




**ASIL ÇELİK**

**SUSTAINABILITY REPORT**

**2024**



We are the leader in the production of specialty steel in Türkiye and one of the respected players in the global industry.

Drawing its strength from deep-rooted experience, a highly skilled workforce, and an innovative approach, our company not only produces steel but also contributes significant value to our country and the global industry.

We consider sustainability as an integral part of our business strategies. We diligently fulfill our environmental, social, and economic responsibilities.

With the aim of leaving a more livable world for future generations, we shape all our processes with a transparent, strong, and sustainable management approach.

**2024**

SUSTAINABILITY REPORT

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# ABOUT THE REPORT

We are pleased to present the Sustainability Report of Asil Çelik, a leading company in the production of specialty steels including alloyed, non-alloyed and high-alloy steels that are hot-rolled, forged and peeled, subjected to various finishing processes and, upon request, heat-treated, and manufactured in round, square, hexagonal, flat, plate and certain special cross-sections.

This report addresses our sustainability achievements, encountered challenges, and best practices across environmental, social, and economic perspectives.

Throughout the period from 1 January 2024 to 31 December 2024, we highlight our efforts to reduce environmental impacts, promote social responsibility, create economic value, and ensure their integration with the United Nations Sustainable Development Goals (SDGs).

One of our key objectives is to increase the awareness of our stakeholders through our sustainability reports, the first of which we have prepared this year and which we plan to publish regularly.

We hope that this report will provide valuable insights into Asil Çelik's sustainability performance, strategies and future goals.

Our report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards. The data shared in this report has not been subject to external assurance. For any questions or feedback, you may contact us at [info@asilcelik.com.tr](mailto:info@asilcelik.com.tr).

# MESSAGE FROM THE GENERAL MANAGER



**Dr. OSMAN KILAVUZ**  
General Manager

*Dear Employees, Stakeholders and Esteemed Members of Our Community,*

As Asil Çelik Sanayi ve Ticaret A.Ş., we consider sustainability not merely as a business objective but as a cornerstone of our corporate culture and strategic vision. With this understanding, we fulfill our social, environmental and economic responsibilities at every stage of our operations and work with dedication to leave a more livable world for future generations.

The borderless negative impacts of climate change across the world further increase the importance of our responsibility with each passing day.

In this context, we continuously work to reduce the environmental impacts arising from our activities and develop new projects to achieve this goal.

Producing while protecting environmental values and using our natural resources effectively, efficiently and responsibly constitute our fundamental priorities.

Within this framework, we follow and implement innovative approaches in environmental management, continuously improving ourselves and prioritizing the circular economy.

In our production processes, we use recycled scrap metal as raw material, thereby avoiding additional pressure on natural resources.

As part of our efforts to combat climate change, we control and reduce our greenhouse gas emissions and prioritize technological developments and digitalization in our new investments.

Within the framework of the ISO 14001 Environmental Management System, we continuously improve our environmental performance and take an active role in combating climate change.

Ensuring occupational health and safety, which is our highest priority, we effectively implement the ISO 45001 Occupational Health and Safety Management System to protect the health of our employees and all stakeholders we interact with, thereby providing a safe and healthy working environment.

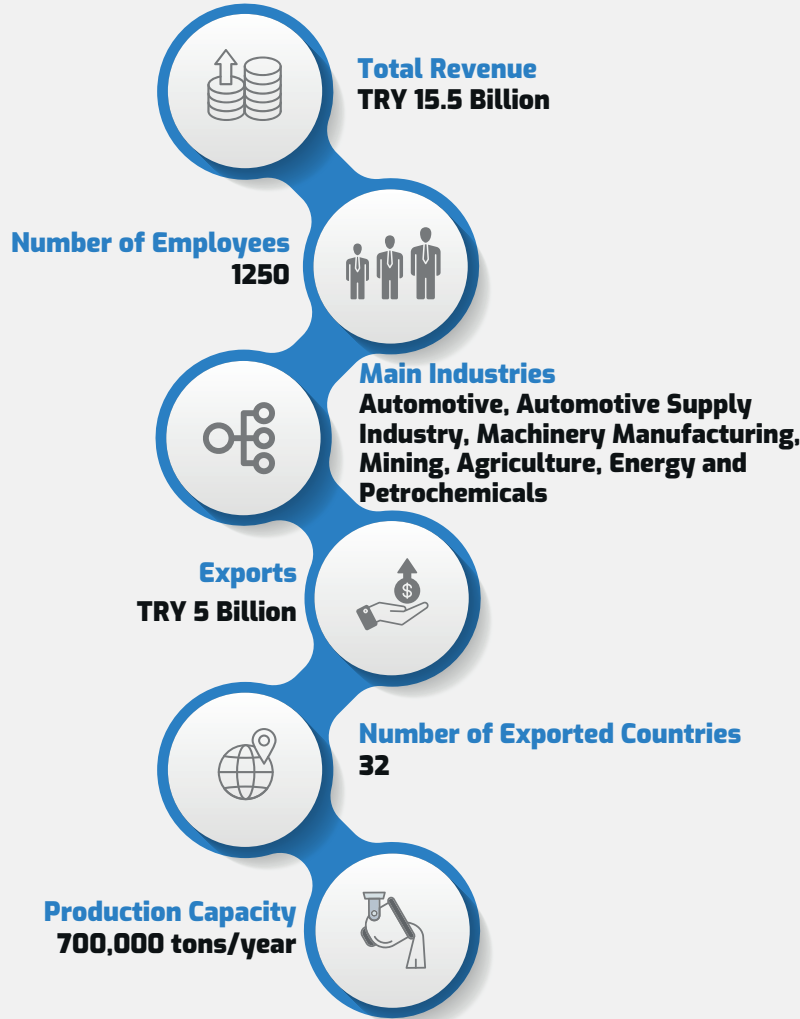
With a strong sense of social responsibility, we always prioritize respect for human rights, equal opportunity and the fight against discrimination. Through the social projects we carry out in the fields of education, health and environment, we contribute to society while taking pride in being part of sustainable development.

With our innovative production technologies and environmentally friendly practices, we contribute not only to economic growth but also to social welfare. We will continue to develop our efforts to combat climate change by taking a leading role and creating long-term value through these initiatives.

In our sustainability journey that shapes the future, I firmly believe that we will continue to progress towards our goals with determination through cooperation with all our stakeholders and our production approach that respects environmental values, and that we will keep working for a more livable world.

*Respectfully,*

# ASIL ÇELİK



## About

Asil Çelik Sanayi ve Ticaret A.Ş. was established in 1974 to produce specialty and engineering steels and began its production activities in 1979. The company currently operates under a 50% partnership of Güris Group and 50% partnership of Diler Group. With its recent investments, Asil Çelik has become a leading organization in Türkiye in the field of specialty steel production, supported by a 75-ton capacity electric arc furnace steelmaking facility, rolling mills capable of producing various sections and grades, conditioning lines, modern and accredited laboratories, a functional organizational structure, and a highly experienced and knowledgeable workforce.

