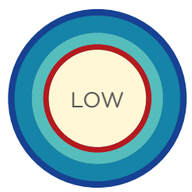
Cost risks arising from investment requirements necessary for steel production using low-emission technologies (hydrogen technology, production using renewable energy, production through electrification instead of fossil fuels, etc.)

TCFD CATEGORY

Transition – Technology

RISK HORIZON

RISK LEVEL



İÇDAŞ CURRENT STRATEGIES

Technological transformation projects aimed at reducing carbon emissions are being pursued, with feasibility and R&D studies being conducted, particularly in the field of carbon capture and storage technologies. Zero-carbon projects such as hydrogen-based steel production are being kept on the agenda, but economic feasibility is being considered in the transition to implementation due to the high cost of these technologies. Applications are being made to European Union Horizon projects and TÜBİTAK-supported programmes, with the aim of reducing transformation costs through external funding. The TÜBİTAK-supported "SAİM Project" has been successfully completed, and the project outputs have contributed to shaping technological roadmaps for existing systems. Alternative heat management solutions have been explored on the energy side, and the feasibility of technologies such as heat pumps has been assessed. However, some projects could not be implemented due to long payback periods of up to 44 years. Investment decisions are evaluated by considering the potential for reducing environmental impacts alongside cost-benefit analyses.

RISK 11

Decrease in market share and/or profitability due to increased demand for steel products manufactured using low-emission technology and the inability to meet this demand (products manufactured using low-carbon technology)

TCFD CATEGORY

Transition – Technology

RISK HORIZON

MEDİUM

RISK LEVEL

İÇDAŞ CURRENT STRATEGIES

The company continuously monitors low-carbon production technologies and conducts feasibility studies, prioritising process improvements aimed at reducing carbon intensity. Projects for implementing new technologies are being planned, but difficulties are encountered in finding competent and risk-taking suppliers for the implementation phase. Collaborations are being developed within the supply chain, discussions are being held with technology providers, and various trial processes are being conducted. However, suppliers' reluctance to take responsibility for production projects requiring technological transformation is limiting these projects. Changing demand trends in the market are being monitored, and feedback regarding customer expectations for low-carbon products is being collected through sales teams. Roadmaps have been created for the future to meet demand for low-emission products, with the aim of taking swift action when suitable economic conditions and technology availability are in place.

RISK 12

Failure of suppliers to meet demands for technological transformations and/or new investments decided upon by the Company in the context of climate change

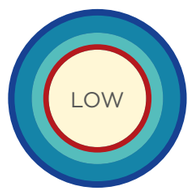
TCFD CATEGORY

Transition – Technology

RISK HORIZON

MEDİUM

RISK LEVEL



İÇDAŞ CURRENT STRATEGIES

The Company's engineering and project teams aim to reduce potential supply bottlenecks by preparing technical specifications in advance that include the basic concepts and requirements for the technologies needed. Taking into account the capacity constraints of the supplier market, technological demands are advanced in phases and alternative systems are tested through preliminary evaluations. Strategic objectives have been set for establishing long-term supplier collaborations and R&D partnerships for critical technological infrastructures.

RISK 13

Operational disruptions and/or ineffective management of internal resources (human capital, engineering, etc.) due to constraints/limitations encountered in integrating new transformations into existing production processes (change-transformation-talent management, etc.)

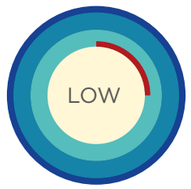
TCFD CATEGORY

Transition – Technology

RISK HORIZON

MEDİUM

RISK LEVEL



İÇDAŞ CURRENT STRATEGIES

Technical training for employees, in line with the knowledge, skills and competencies required for new technology and system integrations, is regularly planned and conducted through SAP QDMS and İçdaş Academy. Customised training programmes are developed specifically for production, maintenance, engineering and project units, and assignments are made to target groups before new systems are put into operation. An open policy is pursued to obtain external training and consultancy support in order to increase the knowledge and experience level of internal resources. Blue-collar personnel must have at least a high school diploma. In addition, technical competence is ensured by requiring professional certification. Job instructions, job descriptions and training requirements specific to each unit are recorded within quality management systems to support sustainable talent development.

RISK 14

Restriction of activities due to changes in regulations caused by the impact on the marine ecosystem (e.g. algal blooms)

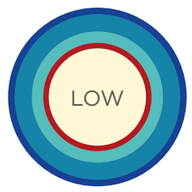
TCFD CATEGORY

Physical – Acute

RISK HORIZON

SHORT

RISK LEVEL



İÇDAŞ CURRENT STRATEGIES

In recent years, mucilage events and increases in water temperature, particularly observed in the Sea of Marmara, have been closely monitored. Projects have been developed to reassess water intake points to prevent a decline in operational efficiency as cooling water temperatures rise, with plans to source water from deeper and cooler areas. A project to replace the seawater basin has been proposed to reduce efficiency losses in the cooling system, and engineering work has commenced. A HEPP project focused on recycling has been implemented to increase energy efficiency, reducing internal consumption by gaining energy along the return line. Operational effects such as sludge clogging in heat exchangers, chemical consumption, and cartridge filter replacement frequency are being recorded; technical improvements to minimise these effects are being evaluated. Furthermore, factors such as chemical consumption, maintenance requirements, and decreased equipment performance create additional costs. Water extraction, usage, and discharge activities are monitored in accordance with Environmental Permit and Licence processes, and the environmental team closely monitors any potential changes in relevant regulations.

RISK 15

Risk of production interruptions caused by grid fluctuations due to the increase in renewable energy sources

RISK HORIZON

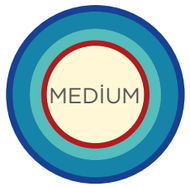
İÇDAŞ CURRENT STRATEGIES

Protective equipment (UPS systems, reactive power compensation systems, voltage regulators, etc.) is used in production facilities to protect against voltage and frequency fluctuations. Critical equipment is protected by redundant systems to prevent momentary interruptions and imbalances in the electricity grid from affecting the production line. Grid-related risks are continuously monitored by the energy unit and maintenance teams, and early intervention is provided through alarm systems. Regulatory filters and fuse systems are implemented in internal installations to prevent electronic devices from being damaged by sudden voltage changes. Alternative power sources (generators, UPS) are kept in critical production units to ensure production continuity. Regular data is collected through power quality monitoring systems (analysers, SCADA, etc.), and fluctuation data is recorded. Records of grid-related production stoppages and their causes from previous years are kept and analysed.

TCFD CATEGORY

Transition – Technology

RISK LEVEL



RISK 16

Risk of a crisis in scrap steel supply, inability to source from Europe

RISK HORIZON

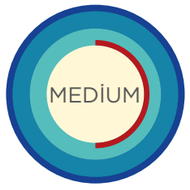
İÇDAŞ CURRENT STRATEGIES

Regulations on scrap exports are tightening under the Waste Shipment Regulation in the European Union, and the company is regularly monitoring this development. Restrictions expected to come into force by 2028 pose a risk of a decline in scrap steel supply, and it is anticipated that this situation could create operational fragility, particularly in facilities that use electric arc furnace production. Strategic planning is underway to evaluate alternative sources in order to reduce supply risks, and market developments are being closely monitored. Efforts are continuing to diversify the supply chain regionally and establish a pool of alternative suppliers in order to counter any crises that may arise regarding scrap imports from Europe.

TCFD CATEGORY

Transition – Market

RISK LEVEL



İÇDAŞ Climate Transition Plan (2025–2053)

At İÇDAŞ, we regard the management of risks arising from climate change as an indispensable part of operational continuity and sustainable growth. Our Climate Transition Plan, which has been developed over many years with the contribution of all relevant units and in line with İÇDAŞ's growth strategies, brings together our objectives on operational efficiency, low-carbon production, and sustainability.

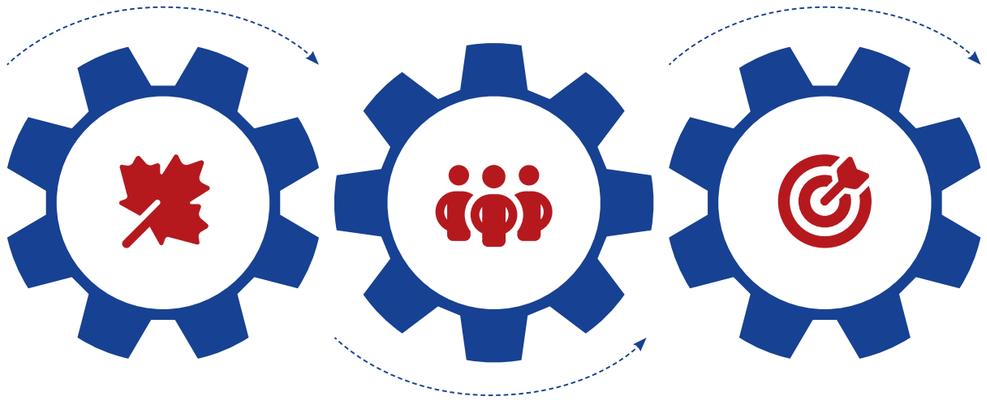
In 2025, we plan to commit to the Science Based Targets initiative (SBTi). This commitment will enable us to follow a science-based and internationally recognised roadmap for emission reductions. In this context, we pledge to significantly reduce our emissions by 2030 and to achieve net zero carbon emissions by 2053.

Strategic Projects Supporting Our Transition Process

To implement our Climate Transition Plan, we will pursue the following projects:

Short-Term Goals (2025–2027)

In the first phase of our transition, our focus will be on strengthening institutional capacity, increasing data transparency, and enhancing adaptation preparedness. Accordingly, we will base our emission reduction targets on scientific evidence, transparently report climate-related risks and opportunities, and establish infrastructure that complies with national legislation.



Medium-Term Targets (2028–2034)

For the medium term, we have set a roadmap under the Science Based Targets initiative. Our aim is to maximise operational efficiency while adopting the best available technologies across all sectors in which we operate, thereby delivering tangible emission reduction outcomes. With our innovation-driven approach, we will prioritise energy efficiency, process optimisation, and the integration of low-carbon technologies, paving the way for a low-carbon future.

Long-Term Goals (2035–2053)

By 2053, in full alignment with Turkey's national target, we aim to achieve net zero carbon emissions. To this end, we plan to implement carbon reduction measures across all operations, facilitate the adoption of low-carbon technologies throughout our value chain, and integrate systemic transformation processes in collaboration with all stakeholders—from our suppliers to our customers.

ENVIRONMENTAL PERFORMANCE

“Reducing Our Impact, Increasing Our Value in Every Process.”

ENVIRONMENTAL PERFORMANCE

At İÇDAŞ, we consider ensuring environmental sustainability and protecting natural resources to be among our fundamental objectives. In line with this approach, we realised a total of 988.4 million TRY in environmental expenditure in 2024 as part of the environmental activities we carried out at our Bekirli and Değirmencik facilities.

We continuously improve our processes in areas such as emission control, waste and wastewater management to reduce the environmental impact of our industrial activities. We aim to reduce our emissions, increase energy efficiency and minimise our environmental impact, particularly in climate protection applications, by utilising modern technologies.

We prioritise the protection and efficient use of water resources at our facilities. We are steadily continuing our activities to reduce water pollution by strengthening our wastewater treatment infrastructure. At the same time, we are improving our waste management systems in line with a zero-waste vision and carrying out work to increase recovery and reuse rates.

