

SUSTAIN- ABILITY REPORT 2025



2025

Sustainability Report

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Transparent Transformation That Creates Value for the Future

At **Hasçelik**, we are pleased to present our 2025 Sustainability Report, a year in which we further advanced our sustainability vision.

This report presents our performance in the environmental, social and governance (ESG) areas in a transparent, measurable and comparable manner, alongside the initiatives we have undertaken in line with the United Nations Sustainable Development Goals (SDGs). The reporting process has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, while the economic, environmental and social impacts of our activities have been assessed from a holistic perspective.

Within the scope of the 2025 reporting period, this report includes operational data from our Hasçelik 0, Hasçelik 1 and Hasçelik 2 facilities, as well as information on sustainability, governance and integrated management practices implemented across Hasçelik. The report's key focus areas include initiatives undertaken in line with our approach to energy management, resource efficiency, climate action, employee development, occupational health and safety, and responsible production.

Our corporate strategies, sustainable growth objectives and long-term collaborations with our stakeholders have been assessed in the context of evolving global dynamics, industry transformation, existing risks and emerging opportunities. Unless otherwise stated, the data presented in this report covers the period from 1 January 2025 to 31 December 2025.

At Hasçelik, we view sustainability not merely as a reporting approach, but as an integral part of the way we conduct our business and our commitment to creating long-term value. In line with the principles of transparency, accountability and continuous improvement, we aim to further enhance our sustainability performance each year and place great importance on maintaining open communication with our stakeholders by regularly sharing our areas for improvement.





MESSAGE FROM THE CHAIRMAN OF THE BOARD



Dear Stakeholders,

At Hasçelik, we view sustainability not merely as an approach that addresses today's needs, but as a fundamental responsibility we bear toward future generations. In response to changing climate conditions, evolving industrial dynamics and rising societal expectations, we remain firmly committed to building a stronger, more resilient and more responsible organization across the environmental, social and governance dimensions.

The year 2025 marked a period in which we implemented significant transformation initiatives in support of our sustainable growth vision. While continuing our investments to transition our production infrastructure toward a more efficient, low-carbon and digitally driven model, we achieved notable progress in energy efficiency, resource management and operational excellence.

Our next-generation Steel Meltingshop investment completed in Bilecik represents a strategic transformation initiative that supports our low-emission production approach. Powered by innovative technologies, we believe this investment will serve as a key building block in advancing the sustainability transformation of our industry.

In line with our sustainable finance models, innovative production technologies and R&D activities, we aim to reduce our environmental impacts while embedding carbon management, circular economy practices and responsible sourcing principles at the core of our business processes. We continue to expand the integration of sustainability criteria across all our operations, from our supply chain through to final product processes.

We believe that our employees are our greatest strength. With this understanding, we prioritize practices that foster diversity, promote equal opportunities, support employee development, and continuously strengthen our occupational health and safety culture. We regard our people-centered approach as an integral part of our corporate culture.

At Hasçelik, we adopt an approach that reduces environmental impacts, creates social value and generates long-term value at every stage of our value chain. In line with the principles of transparency and accountability, we regularly monitor our environmental, social and governance performance and continue to communicate our progress openly with our stakeholders.

We will continue to contribute to a more sustainable future for the steel industry through our low-carbon production approach, investments in innovative technologies and commitment to responsible growth. I would like to thank all our stakeholders who have placed their trust in us, contributed to our journey and created value together with us. I firmly believe that we will continue working together to build a more livable future.

Sincerely,

Adnan Naci Faydasızok



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Our History

With a well-established legacy spanning more than half a century, we continue to play a pioneering role in the development of Türkiye's steel industry. Our journey, which began in 1968 with a commitment to quality, trust and sustainable growth, has today positioned Hasçelik as one of Türkiye's leading special steel producers, supported by our modern production infrastructure, investments in advanced technologies and a strong export network.

In the early years of our operations, our production activities were primarily focused on the domestic market. Beginning in the 1990s, we expanded our product portfolio and started offering high value-added solutions to strategic industries such as automotive, machinery manufacturing, white goods, energy, agriculture and hydraulics. With the commissioning of new production facilities and our investments in international markets during the 2000s, we strengthened our export-oriented growth strategy by enhancing our competitiveness on a global scale.

Today, with sustainability and innovation at the core of our growth approach, we continue to make investments that drive the transformation of our industry. In this context, we commissioned our Osmaneli Steel Meltingshop, whose foundations were laid in 2023, with a focus on low-carbon production, energy efficiency, digitalization and environmentally responsible technologies.

At our Osmaneli Steel Meltingshop, which stands among Türkiye's production facilities equipped with advanced technological infrastructure, we successfully achieved our first production on 10 May 2025. The facility was officially inaugurated on 3 October 2025.

With an investment value of approximately EUR 150 million, the facility represents one of our strategic investments contributing to Türkiye's low-carbon steel transition through its Consteel® Evolution technology, scrap preheating system, advanced digital automation infrastructure and environmentally responsible production technologies.

Designed around a fully scrap-based production model, our Osmaneli Steel Meltingshop supports the circular economy while enabling us to enhance energy efficiency and reduce our carbon emissions. Through waste heat recovery, water recovery systems and low-emission process infrastructure, we continue to advance our efforts to minimize the environmental impacts of our operations.

Operating through our modern production facilities, broad product portfolio, strong engineering capabilities and customer-focused approach, we position quality, sustainability and operational excellence as the core pillars of our production philosophy. We integrate our corporate governance approach with our commitment to environmental and social responsibility.

We have built the core values that shape our corporate culture around reliability, resilience, innovation and sustainability. While delivering reliable solutions to our customers through our high quality standards and engineering-driven approach, we continue to contribute to the transformation of our industry through innovative production technologies. The efficient use of natural resources, the reduction of environmental impacts and our commitment to responsible production form the foundation of our sustainability approach.

At Hasçelik, we manage our assets not solely with a focus on economic growth, but also with a commitment to social value creation, environmental responsibility and long-term value creation. Through our strategic investments, R&D activities and sustainable production approach, we aim both to contribute to the development of Türkiye's industry and to strengthen our position as a robust and sustainable brand on a global scale. Drawing strength from our long-established heritage, we remain firmly committed to being part of the transformation that will shape the future of the steel industry.

Mission

Leveraging our engineering capabilities, production expertise and sustainability-driven approach, we deliver high value-added solutions to the steel industry. By placing quality, reliability, resource efficiency and responsible production at the core of every stage of our operations, we aim to create long-term value for our customers, employees, business partners and society.

Vision

To become a global solutions partner that drives the transformation of the steel industry through a low-carbon production approach, advanced technological infrastructure and innovative manufacturing capabilities. By placing sustainable growth at the core of our business model, we aim to build a production ecosystem that reduces environmental impacts, supports operational excellence and drives transformation across the entire value chain.



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1968 •

We commenced our operations as Hasçelik Sanayi ve Ticaret A.Ş.



2000 •

We commissioned our Konya Bright Steel Production Facility, strengthening our bright steel production infrastructure.



2008 •

We established our Special Steel Hot Rolling Mill, increasing our production capacity and expanding our product range.



2012 •

We commissioned our Bright Steel Production Facility, further enhancing our capabilities in high value-added steel production.



2016 •

We opened our Grindballs Production Facility, expanding our product portfolio and broadening the range of solutions we offer to different industries.



2019 •

In line with our global growth strategy, we established HASÇELİK regional offices in Germany and the United Kingdom, further strengthening our international operations.



2021 •

We commissioned our Crombar Factory, adding another strategic investment to our advanced technology production infrastructure.



2023 •

We laid the foundations for our Hasçelik O Steel Meltingshop investment in Osmaneli, Bilecik.



2025 •

We successfully achieved our first steel production at the Osmaneli Steel Meltingshop and commissioned our Hasçelik O investment. Equipped with an Electric Arc Furnace (EAF), the Consteel continuous charging system and vacuum degassing technologies, our next-generation facility has further strengthened our sustainable, low-carbon and integrated production infrastructure.

CHRONOLOGICAL TIMELINE



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OUR VALUES

Customer Focus

Delivering tailored solutions to meet customer needs and ensure the highest level of customer satisfaction.



Reliability

Our commitment to delivering high-quality and durable steel products.



Innovation

Leading the transformation of our industry through investments in technology and R&D.



Sustainability

Our commitment to minimizing environmental impacts and leaving a more livable world for future generations.





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OUR PRODUCT PORTFOLIO

As one of Türkiye's leading special steel producers, we offer a broad, high value-added product portfolio designed to meet the technical requirements of a wide range of industries. We shape our production processes around high quality standards, engineering expertise, sustainable manufacturing principles and a customer-focused approach, while leveraging our advanced technological infrastructure to develop high-performance steel solutions for diverse industrial applications.

Leveraging our long-standing industry experience, strong engineering infrastructure and technical expertise, we serve strategic sectors including automotive, machinery manufacturing, mining, construction, maritime, iron and steel, and agriculture. We conduct our production activities in line with the principles of quality, precision, traceability and sustainability, while maintaining a continuous focus on improving product performance.

With the commissioning of our Osmanieli Steel Meltingshop in 2025, we transitioned our production infrastructure toward a more integrated, efficient and sustainable model. Operating on a scrap-based production approach, the facility produces high-quality steel billets through an Electric Arc Furnace (EAF), Consteel® continuous charging technology, a vacuum degassing system and continuous casting infrastructure.

Thanks to this integrated structure, we have strengthened our ability to produce the raw materials required for our hot-rolled and bright steel production processes in-house, while achieving significant gains in energy efficiency, process optimization, quality control and low-carbon production.

Hot-Rolled Steel

Through the hot-rolled steel products manufactured at our Special Steel Production Centers, we provide our customers in both domestic and international markets with solutions that meet high quality standards. While conducting our production processes in accordance with international standards, we also integrate customer-specific technical requirements into our operations.

Our hot-rolled products are manufactured by transforming square steel billets into round, flat, hexagonal and square sections in a range of dimensions. These products are used across high-performance industries including automotive, machinery, manufacturing, mining, construction, maritime, iron and steel, and agriculture.

In addition to our hot rolling infrastructure with an annual production capacity of 300,000 tonnes, we support our production processes with advanced quality control practices such as soft annealing, 100% surface crack inspection (Dr. Foerster Circoflux) and internal defect inspection (Waygate Krautkramer Rowa). In the production of alloy steel grades, particularly for applications requiring high quality standards, we produce clean steel using vacuum degassing technologies.



With the integrated production model commissioned alongside our Osmanieli Steel Meltingshop, we produce the steel billets used as raw material for our hot-rolled products within our own facilities, enabling greater traceability and enhanced process control throughout our quality assurance processes. Supported by Electric Arc Furnace and continuous casting technologies, this integrated structure contributes to greater production flexibility, improved energy efficiency and the advancement of our low-carbon production approach.

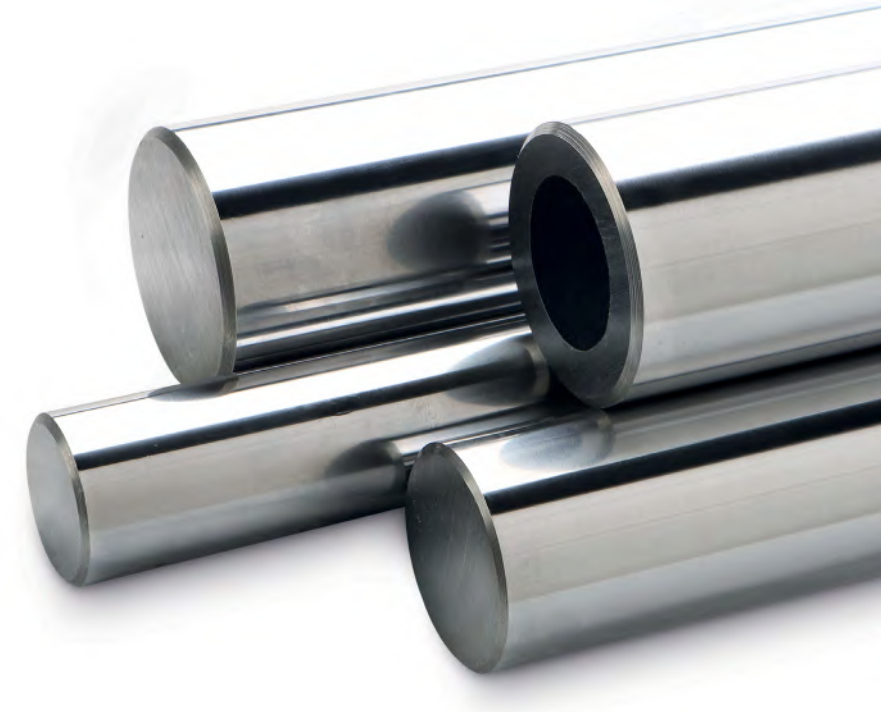
Bright Steel

In our bright steel production activities, we prioritize high precision, superior surface quality and dimensional accuracy to deliver high value-added solutions to our customers.

Our bright steel products are manufactured through cold forming processes applied after hot rolling. Through advanced processes such as peeling, bar drawing, coil drawing, grinding and chamfering, we achieve high surface quality, tight dimensional tolerances and enhanced mechanical properties. Depending on customer requirements, we also apply 100% surface crack inspection to further strengthen our quality assurance processes.

This production approach enables us to enhance the physical and mechanical performance of our products while helping our customers achieve lower machining costs, reduced scrap rates and higher production efficiency. Our high-strength, machinable bright steel products are preferred for critical applications such as shock absorber rods, shafts and spindles, bearing shafts, transmission components, linear shafts, hydraulic equipment and machinery manufacturing.

By integrating our bright steel production processes with the high-quality steel billets produced at our Osmanieli Steel Meltingshop, we strengthen consistency in product quality, enhance process control and further advance our sustainable production approach. This integrated structure enables us to improve operational efficiency while delivering solutions to our customers that meet even higher quality standards.





Chrome-Plated Product Groups & SRB Seamless Tubes

To meet the high-performance and durability requirements of industrial applications, Hasçelik manufactures chrome-plated bars under the Crombar brand. Our production capabilities include chrome-plated bars and induction-hardened chrome-plated bars with diameters ranging from 10 to 160 mm and lengths of 6 to 8 metres, chrome-plated rod tubes with diameters ranging from 35 to 160 mm, as well as SRB tubes with diameter ranges of [50-40] to [270-220] mm and lengths of up to 9 metres.

All of our products are manufactured to high standards of quality and precision, with f6 and f7 tolerances in accordance with ISO 10277 and a straightness tolerance of 0.3 mm/m. State-of-the-art technologies are employed throughout our chrome-plating and surface finishing processes to ensure long service life, high corrosion resistance and superior wear resistance.

Hasçelik Crombar products play a critical role in ensuring performance and safety, particularly in systems operating under high pressure. With a broad range of applications, these products provide reliable solutions across numerous industries, especially in hydraulic and pneumatic power transmission systems.





With our production facilities located in Kocaeli, Konya and Bilecik, we conduct our operations through an integrated production infrastructure. Equipped with advanced manufacturing technologies, our facilities deliver high value-added solutions to the steel industry by focusing on high quality standards, operational efficiency, sustainable production and a customer-oriented manufacturing approach.

As we continuously enhance our production infrastructure, we position digitalization, energy efficiency, resource efficiency and low-carbon production practices among the core elements of our operations. We manage our production centers across different locations as a complementary and integrated structure, while conducting our processes—from raw material production through to the final product—in line with the principles of quality, traceability, process control and sustainability.

Our Osmanieli Steel Meltingshop – Hasçelik O

Our Osmanieli Steel Meltingshop, which commenced production in 2025, operates as one of the most significant strategic investments within our production infrastructure. With this next-generation facility, positioned as Hasçelik O, we have transformed our production processes into a more integrated, efficient and sustainable structure.

Our facility, located on an area of approximately 160,000 m² in the Osmanieli Organized Industrial Zone, is equipped with advanced production systems including an Electric Arc Furnace (EAF), Consteel® continuous charging system, vacuum degassing unit, ladle furnace, and continuous casting machine.

Thanks to this investment, we are able to meet the raw material requirements of our hot rolling and bright steel production facilities within our integrated production infrastructure, achieving significant improvements in quality consistency, process control, traceability and security of supply. At the same time, this structure supports our energy efficiency and low-carbon production approach and represents one of the key pillars of our sustainable growth strategy.

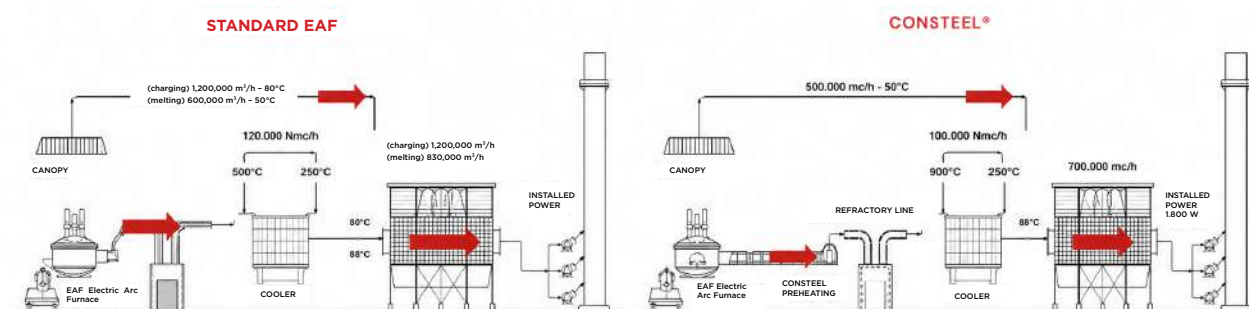


Table 1: Standard EAF & Consteel EAF

In 2025, a total of 163,957 tonnes of finished products were produced at our Osmanieli Steel Meltingshop. Operating with a scrap-based production model, the facility supports our circular economy approach while contributing to the reduction of natural resource consumption and carbon emissions.





Hasçelik 1 – Hot Rolling Mill

Our Hasçelik 1 facility, located in Kocaeli, is one of our strategic production centers and accounts for a significant share of our overall production capacity.

At Hasçelik 1, we carry out our core operations in hot rolling, steel processing and special steel production. Supported by our strong engineering infrastructure and high quality standards, we manufacture high-performance steel solutions for industries including automotive, machinery, manufacturing, mining, construction, maritime, iron and steel, and agriculture.

In 2025, production at the facility reached approximately 191,500 tonnes. This performance reflects the tangible results of technology investments, process improvement initiatives and efficiency-focused practices implemented at our Kocaeli facilities in recent years. Through modernization and capacity expansion investments, we have enhanced operational efficiency, improved resource utilization and steadily increased our production capacity, thereby supporting our sustainable growth objectives.



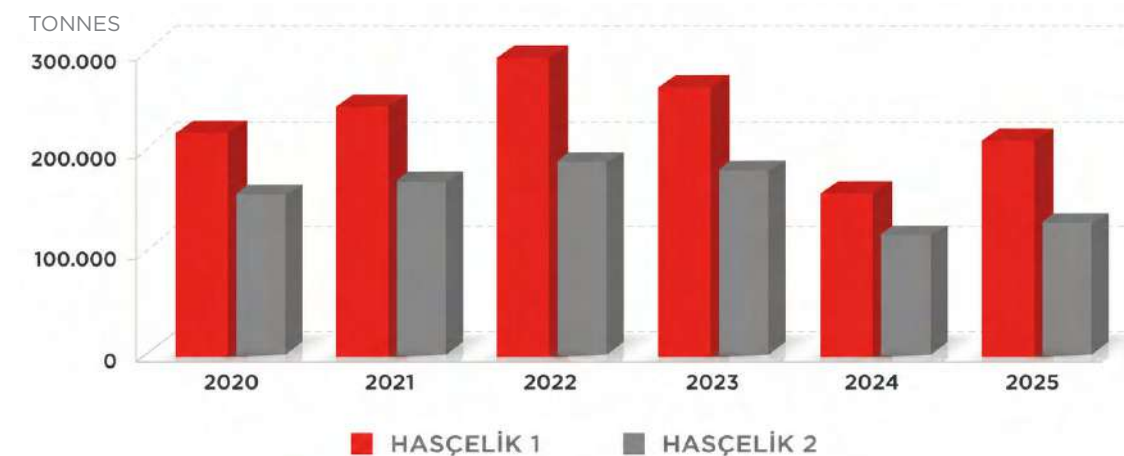
Hasçelik 2 – Bright Steel Production Facility

Our Hasçelik 2 facility is our modern production center specialized in bright steel manufacturing. Thanks to our advanced production lines, we manufacture bright steel products with superior surface quality and tight dimensional tolerances. Our products are used in industries that require high precision, including automotive, white goods, hydraulic systems and machinery manufacturing.