We produce high-quality steels including alloyed, non-alloyed and high-alloy steels, which are hot-rolled or forged, subject to various finishing processes and heat-treated upon request. Our products serve a wide range of industries, primarily automotive and automotive supply industry, as well as machinery manufacturing, agriculture, mining and energy sectors. Our product portfolio includes tool steels, stainless steels, bainitic steels, quenched and tempered steels, micro-alloyed steels, bearing steels, boron steels, free-cutting steels, case-hardening steels, spring steels, carbon steels and structural steels. Our wide product range is available in round, square, hexagonal, flat, plate and certain special sections.

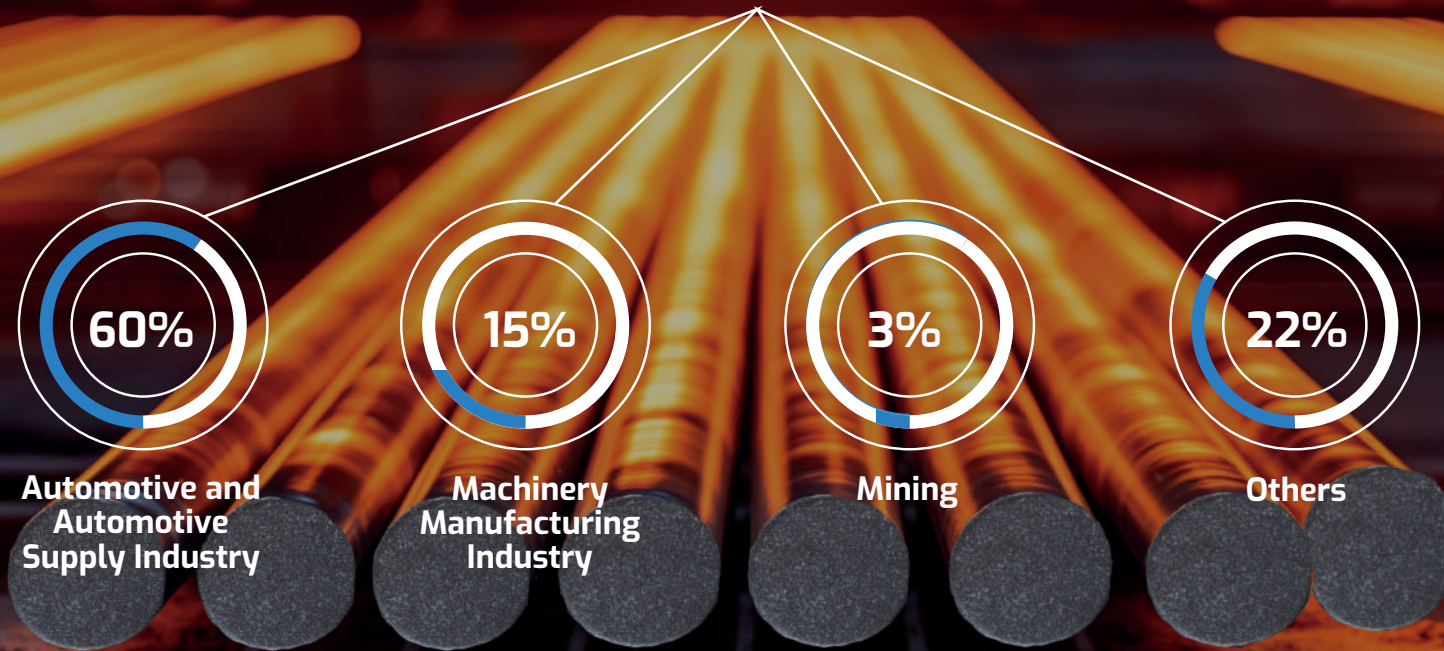
Asil Çelik is among the limited number of companies worldwide with advanced specialty steel production capabilities and is the largest specialty steel producer in Türkiye, accounting for approximately 60% of the country's specialty steel production. In addition, depending on the year, approximately 35–40% of its production is exported directly, positioning the company as a global supplier.

The raw materials used in production are procured in accordance with specifications prepared in line with international standards and are subject to incoming quality controls.

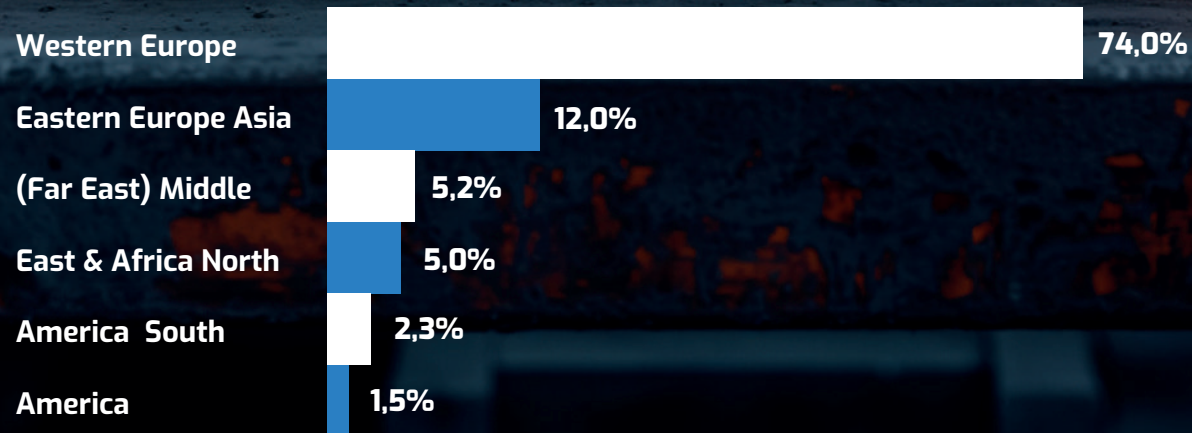
Orders received from domestic and international markets are produced in accordance with international standards and/or specific customer requirements. Products are delivered in shipment-ready condition.

In line with its corporate and commercial strategies, our company has made significant investments to build a stronger and more prepared future and to expand its product portfolio. With the establishment of VOD (Vacuum Oxygen Decarburization) and ESR (Electroslag Remelting) facilities, our product range has been further strengthened. In addition, the commissioning of the forging facility has enabled the expansion of our business model to include new product types and customer segments.

## Distribution of Sales by Industry



## Geographical Distribution of Exports



## Our Facility

Asil Çelik, the leading company in specialty steel production in Türkiye, operates in modern facilities designed in line with the expectations and requirements of the automotive, automotive supply industry, machinery manufacturing, energy and other sectors to which it supplies.

Production activities are carried out at the facilities located in Orhangazi, Bursa, within a Special Industrial Zone covering a total area of 565,000 m<sup>2</sup>, including 168,000 m<sup>2</sup> of indoor production area.