We develop science-based projects to protect biodiversity around our facilities and strengthen ecosystem services. We carry out long-term studies on the protection, monitoring and, where necessary, restoration of terrestrial and marine habitats.

988,4 million TRY
in environmental expenditure

Strong efforts
to prevent water pollution

Modern technologies
in climate protection

Projects supporting
the strengthening of ecosystems

Our environmental management approach enables us to continuously improve our environmental performance. As İÇDAŞ, we continue to protect today's resources while considering tomorrow's needs and working with all our stakeholders to create a more liveable environment.

Circular Economy and Waste Management

At İÇDAŞ, we implement circular economy practices with an innovative approach focused on giving back to nature what we take from it. We aim to use resources efficiently and minimise waste, applying these principles across all stages of production—from raw material procurement to the delivery of final products to customers. We recover the waste generated in our production processes and reduce its volume through recycling and reuse methods. In this way, we convert waste into economic value while minimising our environmental impact. Our Değirmencik Integrated Facility stands out as one of Turkey's largest recycling plants, with a daily capacity to recycle 15,000 tonnes of scrap steel. By using scrap steel, we reduce natural resource consumption and strengthen our sustainable production approach.

Under our circularity principle, we transform some of our production outputs into new products; in this regard, we develop innovative partnerships with our business partners.

A 'by-product certificate' is obtained for various waste materials generated from our production processes, ensuring that these materials are re-evaluated. Thanks to the by-product certificate obtained for fly ash, this material is used as raw material in cement factories and concrete production plants . Slag, a waste product from steel plants, is also reused in our artificial aggregate plants after obtaining a by-product certificate, and is used as a filling material on roads and as an additive in ready-mix concrete plants.

Additionally, a by-product certificate has been obtained for the iron sulphate waste produced by our Prestressed Concrete Steel Facility, and it is used as fertiliser in the agricultural sector. Iron sulphate increases fruit set, meets the soil's iron requirements, and contributes to agricultural productivity.

We continue our R&D work and investments to make all waste generated in our plants, especially process waste, reusable. As a result of this work, we have determined that our process waste has raw material quality for many different industries.

We operate in full compliance with legal regulations, the best available techniques in the European Union, and our environmental policies by implementing a waste management system that covers all recyclable materials.Thanks to our effective waste management approach, we recovered 74% of the waste generated by the Bekirli Power Plant and 49% of the waste generated by the Değirmencik Integrated Facility in 2024.

In line with the United Nations' 30 March World Zero Waste Day, declared in 2023, we are continuing our efforts to achieve our zero waste goal. As part of our "We Are Here for Zero Waste" project, we aim to reduce waste generated by our employees and return it to the economy. To this end, we collect waste separately at our facilities. In addition to general environmental training, we are raising our employees' awareness of waste management through field inspections, announcements in social areas, and our İÇDAŞ Academy online platform.

15,000 tonnes
of steel scrap recycling capacity

52% of waste is
reusable or recyclable

Bekirli Power Plant,which achieves
74% waste recovery

49% waste recovery at the Değirmencik Integrated Facility

Water Management

Water is not only essential for sustaining life, but also a strategic resource for ensuring the uninterrupted continuation of industrial production processes. Population growth, the effects of the climate crisis and the acceleration of industrialisation are increasing the pressure on water resources day by day. This situation makes effective water management practices inevitable, particularly in sectors such as iron and steel that require high water consumption.

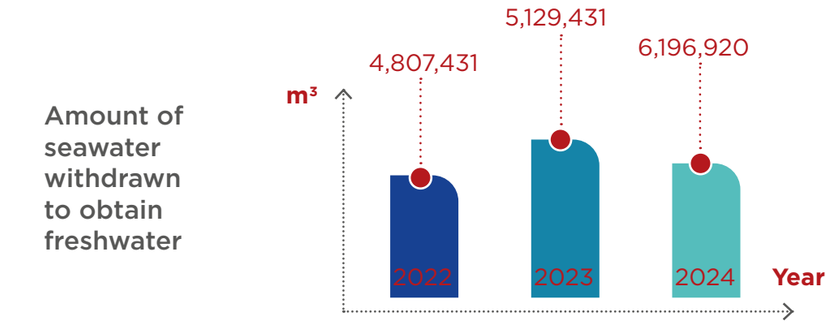
At İÇDAŞ, protecting water resources in the regions where we operate and managing these resources fairly, efficiently and sustainably are among our priorities. The fact that agriculture and livestock farming activities, which are widespread in the region, depend on water supply makes our water management strategies critical not only for production continuity but also for social benefit. In this regard, we adopt a model that reduces regional water pressure while ensuring sustainable production.

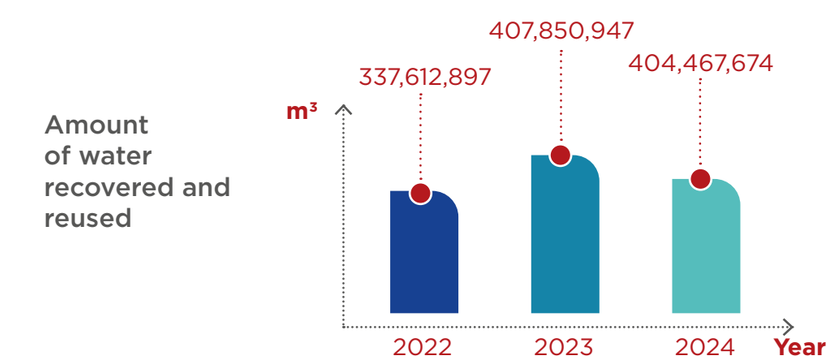
At İÇDAŞ, we apply advanced technologies and innovative methods to reduce water consumption. We minimise consumption by enabling water reuse through closed-loop cooling systems. We continuously monitor and optimise water consumption with digital control systems. We use desalinated seawater to meet our water needs, and thanks to this application, we have completely eliminated the use of groundwater. Our reverse osmosis plants, with a capacity of 17,000 m^3 per day for the Değirmencik integrated facility and 12,000 m^3 per day for the Bekirli Power Plant, enable the protection of groundwater and the more efficient use of fresh water resources in agricultural areas.

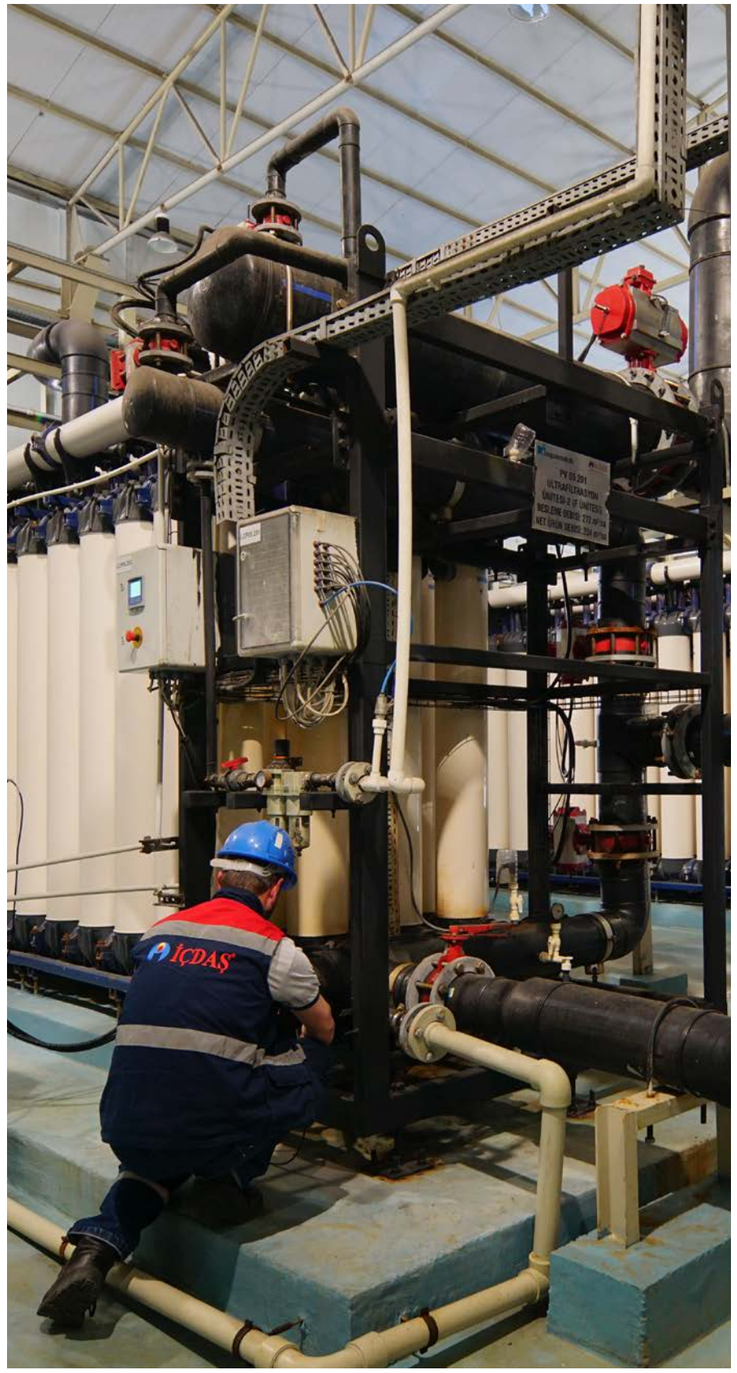
We utilise advanced technologies in wastewater management. We treat wastewater generated from production processes in modern treatment plants to make it reusable. We improve water quality by applying physical, chemical and biological treatment methods in these plants. We significantly reduce water consumption by reusing treated water in various processes, such as cooling and vehicle washing. We are also expanding alternative water supply applications such as rainwater harvesting. We collect rainwater on our factory sites and store it for use in different processes, thereby reducing the pressure on local water resources.

Groundwater conservation with a total reverse osmosis plant capacity **of 29,000 m^3**

Advanced technology use in **wastewater management**







Energy and Emissions Management

Energy and emissions management is our strategic priority for effectively combating climate change and achieving a low-carbon future. At İÇDAŞ, while ensuring energy security, we increase resource diversity and reduce our carbon footprint through renewable energy investments and energy efficiency practices. By adopting low-emission technologies, we strengthen our competitiveness while supporting environmental sustainability.

Our Climate Transition Plan, the foundations of which were laid in 2024, sets out our short-, medium- and long-term emission reduction targets and shapes our net zero carbon journey across all areas, from energy production to the supply chain.

Increasing renewable energy capacity, reducing fossil fuel use, promoting energy recovery, and transitioning to efficient production technologies are key components of this plan. We carry out energy and emissions management activities in compliance with national and international standards. Our ISO 50001 Energy Management System is audited and certified annually by independent third-party audit teams.

Since 2015, we have regularly calculated our Scope 1 greenhouse gas emissions in line with the Greenhouse Gas Emissions Tracking Regulation, and we submit our reports—verified by accredited third parties—to the Ministry of Environment, Urbanisation and Climate Change. In addition, product carbon footprint calculations have been carried out in accordance with ISO 14067, and in parallel with the SBTi reporting process, corporate carbon footprint calculations are planned in accordance with ISO 14064.