As of 2025, production reached approximately 86,000 tonnes at our Hasçelik 2 facility.

Through the technology investments, automation applications, process improvement initiatives and energy efficiency practices implemented at our Kocaeli facilities in recent years, we have continued to strengthen our operational performance and production efficiency.

At our Hasçelik 3 Facility, where construction works were completed in 2024, we continue commissioning and production readiness activities as part of our efforts to further enhance our production infrastructure.



Production Volumes of Hasçelik 1 and Hasçelik 2



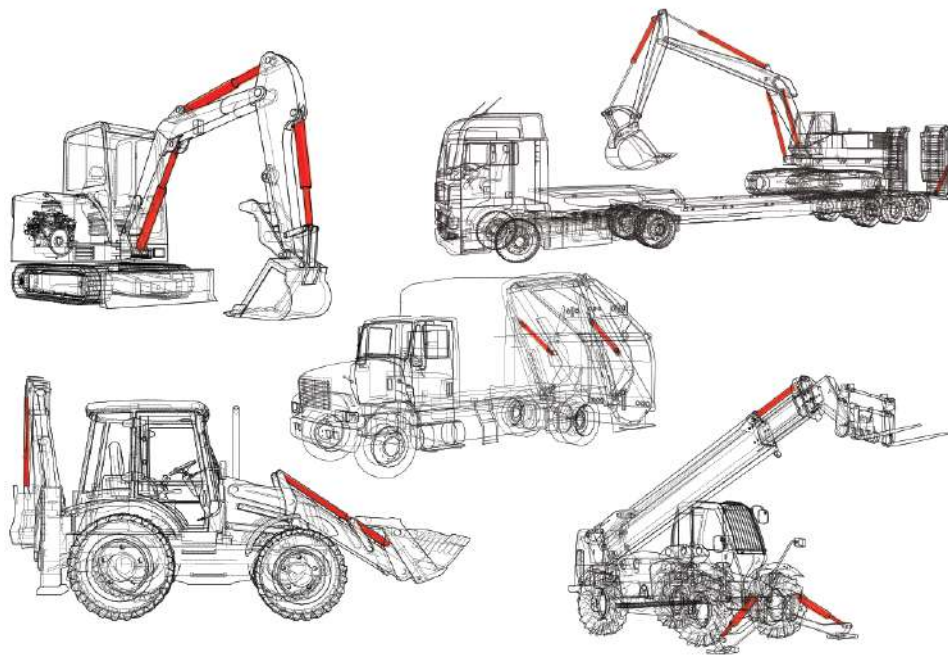
Hasçelik 3 / Crombar

In 2023, with an investment exceeding EUR 35 million, we established Türkiye's first highly technological and Industry 4.0-compliant Chrome-Plated Bar and SRB (honed) Tube Production Facility.

Capable of independently meeting Türkiye's entire demand for chrome-plated bars that had previously been supplied through imports, the facility operates on a total area of 55,000 m², including 40,000 m² of indoor production space. Providing direct employment to more than 200 people, the facility manufactures products that serve the material requirements of a wide range of industries, particularly hydraulics, pneumatics, automotive, agriculture and construction machinery.

Application Areas

- Shock Absorber Manufacturers
- Vehicle-Mounted Equipment
- Power Transmission Systems
- Energy
- Automotive
- Hydraulics
- Pneumatics
- Construction Machinery
- Linear Systems
- Machinery Manufacturing
- Marine
- Automation Systems
- Lifting & Handling Equipment
- Agricultural Machinery
- Manufacturers



Crombar Facility Certifications



The facility holds an ISO 9001 Quality Management System Certificate.



The facility holds an ISO 45001 Occupational Health and Safety Management System Certificate.



The facility holds an ISO 14001 Environmental Management System Certificate.



The facility holds an ISO 27001 Information Security Management System Certificate.





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Konya Facility – A Strong Production Hub in Central Anatolia

Our Konya production facility operates as one of the region's key production centers for bright steel bars. Thanks to its high production capacity, advanced processing capabilities and logistical advantages, we are able to respond to our customers' demands in a fast, flexible and reliable manner.

Our Konya facility serves as an important production hub for both our domestic market and export operations. Through our customer-specific production approach, we develop products tailored to the technical requirements of different industries, while leveraging our strategic regional location to ensure that our products are delivered to customers on time and reliably.





Sales, Procurement and Logistics

We continue to strengthen our presence in global markets by delivering our high-quality steel products to customers across a broad international geography.

Through our international sales office and warehousing operations in the United Kingdom, we provide customers with fast and efficient service in close proximity to local markets, while managing our global procurement and logistics network through an integrated approach. Supported by our strong export infrastructure, customer-focused service approach and high quality standards, we continue to enhance our competitiveness in international markets in a sustainable manner.

The export achievements we have attained in recent years, as reflected in sectoral assessments conducted by the Steel Exporters' Association, are among the key indicators of our strong position in global markets and our sustainable growth approach.

We manage our procurement and supply chain processes in line with the principles of quality, sustainability, security of supply, traceability and operational efficiency. While fostering long-term partnerships across our raw material and service procurement activities, we remain focused on strengthening the resilience and sustainability performance of our supply chain.

In line with the Carbon Border Adjustment Mechanism (CBAM) introduced under the European Union Green Deal, we continue to transform our supply chain processes to align with our low-carbon production approach. In this context, we are integrating carbon footprint management, data traceability, emissions calculation infrastructure and sustainable procurement criteria into our operational processes.

In our collaborations with suppliers, we evaluate not only quality and cost, but also criteria such as environmental performance, sustainable production practices, resource efficiency and regulatory compliance. Particularly within the scope of the CBAM process, we position carbon intensity, verifiable data management and sustainable production practices among the key components of our supply chain management approach.

We manage our domestic operations through our logistics centers located in Istanbul, Kocaeli, Bursa, Izmir, Ankara, Konya and Adana. Through our extensive logistics network, we provide our customers with flexible and reliable delivery processes while maintaining a distribution infrastructure that supports operational efficiency, supply continuity and customer satisfaction.

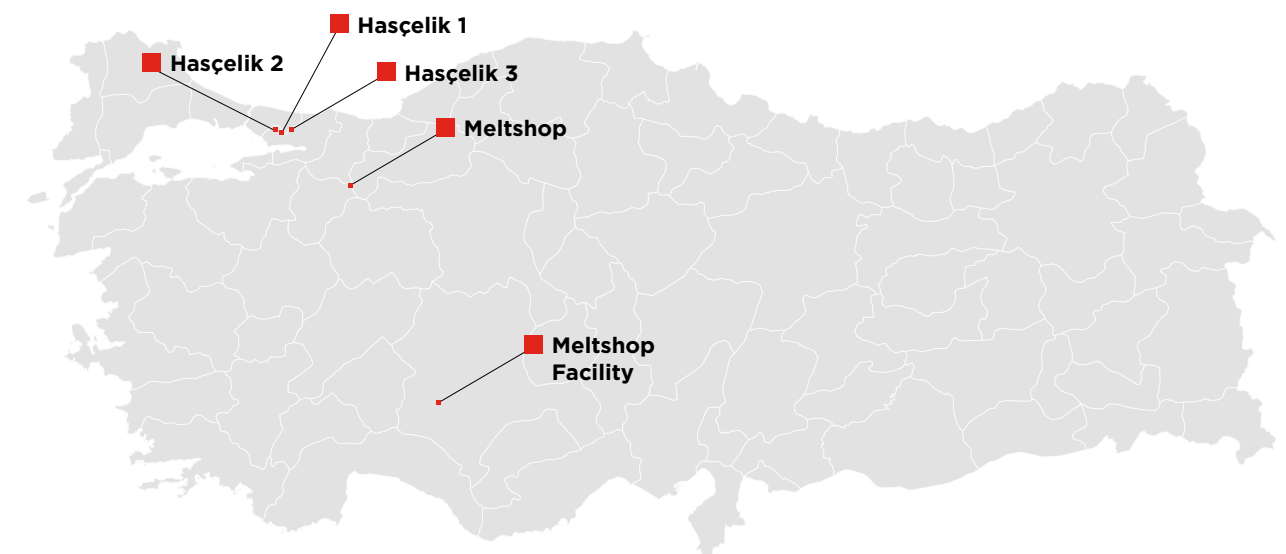
In line with this approach, we manage our sales, procurement and logistics processes not merely as operational functions, but as a strategic value chain management model that supports our sustainable growth objectives, global competitiveness and vision for a low-carbon transition.

In response to evolving global trade dynamics driven by the European Union Green Deal and the Carbon Border Adjustment Mechanism (CBAM), we continue our efforts to enhance the traceability of our supply chain, strengthen our carbon management capabilities and improve our sustainability performance. In this context, we integrate not only quality and cost criteria into our procurement processes, but also factors such as environmental performance, resource efficiency, emissions management and regulatory compliance.

Strengthening our local sourcing structure is among our strategic priorities in terms of supply continuity and operational resilience. In line with this objective, we continue our efforts to increase the share of raw materials procured from local suppliers.

Sales Data (tonnes)	2021	2022	2023	2024	2025
Domestic Market	324.278.37	303.901.42	311.374.54	274.367	259.887
Exports	71.885.135	81.286.102	61.497.716	54.376	45.539

Strong Position in Global Markets, Local Resilience in Supply





2025

Performance Summary

A New Milestone in Our Low-Carbon Production Journey

The year 2025 marked a significant period of transformation for Hasçelik in line with our objectives of sustainable growth, low-carbon production and integrated manufacturing infrastructure. With the commissioning of our Osmanieli Steel Meltingshop, we achieved substantial progress in raw material integration, energy efficiency, traceability and security of supply across our production processes.

Osmanieli Meltshop



Investment Value

Approximately

150
million Euro



Facility Area

Approximately

160,000
m²

Production Volumes

Hasçelik 0

163,957
tonnes of finished product

Hasçelik 1

Approximately

190,000
tonnes

Hasçelik 2

Approximately

86,000
tonnes

OHS and Environmental Training



Number of Employees

1,212
employees



Training Duration

14,830
person-hours

Our Strategic Transformation Areas

Transformation in Production



At our Osmanieli Steel Meltingshop, we produce high-quality steel billets from scrap using an Electric Arc Furnace (EAF), the Consteel® continuous charging system, vacuum degassing technology and continuous casting infrastructure. This investment strengthens our integrated production structure while supporting our low-carbon production approach.

Environmental Performance



In 2025, the Hasçelik 0 facility was included in our corporate carbon footprint inventory. By further enhancing our data-driven monitoring approach across energy consumption, emission sources, water management and waste management, we continue to make our environmental performance more measurable and manageable.

People and Safety



To strengthen our occupational health and safety culture, we conducted basic OHS training, toolbox talks, environmental awareness sessions and specialized training programs throughout the year. As of 2025, our accident frequency rate stood at 87.9, while our accident severity rate was 6.88. In line with our “Zero Accidents” approach, our objective is to continuously reduce these rates.

Sustainable Management



Prepared in accordance with the GRI Standards, our report includes operational data from our Hasçelik 0, Hasçelik 1 and Hasçelik 2 facilities, as well as information on our sustainability, governance and integrated management practices. We continue our efforts to further integrate our sustainability management system with our quality management system.



Our National Collaborations

Throughout 2025, we continued to contribute to sustainable development through collaborations with educational institutions, universities, local authorities and non-governmental organizations. Together with a diverse range of stakeholders, we carried out initiatives that supported the exchange of technical knowledge, encouraged the development of young talent and contributed to strengthening local development.

Visit to GEBKİM Technical High School 11.11.2025



As part of our efforts to strengthen cooperation between vocational education and industry, we visited GEBKİM Technical High School to exchange views on technical education processes and industry needs. We also participated as a sponsor in the Tuzla Technical Vocational High School Summit, where we delivered seminars, training sessions and informational activities for high school students. Through these initiatives, we aimed to raise young people's awareness of technical fields and support their earlier engagement with industry.

Visit to Bilecik Vocational High School 11.11.2025



As part of our engagement with local communities, we signed a cooperation protocol with Bilecik Vocational High School with the aim of contributing to the development of a qualified workforce for the future. Within the scope of this collaboration, we seek to support students through educational and scholarship opportunities, help prepare them for industry at an earlier stage and contribute to strengthening regional employment.

International Materials Science Congress 11.11.2025



As part of our university-industry collaboration efforts, we participated in the Istanbul Technical University International Materials Science Congress. In a presentation delivered by our Quality Director, Caner Güney, insights were shared on quality management in the steel industry, materials science and sustainable production approaches. At Sakarya University's National Metallurgy Days, Samet Yılmaz Bayhan also met with young engineering candidates and contributed to technical knowledge sharing through his presentation.

Delivery of Fire-Fighting Water Tankers in Osmaniye, Bilecik 11.11.2025



To support community resilience, we contributed to strengthening wildfire response capacity in Bilecik in 2025. Within this scope, we supported the procurement of 20 fire-fighting water tankers, which were delivered to villages with the participation of Bilecik Governor Oktay Sözer. Through this initiative, every village in the Osmaniye district now has access to a fire-fighting water tanker.

Investments

The year 2025 marked an important period in which Hasçelik strengthened its production infrastructure, enhanced its integrated manufacturing capabilities and commissioned investments that support its long-term growth strategy.

In this context, the first casting at our next-generation Steel Meltingshop located in Osmaniye, Bilecik was successfully completed on 10 May 2025. With an investment value of approximately EUR 150 million, the facility stands among our strategic investments that strengthen the integration of our production infrastructure and enhance operational efficiency.

Our Osmaniye Steel Meltingshop has been designed with advanced automation systems, energy efficiency-focused production infrastructure and high-technology manufacturing equipment. Through the use of Consteel® Evolution technology, electromagnetic stirring systems and continuous casting infrastructure, we aim to enhance production efficiency, quality consistency and process control.

During the investment process, we collaborated with leading technology providers including Tenova, SMS Group and ABB. The facility infrastructure has been structured to support high production efficiency, operational continuity and our low-carbon production approach.

The official opening of our new Steel Meltingshop took place on 3 October 2025 with the participation of Minister of Industry and Technology Mehmet Fatih Kacır, Bilecik Governor Faik Oktay Sözer and industry representatives. During the opening ceremony, particular emphasis was placed on the facility's expected contribution to Türkiye's industrial technological transformation, production capacity and sustainable industrial infrastructure.

The investment process extended beyond production infrastructure and was further strengthened through initiatives designed to support the technical development of our workforce. In this context, a two-stage technical training program was organized to enhance the technical competencies of our field teams.

The programs, attended by our Regional Sales, Export, Corporate Sales and S&OP teams, provided comprehensive technical training on steelmaking processes, steel grades, heat treatment, quality systems, customer specifications and process management.





National and International Events and Promotional Activities

Throughout 2025, we continued to present the Hasçelik brand, our production infrastructure and our low-carbon production vision to industry stakeholders across national and international platforms. Through international trade fairs, sectoral organizations and technical events, we had the opportunity to showcase our integrated production capabilities, sustainable manufacturing approach and investments in technological transformation across different markets.

Throughout 2025, developments related to the first casting process and official opening of our Osmaneli Steel Meltingshop, our technical training programs, integrated production infrastructure and next-generation manufacturing technologies were regularly communicated to the public.

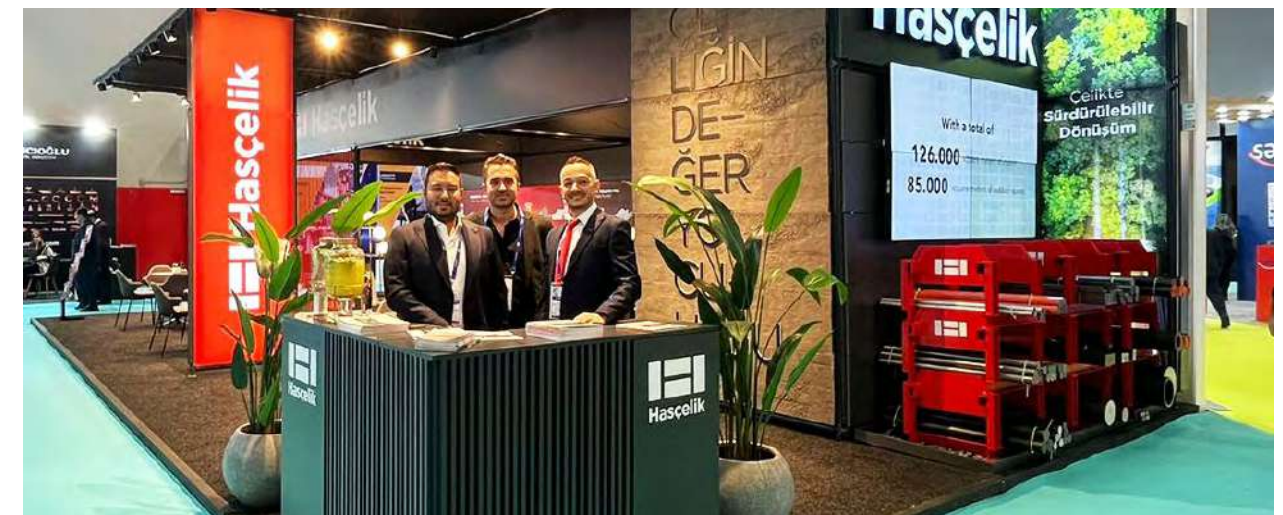
By participating in Made in Steel 2025, one of the key meeting points of the European steel industry, we presented our low-carbon special steel production approach, next-generation Steel Meltingshop investment and sustainable production vision to international industry representatives. At the event held in Milan, we showcased our product groups for sectors with high technical requirements, including automotive, machinery manufacturing and energy, while sustainable production, energy efficiency, digitalization and our integrated production infrastructure stood out as key themes. Throughout the exhibition, technical meetings and business development engagements contributed to taking important steps toward expanding our international collaborations.

As part of our communication activities throughout the year, we shared our production technologies, sustainability approach, technical expertise and vision for industry transformation with our stakeholders through digital media channels, sectoral publications and international platforms. Through these efforts, Hasçelik's global visibility as a sustainable, technology-driven and high value-added producer was further strengthened.



- We also participated in Automechanika Istanbul 2025, one of the automotive industry's most prestigious events, where we showcased our special steel solutions developed for the automotive, machinery manufacturing and industrial production sectors. Held at the Istanbul TÜYAP Fair and Congress Center, the event provided an opportunity to engage with industry representatives and business partners and to share insights into our production technologies, quality approach and sustainable growth objectives.
- By participating in the **Metal Expo Fair**, we had the opportunity to explore the value journey of steel together with industry professionals. Throughout the event, we presented our high-quality steel products, integrated production structure and sustainability-driven transformation approach to visitors.
- By participating in Made in Steel, one of the key meeting points of the European steel industry, we came together with our international stakeholders. While sharing insights into our sustainable production approach, high value-added steel solutions and growth vision in global markets, we also had the opportunity to closely follow innovative practices and emerging developments across the industry.
- We participated as an exhibitor at UK Metals Expo, one of the United Kingdom's leading events for the metals industry. During the exhibition, we held meetings with industry professionals, supply chain stakeholders and potential business partners, presenting our high-quality steel production capabilities and sustainability-focused investments.
- At **Wire & Tube Middle East Africa**, we met with regional and international industry representatives to exchange views on developments in the steel sector. While presenting our efficiency-focused production practices, quality approach and sustainable growth objectives, we also explored opportunities to develop new business collaborations.