# Our History



## Our Production Lines



### Steelmaking Plant:

- 1 unit of 75-ton Electric Arc Furnace,
- 3 units of Ladle Furnaces, 2 units of VD (Vacuum Degassing) and 1 unit of VD/VOD (Vacuum Oxygen Decarburization),
- 2 units of Continuous Casting Machines (square sections 160–240 mm, round billets and blooms 310–600 mm),
- Ingot Casting (ingots ranging between 2.2–35 tons) consisting of the above units.

The liquid steel produced is solidified using two different casting methods (Ingot Casting and Continuous Casting) and then transferred to the relevant processes for further treatment.



### Electroslag Remelting (ESR) Facility:

- 1 unit of ESR (Electroslag Remelting) Unit (ESR ingots with round sections between 450–1000 mm),
  - 1 unit of Heat Treatment Furnace,
  - 1 unit of Band Saw,
  - 1 unit of Welding Station
- consisting of the above units.

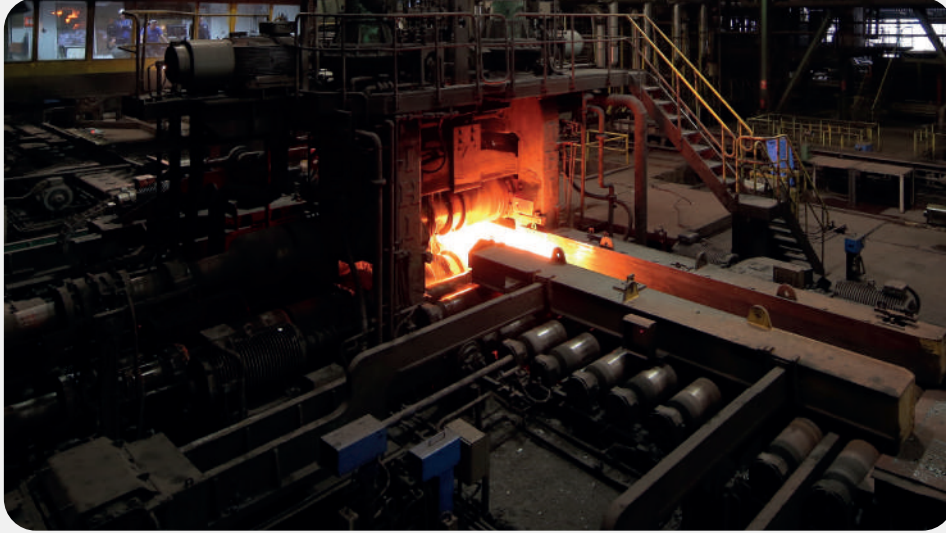


### Forging Shop and Conditioning Line (FS):

- 4 units of Reheating Furnaces,
- 4 units of Heat Treatment Furnaces,
- 1 unit of Open-Die Forging Press,
- 2 units of Manipulators,
- 4 units of Quenching Tanks,
- Round sections up to 1000 mm and rectangular sections up to 1000 × 500 mm

#### Conditioning Line:

- Steel Shot Blasting,
  - Surface inspection and ultrasonic testing equipment,
  - Band saws,
  - Lathes and milling machines
- consists of the above units.



### Large Section Rolling Mill (LSRM):

- Soaking Pits and Walking Beam Furnace (WBF),
- Descaling Unit,
- Breakdown Rolling Mill,
- Flame Scarfing Unit,
- Billet Rolling Mill (square sections 50–250 mm, round sections 75–300 mm and flats),
- Hot Saw (Length Cutting),
- Cooling Bed

consists of the above units.

### Medium Section Rolling Mill (MSRM):

- Walking Beam Furnace (WBF),
- Descaling Unit,
- 1st Roughing Mill Group (4 units),
- 2nd Continuous Mill Group(15 units),
- Kocks Block Mill (for round sections 19–100 mm, flats, square and hexagonal sections),
- Laser Section Measurement Device,
- Cooling Bed
- 2 units of Abrasive Cutting Saws,
- Automatic Packaging Unit

consists of the above units.



#### Conditioning Line:

- Shot Blasting,
- Straightening,
- Ultrasonic Internal Defect and Surface Inspection Equipment,
- Cutting and Grinding,
- Heat Treatment Furnaces,
- Marking & Packaging

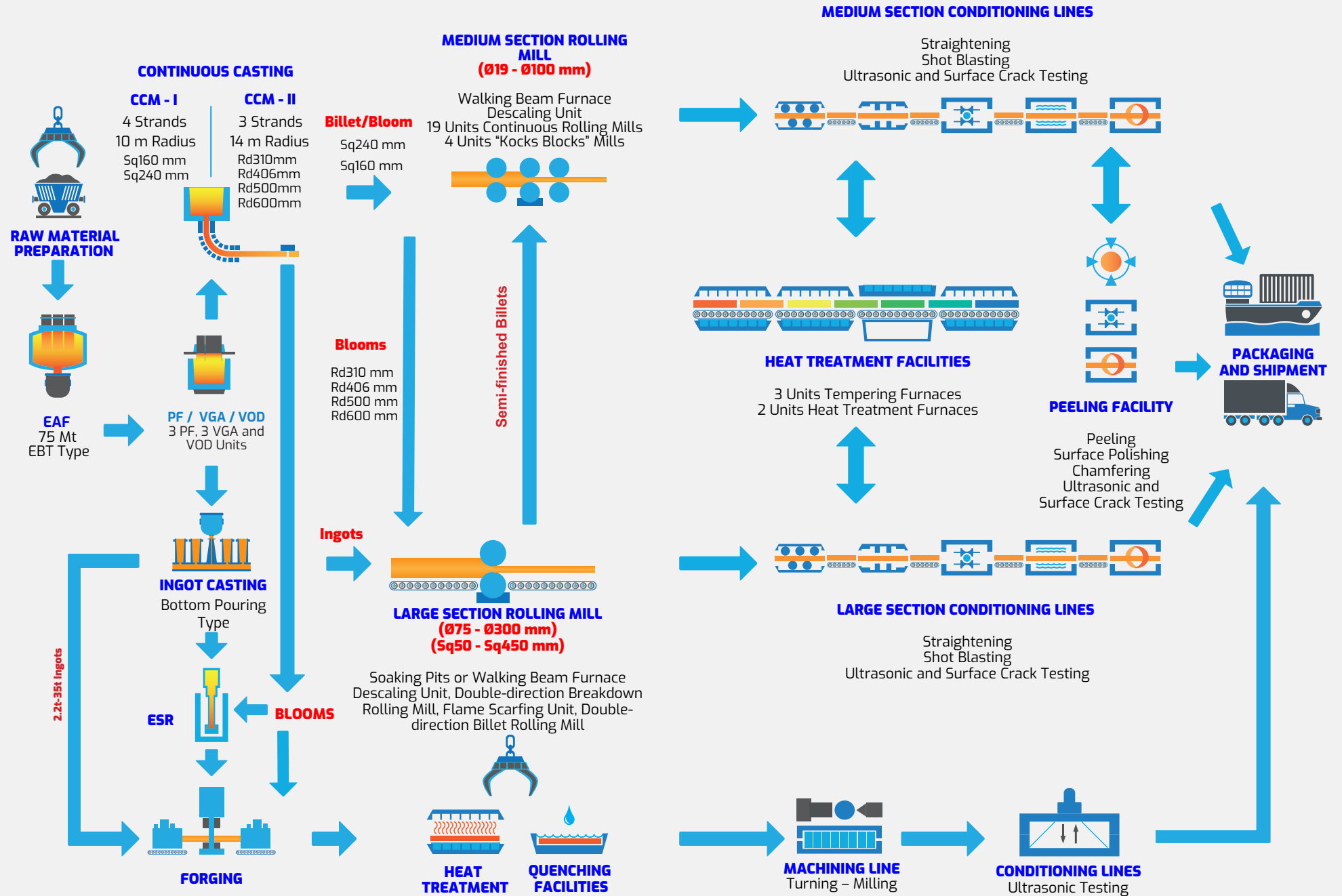
consists of the above units.