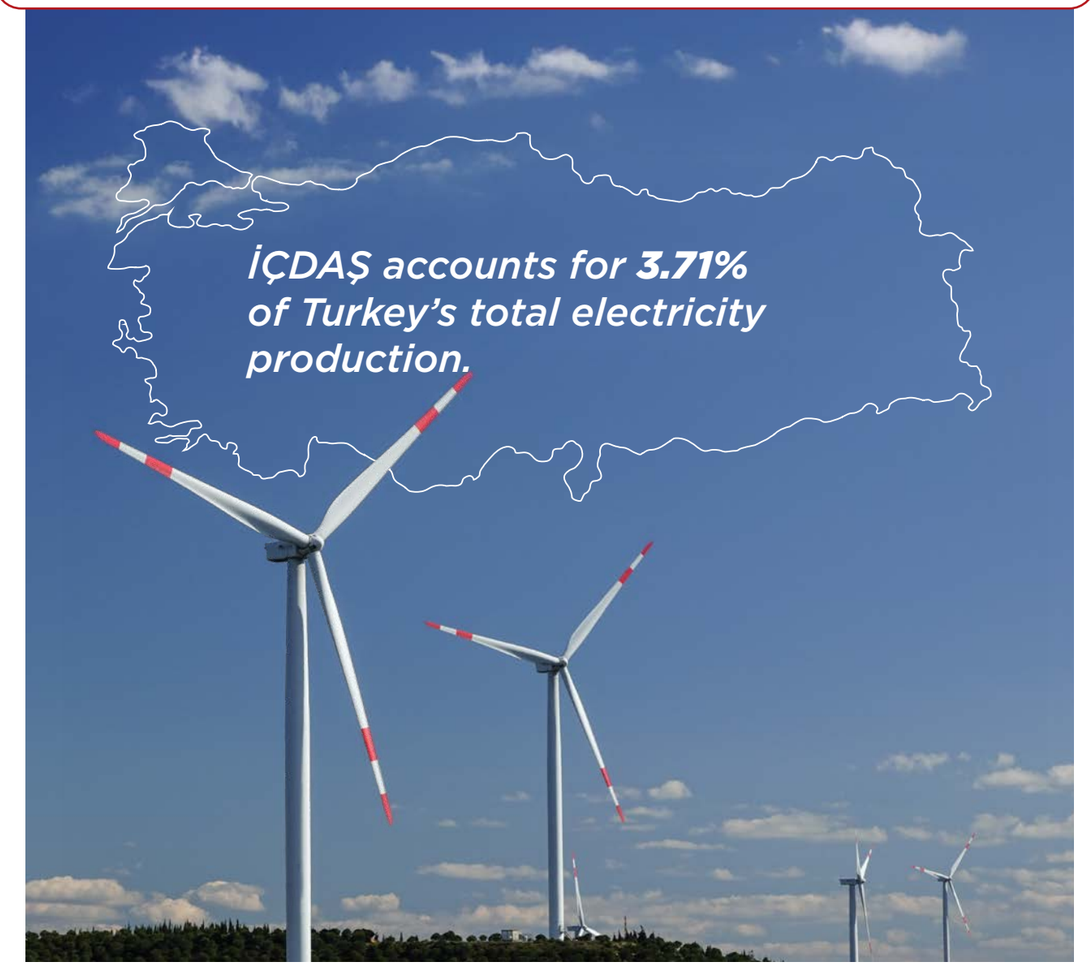
As İÇDAŞ, we contribute to reducing the environmental impact of energy production by utilising environmentally friendly and clean energy technologies. The dust emissions from the electro-filter units used in our facilities are captured with 99.98% efficiency.

By recycling the water used in our facilities, we increase energy production efficiency and ensure the sustainable use of water resources. Similarly, by reusing cooling water in energy production, we reduce energy costs and decrease fossil fuel consumption.

Through our investments in renewable energy generation and efficient energy use, we support the fight against climate change while also ensuring economic sustainability by reducing energy costs. Remaining committed to the principles of sustainable development, we prioritise reducing fossil fuel consumption and increase the amount of electricity generated from renewable sources in our steel production each year. In 2024, our total installed renewable energy capacity reached 5.3 MW in hydroelectric power (HEPP), 63.8 MW in wind power (WPP), and 10.37 MW in solar power (SPP).

We continue to implement our energy management activities in line with the principles of efficiency and sustainability. By utilising renewable resources, low-emission production technologies, and energy recovery projects, we meet our energy needs in an environmentally responsible and economically efficient manner.

Electricity Production (MWh)	2022	2023	2024
Bekirli Power Plant	7,857,976.11	8,451,171.41	9,677,962.84
Değirmencik Power Plant	2,657,835.50	2,946,022.38	3,103,565.52
HEPP1-2-3-4	23,870.83	23,472.39	25,519.79
WPP	157,671.84	144,400.88	139,792.21
SPP	4,145.01	4,937.03	6,680.73
TOTAL	10,701,499	11,570,004	12,953,521.08



Electro-filter units reduce dust emissions by 99.98%.

79.47 MW total renewable energy installed capacity

Emissions reduction through the climate transition plan

Technological Transformations in Operations and Energy Efficiency Projects

Efficiency projects implemented in 2024 have resulted in a total energy saving of 25,620,000 kWh/year.

At İÇDAŞ, we attach great importance to sustainability and energy efficiency. The various improvement and renovation works we carried out in our meltshops in 2024, along with WPP projects aimed at increasing renewable energy capacity, have increased our operational efficiency while reducing our environmental impact. Our implemented projects and the total savings achieved are summarised below:

Parameter to be Improved	Target	Current Status	Annual Savings
Reduction of electric furnace electricity consumption by 6 (kWh/tonne)	Reducing scrap impurities to decrease electric arc furnace electricity consumption	With the scrap cleaning machine in operation, 15,000 tonnes of scrap are cleaned monthly.	10,800,000 kWh/year
Electric arc furnace electricity consumption (kWh/tonne)	Reducing electricity consumption in arc furnaces	The second shear has started operating, and the installation of the third shear is ongoing.	14,820,000 kWh/year
Electric arc furnace electricity consumption (kWh/tonne)	To save energy by reducing energy loss caused by waiting times between castings	The project is in the installation phase.	15,840,000 kWh/year
Steel Plant 3 Natural gas consumption amount	Reducing natural gas consumption in Steel Plant 3	The TÜBİTAK peer review process is ongoing.	6,018,120 m^3/year
WPP Monthly MWh production amount MWh/month	Generating electricity from renewable energy by increasing wind turbine capacity	New turbine installation has been completed, commissioning work is ongoing.	15,330,000 kWh/year

Our investments and improvements have played a significant role in achieving İÇDAŞ's sustainability goals, enabling us to produce cleaner and higher quality steel while reducing our environmental impact by increasing our energy efficiency.

Biodiversity

Biodiversity is one of the indispensable pillars of sustainable growth. For this reason, we regularly monitor the impact of the environmental measures implemented in our production processes on surrounding ecosystems, using both observational methods and scientific analyses. All our activities related to biodiversity are carried out in full integration with our corporate environmental management approach.

At İÇDAŞ, we are implementing the İÇDAŞ Biodiversity Project with the goal of gaining a deeper understanding of the biodiversity within the sphere of influence of our facilities, developing initiatives to protect it, and thereby contributing to the resilience of ecosystems. Through this project, our aim is not only to safeguard biological diversity but also to ensure the long-term sustainability of ecosystem services.

Systematic Monitoring and Applications

Our monitoring studies, covering terrestrial, aquatic and marine ecosystems around the facility, are conducted under the leadership of biologists. As part of the studies, an initial inventory of living organisms was created, and species were identified through systematic observations in both forested areas and freshwater ecosystems.

In 2024, bird migration, nesting status and carcass observations were made between March and November to monitor terrestrial biodiversity; diving was carried out twice a year to determine species diversity in the marine ecosystem and analyse underwater life. During these dives, the Atherine hepsetus fish species was observed for the first time in our region this year and added to our living inventory. All data obtained is recorded in accordance with scientific principles, and actions are taken to protect the species.

Sustainable Use of Water Resources

Water is critical to a sustainable ecosystem. With this in mind, we meet all our facilities' water needs from the sea and regularly analyse and monitor all water discharged into the sea. We recognise that our industry, which consumes large amounts of water, requires a sensitive approach to sustainable water resource management. Therefore, we continuously strive to minimise our environmental impact through ongoing improvement efforts.

Shared Responsibility with Our Suppliers

As part of our sustainability policy, we assess the impact of our suppliers' activities on biodiversity and aim to reduce this impact. In line with the instructions and procedures we have established in this context, we expect our suppliers to continuously improve their environmental performance. This approach supports our goal of establishing an environmentally conscious structure not only within the organisation but throughout the entire value chain.

Education and Awareness Initiatives

Every employee who starts working at İÇDAŞ receives orientation training on biodiversity and the environment. In addition, periodic environmental training for existing staff also includes a special focus on biodiversity. These training sessions aim to raise employee awareness of their impact on ecosystems.

Flora

Çanakkale Province displays rich diversity thanks to its position within the transitional zone between the Black Sea and Mediterranean climates. Forests cover approximately 56% of the province's total area, with the northern slopes of the Kaz Mountains (Ayvacık, Bayramiç, and Yenice Districts) and the higher elevations of the Biga and Çan Districts characterised by dense forest vegetation. The flora of the Kaz Mountains consists of deciduous trees such as oak and chestnut, as well as conifers including red pine, black pine, and endemic fir species.

In the area surrounding our facility, maquis vegetation is predominant, alongside forest vegetation composed mainly of oak and red pine. In regions where maquis communities have been degraded, garrigue (frigana) formations, made up of very short thorny shrubs, have been observed. This type of vegetation is abundant around our facility and, although widespread along the Mediterranean coast of Türkiye, it is not classified as a protected habitat.

Fauna

Marine Ecosystem Studies

In our province of Çanakkale, which has a coastline of 671 kilometres, we launched the project "Çanakkale to Breathe with Increased Fisheries Biodiversity" in 2013 with the support of the South Marmara Development Agency (GMKA) to contribute to the marine ecosystem. Within this scope, in collaboration with the Faculty of Marine Sciences and Technology at Çanakkale Onsekiz Mart University (ÇOMÜ), we conducted feasibility studies to identify reef areas by diving in a total of 15 regions along the coastline from Karabiga to Kumkale Village ( ). With the "İÇDAŞ Biodiversity Support Project" we launched in 2015, we implemented artificial reef applications to increase marine biodiversity and strengthen ecosystem services.

As part of the project, we introduced a total of 959 artificial reefs to the sea, 280 in the Değirmencik region and 679 in the Bekirli region. With these artificial reefs, we are not only contributing to our environmentally friendly production goal, but also supporting the natural balance by creating habitats for aquatic life in the Sea of Marmara. In line with the principle of protecting aquatic ecosystems emphasised in the EU Water Framework Directive, we continue our work with the goal of clean seas. Through artificial reefs, we are both increasing biodiversity and contributing to regional development by supporting fishing.