Through the trade fairs and sectoral events we participated in, we continue to strengthen the recognition of the Hasçelik brand in international markets, deepen our customer relationships and remain an active stakeholder in the transformation of our industry.





People & Corporate Culture Achievements

Throughout 2025, we approached the transformation of our production infrastructure not only through technology investments, but also through initiatives that support the technical and managerial development of our people. Alongside the implementation of next-generation production technologies, enhancing our employees' technical competencies, strengthening leadership capabilities, fostering knowledge sharing and ensuring the sustainable transfer of institutional know-how remained among our key areas of focus.

During the commissioning of our Osmaneli Steel Meltingshop, we organized comprehensive technical training programs for our field teams. The training sessions, attended by our Regional Sales, Export, Corporate Sales and S&OP teams, covered key topics including steelmaking processes, steel grades, heat treatment, quality systems, customer specifications and process management.

In addition to technical development programs, we also implemented training initiatives throughout the year focused on management, leadership, communication and corporate development for different teams. Through these efforts, we aimed to strengthen not only our employees' technical expertise, but also their competencies in team management, decision-making, collaboration and change management.

In line with this approach, we continued to prioritize initiatives that foster interdisciplinary knowledge sharing, encourage continuous learning and strengthen a development-oriented corporate culture.

At the same time, we held our Long Service Awards Ceremony to recognize colleagues who have been part of Hasçelik for many years. Employees who have played an important role in our sustainable success through their technical expertise, institutional knowledge and contributions to our corporate culture were honored as part of the ceremony.

We regard employee engagement, institutional knowledge and a shared commitment to continuous development as fundamental elements of our long-term success. We continue to view initiatives that support the development of our people as an integral part of our sustainable growth approach.



Technological and Operational Achievements

Successful Trial Productions Using Vacuum-Sealed Casting Technology

In 2025, we successfully completed trial productions of 42CrMo4 and 41Cr4 heat-treatable steel grades using the vacuum-sealed casting technology commissioned at our Osmaneli Steel Meltingshop.

Through the integrated use of vacuum and sealed casting technologies, undesirable gases such as hydrogen, oxygen and nitrogen were reduced to minimum levels, enabling the production of steel with greater homogeneity, improved machinability and enhanced performance characteristics.

Through these initiatives, we further advanced our process control capabilities and product quality in the production of special steels, particularly for applications requiring high levels of engineering performance.

Trial Production of Case-Hardening Steels

In 2025, using the vacuum-sealed casting method,

- **16MnCr5**
- **16MnCrS5**
- **20MnCr5**
- **20MnCrS5**

At the same time, we held our Long Service Awards Ceremony to recognize colleagues who have been part of Hasçelik for many years. Employees who have played an important role in our sustainable success through their technical expertise, institutional knowledge and contributions to our corporate culture were honored as part of the ceremony.

Within this scope:

- Compliance checks were conducted for products with diameters ranging from Ø19 to Ø80 mm.
- Quality tests were completed in accordance with TS EN ISO 9443.
- 100% surface crack inspection was applied to the products.
- Internal defect inspections were carried out using ultrasonic testing methods.
- Chemical verification and mix-up control processes were successfully completed.

All production stages, from vacuum-sealed casting through hot rolling and packaging, were verified and monitored by our quality teams.

With these trial productions, significant progress has been achieved in the technical validation of our Hasprime case-hardening steel product group for use in automotive, aerospace, energy and other high-precision applications.

Through these efforts, we continue to strengthen our advanced manufacturing infrastructure, process capabilities and expertise in the production of high value-added steel products.



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Equity and Shareholding Structure

Hasçelik is a 100% domestically owned industrial company operating in the special steel sector with a strong production infrastructure, engineering expertise and integrated manufacturing capabilities. Through our Hot Rolling Mill, Bright Steel Factory, Konya Bright Steel Factory, Crombar Chrome-Plated Bar Factory and our Osmaniye Steel Meltingshop, which commenced production in 2025, we manage our production processes within an integrated structure.

The principal shareholders of our company are our Founder, Hasan Faydasıcok, together with Adnan Naci Faydasıcok, Fatih Faydasıcok and Cem Faydasıcok. While combining our long-standing industrial experience with a strong corporate governance approach, we position sustainable growth, transparency, accountability and long-term value creation among the fundamental principles guiding the way we conduct our business.

In line with our long-term investment approach, strong financial structure and focus on sustainable growth, we continue to enhance our operational resilience, production capabilities and global competitiveness.

Our Corporate Governance and Sustainability Approach

Within the framework of our corporate governance structure, our Executive Committee regularly evaluates our corporate strategies, operational performance and sustainability objectives. Financial performance, sales activities, production efficiency, human resources management, investment processes, energy consumption and environmental performance indicators are analyzed periodically, and the resulting assessments are reported to our Board of Directors.

Our Internal Audit Committee, operating under the Board of Directors, conducts regular internal control activities aimed at strengthening process effectiveness, risk management and corporate compliance mechanisms. Areas for improvement identified through these assessments are shared with the relevant business units, and the implementation of necessary corrective actions is closely monitored.

In line with our commitment to transparency and accountability, we place importance on regularly sharing our sustainability performance with our stakeholders. Within this framework, our Sustainability Committee operates in accordance with the strategic vision of our Board of Directors and works in coordination with the relevant working groups to support the implementation of targets established across environmental, social and governance areas.

In response to the accelerating global momentum in climate policies, carbon regulations and sustainable finance practices, we continue to further develop our corporate governance approach. We consider the transformation taking place in the steel industry under the European Union Green Deal and the Carbon Border Adjustment Mechanism (CBAM) among our strategic priorities.

In line with this approach, we consider not only financial performance but also carbon management, data transparency, energy efficiency, environmental performance and supply chain sustainability as integral components of our decision-making processes. We believe that the carbon footprint of our products, their sustainability performance and the traceability of our production processes are critical to maintaining and strengthening our competitiveness in global markets.

We continue to develop our corporate governance approach in line with the principles of sustainable growth, ethical management, risk management, environmental responsibility and stakeholder engagement, while positioning long-term value creation among the core priorities of all our activities.





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SUSTAINABILITY TRANSFORMATION



Our Sustainability Initiatives

The foundation of our sustainability approach is built on long-term value creation, responsible production and the low-carbon transformation of industry. In line with this approach, since 2022 we have been addressing our sustainability efforts within a more systematic framework and assessing how our activities contribute to the United Nations Sustainable Development Goals.

In line with the priorities we have identified in the areas of climate action, energy efficiency, resource management, employee development and social contribution, we continue to integrate our sustainability approach into our operational processes. While monitoring our environmental and social impacts through measurable indicators, we position sustainable growth as one of the fundamental elements of our business model.

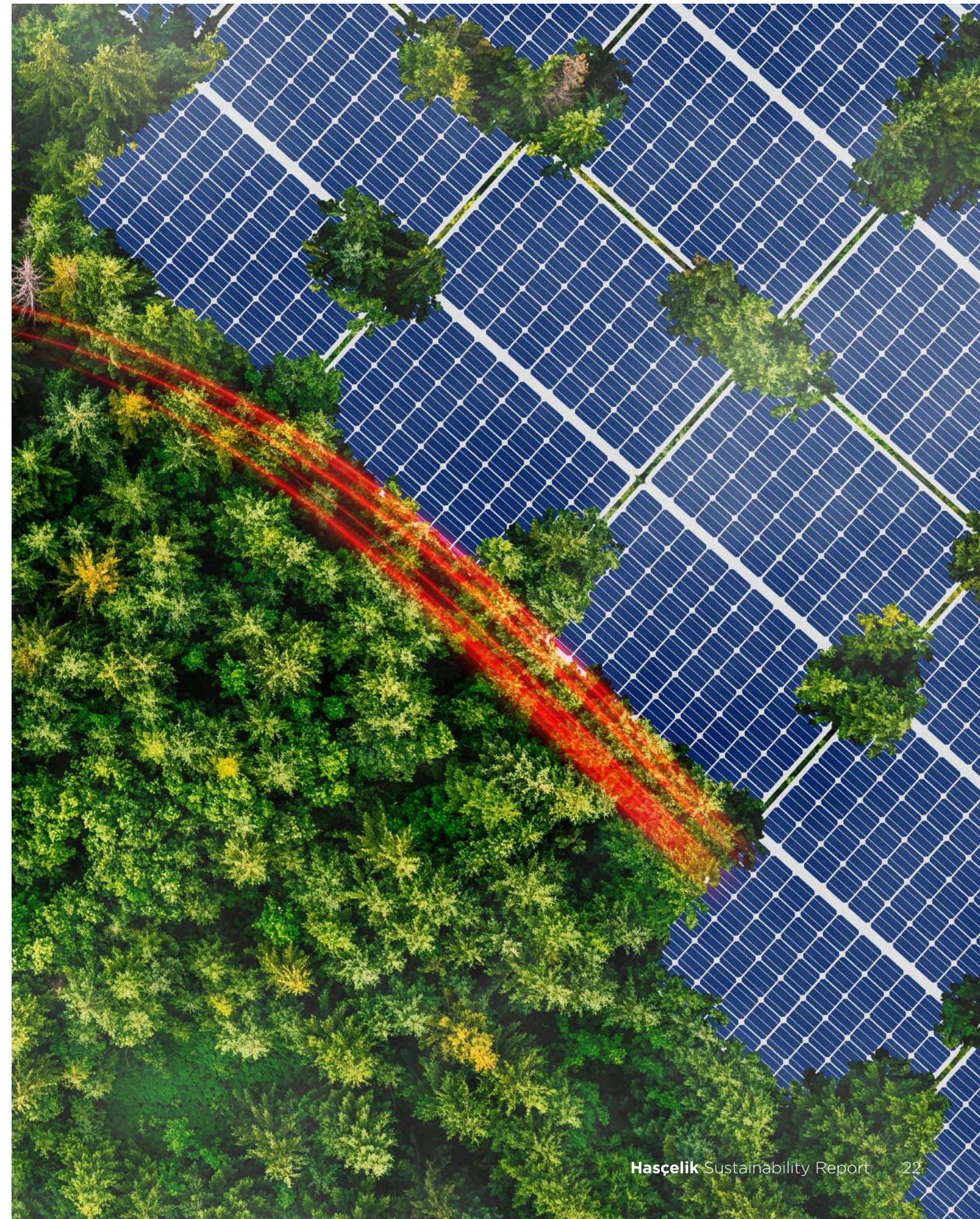
As of 2025, our Osmaniye Steel Melting Shop represents one of the key transformation initiatives supporting our low-carbon production approach. Supported by a scrap-based production model, energy efficiency-focused production infrastructure and advanced technology systems, the facility contributes to our approach to resource efficiency, the circular economy and traceability across our production processes.

Renewable energy investments are also among the key components of our sustainability strategy. Through our Solar Power Plant (SPP) projects, we aim to increase the share of our energy needs met from renewable sources, reduce our carbon emissions, enhance energy efficiency and contribute to our long-term energy transition objectives.

In line with evolving global sustainability expectations, we continue to advance our efforts in carbon management, data transparency, resource efficiency and supply chain sustainability. We regard the transformation driven by the European Union Green Deal and the Carbon Border Adjustment Mechanism (CBAM) as an important area of development for our operational processes.

Stronger Steps Together with Our Stakeholders

Throughout our sustainability journey, we place great importance on sharing our initiatives with our stakeholders through transparent and open communication. By incorporating feedback from all our stakeholders—from employees and customers to suppliers and local communities—into our strategic decision-making processes, we continue to strengthen our approach to continuous improvement.





“We Are Transforming”

Hasçelik has placed sustainability at the heart of its corporate transformation journey

In line with our **“We Are Transforming”** vision, we are reshaping our production model with a focus on lower carbon intensity, higher energy efficiency and stronger resource optimization.

Our strategic priority is to achieve a lasting reduction in our environmental impact across the entire value chain while continuously strengthening our operational excellence and competitiveness.

Renewable energy investments, advanced production technologies and circular economy principles constitute the key building blocks of this transformation. Our investments in Consteel® EAF technology, solar energy capacity expansion and process optimization are delivering measurable reductions in carbon intensity and sustainable improvements in energy performance.

For Hasçelik, sustainability is not only a matter of environmental responsibility, but also a strategic approach to risk management, resilience and long-term value creation. Accordingly, sustainability indicators have been integrated into our investment and operational decision-making mechanisms, and our performance is managed through concrete and measurable targets.

ENERGY EFFICIENCY & CARBON TRANSITION

Energy efficiency and low-carbon production form the foundation of Hasçelik’s competitiveness.

📄 As of 2026, 35% of our electricity is sourced from solar power plants (SPPs).

⚡ Improved energy efficiency through Consteel® technology

🌍 Net Zero Commitment by 2050

🏭 Scope 1 & 2 Emissions Reduction Target (85%)

🔄 Reduction in carbon intensity through scrap preheating in the Electric Arc Furnace (EAF)

By the end of 2026, 35% reduction in electricity consumption per tonne

85% reduction in Scope 1 & 2 emissions by 2030 (base year: 2024)

🌍 Scope 1 & 2 Emissions Reduction: 85% reduction target by 2030 (base year: 2024)

CIRCULAR STEEL & RESOURCES

We reinforce the circular nature of steel through responsible resource management.

♻️ 99% Waste Recovery Rate

🔄 Scrap-Based Production Model

🏭 Digital Scrap Yard Management

💧 Transitioning Water Consumption to the Green Water Category

📦 By-Product Recovery Projects

Continuous improvement of recycling performance across all production sites.

Gradual reduction of the amount of waste sent to landfill.

INNOVATION & GREEN PRODUCTION

We invest in advanced technologies to produce high-quality, low-carbon steel in alignment with global climate expectations.

🏭 New Bilecik Steel Meltingshop Investment

🔥 Consteel® EAF Technology

≈ Enhanced Quality through Vacuum Degassing

📊 Digital Production Traceability

🌐 CBAM Compliance Process

☀️ Total Installed Solar Power Capacity: 34 MWp

Measurable reduction of energy intensity and production-related emissions through technology-driven transformation

SOCIETY & RESPONSIBLE GROWTH

We measure sustainable growth not only by what we produce, but also by the value we create for people and society.

👷 Occupational Health & Safety Targets

🎓 Employee Development Programs

👩 Female Employment Rate / Target

🌱 Faydasıcok Foundation Social Impact Projects

📄 UN Global Compact Alignment

Zero tolerance for fatal accidents. Continuous improvement in occupational safety performance.



Our Sustainability Approach

We view sustainability not merely as an area of environmental responsibility, but as a fundamental component of our business model, production approach and long-term growth strategy. Recognizing the energy-intensive nature of the steel industry and its associated carbon emissions, we manage our operations through a holistic approach that takes environmental, social and economic considerations into account.

We aim to transform our production processes into a more efficient, low-carbon structure that optimizes resource use, while positioning energy efficiency, carbon management, the circular economy, digital transformation and stakeholder-oriented management among our strategic priorities. We regard our sustainability approach not as an area limited to specific projects, but as an integral part of our decision-making processes and operational structure.

We view the accelerating global momentum in climate policies, sustainable finance practices and the transformation driven by the European Union Green Deal as a significant area of development for our industry. In this context, we continue to advance our efforts in carbon management, data transparency, energy transition and sustainable supply chain management.

Innovation-Driven Sustainability Approach

We regard innovation, digital transformation and advanced technologies as key components of our sustainable growth strategy. We aim to enhance our production processes not only with a focus on operational efficiency, but also in line with environmental performance, low-carbon production, quality consistency and evolving customer expectations.

In line with this approach, we conduct our R&D activities through a holistic framework focused on high-performance steel solutions, process development, energy efficiency, digitalization and sustainable production. Through these efforts, we aim both to strengthen our global competitiveness and to contribute to the sustainable transformation of the steel industry.

Development of High-Performance Steel Products

We develop high-strength steel solutions with enhanced wear and corrosion resistance to meet the needs of a wide range of industries, particularly automotive, machinery manufacturing, energy, defense and heavy industry. Through our work on high-alloy steels in particular, we provide our customers with products that offer improved thermal resistance, extended service life and enhanced mechanical performance.

With the commissioning of our Osmaniye Steel Meltingshop in 2025, we further strengthened our integrated production infrastructure and introduced a new production model that supports our low-carbon manufacturing approach. By producing low-carbon steel billets within our own production infrastructure using Electric Arc Furnace (EAF) technology, we aim to contribute to our customers' sustainable supply chain objectives.

Our R&D teams play an active role in defining production parameters, conducting technical validation processes and supporting customer approval mechanisms. One of our key priorities is to further strengthen Hasçelik's position as a globally recognized and customer-approved steel supplier.

Energy Efficiency and Emissions Management

In line with our sustainable production approach, we carry out initiatives to improve the efficiency of energy-intensive processes. Through waste heat recovery, process optimization, energy-saving practices and low-carbon production technologies, we aim to enhance operational efficiency and reduce our greenhouse gas emissions.

The advanced technological infrastructure utilized across our production processes makes a significant contribution to energy efficiency and process optimization. Within this scope, we continue to enhance our production processes with a focus on reducing energy consumption while improving operational performance.

	Top Charging 1 (Same Tapping Volume)	Consteel	Top Charging 2 (Same Efficiency Level)
Productivity	135 t/h	154 t/h	154 t/h
Heat Size	100 tls	100 tls	120 tls
Tap-to-Tap Time	44 min.	39 min.	44 min.
Power-Off Time	11 min.	7 min.	11 min.
Energy Consumption	385 kWh/tls	360 kWh/tls	385 kWh/tls
Transformer Power	100 MVA	90 MVA	120 MVA
Energy Yield	83%	92%	85%
Time Efficiency	75%	82%	75%

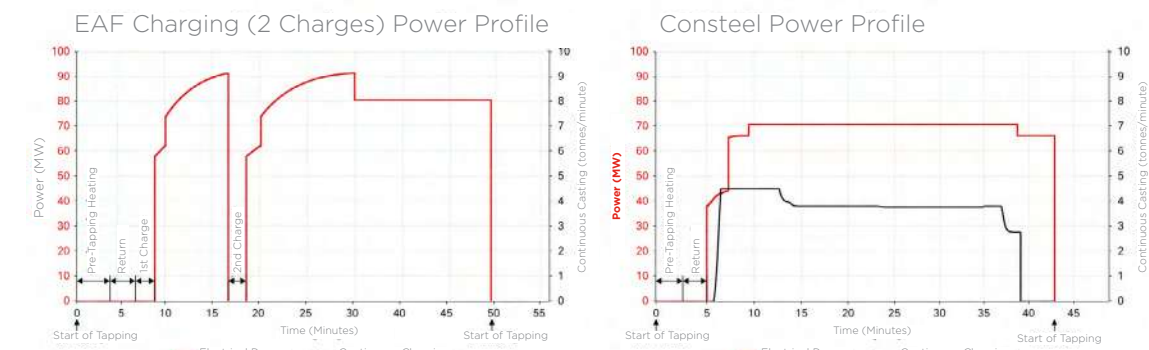


Table 2: Energy Efficiency Comparison

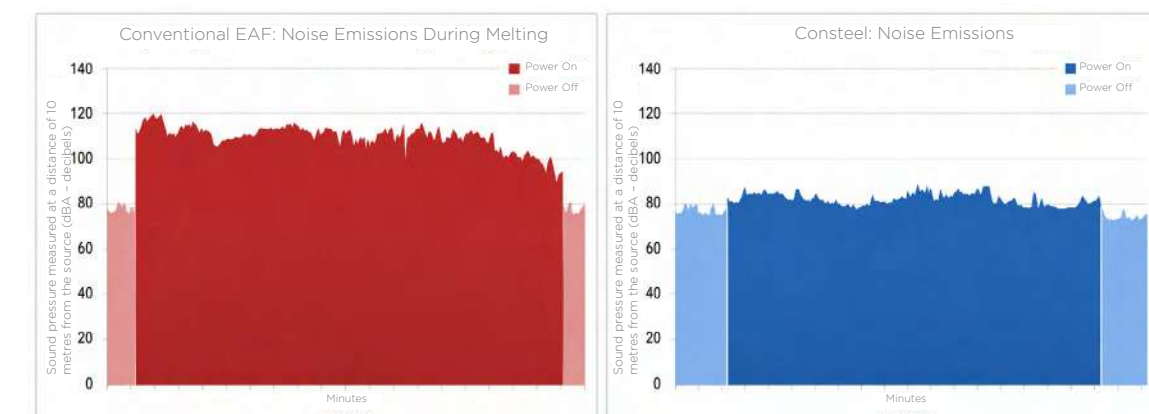


Table 3: Noise Emissions



Renewable energy investments are also among the key components of our energy transition strategy. Through our Solar Power Plant (SPP) projects, we continue our efforts to increase the share of electricity consumption met from renewable energy sources, while aiming to reduce our carbon emissions and support our energy transition objectives.