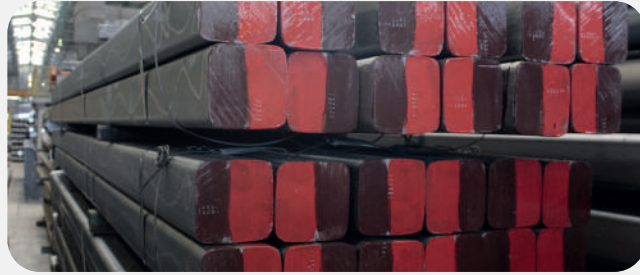
#### Peeling Line:

- Peeling,
- Straightening,
- Chamfering,
- Ultrasonic Internal Defect and Surface Inspection Equipment

consists of the above units.



# Our Products



Detailed information about Asil Çelik products can be accessed via <https://asilcelik.com.tr/products>

## Our Products

More than 400 steel grades, including alloyed, non-alloyed and high-alloy steels, are produced at our facilities. With modifications made in line with customer requirements, this number exceeds 1,200. In addition, product diversity can be increased in terms of cross-section and dimensions.

Production is carried out in accordance with internationally recognized standards such as EN, ASTM, SAE, DIN, ISO, JIS, BS, TSE, AFNOR, GOST and UNI, as well as customer-specific specifications for global clients.

## Steel Groups



# ASIL ÇELİK IN 2024

## Economic Outlook

In 2024, Asil Çelik continued its operations under the influence of global and local economic challenges as well as sectoral dynamics. Global steel demand increased by 1.7% to reach 1.79 billion tons; however, economic weakness and tight financing conditions continued in the market. The competition between the United States and China, customs tariffs, tensions in the Middle East and security risks in Europe negatively affected the markets. In 2023, China experienced a contraction in domestic demand for iron and steel products, reduced its production and exported its surplus production. In countries outside China, demand increased by 3.5%.

In 2024, the global electric vehicle market grew by 25%.

The demand for specialized steels for renewable energy projects (wind and solar) is also increasing. In 2024, global renewable energy capacity increased by 15%. Steels used in wind turbines and solar energy infrastructures constitute expanding application areas. In the future, new markets will emerge for durable steels to be used in green hydrogen production facilities.

Production processes aligned with the EU Green Deal and the Paris Climate Agreement are increasing sustainability in the sector. Starting from 2026, the implementation of the EU Carbon Border Adjustment Mechanism (CBAM) will effectively make low-carbon production techniques mandatory. Starting from 2026, the implementation of the EU Carbon Border Adjustment Mechanism (CBAM) will effectively make low-carbon production techniques mandatory. By 2030, it is expected that 10–15% of global steel demand will consist of "green steel."

Technological developments, social transformation experienced both in our country and around the world, the rise of service-oriented business models, the establishment of smart cities, the acceleration of urbanization and the changing need for infrastructure systems emerge as mega trends that will shape the future of the sector. Asil Çelik has defined its strategic goals for 2025 and beyond by focusing on increasing sustainability and cost efficiency at both global and local levels. Investments in technologies aimed at reducing the carbon footprint and increasing the production of green steel are targeted. It is also planned to reduce costs through the integration of digitalization and smart factory technologies.

If we look at Asil Çelik's financial figures for 2024:

Total Sales:

**15.504.231.327 TRY**

Total Export Sales:

**5.029.307.195 TRY**

Total Domestic Sales:

**10.474.924.132 TRY**

Total Sales Volume:

**457.330 Tons**

*High-grade steel production*

*Tool steel production*

*Low-carbon stainless steel production*

*High-grade forged products*

*High-grade steel production facility with ESR*

*Planning of the installation of the 2nd ESR unit*

*Conducting a digital maturity analysis*

*Planning the installation of the rooftop SSP project*

*Planning the installation of a new heat treatment and conditioning line*

*Planning the installation of a new air separation plant*

# Highlights



## Memberships

**EUROFORGE**

EUROFORGE



İSO – Istanbul Chamber of Industry



TÇÜD – Turkish Steel Producers Association



İMMİB – Istanbul Mineral and Metals Exporters' Associations



KALDER – Turkish Quality Association



BTSO – Bursa Chamber of Commerce and Industry



UİB – Uludağ Exporters' Associations



BASDEC – Bursa Space Aviation and Defense Cluster



## Collaborations



Middle East Technical University



Istanbul Technical University



Yıldız Technical University



BURSA TEKNİK ÜNİVERSİTESİ

Bursa Technical University



Bursa Uludağ University



Kocaeli University



Gebze Technical University



Bahçesehir University



BUÜ Orhangazi Yeniköy Asil Çelik Vocational School



# Awards

ISO (Istanbul Chamber of Industry) – Ranked 123rd in the “Top 500 Industrial Enterprises of Türkiye” list in 2024 and

## 22nd in its sector.

TIM (Turkish Exporters Assembly) – Ranked 199th in Türkiye’s “Top 1000 Exporters” list in 2024 and

## 22nd in its sector.



# CORPORATE GOVERNANCE

With our governance structure built on the principles of accountability, transparency and fair governance, we remain firmly committed to ethical values and full compliance with all legal requirements. Recognizing the importance of adapting to the transformations and developments of today's world in order to maintain our strong position in the sector, we consider sustainability as the foundation of our governance approach.

Asil Çelik is jointly owned by Diler Holding and Gürış Holding. The Board of Directors consists of ten members, including the Chairperson and the Vice Chairperson.