Ornithological Monitoring Studies

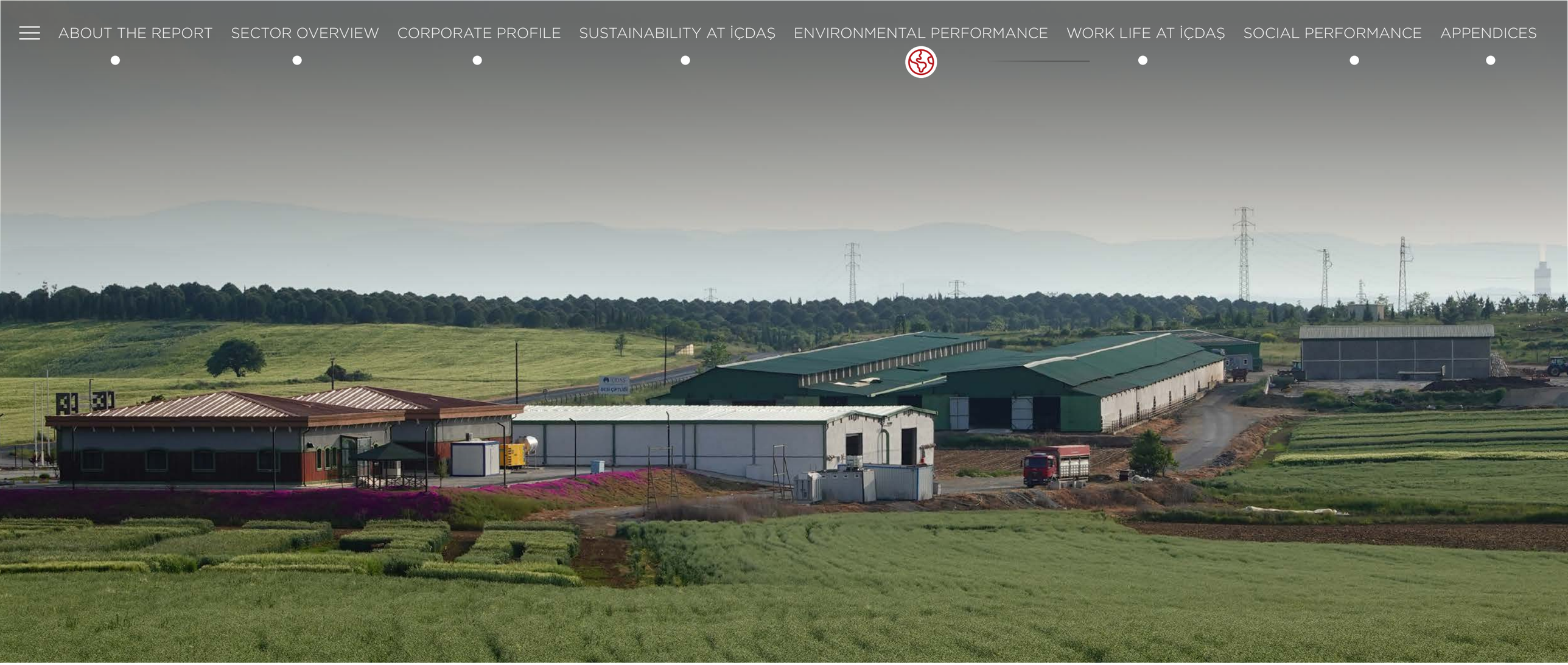
In line with our goal of protecting biological diversity in terrestrial ecosystems, we regularly conduct ornithological monitoring and wildlife observations. We carry out this work under the leadership of our facility biologist, recording species distribution and behaviour in the field on a seasonal basis. In this context, we meticulously monitor parameters such as bird migration routes, nesting activities and habitat use.

We began terrestrial ecosystem assessments for the İÇDAŞ Biga Wind Energy Plant in 2015. Following the Ecosystem Assessment Report we prepared in collaboration with academics from Akdeniz University, we continued ornithological and wildlife monitoring studies for two years. We completed the final assessment in 2017 and submitted it to the Ministry of Forestry and Water Affairs. In our report, we determined that the wind farm activity did not pose a significant threat to the migration, breeding, feeding, and nesting cycles of bird species. In line with this, we continued our monitoring studies, which we repeat every year, in 2024. Led by our facility biologist, we conducted nest and carcass checks throughout spring (1 March – 31 May), the autumn migration period (1 September – 31 October), and the breeding season (1 April – 15 August).

Wildlife Monitoring Studies

The presence of a total of 78 mammal species belonging to 7 families, 20 genera and 44 species within the borders of Çanakkale province clearly demonstrates the high level of faunal diversity in the region. Although we have not identified any endemic mammal species, we consider this biological richness to be one of the cornerstones of our environmental monitoring studies. We evaluate the findings obtained from field observations and analyses by comparing them with existing literature; thus, we assess the ecological characteristics of the geography in which our facility is located with a scientific approach.

The natural fabric around the facility is shaped by areas dominated by dense maquis and shrub formations. In some areas, forest formations are also encountered. These habitats are home to reptile species such as lizards and snakes, as well as rodents, rabbits, and carnivorous mammals such as martens and weasels. As part of our ecological inventory studies, we have recorded 323 animal species and 126 plant species in the vicinity of the facility.



Sustainable Agriculture and Livestock Farming

With our production policy that takes into account the needs of future generations, our priority is to protect the biological diversity and ecosystem of the regions where we operate. While reducing our environmental impact, we aim to pass on the existing biological diversity to the future. As İÇDAŞ, we carry out various projects to ensure the sustainability of agriculture, livestock farming and industry, which are the livelihoods of the local people. Activities such as beekeeping, small livestock breeding and agricultural practices within our Agriculture and Livestock Department are carried out by expert agricultural engineers, technicians, veterinarians and beekeepers.

We use innovative methods and technologies for the sustainable use of water, soil and energy resources in our agricultural activities. We carry out water management projects to increase water savings in agricultural irrigation, protect water resources and adapt to climate change. By promoting natural fertilisers and organic farming techniques, we aim to protect soil health and biodiversity. We also contribute to sustainable agricultural practices by composting household waste.

With our production policy that considers the needs of future generations, protecting the biological diversity and ecosystem of the regions we operate in is among our priorities. To enable people to live in harmony with nature, we not only reduce our environmental impact but also aim to pass on existing biological diversity to future generations. In this context, we established Turkey's third gene bank in 2019 and continue to develop it every day.

With our project to protect various plant species from the Anatolian geography, we conduct botanical, genetic, agricultural and technological analyses to identify local genotypes by periodically renewing heirloom seeds suitable for our country's ecosystem. These studies are carried out in field and laboratory conditions, providing us with more in-depth information about the characteristics and adaptation abilities of plants.

We have established
Turkey's 3rd gene bank

WORK LIFE AT İÇDAŞ

“We Produce Together, We Grow Together.”

WORK LIFE AT İÇDAŞ

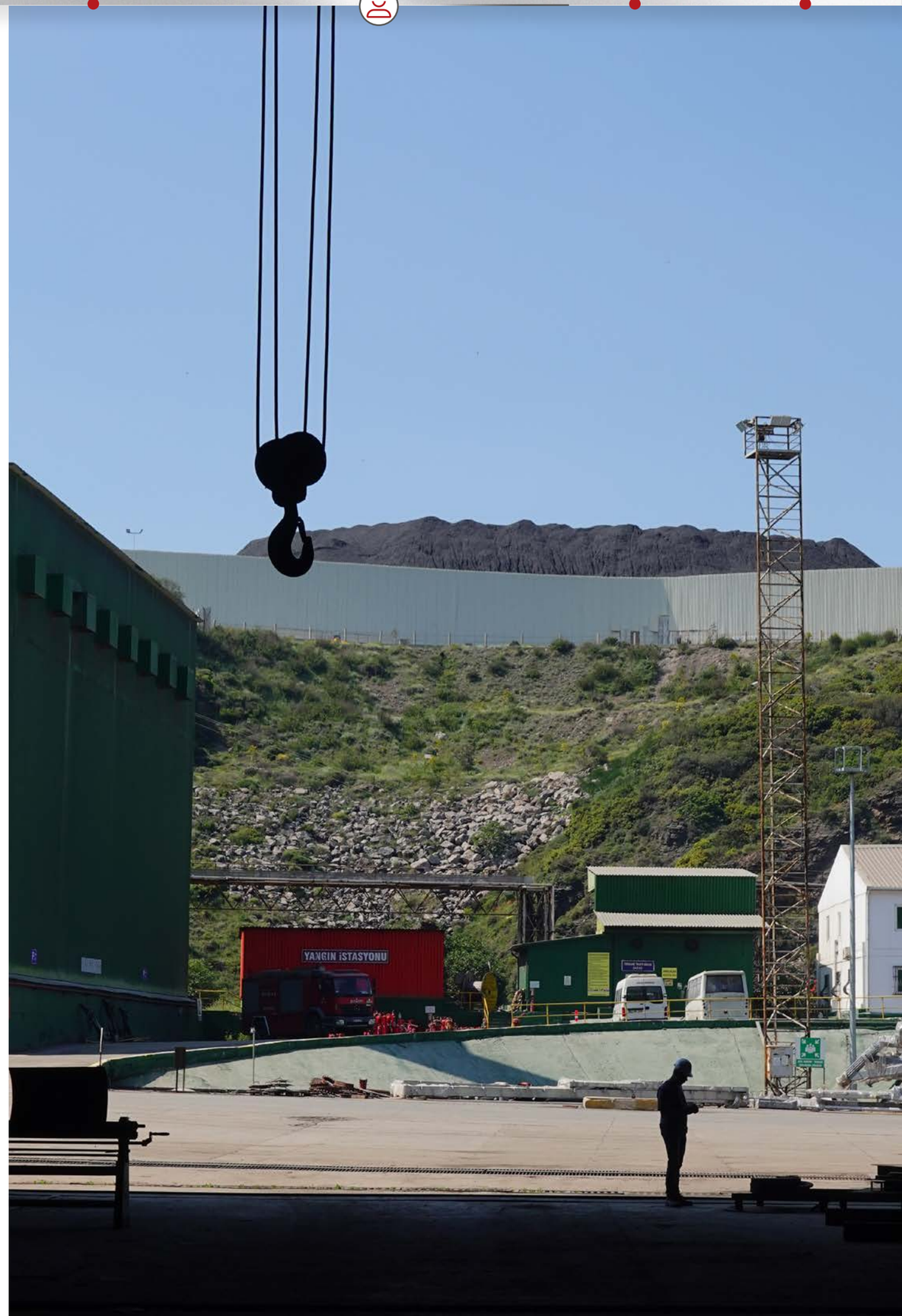
At İÇDAŞ, we aim to be a company that our employees are proud of and wholeheartedly committed to. Our human resources policy is based on an approach that focuses on competence and performance, while also supporting our employees' personal development, increasing their corporate loyalty and ensuring their integration into our corporate culture. We respect the diversity of our workforce and support our employees in every area to help them achieve their professional goals.