Environmentally Responsible Production and Resource Management

As part of our efforts to reduce our environmental impacts, we continue to promote the effective use of recycled raw materials. Through our scrap-based production approach, we contribute to the circular economy while pursuing continuous improvement initiatives in waste management, water recovery and resource efficiency.

Through practices aimed at reducing water consumption, recovering wastewater and expanding closed-loop systems, we seek to optimize the use of natural resources.

Digital Transformation and Industry 4.0

We position digitalization at the core of our sustainable growth strategy. Within the scope of Industry 4.0 applications, we integrate advanced technology solutions into our operations to make our production processes more efficient, traceable and secure.

Within this scope, we:

implement AI- and data analytics-supported production optimization applications, enhance our quality and occupational safety performance through robotics and automation systems, and support operational continuity by optimizing maintenance processes through big data analytics.

We have been actively using our SAP infrastructure since 2019. By further integrating this infrastructure with our new production systems commissioned in 2025, we strengthened our capabilities in data management, traceability and operational planning.

Customer-Focused Product and Process Development

We continuously improve our product development processes through alloy development, process optimization and technical validation activities tailored to customer needs. We consider the ability to develop fast and flexible solutions in response to evolving industry expectations as an important element of our sustainable growth approach.





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SUSTAINABILITY STRATEGY

We view our sustainability approach not merely as a means of complying with current regulations, but as a strategic area of transformation that strengthens our long-term competitiveness, operational resilience and the value we deliver to our stakeholders.

In line with this approach, we:

- implement technology investments aimed at reducing our carbon footprint,
- integrate systems that improve energy efficiency into our operations,
- expand practices that optimize resource use, and
- develop production models that support the circular economy.

We do not limit our sustainability strategy to environmental performance alone; we also address areas such as employee development, occupational health and safety, diversity and inclusion, ethical governance and stakeholder relations as integral components of our holistic approach.

Our Transformation Journey

2022

- Sustainability Workshop conducted
- Initial CBAM calculations completed
- First Corporate Carbon Footprint assessment carried out

2023

- Sustainability Committee established
- Joined the UN Global Compact
- Product Carbon Footprint studies initiated
- First Water Footprint assessment completed

2025

- Scope of LCA studies expanded
- CBAM data management and reporting infrastructure strengthened
- Emission reduction and monitoring activities continued
- Integration of the Sustainability Management System into the existing Quality Management System continued

2024

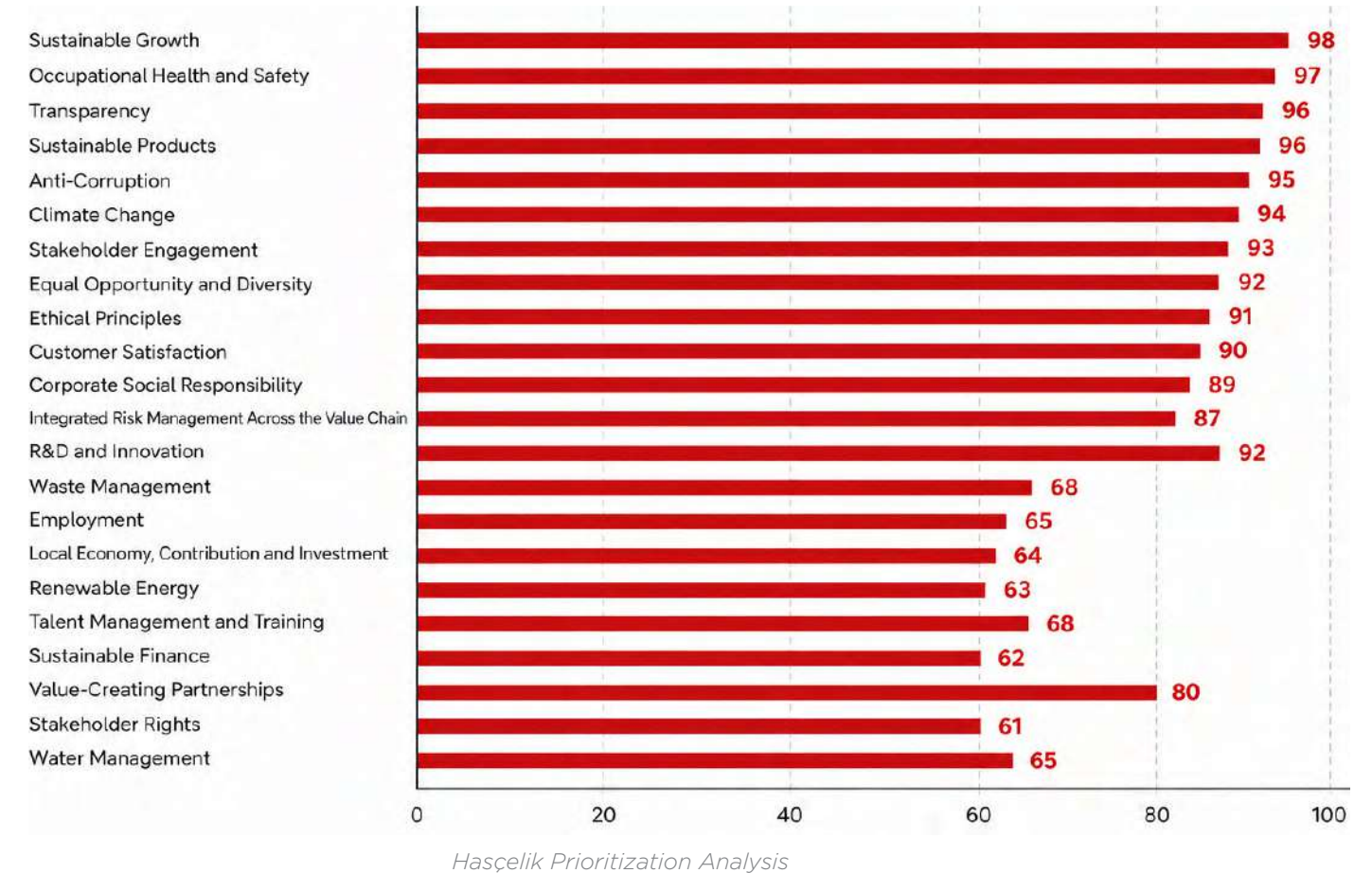
- Life Cycle Assessment (LCA) studies conducted
- CBAM calculations further developed
- Near-term target commitment submitted to the SBTi
- UN Global Compact Communication on Progress reports published

Sustainability Priorities

We consider prioritization analyses, which constitute one of the key building blocks of our sustainability strategy, to be a critical management tool for identifying the environmental, social and governance topics where we can generate the greatest impact.

Based on the analyses we have conducted, we assess our activities not only within the framework of operational priorities, but also in consideration of stakeholder expectations, industry transformation dynamics, global sustainability trends and long-term risks.

Through this approach, we aim to shape our sustainability strategy more effectively, direct our resources toward priority areas and support long-term value creation.



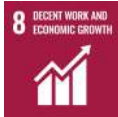
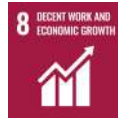
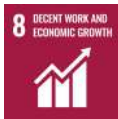
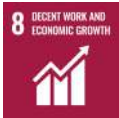
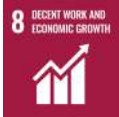


SUSTAINABILITY TARGETS

We shape our sustainability targets in line with the United Nations Sustainable Development Goals and set long-term transformation objectives across key areas including low-carbon production, energy efficiency, the circular economy, employee development and social contribution.

Our key objectives include:

- Strengthening our low-carbon production infrastructure in line with our net-zero emissions target,
- Improving energy efficiency by 2030,
- Expanding the use of renewable energy,
- Advancing carbon footprint, water footprint and life cycle assessment studies,
- Strengthening the sustainability approach across our supply chain,
- Supporting employee development and safety, and
- Enhancing transparent sustainability reporting in alignment with international standards.

Our Sustainability Targets	Sustainable Development Goals	Our Sustainability Targets	Sustainable Development Goals
As a member of the UN Global Compact, we continue to integrate internationally recognized principles on sustainability, human rights, environmental responsibility and corporate responsibility into our business processes.	  	As part of our waste management practices, we direct the majority of our waste to recovery and recycling processes while continuing our efforts to improve resource efficiency.	 
We aim to strengthen a culture of diversity and inclusion while developing practices that support the development, well-being and safety of our employees.	 	In line with the ISO 50001 Energy Management System approach, we continue to improve our energy performance and plan our new investments with a strong focus on energy efficiency.	 
We develop collaborations with local communities and aim to create positive social impact through education, employment and social responsibility projects.	  	Through our Solar Power Plant (SPP) investments, we continue our efforts to increase the share of our electricity consumption supplied from renewable energy sources.	 
Within the scope of ISO 14064, we continue our Corporate Carbon Footprint studies and further develop our emissions management and reduction roadmaps.	 	We are committed to improving energy efficiency across our production facilities by 30% by 2030.	 
Through our Product Carbon Footprint, Water Footprint and Life Cycle Assessment studies, we measure our environmental impacts and identify areas for improvement.	  	We aim to strengthen our low-carbon production infrastructure in line with our net-zero emissions target by 2050 at the latest.	
In line with our SBTi near-term target commitment, we continue our emissions reduction efforts and further strengthen our low-carbon production approach.	 	We expect all our stakeholders to adopt business practices that comply with the Hasçelik Code of Ethics, our human rights approach, and all applicable legal and regulatory requirements.	  
As of 2025, we continue to strengthen our commitment to transparency by further developing our sustainability reporting in alignment with the GRI Standards.	 	We encourage our suppliers to establish environmental and energy management systems, enhance their sustainability performance, and expand the adoption of responsible production practices.	  
		As of 2025, we continue our efforts to establish our Sustainability Management System and integrate it with our existing Quality Management System.	 



Sustainability Management

We regard sustainability as one of the fundamental elements of our corporate governance approach and continue to integrate it across all our business processes. In line with our environmental, social and governance (ESG) approach, we manage sustainability through a systematic, measurable and holistic framework.

Our Board of Directors considers sustainability among our strategic priorities and plays an active role in setting targets, monitoring performance and guiding long-term decision-making processes.

Our Environmental Management Approach

We place reducing our environmental impacts and improving resource efficiency at the core of our sustainability approach. Within this framework, we manage our production processes in line with environmental management systems while pursuing continuous improvement initiatives in energy efficiency, emissions reduction, waste management and water efficiency.

- **ISO 14001 Environmental Management System:** We manage our production activities in line with the ISO 14001 Environmental Management System framework, identifying environmental risks and continuously improving our processes through a systematic approach to environmental performance.
- **Energy and Emissions Management:** While investing in initiatives to improve energy efficiency, we are expanding the use of renewable energy and low-carbon production practices to reduce our carbon footprint. Our Osmaneli Steel Meltingshop (Hasçelik O), commissioned in 2025, represents one of the key pillars of our low-carbon production approach. Equipped with an Electric Arc Furnace (EAF), the Consteel continuous charging system and advanced automation infrastructure, our next-generation facility is designed to optimize energy consumption and reduce greenhouse gas emissions.
- **Waste and Water Management:** By adopting a circular economy approach to waste management, we aim to increase our waste recovery rates. We continue our efforts to reduce water consumption, recover wastewater and develop closed-loop systems, thereby further improving the efficiency of our resource use.

Our Social Sustainability Approach

We regard our employees as our most valuable asset and, in line with our people-centered approach, place great importance on creating a safe, inclusive and development-oriented working environment. While implementing practices that support the health, safety, development and well-being of our employees, we position diversity, equal opportunity and inclusion among the core elements of our corporate culture.

- **Occupational Health and Safety:** We consider employee health and safety among our highest priorities and aim to provide safe working environments through occupational health and safety systems aligned with international standards. Through regular audits, training programs and continuous improvement initiatives, we remain committed to continuously enhancing our occupational health and safety performance.
- **Diversity and Inclusion:** We aim to foster a workplace culture that promotes gender equality, equal opportunity and inclusion, while placing strong emphasis on providing a fair and safe working environment for all our employees.
- **Training and Competency Development:** To support the technical and personal development of our employees, we continue to strengthen their competencies through leadership development programs, technical training and digital learning platforms.

Economic Resilience and Operational Excellence

We shape our approach to economic sustainability around long-term value creation, innovation and digital transformation. Through our R&D investments and advanced technology applications, we continue to develop high-performance, high value-added steel products with reduced environmental impact.

As part of our digital transformation strategy, we optimize our production processes through Industry 4.0 applications. By leveraging data analytics, automation and digital systems, we improve energy efficiency while making our operational processes more efficient.

Stakeholder Engagement and Sustainability Culture

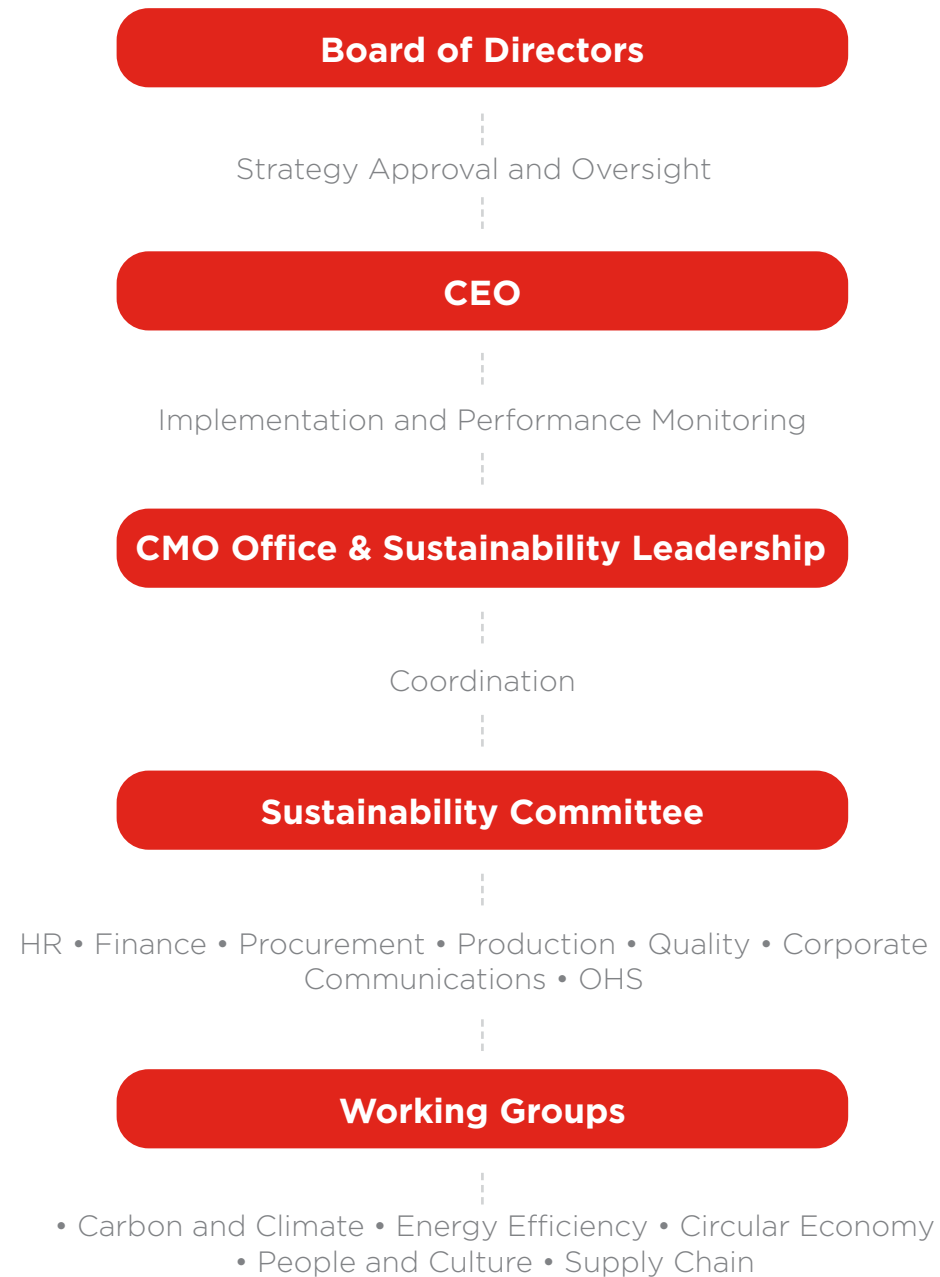
We consider stakeholder engagement to be one of the key elements underpinning the success of our sustainability strategy. Through effective communication with our employees, customers, suppliers, investors and local communities, we aim to continuously improve our sustainability performance.

- We regularly gather feedback from our stakeholders to continuously enhance our sustainability strategy.
- We support social responsibility projects in the areas of education, environment, health and community development.
- In line with our commitment to transparency and accountability, we regularly disclose our sustainability performance.



Our Governance Structure

Governance Structure



The Role of the Board of Directors in Sustainability

- Approval of the sustainability strategy
- Monitoring of climate and ESG targets
- Assessment of sustainability-related risks
- Annual performance reviews

Committees

- Sustainability Committee
- OHS Committee
- Quality Committees
- Energy Management Team
- Information Security Team

Sustainability Committee Represented Unit	Number of Members
HR	2
Finance	2
Procurement	1
Production	3
Quality	1
Corporate Communication	1
Energy Systems	1
OHS	1

Committee Responsibilities

- Monitoring ESG targets
- Tracking carbon reduction projects
- Preparing the Sustainability Report
- Assessing stakeholder expectations

* The Committee meets regularly on a quarterly basis.



Our Sustainability Committee

Our Sustainability Committee, established to bring our sustainability management into a more systematic framework, has been structured in line with ESG performance indicators.

The Committee meets regularly to assess progress toward our sustainability targets, analyze performance results and monitor actions identified for areas of improvement.

Our Committee Includes:

- Supply Chain Directorate
- Strategy and Sustainability Management
- Steel Operations Directorate
- Information Technologies Directorate
- Financial Affairs Directorate and Legal Counsel
- Quality Directorate
- Marketing Department
- Human Resources Directorate

The Committee meets every three months.

The performance criteria monitored by the Sustainability Committee are presented below.

1. Environmental Performance Indicators 	2. Social Performance Indicators 	3. Governance Performance Indicators 
a) Carbon and Emissions Management • Carbon Footprint (kg CO₂e/tonne of steel) • Greenhouse Gas Emissions (Scope 1, 2 and 3 – tonnes CO₂e) b) Energy Efficiency and Consumption • Carbon Intensity of Energy Sources (gCO₂/kWh) • Total Energy Consumption (GJ/tonne of steel) • Share of Renewable Energy Use (%) • Energy Efficiency Improvement Rate (%) c) Water Use and Management • Water Consumption (m³/tonne of steel) • Water Recycling Rate (%) • Wastewater Discharge and Pollution Load (mg/L) d) Waste and Circular Economy • Use of Recycled Raw Materials (%) • Hazardous and Non-Hazardous Waste Volumes (kg/tonne of steel) • Zero Waste Rate (%) e) Biodiversity and Land Use • Share of Green Areas within the Factory Site (%) • Environmental Impact Assessment (EIA) Reports	a) Occupational Health and Safety (OHS) • Lost Time Injury Frequency Rate (LTIFR) • Number of Occupational Accidents and Severity Rate • OHS Training Participation Rate (%) b) Employee Rights and Diversity • Female Employee Ratio (%) • Diversity and Inclusion Index • Employee Satisfaction and Engagement Rate (%) c) Community and Stakeholder Relations • Contribution to the Local Economy (\$) • Social Responsibility Projects (Number of People Reached) d) Compliance with Corporate Ethics Policies • Compliance with Corporate Ethics Policies (%)	a) Transparency and Ethical Management • ESG Reporting Frequency • Compliance Rate with the Company Code of Ethics (%) • Number of Bribery and Corruption Incidents b) Supply Chain and Sustainability • Sustainable Supplier Ratio (%) • Supply Chain Carbon Footprint (kg CO₂e) • Ratio of Suppliers with Fair Working Conditions (%) c) Investor and Financial Alignment • Use of Green Finance (\$) • Inclusion in ESG Indices • Return on Sustainability Investments (ROI)

Continuous Improvement and KAIZEN Approach

We regard a culture of continuous improvement as an integral part of our production processes and continue to embed the KAIZEN approach into our operational development model.