The General Manager and the heads of the relevant departments responsible for Technical, Financial and Administrative Affairs, Sales and Marketing, Legal Consultancy, Internal Audit, Quality Metallurgy, R&D, Technical Services and Laboratories, Information Systems, Domestic Sales and Marketing, Export Sales and Marketing, Steelmaking Plant, Secondary Metallurgy, Heavy Section Rolling Mill, Medium Section Rolling Mill, Forging Shop, Procurement, Investment and Engineering Services, Electronics and Automation Control, Maintenance and Auxiliary Services, Electrical Maintenance, Production Planning, Human Resources, Budget Control and Reporting, Finance, Accounting and Management Systems operate under the Board of Directors.



## Mission

To meet the market demand for special steel by embracing a philosophy of continuous improvement and ensuring the highest level of customer satisfaction.



## Vision

To maintain leadership in Türkiye and become a preferred global player by continuously improving through sustainable and profitable growth in special steel production.



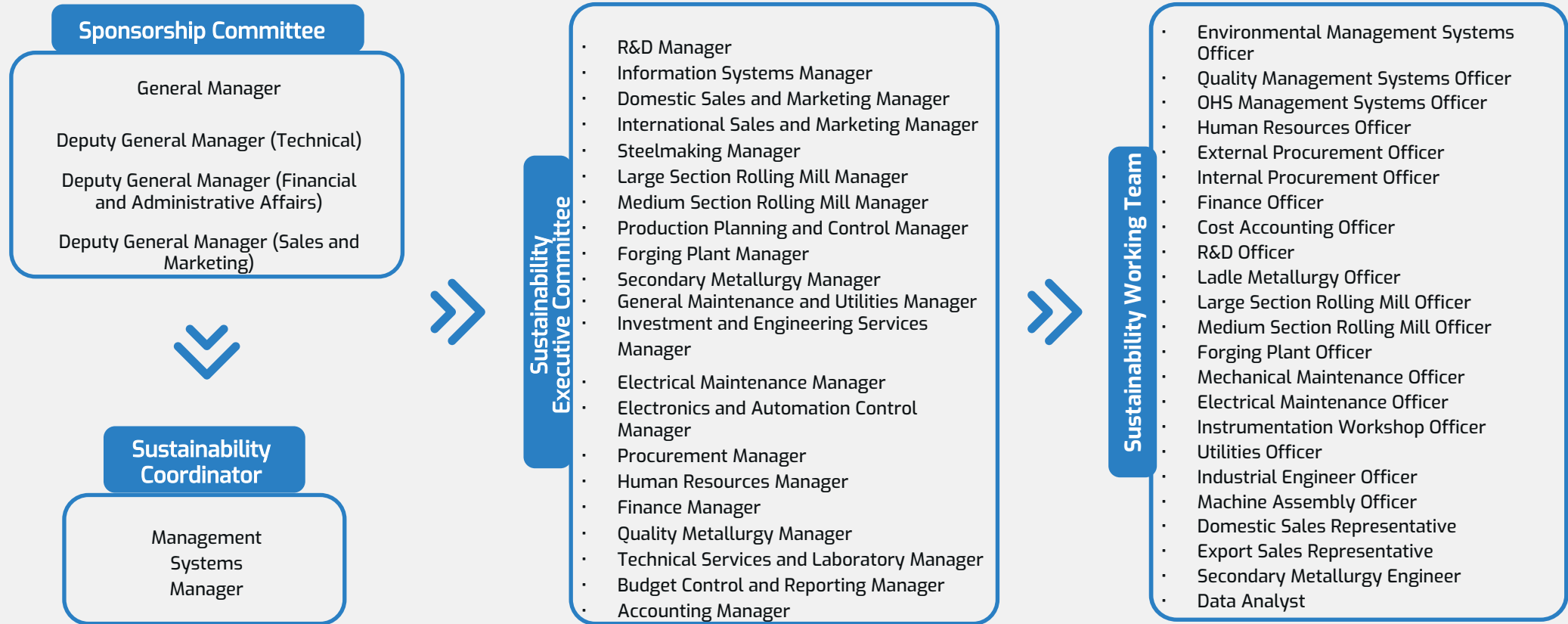
## Values

- Quality-Oriented
- Environmentally Responsible
- Customer-Oriented
- Reliable
- Respectful of Human Rights
- Innovative
- Committed to Ethical Principles
- Transparent
- Supporting Diversity and Equality



# SUSTAINABILITY ORGANIZATION

At Asil Çelik, we have established a sustainability organization in order to conduct our sustainability activities and ensure the dissemination of our strategies. Within our organization, which is sponsored at the senior management level, a "Sustainability Executive Committee" has been formed to further integrate sustainability into strategy and operations. In addition, a "Sustainability Working Team" has been established to support the dissemination of the sustainability culture and to lead activities aimed at achieving our targets.



## Ethical Principles and Compliance

We define commercial success not only through production volume and technological capacity, but also through a strong commitment to ethical values, the protection of confidential information, and compliance with legal regulations. In our business processes, we adopt fairness, integrity, and accountability as our fundamental principles and maintain a transparent and ethical stance toward our stakeholders at all times.

Our corporate governance approach is one of the strategic pillars that support sustainability. Our Board of Directors and its committees bear the highest level of responsibility for the continuous monitoring and implementation of ethical conduct standards, legal regulations, and fair competition principles. Through this approach, we ensure strict compliance not only with laws and regulations in all our activities, but also with our responsibilities toward the environment, society, and humanity.

Confidentiality, equality, transparency, and commitment to ethical values constitute the core principles guiding our relationships with stakeholders. We maintain zero tolerance for discrimination, unethical behavior, or unfair competition in our working environment. In our collaborations with suppliers, we prioritize environmentally responsible production, social responsibility, and respect for human rights, aiming to establish fair and trust-based relationships.

We continuously review our ethical principles and practices and identify areas for improvement through internal audits and feedback from our stakeholders. In this way, we not only express our responsibilities but also transparently demonstrate our progress through concrete improvements each year. In this context, we have established a secure whistleblowing line based on confidentiality to enable our employees to report unethical behavior or violations. Our employees are encouraged to use the communication channel [etik@asilcelik.com.tr](mailto:etik@asilcelik.com.tr) to report potential misconduct, violations of our ethical standards, or any irregular situations they may encounter. The purpose of this channel is to ensure that all notifications are handled confidentially by our Ethics Committee and that appropriate measures are determined to address the reported issues. In 2024, no notifications were received by the Ethics Committee.



# RISK MANAGEMENT

We consider risk management to be one of the fundamental pillars of our corporate strategy in order to ensure sustainable growth and operational excellence. Our risk management approach not only focuses on mitigating short-term threats but also provides a framework for identifying and evaluating long-term opportunities. In this process, under the leadership of senior management, the Internal Audit unit and process owners play an active role in supporting strategic decisions.

Our risk management process is based on the core principles outlined in ISO 31000 Risk Management. This methodology provides a solid framework for identifying, assessing, controlling, and monitoring risks. At Asil Çelik, risk management is implemented in an integrated manner across all business units, enabling us to take proactive measures against potential threats.