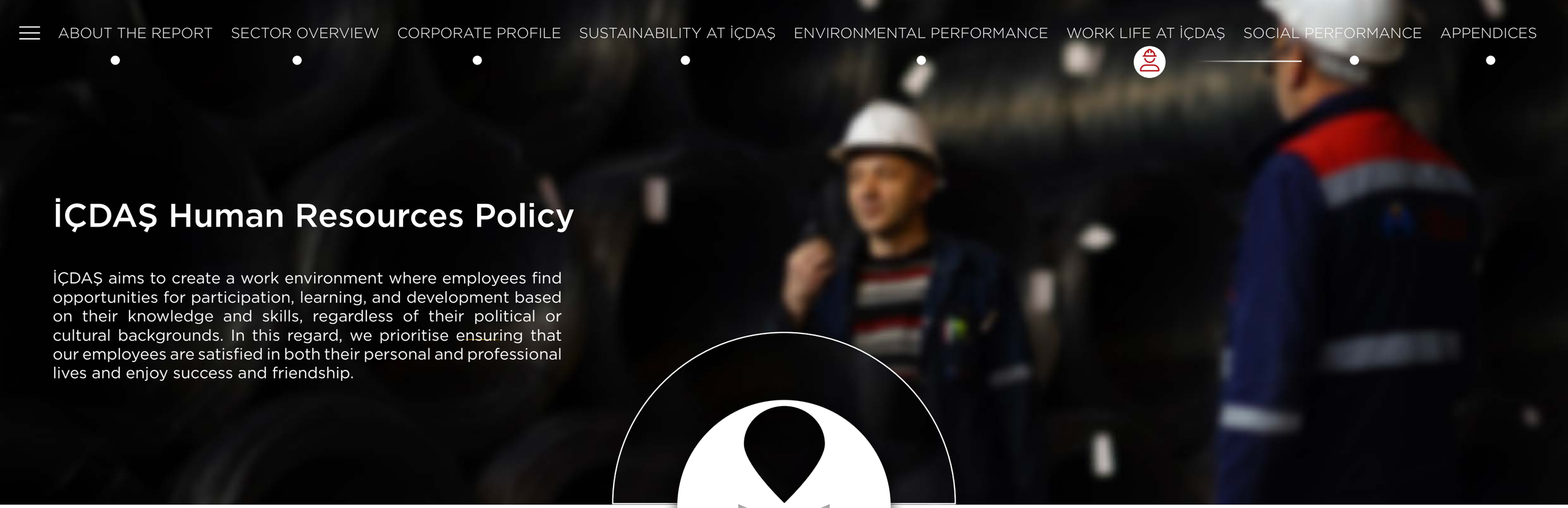
At the core of our policy is ensuring that our employees participate according to their knowledge and skills and have access to continuous learning and development opportunities. We prioritise the principle of equality by offering each employee a fair assessment opportunity, regardless of their policy and cultural background. With this approach, we create a work environment that supports diversity and inclusivity and encourages innovative ideas.

At İÇDAŞ, we value creating a work culture that is satisfied with success and friendship and supports a balanced personal and professional life. A workforce that is passionate about their work, enjoys what they do, and feels like they are part of the company is the foundation of our sustainable success. In this regard, we aim to continuously increase our employees' motivation and satisfaction with policies that maintain work-life balance.

We encourage contributions to the existing foundations in order to build the İÇDAŞ we want to see in the future, starting today. In this regard, we support our employees' creative ideas and reward their innovative approaches. We value innovative perspectives and consider it important for all our employees to actively contribute to our company's development journey.

Furthermore, preserving İÇDAŞ's deep-rooted traditions and culture and ensuring that each employee feels valued as part of this structure are among our priorities. While making our corporate culture sustainable, we create an environment in which our employees feel confident through transparent, fair and supportive practices, building long-term success together.





İÇDAŞ Human Resources Policy

İÇDAŞ aims to create a work environment where employees find opportunities for participation, learning, and development based on their knowledge and skills, regardless of their political or cultural backgrounds. In this regard, we prioritise ensuring that our employees are satisfied in both their personal and professional lives and enjoy success and friendship.

Learning Ecosystem that Supports Participation

At İÇDAŞ, we create a work environment that is open to knowledge and encourages participation. We value the opportunity for all our colleagues to find development opportunities based on their knowledge and skills, regardless of their political and cultural backgrounds. This approach enables employees to realise their individual potential and contribute to corporate success.

A Work Environment that Encourages Innovative Thinking

Supporting creativity and fostering an atmosphere where ideas can be freely shared forms the foundation of our human resources strategy. We support ideas that contribute to the organisation through to make our employees' innovative approaches visible and valuable.

Commitment to Corporate Memory and Values

We maintain a corporate culture rooted in tradition and culture to preserve our company's long-standing values and pass them on to future generations. As the İÇDAŞ family, we believe that this cultural continuity guides our way of working and our understanding of collaboration.

Human Resources Strategy Shaping the Future

The most important factor supporting our corporate strength, financial soundness and sustainability perspective is a competent and committed workforce. Our human resources policy provides a roadmap that enhances the development of our employees, their commitment to the organisation and their confidence in the future.

Fair and Accessible Working Environment

With our structure that supports diversity and inclusivity, we provide a fair working environment for all our employees. By adhering to the principle of equal opportunities in our recruitment processes, we ensure that each candidate is evaluated based on their knowledge and skills. With this approach, we ensure that the principle of equality is firmly established in our corporate culture.

Determined Steps for Strong Representation of Women

We implement policies that promote gender equality to support the active and strong participation of our female employees in the workplace. With our practices that support career development, we aim to increase female representation in all areas. In line with this, we have increased our female employee ratio from 2.54% in 2021 to 2.77% as of 2024.

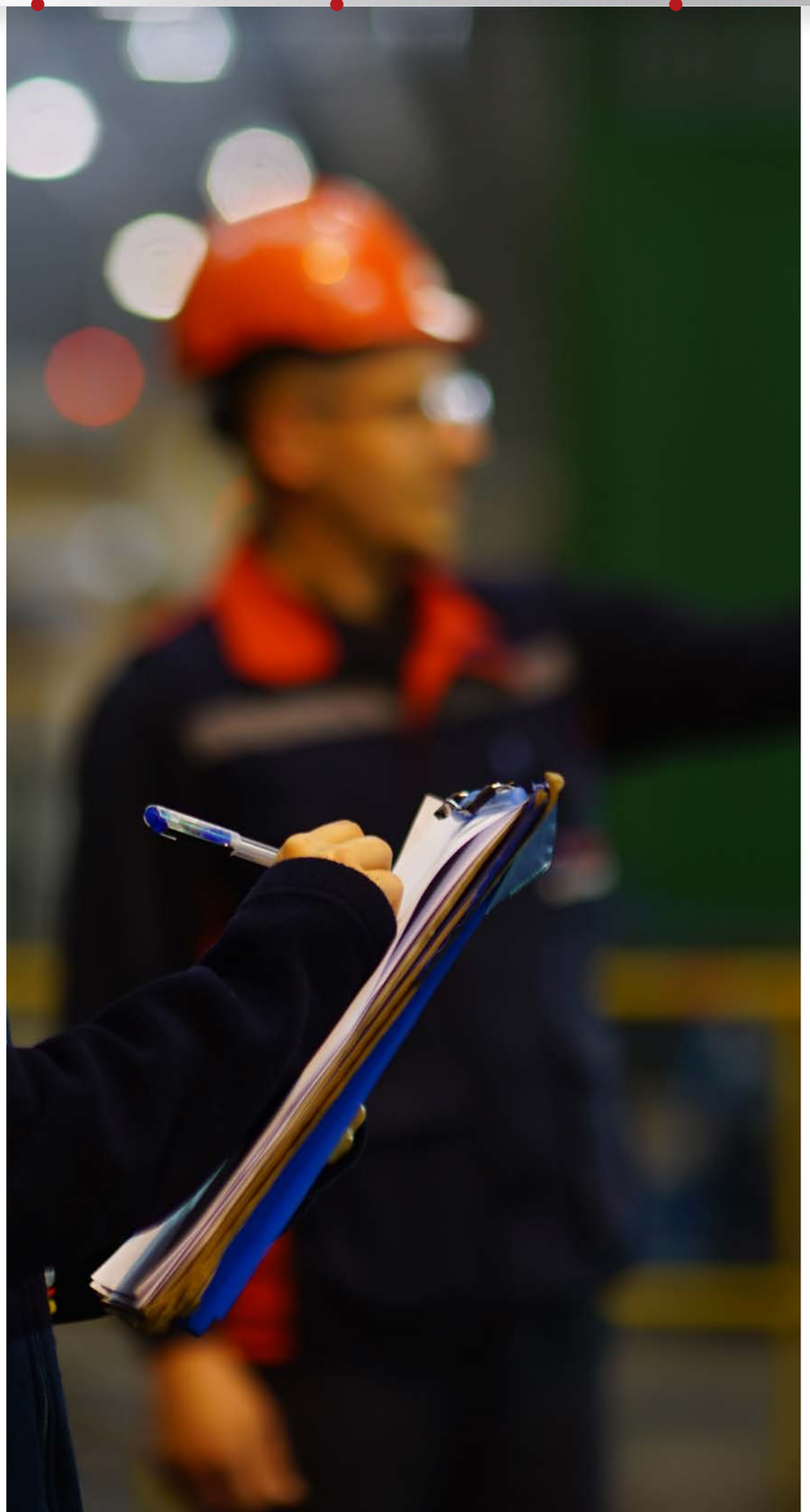
Being Part of İÇDAŞ – Creating Value

At İÇDAŞ, we consider our people to be our most valuable asset. We implement a structured recruitment process to bring on board competent employees who will contribute to our corporate culture and strategic goals.

When staffing needs arise, we first review internal candidates. If no suitable match is found, we then consider applications submitted through career portals and our corporate website. General applications are stored in our candidate database for potential future opportunities.

Our Human Resources department contacts suitable candidates and invites them to the interview process. During this stage, we administer assessments to measure technical knowledge and skills, while also evaluating candidates' professional competencies and cultural fit.

After the interviews, we extend an offer to the candidate we believe is best suited to the position and who will add value to the company. This entire process is conducted fairly, transparently, and objectively, in line with our principle of equal opportunity. By carefully evaluating every applicant, we aim to build long-term employment relationships that contribute to our sustainable success while enhancing employee satisfaction.



Occupational Health and Safety

At İÇDAŞ, we consider protecting the health and safety of our employees to be one of our top priorities. We conduct all our activities in accordance with the regulations and communiqués of the Occupational Health and Safety Law No. 6331, the Social Insurance and General Health Insurance Law No. 5510, and the Labour Law No. 4857. Furthermore, we follow the agreements published by international institutions such as EU-OSHA and ILO, and monitor legal updates in real time through the Lebib Yalkın system.

We implement a comprehensive OHS system to identify, assess and control risks in the field. We conduct regular risk assessment studies before starting work, during process changes, in near-miss incidents and after accidents. We carry out these studies under the leadership of our occupational safety experts, together with the relevant field workers, and systematically record the data we obtain.

We act in accordance with the control hierarchy to eliminate risks. We eliminate hazards, offer less hazardous alternatives, develop engineering solutions, implement administrative controls, and mandate the use of personal protective equipment. We provide the necessary health and safety training before starting any new job and conduct regular refresher training for all our personnel.

Following accidents, we conduct root cause analyses, swiftly implement corrective measures, and revise the system to prevent similar incidents from recurring. We report performance indicators according to both national and international methodologies, taking into account the ILO's lost-time calculation system.

Occupational Health Services

We develop solutions that support not only occupational safety but also the physical and mental health of our employees. Across all our facilities, we provide continuous healthcare services with eight workplace physicians and ten healthcare professionals available 24/7. Our healthcare teams respond to emergencies and carry out regular periodic health checks for employees. In addition, we have agreements that allow our employees and their immediate family members to benefit from discounted services at private healthcare institutions.