Through KAIZEN practices, we carry out continuous improvement initiatives across key areas including energy efficiency, resource utilization, quality performance, occupational safety and operational efficiency.

Within this approach, we encourage the active participation of our employees and support the development of innovative solutions by transforming suggestions from different departments into operational improvement projects.

Throughout 2025, as part of our KAIZEN initiatives across Hasçelik production facilities, 13 suggestions and 84 KAIZEN projects were evaluated, and various improvement projects were implemented in the areas of production efficiency, energy management, occupational safety, quality and sustainability. These initiatives represent important indicators of our employee participation-driven management approach and our culture of continuous improvement.





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CORPORATE GOVERNANCE





We shape our corporate governance approach in line with the principles of transparency, accountability, fairness, ethical management and responsibility. While continuing our operations under the umbrella of Faydasıçok Holding, we further develop our sustainable growth approach in alignment with the United Nations Sustainable Development Goals (SDGs).

Through our corporate governance approach, we aim to manage not only our financial performance but also our environmental, social and governance (ESG) performance from a holistic perspective. We address our management processes across a broad organizational structure, from senior management to field operations, while considering sustainability an integral part of our corporate culture and decision-making mechanisms.

By continuously strengthening our processes in line with internationally recognized management standards, we aim to create long-term value, enhance operational resilience and generate sustainable benefits for our stakeholders.

Corporate Governance Approach

“Strong governance is the foundation of sustainable success.”

We build our corporate governance approach on the principles of transparency, accountability, fairness, equality and responsibility. While managing our business processes effectively, we aim to establish a reliable, sustainable structure that creates high added value for our stakeholders. Under the leadership of our Board of Directors, we continue to make decisions that support our long-term growth approach through internal collaboration, process evaluations and sustainability-focused strategic planning.

In line with our ethical management approach, we conduct our business processes in compliance with applicable national and international regulations and place great importance on ensuring that our ethical principles are embraced by all employees and suppliers. We regard our business conduct principles as a fundamental component of our corporate culture and continue to strengthen the transparency of our processes through independent audit mechanisms and regular internal controls.

Risk management lies at the core of our corporate governance approach. We assess financial, operational, environmental and social risks proactively, identifying potential risks at an early stage and integrating the necessary preventive and corrective actions into our processes. In this context, and in alignment with our sustainability strategies, we carry out initiatives aimed at reducing our environmental impacts, improving resource efficiency and strengthening our operational resilience.

We regard our employees as our most valuable asset and implement our human resources policies with an approach that supports employee development, equal opportunity, diversity and inclusion. Through technical development initiatives, leadership programs and training opportunities, we support our employees’ career growth while positioning the creation of safe and healthy working environments among our key priorities. By continuously improving our occupational health and safety practices, we continue to strengthen employee satisfaction and our culture of safety.

We adopt a zero-tolerance approach to child labor and forced labor. We conduct our processes in accordance with Labor Law No. 4857 and applicable legislation, while continuing to align with internationally recognized conventions, particularly those of the International Labour Organization (ILO). We remain committed to promoting fair, ethical and human rights-respecting working conditions across all areas of our operations.

We consider stakeholder engagement an important component of our corporate governance approach. By maintaining strong communication with our employees, customers, suppliers, investors and local communities, we aim to further develop our sustainability approach based on the principle of shared value creation. Through our social responsibility projects, educational initiatives and community engagement activities, we continue to create long-term social value.

As part of our sustainable production approach, one of the key practices that strengthens our process management is our ASAKAI meetings. Held every morning across our production areas, these meetings enable us to review the previous day’s performance data within a systematic, transparent and participatory framework.

Our ASAKAI meetings, attended by our Production, Quality, Maintenance, Environment, Occupational Health and Safety (OHS), Logistics and Planning teams, strengthen cross-functional coordination and contribute to the effective management of our operational processes. During these meetings, up-to-date performance dashboards for each function are reviewed, while operational developments, production processes and areas for improvement are evaluated collectively.

Within this scope, during our meetings:

- Daily OEE (Overall Equipment Effectiveness) performance data is reviewed,
- Daily production plans are evaluated,
- Line performance and operational disruptions are assessed, and
- Each function shares monitoring data and actions taken within its respective area of responsibility.

Through our ASAKAI meetings, we not only manage our daily operations effectively but also strengthen our approach to continuous improvement, root cause analysis and sustainable efficiency. By sharing daily operational data transparently, we accelerate the flow of information among our employees and support more coordinated and informed decision-making processes.

In line with this approach, while improving our production efficiency, we continue to foster a stronger, more participatory and more responsible corporate culture across the environmental and social dimensions of sustainability.





Risk Management

To enhance our preparedness for climate change, we conduct comprehensive climate risk assessments covering both transition and physical risks. Through these studies, we evaluate the environmental, social and governance risks that may arise during the transition to a circular economy from a holistic perspective.

Taking into account the impacts of global economic, trade and political transformations, we carry out our analyses with a medium-term perspective, with particular focus on the potential effects of sustainability regulations, carbon costs, the energy transition and supply chain dynamics on our company.

We assess transition risks under the following four key categories:

- Strategy: Financial impacts associated with greenhouse gas emissions,
- Technology: Development of new technologies that support low-emission production,
- Market Share: Increasing demand for sustainable products,
- Supply Chain: Potential impacts of climate change on the supply chain.

Through this approach, we aim to assess climate-related risks more comprehensively and implement the necessary preventive actions in a timely manner.

Climate Change Transition Risks

Category	Risk	Potential Impact	Management Approach
Regulation	Increased carbon costs under the EU Emissions Trading System (EU ETS) and the Carbon Border Adjustment Mechanism (CBAM)	higher cost exposure for EU customers and competitive pressure	Low-carbon-intensity production supported by EAF and Consteel infrastructure, energy efficiency projects, and planned 35 MW solar power plant (SPP) investments
Technology	Low-carbon technologies failing to achieve the expected levels of efficiency	Extended investment payback periods	Digitalization, automation, process optimization, and a phased investment approach
Market	Increasing customer expectations for low-carbon products, EPDs, PCRs and LCAs	Risk of reduced competitiveness and customer loss	Carbon footprint verification studies, sustainable product development and low-carbon production strategies
Supply Chain	Dependence on external sources for FeMn, FeCr and alloying inputs	Increased raw material costs and risks to supply continuity	Development of alternative suppliers, supplier ESG assessment systems and long-term partnerships
Finance	Tightening financing conditions linked to ESG criteria	Increased financing costs	GRI-aligned reporting, improvement of ESG performance, and sustainability-focused investment plans
Reputation	Sustainability performance falling short of global expectations	Loss of international customers and investors	CDP, EcoVadis and UN Global Compact initiatives, supported by transparent sustainability reporting

Recognizing that the impacts of global climate change extend beyond financial and regulatory considerations, we assess physical risks alongside transition risks within the scope of our scenario analyses.

Climate Change Physical Risks

Category	Risk	Potential Impact	Management Approach
Extreme Heat	Increased energy consumption in steelmaking processes	Higher operating costs	Energy efficiency projects and process optimization
Extreme Precipitation and Flooding	Disruptions to production and logistics operations	Delivery delays and production losses	Emergency response plans and infrastructure reinforcement measures
Energy Supply	Power outages and fluctuations in energy prices	Risk to production continuity	Solar power plant (SPP) investments, energy monitoring systems and alternative energy strategies
Logistics Risks	Disruptions in global supply and transportation processes	Uncertainty in raw material supply and delivery lead times	Alternative logistics planning and supply chain diversification

Climate Change Opportunities

Category	Risk	Potential Impact
Low-Carbon Production	Lower carbon intensity enabled by EAF and Consteel technologies	Competitive advantage in the European market
Renewable Energy	35 MW solar power plant (SPP) investment	Reduction in energy costs and carbon emissions
Green Steel Transition	Low-carbon steel certification initiatives	Access to premium customer segments
OEM Requirements	Increasing demand for PCRs, EPDs and LCAs	Higher value-added customer relationships
Digitalization	Industry 4.0 and automation applications	Increased efficiency and cost optimization
Circular Economy	Scrap-based production model	Improved resource efficiency and a low-carbon advantage
ESG Financing	Green finance and sustainable investment opportunities	Access to more favorable financing conditions
Supply Chain	ESG-driven supplier transformation	Alignment with global customer expectations



Our Process-Based Risk and Internal Control Management

We regard process-based risk and internal control management as an important component of our corporate governance approach. Within this framework, we first established our “Process House” structure to define the interactions among our processes and clarify process ownership and responsibilities.

Under the Process House approach, we map all of our main processes, sub-processes and detailed processes at the individual work-step level, while carrying out improvement initiatives aimed at enhancing process efficiency, operational sustainability and both internal and external customer satisfaction. Our improvement activities encompass both operational and digital transformation initiatives, as well as managerial development efforts.

We integrate the work initiated through our Process House with process-based risk management and internal control activities, enabling us to assess potential risks that may affect our company from a proactive perspective. In line with this approach, we continuously enhance our process-based risk and internal control management framework.

Risks that may arise across strategic, financial, business continuity, legal compliance, reputational, customer, fraud, environmental and information security areas are addressed within the assessment and review processes conducted by independent global audit and advisory firms. Our existing risk management practices are regularly evaluated in line with international best practices and industry expectations.

Based on the 15 main processes defined within the HASÇELİK Process House, we carry out our process-based risk management and internal control activities by developing risk control matrices and identifying preventive control points and action plans according to the relevant risk levels.

We manage all of our risk management activities through digital software systems, while encouraging the active participation of our employees in the process. In this way, we aim to enhance process traceability and foster a strong risk management culture across the organization.

Our Process-Based Risk and Internal Control Management activities are carried out under the coordination of our Internal Audit Department and with the support of Senior Management. Risk levels, control effectiveness and improvement actions are reviewed regularly, process performance is continuously monitored, and results are reported to Senior Management on a quarterly basis.

Our objective is to anticipate potential risks that may arise as we expand our operations in a changing global environment, take the necessary preventive actions before risks materialize and safeguard business continuity. In line with this approach, we continue to strengthen our risk management framework, enhance our internal control mechanisms and embed a process-based risk management culture throughout the organization.

Quality Management Activities

We regard quality not merely as an outcome of our products, but as a fundamental element of the way we conduct our business. By supporting our entrepreneurial spirit, commitment to continuous improvement and pursuit of excellence through our quality management systems, we aim to create sustainable value across all the industries in which we operate.

Across all areas in which we operate, particularly engineering steels, we adopt an integrated management systems approach focused on meeting customer expectations while promoting environmentally responsible, safe and sustainable production.

By regularly reviewing all our processes, we support a culture of continuous improvement and continue to create the environment and development opportunities necessary to achieve our objectives through strong teamwork.

Throughout 2025, we carried out comprehensive activities to ensure the effective operation of all modules available on the QDMS platform within the scope of our Management Systems. While enhancing the traceability of our processes, we continued to strengthen our systematic management approach across quality, environment, energy, occupational health and safety, and information security.

Within this scope, we continued to maintain the validity and continuity of our certifications for:

- **ISO 14001** Environmental Management System
- **ISO 45001** Occupational Health and Safety Management System
- **IATF 16949** Automotive Quality Management System
- **ISO 9001** Quality Management System
- **ISO/IEC 27001** Information Security Management System
- **ISO 50001** Energy Management System

In addition, we successfully completed the compliance audit for the 2022 version of the ISO/IEC 27001 Information Security Management System.

In 2025, we established the management system infrastructure at our Osmaniye Steel Meltingshop (Hasçelik O), which commenced operations during the year, and integrated our quality management processes into the new facility. Within this scope, as of November 2025, our Hasçelik O Steel Meltingshop became certified to ISO 9001.

Throughout the year, we conducted internal audit activities in coordination with our Maintenance, Production, Quality, Procurement, Planning, Logistics, Foreign Trade Operations, Human Resources, Sales and Marketing units within the scope of all management system standards. Actions identified during these audits were reported, shared with the relevant units through the QDMS system, and the necessary improvement initiatives were implemented.

We also maintained the validity of our Factory Production Control Certificate of Conformity within the scope of EN 10025-1 Hot-Rolled Structural Steels.



In 2025, we held our Management Review Meetings twice a year at six-month intervals. Led by our Management Systems function, these meetings included comprehensive evaluations of:

- Legal and regulatory compliance processes,
- Internal and external audit results,
- Strategic plan objectives,
- KPI and OKR performance,
- Risks and opportunities,
- Corrective and preventive actions continuous improvement initiatives.

Throughout 2025, we successfully completed system certification and customer audits conducted to enhance the effectiveness of our quality management systems, with no major non-conformities identified. This result represents an important indicator of our quality-oriented management approach and strong process discipline.

At the same time, we initiated our Sustainability Management System (SMS) efforts to further integrate our sustainability activities with our management systems approach. As part of our Management Systems framework, we provided employees with awareness and introductory training sessions, supporting the broader adoption of a sustainability culture across the organization.

We manage our quality control processes in line with the principles of traceability, customer satisfaction and continuous improvement. Within this scope, we:

- perform inspections in accordance with quality control plans,
- conduct sampling processes in line with applicable standards,
- evaluate and report inspection results,
- manage the acceptance and rejection processes for incoming raw materials,
- semi-finished products and final products,
- manage non-conforming products both systematically and physically within designated quarantine areas,
- carry out first-off production approval processes,
- implement corrective action processes to prevent the recurrence of non-conformities, and
- support continuous improvement through our complaint management mechanisms.

We consider customer satisfaction to be one of the fundamental elements of our quality management system. We manage customer complaints in accordance with a risk-based thinking approach and the requirements of the IATF 16949 Automotive Quality Management System.

We receive all customer feedback through sales channels, e-mail, telephone and formal notification mechanisms, and record it in QDMS, our centralized quality management system. Each complaint is tracked with a unique reference number to ensure full traceability.

Within our complaint management processes, we conduct effective root cause analyses, implement permanent corrective actions and monitor the effectiveness of these actions through verification processes. As part of technical and commercial evaluations, we maintain transparent communication with our customers and base our decisions on a data-driven approach.

We continue to strengthen our quality management approach in line with the principles of sustainability, customer satisfaction, operational excellence and continuous improvement, while consistently delivering all our products and services to high quality standards.

Internal Audit Management

We conduct our internal audit activities in line with the principles of transparency, accountability, sustainability and continuous improvement. Established in 2014, our Internal Audit Department operates in accordance with the principle of independence and carries out its activities under the authority granted by our Board of Directors within our organizational structure.

Our Internal Audit Department regularly reviews our corporate strategies, processes and operational activities, and develops annual audit plans with a focus on risk and strategy. In line with these plans, we continue to conduct our internal audit activities through a systematic and risk-based approach.

The primary objective of our internal audit function is to provide reasonable assurance regarding the effectiveness of our risk management, internal control and governance processes. Within this scope, we assess whether risks are appropriately identified and managed, effectively integrated into our business processes, and whether our resources are used efficiently and safeguarded effectively in line with our sustainability objectives. We also place great importance on ensuring that all reported information is accurate, reliable and based on verifiable sources.

In addition, our Internal Audit Department regularly evaluates compliance with the ethical rules, working principles and corporate governance practices defined across our company. To support the effective implementation of our ethical management approach throughout the organization, we continue to oversee the necessary control mechanisms.

Through our internal audit activities, we provide all levels of management with independent, objective and reliable information regarding the effective management of corporate assets, operational controls, risk mitigation and the achievement of organizational objectives. Through this approach, we aim to strengthen managerial decision-making processes and support our sustainable corporate structure.

We manage our internal audit processes within a holistic framework that includes planning and preparation, field audits, evaluation of findings, reporting and follow-up activities. As part of our audit activities, we regularly monitor the implementation of risk-mitigation actions recommended by Internal Audit and accepted by management, and apply formal follow-up procedures to verify the effectiveness of these actions.



The findings identified through our audits are reported to our Senior Management and Board of Directors together with recommendations for corrective and improvement actions. The implementation of the defined actions and the monitoring of their outcomes are carried out regularly as an integral part of our management processes.

In addition to our planned audit activities, we also conduct special reviews and investigations when required. We report the results of these activities and monitor the planning, implementation and completion of the related actions.

To ensure the effective management of our corporate processes, all employees share information with our Internal Audit Department regarding their job-related workflows, roles, authorities, responsibilities and process knowledge. Our Internal Audit teams are authorized to access all information and documentation required within the scope of their duties. These responsibilities and implementation principles are formally governed by our Internal Audit Regulation.

In carrying out its activities, our Internal Audit Unit follows the International Standards for the Professional Practice of Internal Auditing, as well as recognized internal control and governance frameworks, and applies a risk-based audit methodology. Across all audit processes, we adopt a fair, impartial, solution-oriented, developmental and guidance-focused approach, with the aim of contributing to the sustainable development of our company.

Throughout 2025, as part of our internal audit activities, we conducted audits covering quality, energy management, environment, information security, production, maintenance and operational processes. In particular, with the commissioning of our Hasçelik O Steel Meltingshop, the management system infrastructure and internal control mechanisms associated with the new production processes were also included within the scope of our audits. In this context, energy management system audits and process controls were carried out, and areas for improvement were assessed.

We continue to regard our internal audit approach not merely as a control mechanism, but as a strategic management tool that enhances our processes, supports our sustainability objectives and strengthens our corporate resilience.

Supply Chain Management

We manage our supply chain through a holistic approach based on efficiency, sustainability, quality, risk management and customer satisfaction. While aiming to create sustainable value at every stage of our supply chain, we place great importance on developing long-term, transparent and trust-based relationships with our business partners.

Within the framework of our supply chain management approach, we prioritize working with suppliers that comply with environmental and social standards, maintain a strong focus on quality and demonstrate a high level of sustainability awareness. We manage our supplier selection processes not solely on the basis of cost, but also by considering criteria such as quality performance, continuity of supply, sustainability approach, logistics performance, information security, and occupational health and safety.

While managing our raw material procurement processes, we assess market dynamics, operational risks and sustainable resource use together. To ensure the uninterrupted continuity of our production processes, we adopt a strategic sourcing approach and continue our efforts to strengthen the resilience of our supply chain.

In our logistics processes, we evaluate different transportation modes to ensure that our products are delivered to customers in a timely, accurate and reliable manner. We manage road, sea and rail transportation alternatives in line with operational efficiency and sustainability criteria.

At the same time, we aim to enhance process efficiency by utilizing digital systems and modern infrastructure across our warehousing and operational activities.

In line with our digital transformation approach, we support our supply chain processes with data analytics, automation and digital management systems, enabling faster, more traceable and more efficient operations. Through this approach, we aim to reduce operational errors while improving customer satisfaction and overall supply chain performance.

- OTIF Performance Management

Throughout 2025, we continued to actively use the OTIF (On Time In Full) indicator to measure the effectiveness of our supply chain and our operational performance. Through OTIF performance monitoring, we track whether orders are delivered to our customers in full and within the agreed delivery timelines, while evaluating delivery accuracy and customer satisfaction together.

Through this indicator, we monitor not only delivery times but also the full conformity of delivered products with order requirements, with the aim of continuously improving our supply chain processes.