We are aware that the steel sector in which we operate is highly sensitive to fluctuations in global markets. In particular, geopolitical and economic developments that made cost management critical in 2024 have posed challenges for the sector. By analyzing such risks in advance, we strive to preserve our financial flexibility and maintain our competitive advantage in a sustainable manner.

In risk management, we focus not only on threats but also on evaluating opportunities within the sector. By prioritizing innovative projects and sustainable investments, we aim to strengthen our long-term growth potential. Within this scope, we initiated our rooftop solar power plant (SPP) installation project in 2024 to generate our own energy. At the same time, our facility modernization initiatives launched in 2022 are ongoing. Our efforts in areas such as green steel production and decarbonization management also support our alignment with future market expectations and enhance our competitive advantage.

We continuously review and update our risk management processes through a dynamic approach. Our risk map is regularly revised in line with sectoral developments, regulatory changes, and evolving stakeholder expectations. Through this approach, we aim to support Asil Çelik in achieving its sustainable growth targets and strengthening its position within the sector.



# Internal Audit And Control

At Asil Çelik, internal audit activities are carried out under the supervision of the Board of Directors. Two authorized expert employees, appointed by the Board of Directors as members of the Internal Audit Committee, report their activities at the Board of Directors meetings they attend on a monthly basis.

## Risks and Opportunities

We pursue a dynamic sustainability strategy aimed at both minimizing risks and leveraging opportunities. We develop integrated approaches across environmental, social, and governance areas and aim to achieve sustainable growth at both operational and strategic levels.



# Governance Risks and Opportunities

## Risks

1. Global Political Risks
  - a. Supply chain disruptions caused by wars, terrorist attacks, embargoes, and economic crises.
  - b. The risk that protectionist policies and trade quotas worldwide may affect the Company's international operations
2. Unfair Competition
  - a. Market competition arising from low-cost products originating from China, Russia, and Ukraine.
  - b. Challenges of competing with companies producing below established standards.
3. Legal and Regulatory Non-Compliance
  - a. Delays in compliance with ESG (Environmental, Social and Governance) standards or inadequate performance that may undermine stakeholder confidence.
  - b. The risk of encountering trade barriers due to insufficient compliance with regulations such as the Green Deal.

## Opportunities

1. Corporate Strategy and ESG Reporting
  - a. Enhancing stakeholder trust through transparent ESG reporting and gaining reputational advantages by aligning with international standards.
  - b. Improving strategic planning through the integration of risk and opportunity management.
2. Entry into New Markets
  - a. Achieving competitive advantage in international markets through value-added and environmentally friendly products.
  - b. Implementing strategic plans aimed at increasing exports.
3. Leadership in Sectoral Transformation
  - a. Taking a leading role in the sector through the transition to electric vehicles and innovative steel solutions.
  - b. Expanding market share by offering specialized solutions for the maritime and energy sectors (oil, gas, wind, solar, etc.).

# Environmental Risks and Opportunities

## Risks

1. External dependency in the supply of products such as ferroalloys, alloys, and electrodes
  - a. The risk of being affected by fluctuations in global markets due to external dependency in the supply of energy (oil, natural gas, and electricity) as well as products such as ferroalloys, alloys, and electrodes.
  - b. Potential supply chain disruptions, price fluctuations, and delays in logistics operations.
2. Logistics and Storage Issues
  - a. High port costs arising from the lack of direct port ownership.
3. Legal and Regulatory Risks
  - a. High costs and administrative obligations related to carbon emissions arising from the EU's Carbon Border Adjustment Mechanism (CBAM).
  - b. The increasing severity of national and international environmental sanctions.
4. Energy
  - a. High energy consumption.
  - b. The risk of difficulties in scrap supply due to the global expansion of more environmentally friendly Electric Arc Furnaces (EAF) during the transition to green steel.

## Opportunities

1. Renewable Energy Investments
  - a. The opportunity to generate its own energy through Solar Power Plant (SPP) projects, reduce carbon emissions, and lower energy costs.
2. Circular Economy
  - a. Creating value for the circular economy through the recycling and reuse of by-products (e.g., slag).
  - b. Minimizing environmental risks and establishing circular business models by improving waste management.
3. Carbon Management and Competitive Advantage
  - a. The opportunity to take part in the green steel market by transitioning to low-carbon production processes.
  - b. Achieving a stronger position in international markets through compliance with the EU Green Deal.
4. High Value-Added Product Production
  - a. Providing environmentally friendly and innovative solutions for high value-added sectors such as maritime and energy (oil, natural gas, and electricity).

# Social Risks and Opportunities



## Risks

### 1. Shortage of Qualified Workforce:

- a. Risk of difficulty in recruiting qualified personnel due to the technically specialized nature of the steel industry
- b. Risk of talent loss due to intense competition within the sector

## Opportunities

### 1. Education and Collaborations:

- a. Contribution of the collaboration with Asil Çelik Vocational School to meeting the company's need for a qualified workforce
- b. Opportunity to support employee development and attract new talents through in-company training programs and internship opportunities

# Management Systems

Within the framework of its sustainability strategy, Asil Çelik adopts continuous improvement as a fundamental principle. In line with the requirements of the sector in which it operates and customer expectations, the Company aims to achieve operational excellence through certifications obtained in compliance with international standards. In order to enhance the effectiveness of management systems, internal audits are conducted and processes are continuously reviewed.

Internal audits are carried out in accordance with the annual audit plan by an audit team composed of employees who have received training in management systems and internal auditing.

Management System Standards Certificates	Applicable Facilities
ISO 9001:2015 Quality Management System	Factory, Headquarters
IATF 16949:2016 Automotive Quality Management System	Factory, Headquarters
ISO 14001:2015 Environmental Management System	Factory, Headquarters
ISO 45001:2018 Occupational Health and Safety Management System	Factory
ISO 50001:2018 Energy Management System	Factory
ISO/IEC 27001:2013 Information Security Management System	Factory
TS EN ISO/IEC 17025 Laboratory Accreditation	Factory

In addition to our Management Systems Certifications, we also hold certification approvals for various production sectors:

- Marine&Offshore – RECOGNITION FOR BV MODE II SCHEME**
- Lloyd's Register: Approved Manufacturer of Steel Plates, Strip, Sections & Bars**
- DNV (Det Norske Veritas) : Approved Manufacturer of Steelmaking and Rolled Steel Products**
- KR (Korean Register) : Approved Manufacturer of Steelmaking and Rolled Steel Products**
- CLASS NK (Nippon Kaiji Kyokai): Approval of Manufacturing Process**
- TÜV-SUD PED (Pressure Equipment Directive) : 2014/68/EU, Annex I, Section 4.3, AD 2000-Merkblatt W 0 as well as EN 764-5, Para. 4.2**
- ABS (American Bureau of Shipping): Certificate of Ship Anchor Chain or Accessory Facility and Process Approval,**
- Stainless Steel Casting and Steel Casting components for marine applications Foundry&Forge Facility and Process Approval**

In addition, the certification approval processes for CCS (China Classification Society) and BIS (Bureau of Indian Standards) are ongoing, and we plan to complete them in 2025.