Going beyond basic healthcare provision, we encourage healthy lifestyle habits. At regular intervals, we offer training, screening programmes, and counselling services on issues such as obesity, diabetes, physical inactivity, and smoking. We ensure that all employees have equal access to these services

Occupational Health and Safety Strengthened by Employee Participation

We believe that the success of our OHS system is only possible with employee participation. With this understanding, we incorporate our employees' ideas and observations into every stage of the system. We enable our employees to directly report any hazards they encounter through Hazard/Risk Reporting Cards located at easily accessible points in the field.

We hold OHS Committee Meetings regularly every month; at these meetings, we evaluate the suggestions received through our employee representatives. We also ensure that our employees can easily access OHS-related information via the intranet.

We base our OHS objectives, risk assessment processes, improvement activities and training programmes on the opinions and contributions of our employees. Within the framework of our Human Rights Policy, we support the participation of all our employees in these processes and take special measures to ensure the equal participation of women and vulnerable groups in particular.

Incident and Accident Management

We build our OHS approach on a culture of learning and prevention that goes beyond post-accident intervention. We view every accident and near-miss as an opportunity to improve our processes and prevent similar incidents from recurring. In this context, we analyse the cause-and-effect relationships of accidents that have occurred and implement lasting improvements that strengthen our safety culture.

When an accident occurs, we first conduct a root cause analysis for the incident in question. During this analysis process, we identify the fundamental causes of the accident and take systematic steps to prevent similar incidents from recurring. We then update our risk assessment studies and redefine all necessary measures.

Following serious workplace accidents, we gather quickly and assess the situation together with technical teams. If an unsafe situation is identified, we make the area safe as soon as possible. At the end of the process, we provide targeted training to all relevant personnel based on the lessons learned from the accident.

We report accident-related data in accordance with ILO standards. In cases resulting in death or permanent disability, we create statistical records taking into account 7,500 days of lost work time, as defined by the ILO. We also record near-miss incidents, hazard reports and performance indicators through our digital systems. All data informs the development of our occupational health and safety management system and the design of preventive activities.

	Female	Male
Accident Frequency Rate *	5.92	35.97
Occupational Disease Rate	0	0
Number of Fatal Accidents	0	0
Work Accident-Related Lost	0.01	0.01
Absenteeism rate	3.30	2.25

*The overall accident frequency rate in 2024 was 35.47.

SOCIAL PERFORMANCE

“Value to the Land We Were Born In, Impact on the World”

SOCIAL PERFORMANCE

Supply Chain Management

At İÇDAŞ, in line with our sustainable production goals, we prioritise managing our supply chain based on efficiency, flexibility and environmental awareness. The procurement strategies we have implemented in recent years have increased our domestic procurement rates while making our supply chain more inclusive and resilient. In 2023, 64.7% of our total procurement volume was import-based, while this ratio decreased to 36.6% in 2024. During the same period, the share of domestic procurement in the total increased from 35.3% to 63.4%. We have restructured our supply chain to reduce dependence on imports and increase the use of domestic resources. With this change, we have limited our environmental impact while strengthening our ties with domestic industry. As of 2024, domestic purchases constitute a large portion of our total purchasing volume.

With the increase in our domestic procurement share, we have implemented a more flexible supply model that uses our resources more efficiently, reduces external dependency, and relies on local partnerships. Compared to our total procurement volume, the decrease in the relative share of imports has contributed significantly to the effective management of our supply chain risks and the reduction of foreign exchange-based costs.

Sea freight operations are at the heart of the logistics dimension of our supply chain. This method, which enables high-volume cargo to be transported economically and efficiently over long distances, is the cornerstone of our logistics system. The low cost and large capacity advantages it offers for international shipments make sea freight the preferred choice.

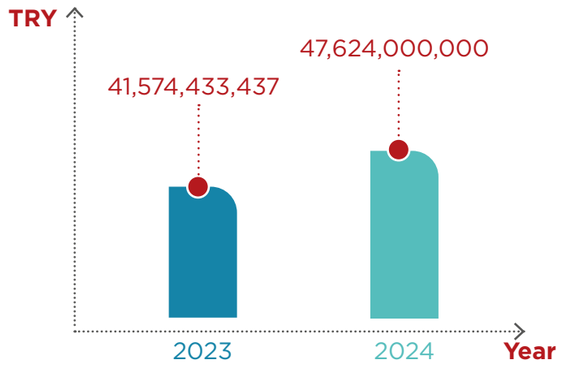
In parallel, we position sea and rail transport as an important component of our operations. Compared to road transport, sea and rail transport produce lower carbon emissions, making them a more environmentally responsible option. Thanks to the development of the network and infrastructure investments, significant gains are also achieved in terms of timing and efficiency.

We carry out our shipments on specific routes via the Turkish State Railways (TCDD) with our current fleet of 176 wagons. While we use rail systems as a supporting element of our logistics network, sea transport plays a more active role in our domestic and international operations. Thanks to our experienced team, we continue to provide sustainable, reliable and uninterrupted service to our customers and suppliers by integrating rail and sea transport capabilities.

In line with the principles of transparency, efficiency and sustainability that we have adopted in supply chain management, we prioritise establishing long-term relationships based on trust with our local and global suppliers. We aim to further develop this approach in the coming period to strengthen our supply chain performance.

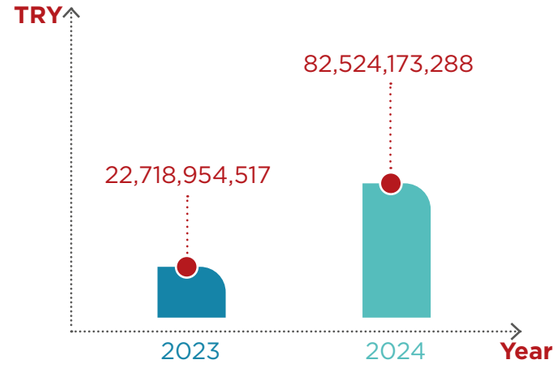
Approximate value of payments made to suppliers

Import Volume



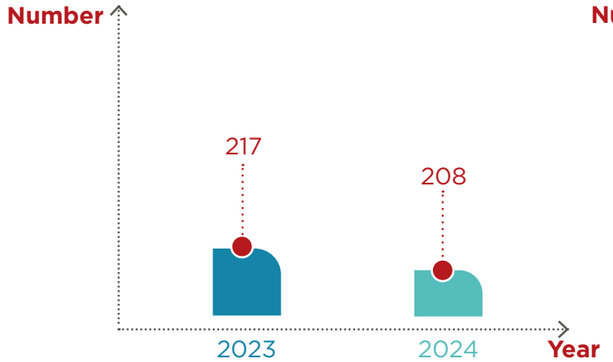
TOTAL : 64,293,387,954 TRY

Domestic Purchase Volume

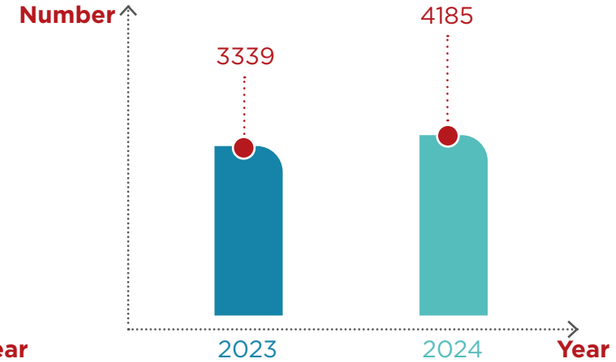


TOTAL : 130,148,173,288 TRY

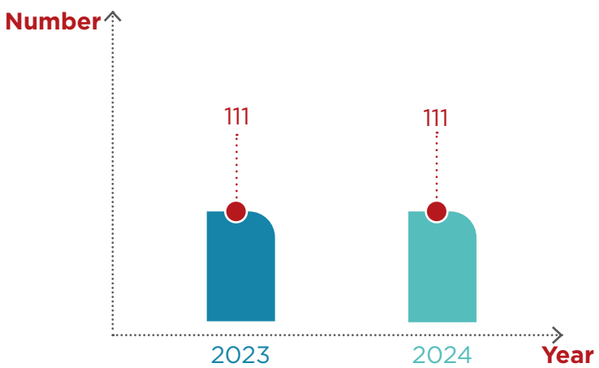
Number of Import Suppliers



Number of Domestic Non-Scrap Suppliers



Number of Domestic Scrap Suppliers



Total : 3,667 Number

Total : 4,504 Number

Stakeholder Relations - Memberships

As İÇDAŞ, we actively participate in various associations, foundations and sectoral platforms and hold management positions in these organisations. Through these roles, we contribute to social development and shape the sector's sustainability, technology and policy agenda. Our partnerships strengthen sectoral solidarity and increase our capacity to create a collective impact.

The platforms where İÇDAŞ holds senior positions enable our company to directly contribute to policy and strategy development processes at the sectoral and national levels. By playing an active role in initiatives such as sustainable development, environmental management, circular economy, and climate action, we contribute to the creation of a fairer, more competitive, and sustainable business environment.

We build strong relationships with a broad network of stakeholders, producing concrete solutions to social and environmental problems through strategic partnerships, joint projects and initiatives developed with the private sector, academic circles and civil society organisations.

ASSOCIATIONS, FOUNDATIONS, CHAMBERS AND UNIONS	MISSION
Shipowners' Association	Member
CARES Sustainability Committee	Member
CARES Construction Steel Technical Committee	Member
European Committee for Standardisation (CEN) meetings on Construction and	Participation on behalf of Turkey
ÇİB - Steel Exporters' Association	Chairman of the Board
DTD - Railway Transport Association	Member
GAN TURKEY - Global On-the-Job Training Network	Member
GİSBİR - Turkish Shipbuilders' Association	Member
IREPAS - International Association of Construction Steel Producers and Exporters	Chair
İKV - Economic Development Foundation	Foundation Supporter
İAV - Economic Research Foundation	Foundation Supporter
İMMİB - Istanbul Mining and Metal Exporters' Associations	Member
İTO - Istanbul Chamber of Commerce	Member
KOSDER - Koster Shipowners and Operators Association	Member
MESS - Turkish Metal Industries Union	Member
TÇÜD - Turkish Steel Producers Association	Member of the High Advisory Board
TÇÜD - Turkish Steel Producers Association	Deputy Chairman and Member of the High Advi-
TÇÜD – Technical Quality Committee	"Work on updating the TSE 708 – Construction Steel Bar Standard."
TMD - Turkish Mining Association	Representative
TURMEPA – Marine Environment Protection Association	Member
TSE – Turkish Standards Institute	Mirror Committee Member (Standard Preparation and Opinion Submission related to the steel

Since our establishment, we have been creating social and environmental benefits through our social responsibility projects, particularly in the Çanakkale region, and leading efforts to improve the quality of life for the local community.

Our Approach to Social Contribution and Social Responsibility

The business world not only has a responsibility to generate economic value; it also has the power to build a more equitable, inclusive and sustainable future by contributing to the development of the society in which it operates. We view the social dimension of sustainability as an integral part of our business strategies and develop projects that promote social development in the regions where we operate. In all our activities, we aim to leave a positive impact on every individual we touch.