2023	2024	2025
58%	71%	71%

Our Supplier Selection and Evaluation Processes

We carry out our supplier selection and evaluation processes in accordance with “Supplier Selection and Evaluation Procedure” No. FH.PR.SA.001. Within the scope of this procedure, we regularly monitor and evaluate the performance of all suppliers providing steel raw materials, semi-finished products, traded goods, consumables, services, machinery and equipment, and logistics services.

Based on the results of our supplier performance evaluations, decisions regarding whether to continue working with the same supplier, request an action plan, or assess alternative suppliers are made by our Procurement Department.

Our Raw Material Suppliers for the Automotive Industry

We evaluate our raw material suppliers serving the automotive industry based on quality, logistics performance, supply continuity and customer requirements. For raw materials supplied for our OEM customers, IATF 16949 certification is a mandatory criterion. We do not procure automotive raw materials from suppliers that do not hold a valid IATF 16949 certificate.



We evaluate supplier performance based on the following criteria:

- PPM Score
- Quality Performance
- Supply Disruption Score
- Logistics Performance

We conduct supplier performance evaluations on a quarterly basis and incorporate the results into our management review processes.

Our Imported Raw Material and Traded Product Suppliers

We evaluate our overseas suppliers of steel raw materials and traded products based on quality, delivery performance and sustainable supply capability. We do not work with overseas suppliers that do not hold a valid ISO 9001 Quality Management System certification.

We conduct supplier performance evaluations on a six-month basis, assessing both quality and delivery performance together.

Our Indirect Procurement Suppliers

We evaluate our indirect procurement suppliers based on quality performance and on-time delivery criteria. Within the scope of our processes, TED-DÖF records, delivery performance and feedback received from the relevant business units are incorporated into our supplier evaluation process.

Our Subcontracted Service Providers

We evaluate our subcontracted service providers based on quality, service delivery performance, and occupational health, safety and environmental (HSE) criteria. We consider occupational safety and environmental compliance performance among the key criteria in our supplier selection processes and develop action plans for suppliers whose performance falls below our expectations.

Our Import / Export Carrier Performance Management

Within the scope of our logistics operations, we evaluate the carriers we work with based on their ability to provide vehicles that meet order requirements, delivery schedule performance, on-time delivery and damage-free transportation. We analyze carrier performance on a six-month basis with the aim of continuously improving service quality.

Our Domestic Carrier Performance Management

- Availability,
- Timely arrival at the loading point,
- On-time and complete delivery,
- Damage-free transportation performance,

- Compliance with occupational safety rules, and
- Owned fleet capacity.

We conduct these evaluations twice a year and incorporate the results into our performance classification system.

Our Supplier Audit and Development Approach

We evaluate our domestic suppliers of steel products and traded goods based on quality and delivery schedule compliance. We conduct performance evaluations on a six-month basis and classify our suppliers according to their quality and delivery performance scores. For production activities serving OEM customers, we apply Class A supplier status as a key criterion.

Our Supplier Audit and Development Approach

We conduct supplier audits with the participation of our Quality, Procurement, Production, Maintenance and relevant technical teams. When preparing our audit plans, we take into account the supplier's strategic importance, performance score, action history and technical capabilities. Our audit processes are based on internationally recognized standards such as IATF 16949, ISO 9001 and VDA 6.3.

Following the audits, we request action plans from suppliers whose performance falls below expectations and, where necessary, assess alternative suppliers. In cases involving information security breaches, ethical non-compliance or critical quality issues, we initiate procedures to remove the relevant suppliers from our approved supplier list.

As part of our supplier development approach, we aim to support the continuous improvement of our suppliers in line with ISO 9001 and IATF 16949 quality management systems. Within this scope, we seek to contribute to the sustainable development of our suppliers through:

- Second-party audits,
- Process improvement initiatives,
- Organizational development support,
- Human resources development,
- Team-based improvement activities, and
- Project management practices.



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ENVIRONMENTAL PERFORMANCE



We regard our environmental performance as one of the key pillars of our sustainable growth approach. In conducting our operations, we focus on the efficient use of natural resources, the optimization of energy and water consumption, the reduction of carbon emissions and the continuous improvement of waste management practices.

In line with our environmental management approach, we aim to reduce the environmental impacts of our production processes while continuing our efforts to improve resource efficiency. We develop our environmentally focused practices not only to ensure regulatory compliance, but also to meet the sustainability expectations of our customers, investors and other stakeholders.

Through our investments and continuous improvement initiatives, we remain committed to enhancing our environmental performance, strengthening our environmentally responsible production approach and progressing toward our goal of leaving a more livable world for future generations.

Combating Climate Change

Recognizing that the steel industry in which we operate is among the sectors with significant potential impact in the fight against climate change, we place climate action among the key priorities of our sustainability strategy. Taking into account the energy- and raw material-intensive nature of our production processes and their impact on our carbon footprint, we continue to strengthen our approach to climate change mitigation.

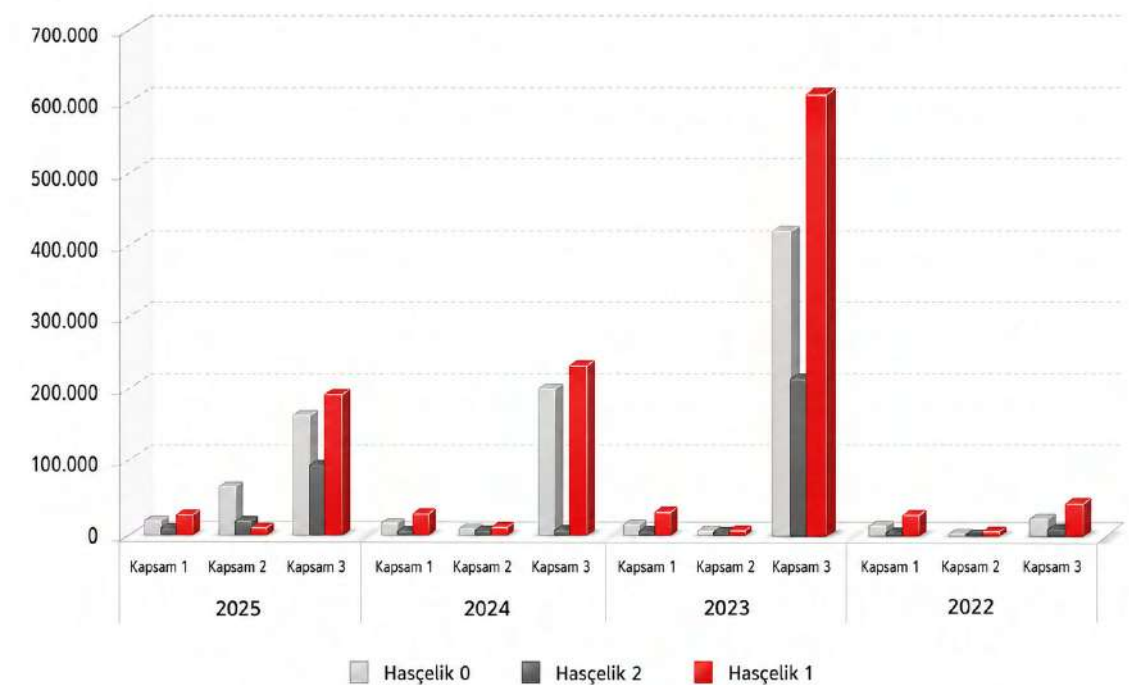
In view of the direct implications of the European Union's Carbon Border Adjustment Mechanism (CBAM) for our products, we continue to enhance our carbon management processes accordingly. We have maintained our CBAM-related carbon emissions reporting activities, which we initiated on 1 October 2023, on a regular basis throughout 2025, with the aim of both ensuring compliance with regulatory requirements and further developing our data management infrastructure.

In addition to product-level assessments, we regularly monitor and report our carbon emissions at the corporate level. Since 2022, we have calculated our corporate carbon footprint in accordance with the GHG Protocol, enabling us to comprehensively assess the environmental impacts of our operations. Taking into account the significant contribution of energy consumption and raw material-related emissions to our overall carbon footprint, we continue to develop our emissions reduction strategies accordingly.

Our Osmaniye Steel Meltingshop (Hasçelik O), commissioned in 2025, represents an important milestone in our transition toward low-carbon production. Through the use of an Electric Arc Furnace (EAF), the Consteel continuous charging system and energy efficiency-focused production infrastructure, we aim to further strengthen our lower-carbon-intensity production model. By adopting a scrap-based production approach, we seek to reduce the use of natural resources while contributing to the circular economy.

Through our regular, verifiable and data-driven reporting approach, we ensure compliance with national and international regulations while strengthening our roadmap toward our long-term net-zero emissions targets. We regard carbon management not merely as a compliance obligation, but as a strategic area that supports our competitiveness, enhances our operational resilience and reinforces our sustainable growth approach.

Hasçelik Corporate Carbon Footprint Studies (tCO₂e)



Since 2022, we have calculated our greenhouse gas emissions in accordance with internationally recognized methodologies and regularly monitored our corporate carbon footprint. Within this scope, we track direct and indirect emissions arising from electricity, natural gas and other fuel consumption across our facilities, while continuously expanding our reporting boundaries each year to enable a more comprehensive assessment of the environmental impacts of our operations.

In 2022, we began reporting our Scope 1 and Scope 2 emissions, along with selected Scope 3 categories. In 2023, we expanded the scope of our emissions inventory to include emissions arising from business travel, raw material and product transportation, and the processing of raw materials. This enabled us to assess greenhouse gas emissions across our value chain from a more holistic perspective.

In 2024 and 2025, while maintaining the same methodology, we continued to improve data quality and reporting processes and regularly monitored our emissions performance.



Hasçelik O Facility

Our Hasçelik O facility, which commenced operations in 2025, was included in our corporate carbon footprint inventory for the first time in the same year. In its first reporting year, the facility's Scope 1 emissions were calculated at 15,404 tCO₂e, Scope 2 emissions at 51,684 tCO₂e, and Scope 3 emissions at 152,746 tCO₂e.

Carbon footprint management at our Hasçelik O facility has been carried out through a systematic approach since the first year of operations. The comprehensive emissions inventory established in the initial reporting year provides us with a strong baseline for assessing our environmental impacts in detail and for developing future emissions reduction projects. In the coming periods, we aim to continuously improve the facility's carbon performance by advancing initiatives focused on energy efficiency, resource optimization and low-carbon production.

Hasçelik 1 Facility

At our Hasçelik 1 facility, following the expansion of the reporting scope in 2023, particularly with the inclusion of emissions arising from raw material processing, our Scope 3 emissions reached approximately 600,000 tCO₂e. In 2024, in parallel with the decline in production volume and raw material consumption, our Scope 3 emissions decreased to approximately 228,000 tCO₂e. During the same period, a downward trend was also observed in our Scope 1 and Scope 2 emissions.

In 2025, supported by our emissions reduction initiatives, efficiency improvements in production processes and operational enhancements, our Scope 3 emissions declined further to approximately 196,000 tCO₂e. Similarly, the limited increases and decreases observed in our Scope 1 and Scope 2 emissions were mainly attributable to changes in operational activity levels. Overall, our emissions performance improved compared with 2024.

Hasçelik 2 Facility

At our Hasçelik 2 facility, in parallel with Hasçelik 1, the reporting scope was expanded in 2023 to include indirect emissions arising from raw material processing, the production and transportation of vehicle fuels, and logistics activities within our Scope 3 calculations. As a result of this expanded reporting boundary, our Scope 3 emissions were calculated at approximately 427,000 tCO₂e.

In 2024, supported by lower raw material consumption and operational improvements, our Scope 3 emissions decreased to approximately 201,000 tCO₂e, while significant reductions were also recorded in our Scope 1 and Scope 2 emissions.

In 2025, depending on changes in production volumes and the impact of efficiency initiatives, our Scope 3 emissions declined further to approximately 85,000 tCO₂e. A notable reduction was also achieved in our Scope 1 emissions, while our Scope 2 emissions decreased to a more limited extent in line with changes in electricity consumption. These results demonstrate the positive contribution of our energy efficiency and operational improvement initiatives to our overall emissions performance.

Energy Management

We consider energy to be one of the most critical components of our sustainable production approach. Given the limited nature of energy resources and the growing significance of the environmental impacts associated with energy use, we regard improving energy efficiency, optimizing resource utilization and reducing energy-related environmental impacts as key priorities.

In line with our sustainable growth approach, we view energy management not merely as an operational requirement, but as a strategic management area that supports our environmental performance, competitiveness and long-term resilience. Within this framework, we aim to create both environmental and economic value by using our energy resources more efficiently and effectively.

Within the scope of our ISO 50001 Energy Management System certification, we carry out initiatives aimed at continuously improving our energy performance and manage our energy management system in an integrated manner with our quality management processes. Recognizing the critical role of energy in ensuring business continuity, we aim to make energy efficiency an integral part of all our operations.

We maintain our energy management approach in line with the following key principles:

- We monitor and comply with all applicable legal obligations and other requirements related to energy.
- We support the sustainable use of natural resources, prioritize pollution prevention at source and place strong emphasis on energy efficiency.
- We continuously improve our energy performance, Energy Management System and energy-saving practices.
- We carry out initiatives to reduce energy consumption per unit of product.
- We aim to reduce emissions associated with energy use and develop preventive measures accordingly.
- We consider environmental impacts and energy efficiency in the procurement of products and services, as well as in new investments and projects.
- We continue to provide the necessary resources and information infrastructure to achieve our energy targets.
- We promote greater energy efficiency and environmental awareness through collaboration with all our stakeholders, from suppliers to customers.
- We place importance on ensuring that our energy policies and practices are publicly accessible.



In 2025, we aimed to improve our energy performance at our Osmanieli Steel Meltingshop (Hasçelik O) through the use of an Electric Arc Furnace (EAF), the Consteel continuous charging system and energy efficiency-focused technologies. In particular, by reusing waste hot air in the scrap preheating process, we seek to optimize energy consumption and enhance the efficiency of our production processes.

Across all our facilities, we regularly monitor electricity and natural gas consumption and systematically record and analyze energy data. Through this approach, we maintain effective control over our energy consumption while continuing to support our culture of continuous improvement.

Facilities	2023 Electricity Consumption (kWh)	2023 Natural Gas Consumption (Sm ³)	2024 Electricity Consumption (kWh)	2024 Natural Gas Consumption (m ³)	2025 Electricity Consumption (kWh)	2025 Natural Gas Consumption (m ³)
HASÇELİK O	-	-	-	-	1.101.99,9191	2.014.699,29
HASÇELİK 1	15.397.384,50	8.263.028,139	13.414.583,25	6.579.854,09	15.096.717,00	7.804.128
HASÇELİK 2	9.002.823,30	46.670,750	7.547.868,60	35.145,97	6.938.364,00	32.006,14

Water Management

At Hasçelik, we regard water as one of the limited natural resources that is critical to all forms of life. Recognizing that climate change, population growth and evolving consumption patterns are placing increasing pressure on water resources, we consider water management an important component of our sustainability approach.

In this context, we systematically continue our efforts to use water resources efficiently, reduce water consumption and monitor our water footprint. Through the water footprint monitoring system we introduced in 2023, we regularly calculate and analyze the water-related impacts of our operations and identify areas for improvement.

As part of the water management practices implemented across our facilities, we regularly monitor water consumption data and carry out initiatives to improve resource efficiency throughout our processes. In addition, we collect weekly samples from the package wastewater treatment plants at our facilities, monitor water quality through laboratory analyses and systematically record the resulting data.

In line with our water management approach, we not only monitor current consumption levels but also continue to develop sustainable practices that contribute to the protection and conservation of water resources.

Facilities	Blue Water Footprint (m ³ /year)	Green Water Footprint (m ³ /year)	Grey Water Footprint (m ³ /year)
HASÇELİK O	280005,4913	0	270436,1828
HASÇELİK 1	39033,5348	0	414873,8046
HASÇELİK 2	7300,019	0	12446,60103

Waste Management

We regard waste management not merely as a legal obligation, but as an integral part of our environmental responsibility, resource efficiency approach and sustainable production model. In pursuit of a more livable future, we prioritize reducing waste generation at source, expanding recycling and reuse practices, and managing waste in a manner that protects both the environment and human health.

Throughout 2025, we continued to review our production processes with the aim of minimizing waste generation and sought to improve our waste management performance through process optimization, resource efficiency and sustainable production practices. In line with our environmentally responsible production approach, we continued to invest in the infrastructure and systems required for the effective management of waste generated at our facilities.

To reduce environmental impacts across our supply chain, we work in collaboration with our business partners and continue to develop solutions aimed at waste reduction. At the same time, by working with recycling suppliers that meet appropriate environmental qualification standards, we aim to further strengthen a sustainable and environmentally responsible supply chain structure.

One of the most important components of our waste management approach is employee participation. To increase environmental awareness among our employees and encourage their active involvement in related processes, we conduct regular training sessions, on-site practices and awareness activities.

Within this scope, we organize monthly “Toolbox” training sessions at our facilities, each focusing on different environmental topics, while practical field training supports the correct implementation of waste management practices. By regularly monitoring our environmental training activities, we continue to strengthen our approach to continuous improvement.

To support the “Zero Waste” approach across our facilities, we implement integrated management systems for the segregation of waste at source and manage generated waste through a traceable system with regular monitoring. Within this scope, our Hasçelik 1, Hasçelik 2 and Hasçelik O Osmanieli Steelmaking facilities, the latter commissioned in 2025, have qualified for the Zero Waste Certificate. We regard this achievement as an important indicator of our commitment to prioritizing waste segregation at source and systematically reducing waste generation.

We store the slag generated during our steelmaking processes following controlled cooling and continue to explore value-added applications for its reuse. In this context, we collaborate with Eskişehir Technical University, Bilecik Şeyh Edebali University and Uludağ University on academic studies and sample analyses aimed at assessing the potential use of slag across different sectors. Our certification and investment activities are ongoing to evaluate slag in accordance with TS 706 EN 12620+A1 – Aggregates for Concrete and TS EN 13043 – Aggregates for Bituminous Mixtures and Surface Treatments for Roads. Through this approach, we aim to reduce natural resource consumption and strengthen by-product management.

We also separately store the mill scale generated during our production processes and send it to licensed recycling facilities, enabling this iron-rich by-product to be reintroduced into the production cycle.



We store refractory waste generated from refractory materials used in our Electric Arc Furnace, ladle and continuous casting units under controlled conditions and carry out recovery initiatives to enable these materials to be utilized as secondary raw materials.

We manage flue dust generated during Electric Arc Furnace processes in accordance with applicable regulations and send it to licensed recovery facilities, aiming to contribute to metal recovery processes, particularly zinc recovery.

We segregate packaging waste such as cardboard, paper, plastic and big bags at source and ensure that it is directed to recycling processes. Contaminated packaging that has come into contact with hazardous substances, as well as process-related contaminated waste, is sent to licensed recovery or disposal facilities in order to minimize environmental risks.

We collect our waste oils in accordance with applicable regulations and send them to licensed recovery companies. Through this approach, we aim to reduce environmental risks while supporting resource efficiency.

Within the scope of our waste management approach, we position the following among our strategic sustainability objectives:

- Reducing disposal rates,
- Increasing recovery rates,
- Supporting the recognition and utilization of materials as by-products, and
- Strengthening academic and industry collaborations.

In addition, we classify waste according to disposal methods and include greenhouse gas emissions arising from waste management activities in our emissions inventory, ensuring that these emissions are monitored on a regular basis. In this way, we assess our waste management processes not only from an operational perspective, but also within the framework of our climate action and carbon management approach.

Through our systematic efforts in waste management, we continue to reduce our environmental impacts, improve resource efficiency and contribute to the achievement of sustainable development goals.

Chemicals Management

We consider the safe, environmentally responsible and sustainable management of chemicals an important part of our environmental and operational responsibilities. While carefully managing chemical use across all areas of our operations, we prioritize protecting employee health, reducing environmental risks and supporting our sustainable production approach.

We manage our chemical management processes in accordance with applicable national and international regulations, particularly the European Union REACH Regulation, Türkiye's KKDIK Regulation and the CLP Regulation. We regularly review the Safety Data Sheets (SDS) for all chemicals used at our facilities and ensure that only chemicals supported by current and compliant documentation are accepted on-site. We also manage chemical labeling and packaging processes in accordance with both legal requirements and our internal company standards.