# INFORMATION AND DATA SECURITY AND CORPORATE MEMORY

We consider information and data security to be one of the fundamental pillars of corporate sustainability and stakeholder trust. In order to ensure the continuity of our operations and safeguard our business processes, we treat information security management as a strategic priority while also recognizing our responsibility to transfer our accumulated knowledge to future generations. Our priority is to take necessary measures against potential threats and ensure compliance with legal developments.

To ensure information security, we implement the ISO 27001 Information Security Management System. Within the scope of this system, regular risk analyses are conducted to identify threats to our information assets and appropriate measures are taken to ensure compliance with regulatory requirements. In addition to general ISO 27001 training programs, all employees receive annual remote training on the Personal Data Protection Law (KVKK) and Information Security Awareness to enhance the effectiveness of our system.

In order to comply with legal regulations and ensure the protection of personal data, we have prepared the Personal Data Processing Disclosure Notice. You can access this notice through our website at <https://asilcelik.com.tr/kisisel-verilerin-korunmasi>.

By implementing our data security policies, we restrict data access exclusively to authorized employees. We also protect internal and external data traffic through a secure network infrastructure that includes firewalls, VPN, encryption, and layered security measures. In addition, we operate a remote data center to ensure the security and continuity of our data.

Throughout the year, we carried out various improvement initiatives related to email, user, and system security to strengthen our cybersecurity framework. In this context, we performed regular security updates, actively utilized network monitoring systems, and conducted penetration tests along with user awareness training. As a result of these efforts, no data breaches or data leakage incidents occurred in 2024. Furthermore, in order to enhance our data security capabilities, we initiated a project in 2024 to implement a Data Loss Prevention (DLP) system.

We view corporate memory not only as a structure that preserves historical knowledge but also as a strategic resource that supports decision-making processes. The preservation of past knowledge, experience, and innovations is critically important for our company's sustainable growth and for strengthening our competitive advantage.

To safeguard information security and corporate memory, we continue our continuous improvement activities and aim to increase the effectiveness of this resource in innovation and strategic decision-making processes by utilizing our corporate memory more efficiently.



# OUR SUSTAINABILITY STRATEGY

Our sustainability approach aims to fulfill our responsibilities by reducing environmental impacts while creating economic and social value, and to take a leading role in achieving sustainable growth within the sector. In line with this approach, we implement practices that create value for the future and adopt an integrated strategy designed to generate long-term impact.

We structure our strategy around three main pillars: "Growing with Our People, Our Environmental Impact, and the Sustainability of Our Business." Through this strategy, we aim to create a more productive working environment by increasing the motivation of our employees, expand our market share by meeting our customers' demand for sustainable products, and contribute to a more livable future by providing solutions to environmental and social challenges faced by society.



## Growing with Our People

Our employees, who constitute the core element of our competitive advantage, are at the center of our sustainability strategy. We believe that employee engagement, development, and participation are the most critical factors for sustainable growth. Therefore, we aim to create a high level of employee satisfaction by providing all necessary opportunities related to occupational health and safety, career development, and work-life balance. In addition, we plan to expand the comprehensive training programs we organize to improve our employees' knowledge and skills, while also supporting their personal development.

## Our Environmental Impact

We consider energy efficiency as one of the most important components of our sustainability strategy. To reduce energy consumption in our production processes, we invest in innovative technologies and automation systems and continue our modernization projects. In this way, we aim to increase our competitiveness and reduce our environmental impact while achieving long-term cost advantages.

Within the framework of our greenhouse gas reduction commitment included in our environmental policy, we aim to reduce product carbon emissions by 71% by 2035 and to achieve net-zero emissions by 2050. By following the decarbonization roadmap we have established, we continue our efficiency initiatives in this direction.

In line with our Zero Waste target, we work to minimize waste generated in our production processes and increase recycling and recovery rates. Within this scope, at least 95% of the waste generated is recovered.

## The Sustainability of Our Business

With the goal of sustainable growth, we focus on creating long-term value while increasing profitability. We recognize that R&D and innovation activities are critical to maintaining our economic performance, achieving growth, and preparing for the future. In this context, we have identified low-carbon technologies for environmentally friendly steel production as a key focus of our activities.

Through our comprehensive risk management system covering social, environmental, financial, and operational risks, we identify risks that may hinder the achievement of our sustainability goals and take necessary measures against them. By closely monitoring global developments, we evaluate both risks and opportunities to ensure business continuity.

As a customer-oriented company, we ensure customer satisfaction by conducting all our processes in line with international quality standards and customer expectations. We carry out all necessary tests to ensure that our products do not harm human health or the environment.








## Our Contribution to the Sustainable Development Goals (SDGs)






Strategy	Priority Topic	SDG Target		
GROWING WITH OUR PEOPLE	Product Quality and Safety	12.4	By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle in accordance with agreed international frameworks and significantly reduce their release to air, water and soil to minimize their adverse impacts on human health and the environment.	
	Attracting and Retaining Talent	8.3	Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro, small and medium-sized enterprises, including through access to financial services.	
	Employee Engagement, Development and Well-being	8.5	By 2030, achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value.	
		10.3	Ensure equal opportunity and reduce inequalities of outcome by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and actions.	

Strategy	Priority Topic	SDG Target		
GROWING WITH OUR PEOPLE	Human Rights	8.5	By 2030, achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and ensure equal pay for work of equal value.	
		16.B	Promote and enforce non-discriminatory laws and policies for sustainable development	
	Occupational Health and Safety	8.8	Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, particularly women migrants, and those in precarious employment.	



## Our Contribution to the Sustainable Development Goals (SDGs)

Strategy	Priority Topic	SDG Target	
OUR ENVIRONMENTAL IMPACT	Energy Management	<b>7.3</b>	By 2030, double the global rate of improvement in energy efficiency. 
	Combating Climate Change and Reducing Emissions	<b>13.3</b>	Improve education, awareness-raising and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning. 
	Reducing Pollution and Preventing Pollution Sources	<b>12.4</b>	By 2020, achieve environmentally sound management of chemicals and all wastes throughout their life cycle in accordance with international frameworks and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment. 
		<b>6.3</b>	By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, and substantially increasing recycling and safe reuse globally. 
		<b>13.3</b>	Improve education, awareness-raising and institutional capacity on climate change mitigation and adaptation. 

Strategy	Priority Topic	SDG Target	
THE SUSTAINABILITY OF OUR BUSINESS	Business Model Resilience	<b>9.1</b>	Develop quality, reliable, sustainable and resilient infrastructure, including regional and cross-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all. 
	R&D and Innovation	<b>12.a</b>	Support developing countries in strengthening their scientific and technological capacity to move towards more sustainable patterns of consumption and production. 
	Digital Transformation	<b>9.c</b>	Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020. 
	Customer Focus	<b>8.2</b>	Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high value-added and labour-intensive sectors. 
	Sustainable Procurement	<b>12.6</b>	Encourage companies, especially large and transnational companies, to adopt sustainable practices and integrate sustainability information into their reporting cycles. 