Since our establishment, we have been creating social and environmental benefits, particularly through our social responsibility projects in the Çanakkale region, and we are leading efforts to improve the quality of life of the local community. Through the direct and indirect employment opportunities we provide to the local community, we contribute to the strengthening of the local economy and the increase in social cohesion.

As İÇDAŞ, we reinvest the added value we generate back into society within the framework of our social investment policies, aiming to improve individuals' quality of life and strengthen social inclusion through our projects. In line with this approach, we have made investments of nearly 170 million TRY in social and environmental infrastructure, sports, education and culture between 2019 and 2024. With our corporate footprint, we will continue to create value in every area we operate in and improve the quality of life of the local community.

İÇDAŞ's Contributions to Education

At İÇDAŞ, we believe that education is the cornerstone of social development and prioritise projects aimed at training the skilled workforce of the future. Through our partnerships with schools and educational institutions in the Çanakkale region, we contribute to strengthening the educational infrastructure and equipping the younger generation with knowledge.

In 2024, we provided a total of 3.3 million TRY in scholarship support to 136 students, contributing to the education of young people in the region.

İÇDAŞ's Contributions to Sport

Young people's involvement in sports contributes to society by fostering healthy and conscious individuals. Through sports, young people socialise and develop healthy lifestyle habits, which also contributes to improving public health and well-being. As İÇDAŞ, we make significant investments in sports with the aim of supporting the physical, mental and social development of young people. In 2024, we supported a total of 748 athletes, 295 of whom were licensed and 453 of whom were amateurs, in the sports of sailing-surfing, swimming, basketball, archery and chess.

İÇDAŞ's Contributions to Cultural Heritage

We also act with an awareness of our social responsibility regarding the preservation of cultural heritage and its transmission to future generations. We protect the cultural heritage of the region through our regular support for archaeological excavations that reveal the historical richness of Çanakkale.

In collaboration with the Ministry of Culture and Tourism, we provided approximately 6 million TRY in support in 2024 for the Parion, Assos, Troy, Apollon, Troyas Aleksandro and Maydos excavation sites. Thanks to these contributions, we are supporting academic excavation processes and boosting cultural tourism and regional development.

We view our efforts to preserve cultural values as a heritage responsibility that strengthens the historical memory of society, and we continue our contributions in this area.

APPENDICES

Environmental Performance Indicators

2024 Environmental Activities Operating Expenditures			2024
Değirmencik Facility	Environmental Activities Operating Expenses	Emission and Climate Protection	984,571,378 TRY
		Wastewater Management	
		Waste Management	
		Protection of Soil and Groundwater	
		Protection of Biodiversity	
		Radiation Safety	
		Clean Energy	
		Other Environmental Expenditures	
Bekirli Facility	Environmental Activities Operating Expenses	Emission and Climate Protection	3,921,650 TRY
		Wastewater Management	
		Waste Management	
		Protection of Soil and Groundwater	
		Protection of Biodiversity	
		Radiation Safety	
		Clean Energy	
		Other Environmental Expenditures	
		TOTAL ENVIRONMENTAL EXPENDITURES	**988,493,028 TRY**

Non-Renewable Energy Sources – Purchased and Consumed Secondary Energy	Unit	2022	2023	2024
Steel Plants	kWh GJ	1,855,054,698.73 6,678,196.92	1,749,721,444.22 6,298,997.20	1,751,780,618.22 6,306,410.23
Energy Plant – Değirmencik	kWh GJ	297,400,516.00 1,070,641.86	309,494,128.00 1,114,178.86	319,029,584.00 1,148,506.50
Shipyard	kWh GJ	4,755,354.11 17,119.27	5,369,855.24 19,331.48	4,766,378.52 19,331.48
Auxiliary Facilities*	kWh GJ	220,513,028.16 793,846.90	206,580,777.52 743,690.80	194,100,699.26 743,690.80
Energy Plant – Bekirli	kWh GJ	415,581,676.00 1,496,094.03	436,565,186.00 1,571,634.67	486,032,812.00 1,749,718.12

***Auxiliary Facilities: These include all other facilities outside of the Değirmencik Plant, such as Steel, Energy, and Shipyard. Facilities outside the Değirmencik Plant are not included.**

Renewable Energy Sources – Energy Produced and Consumed Within the Facility	Unit	2022	2023	2024
Steel Plants (HEPP4)	kWh GJ	6,300,000 22,680.00	4,782,000 17,215.20	5,654,000 20,354.40
Energy Plant (HEPP1-2-3)	kWh GJ	17,570,829.00 63,254.98	18,690,389.00 67,285.40	19,865,795.00 71,516.86
Steel Plants (SPP)	kWh GJ	4,145,007.00 14,922.03	4,937,000.00 17,773.20	6,680,725 24,050.61

Economic Value of Energy Produced from Renewable Energy Sources and Consumed Within the Facility	Unit	2022	2023	2024
Steel Plants (HEPP4)	TRY	23,311,335	17,694,413	12.639.630
Steel Plants (SPP)	TRY	15,337,404	18,267,946	14.934.894
Power Plant (HEPP1-2-3)	TRY	65,015,792	69,158,401	44.410.382
TOTAL	TRY	103,664,532	105,120,762	71.984.906

Energy Production	2022		2023		2024	
Total Installed Power	**Installed Power (MW)**	**Installed Power Ratio**	**Installed Power (MW)**	**Installed Power Ratio**	**Installed Power (MW)**	**Installed Power Ratio**
Bekirli Power Plant	1,236.00	%72.41	1,200.00	%70.30	1,200.00	%71.24
Degirmencik Power Plant	405	%23.73	405	%23.73	405.00	%24.04
HEPP	5.3	%0.31	5.3	%0.31	5.30	%0.31
WPP	60	%3.52	60	%3.52	63.80	%3.79
SPP	5.3	%0.31	6.37	%0.37	10.37	%0.62
TOTAL	1,711.60	%100.28	1,676.67	%98.23	1,684.47	%100.00
Türkiye Installed Capacity	103,809.30		106,344.00		115,983.33	
% of Türkiye's Installed Capacity	%1.65		%1.58		%1.45	

Electricity Generation

Electricity Generation	2022		2023		2024	
	Electricity Generation (MWh)	Electricity Generation Rate	Electricity Generation (MWh)	Electricity Generation Rate	Electricity Generation (MWh)	Electricity Generation Rate
Bekirli Power Plant	7,857,976.11	%76.00	8,451,171.1	%81.70	9,677,962.84	%74.71
Degirmencik Power Plant	2,657,835.50	%25.70	2,946,022.38	%28.50	3,103,565.52	%23.96
HEPP	23,870.83	%0.20	23,472.39	%0.20	25,519.79	%0.20
WPP	157,671.84	%1.50	144,400.88	%1.40	139,792.21	%1.08
SPP	4,145.01	%0.00	4,937.03	%0.00	6,680.73	%0.05
TOTAL	10,701,499	%103.50	11,570,004	%111.90	12,953,521	%100.00
Türkiye Electricty Generation	305,431,388		305,431,389		348,905,865	
% of Total Electricity Generated in Türkiye	%3.50		%3.79		%3.71	

Flow of Seawater Withdrawn to Obtain Freshwater	Unit	2022	2023	2024
Steel Plants	m^3/year	1,236,627	1,483,225	1,657,996
Power Plant - Degirmencik	m^3/year	409,383	363,176	450,847
Power Plant - Bekirli	m^3/year	2,381,519	2,848,183	3,372,142
Shipyard and Auxiliary Facilities	m^3/year	779,902	435,342	715,935
Total	m^3/year	4,807,431	5,129,926	6,196,920

Amount of Water Recovered and Re-used	Unit	2022	2023	2024
Steel Plants	m^3/year	316,872,538	386,702,745	383,965,405
Power Plant - Degirmencik	m^3/year	40,528	36,359	47,828
Power Plant - Bekirli	m^3/year	112,631	163,443	117,269
Shipyard and Auxiliary Facilities	m^3/year	20,587,200	20,948,400	20,385,000
Total	m^3/year	337,612,897	407,850,947	404,515,502

Total Wastewater Discharge (m^3/year)	Unit	Year	Wastewater Discharge	Cooling Water Discharge
Değirmencik Integrated Plant	m^3/year	2022	225,205	513,626,832
	m^3/year	2023	237,250	637,413,552
	m^3/year	2024	248,200	554,689,440
Bekirli Power Plant	m^3/year	2022	199,338	659,312,640
	m^3/year	2023	Recycling	620,303,851
	m^3/year	2024	Recycling	764,703,937

Amount of Waste from Facilities	2022			2023			2024		
Değirmencik Plant	**Recovered**	**Disposed**	**TOTAL**	**Recovered**	**Disposed**	**TOTAL**	**Recovered**	**Disposed**	**TOTAL**
Hazardous Wastes (Tonnes)	62,719.51	0.22	62,719.73	59,518.33	0.2	59,518.52	59,386.65	0.18	59,386.83
Non-hazardous Waste (Tonnes)	499,693.28	363,986.77	863,680.05	564,410.41	648,783.24	1,213,193.65	608,379.70	686,670.47	1,295,050.17
Total Waste (Tonnes)	562,413	363,987	926,400	623,929	648,783	1,272,712	667,766	686,671	1,354,437
Bekirli Plant	**Recovered**	**Disposed**	**TOTAL**	**Recovered**	**Disposed**	**TOTAL**	**Recovered**	**Disposed**	**TOTAL**
Hazardous Wastes (Tonnes)	35.818	3.006	39	43.18	3.858	47.038	58,171	0.054	58,171
Non-hazardous Waste (Tonnes)	154,970	126,194	281,164	213,294	86,421	299,715	115,492	62,286	177,778
Total Waste (Tonnes)	155,006	126,197	281,203	213,337.18	86,424.86	299,752.04	173,663	62,286	235,949

Amount of Ship Waste Accepted to Facilities	2022			2023			2024		
Degirmencik Plant	**Recovered**	**Disposed**	**TOTAL**	**Recovered**	**Disposed**	**TOTAL**	**Recovered**	**Disposed**	**TOTAL**
Hazardous Waste (Bilge Water, Sludge, Waste Oil) (m^3/year)	596.7	0	596.7	750.5	0	750.5	1,154.910	0.000	1,154.9
Non-hazardous Waste (Domestic Solid and Liquid Waste) (m^3/year)	0	2,930.00	2,930.00	0	4,714.40	4,714.40	0.000	7,064.184	7,064.2
Bekirli Plant	**Recovered**	**Disposed**	**TOTAL**	**Recovered**	**Disposed**	**TOTAL**	**Recovered**	**Disposed**	**TOTAL**
Hazardous Waste (Bilge Water, Sludge, Waste Oil) (m^3/year)	290.83	0	291	156.82	0	157	255.3	0	255.3
Non-hazardous Waste (Domestic Solid and Liquid Waste) (m^3/year)	0	73.98	74	0	133.2	133	0	135.87	135.87

Scope 1 – Greenhouse Gas Emissions per Unit of Product	Unit	2022	2023	2024
Emissions per Unit – Biga Power Plant	tCO_2/ MWh	0.986	1.006	1.000
Emissions per Unit – Meltshop	tCO_2/tonnes of billet	0.139	0.154	0.162
Emissions per Unit – Rolling Mill 2-5	tCO_2/tonnes of rebar	0.059	0.057	0.058
Emissions per Unit – Rolling Mill 3-4	tCO_2/tonnes of wire rod	0.063	0.062	0.063
Emissions per Unit – Lime Plant	tCO_2/tonnes of lime	1.245	1.044	1.029
Emissions per Unit – Bekirli Power Plant	tCO_2/MWh	0.795	0.866	0.858