We implement our chemical storage practices in line with the "Guideline for the Safe Storage of Chemicals" published by the Ministry of Labour and Social Security. Each chemical used at our facilities is assessed through risk-based analyses in terms of its potential impacts on the environment and human health.

We establish dedicated storage areas for hazardous chemicals to prevent risks arising from the storage of incompatible substances together. While applying specific safety measures for corrosive substances, flammable liquids and gases, we also maintain preventive systems and emergency response plans for spills, leaks and similar incidents. Through this approach, we maintain a controlled chemical management structure that supports both employee safety and environmental protection.

We adopt a transparent and accessible approach to information, which is a fundamental element of chemical safety. Within this scope, we:

- record up-to-date Safety Data Sheets (SDS) for all chemicals used at our facilities in our centralized systems,
- ensure that the relevant documentation is accessible to all departments, and
- promote awareness of the safe use of chemicals throughout the organization.

We continue to develop our chemical management processes in alignment with our sustainability objectives and assess alternative chemicals with lower potential impacts on the environment and human health. Within this framework, we support the broader adoption of safer and more environmentally responsible practices.

In addition, we conduct regular training programs to enhance our employees' awareness of chemical safety. Our training content is developed with contributions from our occupational health and safety specialists and environmental engineers, and we aim to strengthen employee awareness through a combination of theoretical knowledge and practical on-site applications.

We view chemical safety not merely as a matter of regulatory compliance, but as an important component of employee well-being, environmental responsibility and our sustainable production approach. Through this holistic approach, we continue to manage the chemicals used in our production processes in line with high safety standards and sustainability principles.

Environmental Compliance and Management Systems

By adopting a management approach aligned with international standards in the areas of quality, environmental and energy management, we support our sustainability objectives through a systematic framework. In line with our ISO 9001 Quality Management System, ISO 14001 Environmental Management System and ISO 50001 Energy Management System certifications, we continue to conduct our activities with a focus on quality, environmental compliance and energy efficiency. We regard these management systems not merely as technical requirements, but as an integral part of our approach to environmental and social responsibility.

We shape our environmental compliance approach around key sustainability principles, including the conservation of natural resources, reduction of energy consumption, management of greenhouse gas emissions and continuous improvement of waste management practices. Within this framework, we regularly assess our production and support processes, monitor our environmental impacts and aim to continuously improve our performance through a structured approach to continuous improvement.



Within the scope of our ISO 14001 Environmental Management System, we systematically monitor our environmental impacts and implement measures aimed at preventing environmental risks. We regularly assess our environmental performance through environmental impact analyses, legal compliance audits, emissions measurements and monitoring activities related to the use of natural resources. At the same time, we carry out process-based improvement initiatives to promote the more efficient use of water, energy and other natural resources.

In line with our ISO 50001 Energy Management System approach, we focus on continuously improving our energy performance. We regularly monitor our energy consumption points, set targets based on Energy Performance Indicators (EnPIs) and implement initiatives aimed at improving energy efficiency. Through our energy efficiency investments and technological improvements, we aim to achieve both environmental and operational benefits.

As of 2025, we have also implemented our management system infrastructure at our Osmaniye Steel Melting Shop (Hasçelik O), which commenced production during the year, and integrated our environmental compliance processes into the new facility. Through the use of an Electric Arc Furnace (EAF), Consteel technology and energy efficiency-focused production infrastructure, we aim to further strengthen our lower-carbon and environmentally responsible production approach.

In line with the ISO 9001 standard, we manage our quality management approach in an integrated manner with our environmental and energy management systems. This enables us to address customer satisfaction, process reliability and operational sustainability together, creating an integrated sustainability management model.

Through all of these management system practices, we continue to manage our environmental impacts responsibly, improve the efficiency of our resource use and contribute to the achievement of sustainable development goals.

A Touch of Green

We believe that every step we take toward a sustainable future reflects our responsibility toward nature. Our goal is not only to produce high-quality steel, but also to foster a production approach that reduces environmental impacts, uses resources efficiently and supports sustainable development.

Our **“A Touch of Green”** approach represents the sustainability vision we integrate across all our activities, from production processes and energy management to waste management and resource efficiency. We consider our environmental responsibilities an integral part of the way we conduct our business and continue our efforts toward a more sustainable future through environmentally responsible production practices, investments in low-carbon transformation and environmental awareness initiatives.

Through our environmentally focused investments, energy efficiency practices, recycling initiatives and sustainable production approach, we act with an understanding that considers not only the needs of today but also the well-being of future generations. Recognizing our responsibility toward nature, we continue to reduce our environmental impacts, conserve our resources and develop sustainable solutions for a more livable world.

Planned Action	Sustainable Development Goals
Conversion of water meters from mechanical to digital systems and recording consumption by area of use. By making consumption data traceable, the effectiveness of improvement initiatives will become measurable.	
Electricity and natural gas consumption at Significant Energy Use (SEU) points will be equipped for remote reading and systematic data recording.	
Flow meters will be installed on both the open-loop and closed-loop water lines to measure flow rates and determine whether they meet operational requirements. In the future, the pumps are planned to be equipped with variable-speed drives to improve energy efficiency.	
Compressor pressure settings will be determined in line with the operational requirements of the facility. We plan to achieve energy savings by optimizing the compressor operating curve.	 
By increasing the spacing between lighting fixtures, we plan to achieve the same level of illumination with fewer fixtures.	
Functions on the main production lines that continue consuming energy during idle periods exceeding five minutes are planned to be shut down, with the lines subsequently restarted under the control of the production operator.	



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SOCIAL PERFORMANCE



Social Sustainability Approach

We place people and respect for human rights at the heart of our sustainability approach. We continue to conduct all our activities in line with universal human rights principles, ethical business practices and fair working conditions. We regard our Human Rights Policy as a holistic framework of responsibility that extends beyond our employees to encompass our business partners, suppliers and all other stakeholders.

We shape our human rights approach in accordance with the United Nations Universal Declaration of Human Rights, ILO Conventions, OECD Guidelines and relevant national and international regulations. Across all areas of our operations, we aim to foster an inclusive and safe working culture that respects human dignity.

Our Core Principles

“Our employees are the greatest driving force behind our success.”

Equality and Equal Opportunity

We regard providing equal and fair working conditions for all our employees as one of our core principles. We foster a working environment that promotes equal opportunity without discrimination on the basis of race, gender, age, disability, religion, language, ethnic origin or any other similar characteristic.

While supporting gender equality, we continue to develop practices that empower our female employees in the workplace and encourage their participation in decision-making processes.

Zero Tolerance for Forced Labour and Child Labour

We adopt a zero-tolerance approach to child labour and forced labour across all our operations. We fully comply with all legal requirements regarding minimum working age and fitness for work, and we do not tolerate any practice that violates human rights.

Healthy and Safe Working Environment

We consider creating a physically and psychologically safe, healthy and supportive working environment for our employees among our key responsibilities. While continuously improving our occupational health and safety practices, we also continue to implement initiatives that support employee well-being, psychological safety and employee engagement.

Fair Remuneration and Working Conditions

We implement fair remuneration policies that recognize and value the contributions of our employees, and we place importance on creating working conditions that support work-life balance. In line with our people-oriented approach to work, we continue to implement practices that support our employees’ development and satisfaction.

Respect for Human Dignity and Anti-Harassment Approach

We respect the personal rights, privacy and human dignity of all our employees.

We apply a zero-tolerance policy toward physical, verbal, psychological, sexual and economic violence and harassment.

Inclusivity and Respect for Local Communities

We are committed to ensuring equal and fair treatment of refugee and migrant employees and to respecting the cultural values of local communities in the regions where we operate. By fostering a participatory, inclusive and transparent communication environment, we aim to build trust-based relationships with all our stakeholders.

Ethical Business Practices and Supply Chain Approach

We adopt a zero-tolerance approach to corruption, unethical conduct and human rights violations. We expect our suppliers to comply with ethical, environmental and human rights standards, and we regularly assess our business partners in line with our sustainable supply chain approach.

At the same time, we regard protecting the confidentiality of employee data and ensuring the secure management of personal data as fundamental responsibilities. We continue to regularly review and strengthen our digital security and data protection policies.

Implementation and Monitoring Processes

We consider our human rights approach an integral part of our corporate culture and place importance on raising awareness among all employees. We integrate our Human Rights Policy into our orientation processes and provide new employees with training on human rights, ethical principles, and occupational health and safety.

We manage our human rights reporting mechanisms in a manner that is secure, accessible and confidential, and independently assess reported violations through the Hasçelik Ethics Committee. We also consider compliance with human rights standards among the key assessment criteria in our supply chain audits.

At Hasçelik, we regard respect for human rights as one of the fundamental pillars of our corporate culture and continue to integrate our ethical, transparent and responsible business approach across all our activities. By further developing our human rights-based approach together with our employees, business partners and all stakeholders, we aim to contribute to a fairer, more equitable and sustainable future.

Performance Culture and Alignment with Goals

We shape our performance management approach around our corporate strategies, sustainable growth objectives and employee development. We view our performance culture not merely as a results-oriented evaluation system, but as a holistic management approach that supports employee development, aligns individual goals with corporate objectives and promotes continuous improvement.

We manage our performance management system in line with the OKR (Objectives and Key Results) methodology, tracking our strategic objectives through shorter-term, measurable outcomes. In addition to the performance targets set at the beginning of the year, we regularly monitor and assess our progress toward corporate objectives through periodically updated OKRs.



We structure our performance target cards under the following categories:

- Corporate objectives,
- Project objectives,
- Operational objectives, and
- Competency assessments.

We evaluate each criterion based on position-specific weightings. Through this approach, we aim to establish a stronger link between our employees' individual contributions and our corporate strategies.

Within the scope of our talent management approach, we identify high-potential employees and support their long-term development through personalized development plans and career pathways. Through the talent pools we establish for critical positions and our leadership development programs, we aim to shape the leadership profiles of the future in line with our approach to diversity and equal opportunity.

We address the employee experience holistically, focusing not only on satisfaction but also on belonging, engagement, development and corporate culture. Through regular employee experience surveys, suggestion systems and internal communication activities, we continue to foster a strong culture of feedback.

Through this approach, we aim not only to monitor performance outcomes, but also to create a working environment that supports employee development, increases engagement and strengthens a sustainable performance culture.

Employee Talent and Development

At Hasçelik, we consider the technical, professional and competency-based development of our employees to be one of the key foundations of our sustainable success. To enhance our employees' knowledge, skills and leadership competencies, we create a supportive development ecosystem through structured training programs, development tools and digital learning platforms.

While ensuring that our training and development processes are accessible and inclusive for all employees, we aim to strengthen the employee experience through content tailored to different needs and a variety of learning methods. Within this scope, throughout 2025, we provided all employees with access to digital learning content through the Udemy Business platform.

We consider leadership development a critical area for our corporate sustainability. Through the Leadership Development Program implemented for employees in leadership roles, we carry out initiatives aimed at strengthening their managerial and strategic competencies. In the area of technical and professional development, we plan and deliver all necessary training in line with our quality standards and within the framework of our commitment to sustainable quality.

In 2025, we launched our Internal Trainer Project to enhance knowledge sharing across the organization. Through this initiative, we encouraged volunteer employees from different departments to share their knowledge and experience, with the aim of strengthening our internal learning culture. We also continued to support our employees' development across different areas through job rotations and project-based work experiences.

The key training programs delivered in 2025 and the corresponding participation data were as follows:

Training Program	Total Training Hours	Number of Participants
APQP - PPAP Training	352	22
Train-the-Trainer Program	224	14
Mastering Excel	90	15
Feedback Training	72	9
Storytelling and Performance Monitoring	176	11
IATF 16949 Awareness Training	320	20
ISO 27001 Information Security Awareness Training	105	105

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Employment

At Hasçelik, we regard our human capital as one of the most important drivers of our sustainable growth approach. We manage our recruitment and employment processes in line with the principles of diversity, inclusion, equal opportunity and sustainable human resources management. We believe that our employees contribute value to our organization through their diverse age groups, levels of experience and areas of expertise, and we place importance on fostering an inclusive workplace culture.

In our recruitment processes, we adopt an equal opportunity approach and provide all candidates with fair evaluation processes without discrimination based on gender, age, disability, ethnic origin, religion or any other similar characteristic. In line with our human resources policies that support diversity, we believe that different age groups bring dynamism to our organization, and we aim to build a workforce structure that supports the combined development of experienced employees and young talent.

As of 2025, our total number of employees reached 916. The age distribution of our employees was as follows:

Age Groups	2023	2024	2025
50+	57	75	93
49-36	478	396	423
35-25	477	324	354
Under 25	90	36	46
Grand Total	1102	831	916

The gender distribution of our employees was as follows:

Gender	2023	2024	2025
Male	924	710	797
Female	178	121	119
Grand Total	1102	831	916

We regularly monitor the distribution of our workforce by facility and continue our human resources planning in line with our expanding operations. In particular, with the commissioning of our Hasçelik O Osmanieli Steel Meltingshop investment in 2025, we consider contributing to regional employment among our key priorities.

In line with our local employment approach, we aim to support the development of the regional workforce, particularly within the scope of our Osmanieli Steel Meltingshop investment. In this context, we collaborate with Bilecik Vocational High School to support the development of technically qualified human resources for potential future employment within our company. Through education, scholarship and technical development opportunities, we aim to strengthen the participation of local communities in production processes.

Gender Equality Indicators

We consider gender equality not merely a human resources objective, but an important component of our sustainable and inclusive corporate culture. We continue to support stronger representation of women in the workplace.

The proportion of female employees over the years was as follows:

Year	Total Number of Employees	Number of Female Employees	Female Employee Ratio
2024	846	122	%14,42
2025	916	119	%12,99

We continue to develop practices that support the participation of our female employees in management processes and their career development, while fostering an inclusive working environment in line with our equal opportunity approach.

Employment of Persons with Disabilities

In line with our social sustainability approach, we support the participation of persons with disabilities in the workforce and place importance on fostering an inclusive organizational structure. To ensure the full integration of employees with disabilities into the working environment, we implement the necessary physical and technical arrangements and support their employment in roles suited to their capabilities.

The number of employees with disabilities over the years was as follows:

Year	Number of Employees with Disabilities
2022	19
2023	23
2024	22
2025	21

We regard the participation of persons with disabilities in working life not merely as a legal obligation, but as an important part of our commitment to equal opportunity and an inclusive workplace culture.



“I Recommend a Candidate” System

Through our “I Recommend a Candidate” System, one of the practices we implement to support employee participation and organizational commitment, we incorporate candidate referrals made by our employees into our recruitment processes. All applications submitted through the system are evaluated in accordance with the Personal Data Protection Law (KVKK) and our internal company procedures.

Through this practice, we aim to assess candidates who are well aligned with our corporate culture more effectively, while managing our recruitment processes in a more transparent, participatory and sustainable manner.

School Programs and Our Young Talent Approach

We consider the development of young talent an important part of our sustainable human resources approach. Through our collaborations with universities, vocational high schools and educational institutions, we continue to support young people in gaining technical knowledge, practical experience and industry awareness.

Throughout 2025, while strengthening our university-industry collaborations, we contributed to preparing young talent for professional life through technical visits, career events, seminars and student programs. Through our activities with the Sakarya University Metallurgical and Materials Engineering Club, Bilecik Vocational High School and the Tuzla Technical Vocational High School Summit, we supported students in gaining a closer understanding of our industry. We also aimed to contribute to the development of high school and university students through technical training sessions, seminars and career-oriented knowledge-sharing activities.

One of the key initiatives within this approach is the Steel Star Program, which is implemented as a structured, long-term, project-based internship program. Through Steel Star, we provide university students with opportunities to gain professional experience, develop their technical competencies and support their career planning. Candidates who apply to the program through vacancies published on career platforms are admitted following our evaluation processes.

Within the scope of the program, we support students in applying their theoretical knowledge in production environments and operational processes, while contributing to their technical and personal development through project-based assignments. At the same time, we aim to enable students to interact with different departments, gain teamwork experience and develop a closer understanding of industry dynamics.

Through the Steel Star Program, we support young talent in becoming better prepared for professional life after graduation, while contributing to the development of the engineers, technical specialists and leaders of the future. We regard the development of young people not merely as an internship process, but as an important component of our long-term human resources strategy.

Business Ethics

We regard business ethics as one of the fundamental pillars of our corporate culture and sustainable management approach. We conduct all our activities in line with the principles of transparency, integrity, accountability, fairness and respect for human rights, and we continue to integrate our ethical business approach into all of our business processes.

Within this framework, the HASÇELİK Business Ethics Principles define the fundamental standards of conduct adopted by our employees, managers and business partners across our business processes. Our ethical principles cover the following areas:

- Prevention of Conflicts of Interest and Misconduct
- Efficient Use of Company Resources
- Accuracy in Financial and Commercial Records
- Gifts, Entertainment and Hospitality Rules
- Protection of Confidential Information
- Zero Tolerance for Harassment and Physical Violence
- Equal Opportunities and Prevention of Discrimination
- Healthy and Safe Working Environment
- Protection of Personal Privacy
- Our Responsibilities Toward Stakeholders

Within the scope of our ethics management approach, we place particular importance on combating bribery and corruption. Across Faydasıcok Holding and its subsidiaries, accepting or offering bribes, or engaging in any form of corrupt activity, is strictly prohibited. By adopting a zero-tolerance approach to such practices, we continue to conduct all our business processes in accordance with ethical principles.

Our Business Ethics Principles establish a holistic framework of conduct that governs not only our internal relationships, but also our interactions with customers, suppliers, business partners and all other stakeholders. We consider building trust-based relationships, preventing ethical risks and safeguarding our corporate reputation among our key priorities.

We safeguard our brand value and corporate reputation by maintaining a firm stance against all forms of unethical conduct, and we provide guidance to all our employees and stakeholders through the HASÇELİK Business Ethics Principles Handbook. We expect our employees to embrace our company’s ethical approach and fully comply with all applicable ethical rules and procedures. Through this approach, we continue to strengthen a transparent, trustworthy and sustainable business culture that respects human rights as an integral part of all our operations.

Occupational Health and Safety

In line with our strategic objective of “Making Occupational Safety Our Most Important Value,” we continue to advance our occupational health and safety initiatives. We regard the health and safety of our employees not merely as a legal requirement, but as one of the fundamental elements of our sustainable production approach and corporate culture.

We have established our HSE Policy to cover all employees, contractors, visitors and other stakeholders, and we manage a strong safety culture as an integral part of all our operations. In line with our ISO 45001 Occupational Health and Safety Management System and ISO 14001 Environmental Management System certifications, we continue to conduct our processes in accordance with international standards.

Across all our facilities, we conduct risk assessments in a timely manner and in compliance with legal requirements, and monitor the resulting data through the QDMS system. While managing our occupational health and safety processes with a continuous improvement approach, we prioritize increasing employee participation and awareness.





For the health and safety of our employees, we regularly conduct:

- OHS Alert communications,
- Toolbox talks,
- Health information sessions,
- Accident review meetings,
- Environmental and nature awareness activities,
- Site inspections,
- Accident and near-miss meetings, and
- Hygiene inspections.

Our Good Practices

We continue to implement various initiatives to strengthen our OHS culture. As part of our “Safety Captain – Occupational Safety Captain” practice, our work areas are inspected from an occupational safety perspective under the leadership of designated employees, thereby increasing employee participation and awareness.

We support continuous employee awareness by displaying occupational safety awareness videos in our cafeterias. We also digitally record and track our monthly Toolbox training sessions through the EBA system.

We begin our daily ASAKAI meetings with an occupational health and safety agenda and conduct operational evaluations together with all teams. We share lessons learned from occupational accidents with all employees and develop measures to prevent recurrence. We also support our awareness initiatives through the OHS Alert notes we prepare.

We conduct our monthly site inspections with the participation of all teams, record identified non-conformities and plan the necessary corrective actions. Through facility-specific WhatsApp communication groups, we enable OHS-related feedback to be communicated rapidly and ensure that the required actions are taken promptly.