Scope 2 – Greenhouse Gas Emissions per Unit of Product	Unit	2022	2023	2024
Emissions per Unit – Biga Power Plant	tCO_2/ MWh	0.047	0.044	0.045
Emissions per Unit – Meltshop	tCO_2/tonnes of billet	0.214	0.217	0.240
Emissions per Unit – Rolling Mill 2-5	tCO_2/tonnes of rebar	0.037	0.041	0.041
Emissions per Unit – Rolling Mill 3-4	tCO_2/tonnes of wire rod	0.056	0.059	0.059
Emissions per Unit – Lime Plant	tCO_2/tonnes of lime	0.020	0.020	0.019
Emissions per Unit – Bekirli Power Plant	tCO_2/MWh	0.023	0.022	0.021

Economic Performance Indicators

Economic Values		2022	2023	2024
İçdaş Elektrik Enerjisi Üretim ve Yatırım A.Ş.	Net Sales (TRY)	21,143,426,810	19,745,608,408	22,856,008,121
	Equity (TRY)	5,397,099,170	18,976,980,149	26,613,564,400
	FAVÖK/EBITDA (TRY)	5,633,201,176	4,386,854,246	7,323,950,585
	Gross Value Added (TRY) (at Producer Prices)	6,267,101,751	5,628,250,674	9,537,737,670
	Total Assets (TRY)	9,355,891,887	20,867,326,379	28,860,733,736
İçdaş Çelik Enerji Tersane ve Ulaşım Sanayi A.Ş.	Net Sales (TRY)	54,092,955,288	55,984,773,555	73,457,409,818
	Equity (TRY)	4,891,539,049	28,343,099,679	35,546,671,631
	FAVÖK/EBITDA (TRY)	3,461,741,165	3,654,077,596	203,575,773
	Gross Value Added (TRY) (at Producer Prices)	1,953,403,683	3,526,233,027	4,532,511,925
	Total Assets (TRY)	13,767,270,817	42,319,832,298	57,714,214,102

Sales Amount	Unit	2022	2023	2024
Consolidated Net Sales	Million TRY	75	76	103

Distribution of Net Sales	Unit	2022	2023	2024
Energy	%	41.27	36.41	36.73
Steel	%	53.64	59	59.15
Other	%	5.09	4.59	4.12

Production	Unit	2022	2023	2024
Crude Steel Production	Million tonnes	3.13	2.88	2.79
Türkiye Total Crude Steel Production	Million tonnes	35.1	33.7	36.90
İÇDAŞ Crude Steel Production / Türkiye Total Crude Steel Production Ratio	%	8.92	8.55	7.56

Social Performance Indicators

Labour Force

By Gender	Unit	2022	2023	2024
Male	Person Ratio	6012 %97.38	5928 %97.28	6012 %97.23
Female	Person Ratio	162 %2.62	166 %2.72	171 %2.77
Total	Person	6,174	6,094	6,183

According to Employment Type	Unit	2022	2023	2024
White Collar - Female	Person	109	112	121
White Collar - Male	Person	610	621	660
Blue Collar - Female	Person	53	54	50
Blue Collar - Male	Person	5402	5307	5352
TOTAL	Person	6,174	6,094	6,183

Labour Force

According to Contract Type	Unit	2022	2023	2024
Full-time Employee - Female	Person	162	166	171
Full-time Employee - Male	Person	6012	5928	6012
Part-time Employee - Female	Person	0	0	0
Part-time Employee - Male	Person	0	0	0
TOTAL	Person	6,174	6,094	6,183

Labour Force

By Location	Unit	2022	2023	2024
İstanbul (Office, Ambarlı Port, İkitelli) Female	Person	85	89	96
İstanbul (Office, Ambarlı Port, İkitelli) Male	Person	305	301	319
Employee at Değirmecik Integrated Plant - Female	Person	66	65	61
Employee at Değirmecik Integrated Plant - Male	Person	4845	4757	4853
Employee at Bekirli Power Plant - Female	Person	11	11	11
Employee at Bekirli Power Plant - Male	Person	690	696	696
Anatolian Employee - Female	Person	0	0	0
Anatolian Employee - Male	Person	114	115	91
Ships - Female	Person	0	1	3
Ships - Male	Person	58	59	53
TOTAL	Person	6,174	6,094	6,183

Labour Force

Local Employment in Çanakkale	Localisation	Unit	2022	2023	2024
Senior Executives	Local	Person	26	27	28
		Ratio	%44	%48	%48
	Other	Person	33	29	30
		Ratio	%56	%52	%52
Degirmencik Plant	Local	Person	3736	3713	3825
		Ratio	%76	%77	%78
	Other	Person	1175	1109	1062
		Ratio	%24	%23	%22
Bekirli Plant	Local	Person	575	581	577
		Ratio	%82	%82	%82
	Other	Person	126	126	128
		Ratio	%18	%18	%18
Local Employment in Çanakkale	Local	Person	4337	4321	4430
		Ratio	%76	%77	%78
	Other	Person	1334	1264	1220
		Ratio	%24	%23	%22

Employee Hiring, Turnover, and Attrition

By Gender	Unit	2022	2023	2024
New Hires – Female	Person	12	21	18
	Ratio	2.1%	3.3%	2.5%
Departures – Female	Person	8	17	14
	Ratio	1.7%	2.4%	2.3%
New Hires – Male	Person	567	614	690
	Ratio	97.9%	96.7%	97.5%
Departures – Male	Person	453	688	600
	Ratio	98.3%	97.6%	97.7%
TOTAL – New Hires	Person	579	635	708
TOTAL – Departures	Person	461	705	614

Employee Hiring, Turnover, and Attrition

By Location	Unit	2022	2023	2024
Bekirli – Hired	Person	23	45	40
	Ratio	2.1%	4.2%	3.7%
Bekirli – Departed	Person	20	40	37
	Ratio	3.2%	6.5%	6.0%
Değirmencik – Hired	Person	374	361	482
	Ratio	34.6%	33.4%	44.6%
Değirmencik - Departed	Person	274	446	391
	Ratio	44.2%	71.9%	63.1%
İstanbul - Hired	Person	32	47	51
	Ratio	3.0%	4.4%	4.7%
İstanbul - Departed	Person	22	47	23
	Ratio	3.5%	7.6%	3.7%
Anatolia - Hired	Person	7	50	11
	Ratio	0.6%	4.6%	1.0%
Anatolia - Departed	Person	7	49	32
	Ratio	1.1%	7.9%	5.2%
Ships - Hired	Person	143	132	124
	Ratio	13.2%	12.2%	11.5%
Ships - Departed	Person	138	123	131
	Ratio	22.3%	19.8%	21.1%

Employee Hiring, Turnover, and Attrition

By Age Group	Unit	2022	2023	2024
30 and under – Hired	Person	289	356	425
	Ratio	%49.91	%56.06	%60.03
30 and under – Departed	Person	154	164	179
	Ratio	%33.41	%23.26	%29.15
Ages 30-50 – Hired	Person	197	223	223
	Ratio	%34.02	%35.12	%31.50
Ages 30-50 – Departed	Person	198	396	320
	Ratio	%42.95	%56.17	%52.12
50 and over – Hired	Person	93	56	60
	Ratio	%16.06	%8.82	%8.47
50 and over – Departed	Person	109	145	115
	Ratio	%23.64	%20.57	%18.73

Employee Turnover	Unit	2022	2023	2024
Employee Turnover Ratio	Ratio	%5.28	%9.65	%7.88

Collective Labour Agreement	Unit	2022	2023	2024
Number of employees covered by collective labour agreements	Person	3359	3264	3321
Percentage of employees covered by collective labour agreements	Ratio	54.41	%53.56	%53.71

OHS Training Hours per Person	Unit	2022	2023	2024
All Employees	hour/person	18.16	17.31	16,55

Educational Scholarships	Unit	2022	2023	2024
Total Number of Students	Person	137	130	136
Total Scholarship Amount	TRY	59,940	1,802,700	3,300,500

Total Training Hours by Topics	Unit	2022	2023	2024
OHS Trainings	person.hour	102,564	103,345	102,358
Orientation Trainings	person.hour	12,920	10,296	15,064
Vocational Trainings	person.hour	20,000	16,972	28,490
One Point Trainings	person.hour	10,191	9,373	10,058
Information Security Trainings	person.hour	4,243	3,598	6,262
Quality Trainings	person.hour	2,542	8,117	11,667
Personal Development Trainings	person.hour	4,032	207	9,616
Environmental Trainings	person.hour	8,334	8,186	5,956
Energy Management System Trainings	person.hour	2,197	3,228	5,146
Environmental Control Lab Trainings	person.hour	1,188	1,642	1,200
TOTAL	person.hour	168,211	164,964	195,817

Occupational Health and Safety		2022		2023		2024	
İÇDAŞ Employees	**Unit**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**
Accident Frequency Ratio	Ratio	12.52	26.79	23.15	30.5	5.92	35.97
Occupational Disease Ratio	Ratio	0	0	0	0	0	0
Number of Fatal Accidents	Number/Year	0	1	0	1	0	0
Lost Day Rate Due to Work Accidents	Ratio	0.01	0.01	0.01	0.01	0.01	0.01
Lost Day Rate Due to Illness and Other Causes (Absenteeism Rate)	Ratio	4.39	2.53	4.11	2.41	3.30	2.25

GRI Content Index

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	2-3 Reporting period, frequency and contact point	About The Report, p.5
	2-4 Restatements of information	About The Report, p.5
	2-5 External assurance	There is no external assurance
	2-6 Activities, value chain and other business relationships	Corporate Profile, p.12-15
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GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Circular Economy and Waste Management, p.50
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	201-2 Financial implications and other risks and opportunities due to climate change	Sustainability and Climate-Related Risks and Opportunities, p.38-46
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Sustainable Agriculture and Livestock Farming, p.56

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GRI 3: Material Topics 2021	3-3 Management of material topics	Identifying Material Issues, p.35
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Social Performance Indicators, p.89
	404-2 Programs for upgrading employee skills and transition assistance programs	Work Life at İÇDAŞ, p.58,59,60
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Social Performance Indicators, p.84
	405-2 Ratio of basic salary and remuneration of women to men	Work Life at İÇDAŞ, p.58,59,60 At İÇDAŞ, remuneration is based on performance and there is no gender-based discrimination in remuneration.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	There were no incidents of discrimination at İÇDAŞ during the reporting period.
Other Topics		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Supply Chain Management, p.63
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	İÇDAŞ Human Resources Policy, p.59

GRI STANDARD	DISCLOSURE	LOCATION
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity, p.54,55
	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity, p.54,55
	304-3 Habitats protected or restored	Biodiversity, p.54,55
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity, p.54,55
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply Chain Management, p.63
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Social Performance Indicators, p.85-87
	401-3 Parental leave	İÇDAŞ Human Resources Policy, p.59
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Our Sustainability Goals, p.31
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	İÇDAŞ Human Resources Policy, p.60
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Stakeholder Relations - Memberships, p.64, Our Approach to Social Contribution and Social Responsibility, p.66,67

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