Through the OHS Corridors established at our facilities, we share informational posters and visual materials in areas frequently used by employees, helping to keep safety awareness continuously visible. In addition, through regular health information sessions, we aim to increase our employees’ awareness of health risks they may encounter both in their working and social lives.



Employee Participation and Emergency Management

We hold our OHS Committee meetings on a monthly basis and regularly incorporate the views and feedback of our employee representatives into our processes. All committee members receive training on their roles and responsibilities, and decisions taken during the meetings are implemented with the health and safety of our employees in mind.

Our employees can report non-conformities, risks and near-miss incidents identified in the workplace to the relevant departments and our OHS teams. At the same time, we actively use our KAIZEN suggestion system to enable employees to contribute to process improvements.



We conduct health screenings for all employees upon recruitment and at legally prescribed intervals. Before commencing work, all employees receive OHS training that goes beyond minimum legal requirements. We also provide induction training, HSE orientation training and job-specific training, including for contractor personnel.

Within the scope of the Contractor Management System implemented at our facilities, the required documentation of contractors and visitors is verified, and relevant job- and site-specific training is provided before access to operational areas is granted. In addition, we assess contractors and suppliers in line with our HSE Pre-Evaluation Forms and monitor their process performance through feedback mechanisms once the service has been completed.

We provide both theoretical and practical training for our emergency response teams and conduct drills at regular intervals. We also carry out periodic inspections of work equipment used across our facilities and warehouses in compliance with applicable legislation, while continuing to provide our employees with all necessary personal protective equipment (PPE).

Accident Management and Continuous Improvement

Following occupational accidents, we conduct root cause analyses together with the relevant teams and share the preliminary information reports with our group companies to plan the necessary preventive actions. We communicate the lessons learned from accidents to all employees through training materials and our OHS Alert practices.

Our Crombar facility and Osmaneli Steelmaking investment are audited periodically by investment banks, relevant institutions and public authorities, and all audit processes are completed successfully.

No fatalities resulting from occupational accidents have occurred over the past four years. Analyses of the root causes of occupational accidents indicate that behavioural factors such as inadequate use of personal protective equipment, improper equipment use, rushing and lack of attention are among the prominent causes. Accordingly, we continue to strengthen our awareness, training and site inspection activities.



As of 2025:

- Accident Frequency Rate (AFR): 87.9
- Accident Severity Rate (ASR): 6.88

Our target for 2026 is to achieve zero occupational accidents and reduce both our accident frequency and severity rates by 30%.

Facilities	Lost-Time Accidents	Non-Lost-Time Accidents	Total Number of Accidents	Total Lost Days
Hasçelik 0	21	10	31	354
Hasçelik 1	22	9	31	369
Hasçelik 2	16	23	39	349
Hasçelik 3	18	8	26	235
Grindballs	11	3	14	123
Konya	4	3	7	103
Regional Warehouses	8	2	10	56

Our Training and Awareness Activities

Throughout 2025, we provided OHS and environmental training on various topics to a total of 1,212 employees. Our training performance was as follows:

	2024 Actual	2025 Target	2025 Actual	Training Hours per Employee - 2024	Training Hours per Employee - 2025
OHS Training Hours - FH	18548	23185	14830	13,4	7,43
Basic OHS Training Hours	11512	14390	9032		
Environmental Training Hours	1235	1544	555		
Toolbox Training Hours	5586	6982	3494		
Specific Training Hours	215	269	1749		
Number of Toolbox Training Sessions	48	60	66		
Number of Health Information Sessions	8	10	12		
OHS/Environmental Site Inspections	101	126	80		

Our Main Training Programs

- Basic OHS Training
- Health and Safety Training
- Working at Height Training
- Emergency Response Training
- Fire Safety Training
- Personal Protective Equipment (PPE) Use
- Risk Assessment Training
- First Aid Training
- Manual Handling and Lifting Training
- Hand Tool Safety Training
- Environmental Awareness Training

As part of OHS Week 2025, we organized various activities across all our facilities. In line with this year's theme, we focused particularly on "Emergencies, Earthquakes and Fire" to raise employee awareness.

Following the major fire incidents experienced in Türkiye, we launched the "HASÇELİK Is Looking for Heroes" campaign as part of our "Are We Ready for Emergencies?" project. Through this initiative, we strengthened our emergency response teams and renewed our volunteer-based training programs.

At Hasçelik, we regard occupational health and safety as a shared responsibility of all our employees. In line with our objective of "Making Occupational Safety Our Most Important Value," we remain firmly committed to creating safer, healthier and accident-free working environments.

General Data		Blue-Collar Employees	White-Collar Employees
Total Number of Employees	1212	868	344
Total Basic OHS Training Hours	9002	7782	1220
Training Hours per Employee	7,43	8,97	3,55
Required Value	13,7	14,5	12
Training Completion Rate (%)	54,21	61,83	29,55



Corrective and Preventive Actions

In line with our continuous improvement approach, we manage our corrective and preventive action processes within a systematic framework. We regard areas for improvement that may arise in our operational processes not only as issues to be resolved, but also as opportunities to enhance sustainable performance.

Within the scope of our human resources processes, we regularly review our organizational needs through the headcount approval mechanism we have implemented. Before initiating recruitment for positions vacated by departing employees, the operational necessity of the position is assessed, and the process proceeds in line with the required management approvals. Through this approach, we aim to manage our workforce planning in a more efficient and sustainable manner.

To strengthen employee participation and our feedback culture, we hold regular idea-sharing meetings across all our locations. During these meetings, which are conducted with the participation of employee representatives, current needs, areas for improvement and employee expectations are evaluated, and the necessary action plans are developed.

This structure also enables direct communication between senior management and our employees, thereby further strengthening our participatory corporate culture. Our idea-sharing meetings are communicated to employees each month as part of the Human Resources calendar.

Within the scope of our employee experience approach, our Human Resources Business Partners conduct one-on-one meetings with employees. These meetings are carried out based on predefined question sets, and the feedback received from employees is analyzed to identify areas for development. Based on the data collected, the necessary action plans are developed and initiatives aimed at improving the employee experience are implemented.

In line with our customer-oriented approach, we review customer specifications in detail and assess expectations particularly related to sustainability and low-carbon production. In recent years, as our customers' awareness of sustainability has increased, we have also observed that technical requirements concerning steel production methods have gained greater importance.

Within this scope, we carefully review customer specifications to determine whether they include any specific requirements related to the steel production process. In particular, where requirements concerning low-carbon production methods such as the Electric Arc Furnace (EAF) process are specified, we communicate directly with our customers to confirm the relevant expectations.

We consider clarifying all requirements related to the production method prior to mass production to be a critical criterion for both quality and sustainability.

As part of our specification confirmation processes, we establish separate evaluation criteria for the steel production process, enabling requirements related to sustainable production methods to be monitored systematically. Through this approach, we aim both to fully meet customer expectations and to integrate our low-carbon production approach more effectively into our operational processes.

New Collaborations

In line with our sustainable growth approach, we continue to develop strong collaborations with industry organizations, universities, educational institutions, non-governmental organizations and various stakeholders. We regard these collaborations as an important source of value not only for sectoral development, but also for knowledge sharing, human capital development, sustainability transformation and creating social impact.

To support shared progress across the sectors in which we operate, we maintain active memberships in numerous national and international organizations. As of 2025, our principal memberships included the following:

- KSO (Kocaeli Chamber of Industry)
- TİM (Turkish Exporters Assembly)
- TAYSAD
- MİB
- NOSAB
- METALSAN
- Union of Chambers and Commodity Exchanges of Türkiye (TOBB)
- Istanbul Chamber of Industry (ISO)
- UN Global Compact

Through these memberships, we closely follow sectoral developments and continue to play an active role in knowledge-sharing and collaborative platforms focused on sustainability, low-carbon production, exports, quality and industrial transformation.



Under the umbrella of the Faydasıçok Foundation, we continue to collaborate with various institutions with a focus on education, youth development and social impact. In this context, our collaborations with the following organizations continued throughout 2025:

- Marmara University: In line with the protocol established within the scope of university-industry and foundation collaboration, we continue to contribute to students' education, internship and development processes.
- Gebze Technical University: Our efforts toward technical and academic collaboration continue within the scope of university-industry cooperation.
- MEF University: We continue to support the participation of our students supported by the Foundation in social responsibility projects.
- YetGen: We support our students supported by the Foundation participation in training programs aimed at developing 21st-century competencies.
- Bilecik Vocational and Technical Anatolian High School: In line with the protocol established to support local employment within the scope of our Hasçelik O Osmanieli Steel Meltingshop investment, we continue to provide students with scholarship and development programs.
- OneNewOne: Our solution partner for AI-supported interview processes.
- Uğur Böcekleri Association: One of the non-governmental organizations providing voluntary educational support to our students supported by the Foundation.
- Step Up: A platform that provides career coaching support to young people who have graduated from our foundation programs.

Throughout 2025, while continuing our efforts to strengthen university-industry collaboration, we also supported the technical development of young talent, their acquisition of industry experience and their preparation for employment processes. In particular, within the scope of our Osmanieli Steelmaking investment, we identified training and collaboration initiatives aimed at developing the local workforce as one of our priority areas.

As Hasçelik and the Faydasıçok Foundation, through our collaborations with universities, vocational high schools and non-governmental organizations, we continue to bring young talent together with our industry by creating opportunities in education, internships, technical development and career advancement. We regard these collaborations not only as a means of addressing today's needs, but also as long-term social investments that support sustainable development.

Social Responsibility Projects

We consider creating social value to be one of the fundamental elements of our sustainability approach. In this direction, through the Faydasıçok Foundation, established in 2016, we continue to implement projects that contribute to young people's education, equal opportunity, gender equality and social development.

Together with the Faydasıçok Foundation, we aim not only to provide scholarship support, but also to develop long-term development programs that support the personal, academic and professional growth of young people. Through education, mentoring, internships, employment opportunities, leadership development and social responsibility projects, we support young people in becoming better equipped for the future.

Throughout 2025, in line with the United Nations Sustainable Development Goals, we continued to create social impact particularly in the areas of "Quality Education" and "Gender Equality." Through our education programs, mentoring processes, technical development activities and social responsibility projects that support the development of young people, we aim to cultivate the socially responsible leaders of the future.

Hasçelik Mentor Program

Through our Hasçelik Mentor Program, carried out with the voluntary participation of Hasçelik employees, we continue to provide career development support to students. Through the program, we aim to help young people gain a closer understanding of the business world, support their professional development and begin their careers better prepared.

We monitor our mentoring programs through regular measurement and evaluation processes and continue to improve them based on feedback from both mentors and mentees.

Steel Star and Internship Support

Through our Steel Star Program and internship opportunities, we continue to provide students with real-world work experience. We support our students in gaining experience across a wide range of functions, including production, quality, information technologies, human resources, finance, marketing, strategy, supply chain and sales.

Through these internship programs, we aim to help students translate their theoretical knowledge into practical experience and shape their career goals in a more informed and purposeful manner.

Our Education and Youth-Focused Initiatives

In 2025, we visited GEBKİM Technical High School to explore opportunities for strengthening education-industry collaboration. During our discussions, we exchanged ideas on joint initiatives that could support students' technical development and on potential future areas of cooperation.

We also participated in the International Materials Science Congress held at Istanbul Technical University, where we met with industry representatives, academics and students. Through a presentation delivered by our Quality Director, Caner Güney, we shared insights on sustainable production, quality management and developments in the steel industry.

We also participated in the National Metallurgy Days (MTAG) held at Sakarya University, where we came together with students and industry representatives. Through a presentation delivered by Samet Yılmazbayhan, we aimed to contribute to the sectoral development of young engineering candidates. Through technical events, we seek to help young people gain a closer understanding of our industry and support their career development.

As part of our collaboration with Bilecik Vocational High School, we continued our training, scholarship and development programs aimed at supporting students' technical development. We regard this approach, which contributes to the development of the local workforce and supports potential future employment within our company, as an important part of our social sustainability approach.



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Community Solidarity and Volunteering Initiatives

Throughout 2025, we continued to implement social responsibility projects that encourage employee volunteering. As part of the “Yaşama El Ver” project carried out in collaboration with LÖSEV, we contributed to awareness-raising activities. In addition, through the “Dilek Topla Benim İçin” project, we collected gifts for children with leukemia, with the aim of strengthening a culture of solidarity.

Through these initiatives, carried out with the voluntary participation of our employees, we continued to create positive social impact.

Employee Experience and Social Activities

As part of our social sustainability approach, we continued to organize activities that strengthen our employees’ sense of belonging and reinforce our corporate culture.

Throughout 2025, we supported our employees’ social interaction and motivation through:

- International Women’s Day activities on 8 March,
- Long Service Awards Ceremony,
- Bowling, PlayStation and streetball events organized as part of the TOSB
- Tournament,
- Sales Development Program activities,
- Steel Meltingshop motivation events,
- Technical visits, and
- Happy Hour events.

Through our Happy Hour event, we welcomed the new year together with our employees, with the aim of strengthening internal communication and team spirit. Through our Steel Meltingshop events, we sought to enhance employees’ sense of belonging during our new investment processes. As part of our technical visits, we hosted students and young engineering candidates at our facilities, providing them with the opportunity to gain first-hand insight into our production processes.

Our Development Programs and Mentoring Initiatives

Through the Pearls in the Oyster Fellow Program, Trailblazers Development Program, Hasçelik Mentor Program, Steel Star Program and Faydasıçok Academy initiatives carried out under the Faydasıçok Foundation, we continued to support the technical, social and leadership development of young people.

Within the scope of our mentoring programs, we encourage our volunteer employees to share their knowledge and experience with students, while aiming to help young people enter professional life better prepared through internships, training, career planning and social responsibility initiatives.

Through all these efforts, we continue to create social value, support equal opportunity, contribute to the development of young people and generate sustainable social impact.

Digitalization

At Hasçelik, we regard digitalization as one of the strategic transformation areas that supports our sustainable growth approach, improves operational efficiency and strengthens our competitiveness. Through data analytics, automation, artificial intelligence and digital management systems, we aim to make our production processes more efficient, traceable and sustainable.

Within the scope of our digital transformation approach, we aim to optimize resource use, reduce energy consumption, increase process transparency and improve operational efficiency. At the same time, we strengthen our supply chain management through digital infrastructure while making our data-driven decision-making processes more effective.

Our SAP S/4HANA Transformation

Our SAP S/4HANA project is one of the most significant initiatives implemented as part of our digital transformation roadmap. Within the scope of the project, we structured our core operational processes—including sales, logistics, inventory management, finance, procurement, maintenance and repair, investments and projects, human resources, production and planning—on the SAP infrastructure.

Since the system went live in 2019, we have continued to manage our operational processes through a centralized, integrated and data-driven structure. Through this approach, we aim to enhance process traceability while making our decision-making mechanisms faster and more effective.

Company Merger Processes

In line with our brand strategies, we completed the merger of our Hascometal and Hasparlak companies under the Hasçelik umbrella within our SAP infrastructure. Through this transformation, we strengthened process standardization while creating a more integrated operational management structure.

Digitalization of Service Procurement Processes

We continued our efforts to digitalize our manually managed service procurement processes. Through digital approval mechanisms developed using SAP and RPA infrastructures, we aim to replace verbal and written approvals with digital workflows in service procurement processes. In this way, we aim to increase process speed, traceability and operational efficiency.

Hasçelik O Steel Meltingshop SAP Roll-Out Project

In 2025, we implemented our SAP Roll-Out Project for the Osmaneli Steel Meltingshop (Hasçelik O), which commenced production during the year. By integrating production, planning, quality, maintenance and logistics processes specific to steelmaking operations into our SAP infrastructure, we strengthened our digital production management capabilities. Through this integration, we aim to manage the processes of our next-generation production facility in a more efficient, traceable and sustainable manner.

Our Commercial Models and Mobility Applications

Has4Commerce

Within the scope of our Has4Commerce project, we launched the HASÇELİK.com e-commerce platform using the SAP Hybris/Spartacus infrastructure. As one of the first projects in Türkiye to be implemented with this infrastructure, our platform provides customers not only with an online sales channel, but also with a digital customer portal where they can access information such as insurance limits, quality certificates, past orders and invoices.

This project received an award in the IDC Special Awards category at the IDC CIO Awards 2021.



SabancıDX Pratis

We use the SabancıDX Pratis e-tendering system to digitalize our procurement processes. We manage and report tender procedures related to service, investment and technical procurement activities through the digital platform. Through this approach, we aim to enhance transparency, traceability and operational efficiency across our procurement processes.

Contract Management

We actively use our Contract Management System, which enables the approval processes for company contracts to be tracked digitally and ensures that contract documents are stored securely.

SAS – Invoice Reconciliation Project

We aimed to increase process speed and accuracy by digitalizing the manually managed SAS and invoice matching processes through RPA technologies. In this way, we continue to strengthen process efficiency while reducing operational workload.

Our Digital Production and Supply Chain Management

Has4Planning (PPDS) Phase 1

In addition to the Variant Configuration (VC) structure used within our SAP infrastructure, we integrated the Configurable Material Variant (cMV) structure to establish a hybrid material management framework. Through this project, we strengthened the standardization of Hasçelik products while developing algorithms designed to optimize order and production management processes.

Has4Planning (PPDS & gATP) Phase 2

Within the scope of the project covering our hot and cold product planning processes, we implemented the SAP PP/DS and gATP modules. By optimizing a wide range of operational processes, from raw material allocation and production planning to inventory–order matching and shipment processes, we aimed to improve overall operational efficiency.

HASÇELİK MEX, DE and UK Roll-Out Projects

By integrating the operational processes of our international subsidiaries into our SAP infrastructure, we continue to manage sales, logistics, inventory management, finance and procurement processes through a more centralized and digital structure.

Technology Infrastructure and Disaster Recovery Systems

We have completed the implementation of a disaster recovery center for our SAP HANA database and application servers. Through this infrastructure, we aim to ensure business continuity via backup systems without data loss in the event of potential system outages or technical risks.

We continue to regard our digital transformation approach not merely as a means of improving operational efficiency, but as a strategic transformation area that supports our sustainability objectives, reduces our environmental impacts and enables alignment with the low-carbon production model of the future.

Economic Performance

We view sustainability not merely as an approach limited to environmental and social responsibility, but as a holistic management philosophy that also encompasses economic sustainability. We believe that our strong economic performance is one of the key foundations of our long-term sustainable growth approach and the value we create for our stakeholders.

We regard economic sustainability as a strategic framework that strengthens our operational resilience, ensures the continuity of our investments and supports our sustainability transformation objectives. Through a financially strong and sustainable organizational structure, we aim to sustain our environmental investments, digital transformation projects, employee development programs and social impact initiatives with a long-term perspective.

In line with our approach to stable growth, we continue to use our resources efficiently, invest in advanced technologies and further develop our sustainable business models. We consider our investments in areas such as energy efficiency, low-carbon production, digitalization and human capital development to be important components of our economic sustainability approach.

Throughout 2025, we continued our financing activities to support our sustainability- and environment-focused investments. In this context, during the February–March 2025 period, we utilized a total of USD 20 million in financing through Eximbank – EBRD (European Bank for Reconstruction and Development). This financing has been an important source of support for our long-term investment approach, sustainable production transformation and environmental performance. The loan has a nine-year maturity, structured with a two-year grace period, followed by seven years of principal and interest repayments.

At the same time, we continue to benefit from reduced corporate tax rates within the scope of our investment incentive certificates. As our legally granted investment allowance rights have not yet been fully utilized, the related tax advantages will continue in the coming years. In addition, we have benefited from VAT exemptions on the procurement of investment goods.

We assess our economic performance not only in terms of financial results, but also in terms of its long-term impacts on our employees, customers, suppliers, business partners and local communities. Supported by our strong economic structure, we continue to expand employment opportunities, provide our employees with higher-quality working environments and support projects that create social value.

At the same time, we believe that our strong economic infrastructure contributes to the more effective management of environmental risks, supports our efforts to combat climate change and enables the transformation of our operations in line with our sustainability objectives.

Our economic performance indicators are evaluated within the scope of the Hasçelik Confidentiality Policy and are therefore disclosed to the public only to a limited extent.



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