# Sustainability Indicators

Strategy	Priority Topic	Target	Indicator	Unit	'22	'23	'24
Growing with Our People	Product Quality and Safety	Ensuring compliance with safety standards	Compliance rate of products with national and international safety standards	%	100	100	100
		Reducing customer returns	Customer return rate	ppm	202	87	93
	Attracting and Retaining Talent	Becoming a preferred employer for talents	Number of talents employed	Number	20	28	12
		Reducing employee turnover rate	Employee turnover rate	%	7.20	9.98	9.84
	Employee Engagement, Development and Well-being	Increasing employee engagement	Employee satisfaction rate	%	59	51	62
		Supporting employee training and development	Training hours per employee	Hours/Person	31	42	35
	Human Rights	Preventing ethical violations	Number of notifications received through the ethics channel	Number	0	0	0
		Implementing a fair wage policy	Percentage of employees receiving equal pay for equal work	%	100	100	100
	Occupational Health and Safety	Prioritizing occupational health and safety in all operations	Accident frequency rate	%	65.68	77.44	67.17
			Accident severity rate	%	1.03	1.67	1.31

Strategy	Priority Topic	Target	Indicator	Unit	'22	'23	'24
Our Environmental Impact	Energy Management	Reducing energy consumption and increasing the share of renewable energy	Purchased renewable energy	kwh /Ton	0	0	0
			Electricity consumption	kwh /Ton	829	830	856
			Total energy savings	%	2	4	0
	Reducing Pollution and Preventing Pollution Sources	Reducing waste and increasing reuse	Recovered waste rate	%	99.6	99.6	99.7
			Share of recycled raw materials used in production	%	95.98	96.2	95.3
	Climate Change Adaptation, Mitigation and Emissions Reduction	Reducing emissions	Share of recyclable products sold	%	100	100	100
			Scope 1 emissions	ton CO2e / ton of product	-	-	0.148
	Climate Change Adaptation, Mitigation and Emissions Reduction	Reducing emissions	Scope 2 emissions	ton CO2e / ton of product	-	-	0.319
			Total (1+2) emissions	ton CO2e / ton of product	-	-	0.467

Strategy	Priority Topic	Target	Indicator	Unit	'22	'23	'24
The Sustainability of Our Business	Business Model Resilience	Designing the business model to be flexible, customer-oriented and capable of ensuring sustainable profitability.	Market share ranking-Domestic	Number	1	1	1
			Number of participations in sectoral organizations	Number	14	20	18
			Share of finished products in total revenue	%	55	55	57.6
			Operating profit margin	%	31	26	19
	R&D and Innovation	Developing innovation and R&D activities.	Number of patent applications	Number	2	0	0
			Number of R&D projects	Number	12	12	24
			Share of R&D in the total budget	%	0.01	0.02	0.03
			Share of new products in total revenue	%	3	4.8	4.2
			Number of publicly funded R&D projects	Number	2	0	0
	Digital Transformation and Technology	Increasing digitalization processes and technological investments.	Number of cybersecurity breaches	Number	0	0	0
			System continuity	%	99.86	99.98	99.99
			Number of information systems projects	Number	12	8	13
	Customer Focus	Maintaining and improving customer satisfaction and loyalty.	Customer satisfaction score - Domestic	%	87.4	90.8	90
			Customer satisfaction score - International	%	90	93.4	94.4
Sustainable Procurement	Building long-term and responsible relationships with suppliers.	Local supplier ratio	%	-	84.8	79	
		Number of audited suppliers	Number	-	-	-	

## Our Stakeholders

Our sustainability strategy is built on strong communication and collaboration with our stakeholders. We recognize that understanding the expectations and needs of all our stakeholders is the key to continuously improving our business processes and achieving our goals of creating social, environmental and economic value.

In order to enhance our sustainability performance, we maintain regular and structured communication with our key stakeholders, including our customers, employees, suppliers, public institutions, local communities and non-governmental organizations.

To incorporate feedback from our stakeholders into our strategic decision-making processes, we utilize various communication channels. In addition to surveys, workshops, one-on-one meetings and stakeholder meetings, we also benefit from digital platforms.

Based on feedback received from our stakeholders, we identify our priority topics and evaluate them in alignment with our sustainability strategies. Through these mechanisms, we continuously review our sustainability performance and update our business processes to meet stakeholder expectations.

This constructive dialogue we maintain with our stakeholders forms a cornerstone of our sustainable growth journey. In the coming period, we aim to further strengthen stakeholder engagement and continue creating shared value together with our stakeholders.



# Stakeholder Engagement

RELATED GROUP	COMMUNICATION METHOD	FREQUENCY	COMMUNICATION METHOD AND PURPOSE
EMPLOYEES	Internet	Continuous	Documents and announcements
	HR Announcements	Continuous	Informing employees about current issues and practices
	Employee Satisfaction Survey	Once a year	Regular surveys and evaluations
	Trainings	When needed	Trainings conducted in line with annual plans
	Website, Social Media	Continuous	Informational announcements
	Suggestion System	Continuous	Suggestion program
	Social Activities	Annual plans	Special day celebrations, social events and award programs
	Information Boards	Continuous	Purpose-oriented information boards
	Trade Union	Continuous	Internal and external meetings, announcements
	Ethics Line	Continuous	Ethical notifications and receiving reports
	Annual Report, Sustainability Report	Once a year	Regular annual reporting
SUPPLIERS	Tender / Procurement Processes	When needed	Procurement processes carried out in line with operational needs
	Annual Report, Sustainability Report	Once a year	Regular annual reporting
	Ethics Line	Continuous	Ethical notifications and receiving reports
	Website, Social Media	Continuous	Informational announcements
	Visits, Online Meetings, E-mail	Continuous	Supplier site visits and suppliers' visits to Asil Çelik facilities, meetings organized according to needs
CUSTOMERS	One-to-One Meetings and Visits	Continuous	Meetings and site visits conducted according to needs
	Trade Fairs	Annual plans	Participation in industry trade fairs
	Customer Satisfaction Survey	Once a year	Improvement activities carried out based on customer feedback
	Website, Social Media	Continuous	Informational announcements
	Ethics Line	Continuous	Ethical notifications and receiving reports
	Annual Report, Sustainability Report	Once a year	Regular annual reporting
PUBLIC INSTITUTIONS	One-to-One Meetings and Visits	When needed	Activities carried out for legal compliance and social responsibility purposes
	Regular Reporting and Notifications	Continuous	Activities carried out once every two years
	Website, Social Media	Continuous	Informational announcements
	Annual Report, Sustainability Report	Once a year	Regular annual reporting
NON-GOVERNMENTAL ORGANIZATIONS (NGOs), ASSOCIATIONS	Working Groups	In line with the relevant institution's plan	Contributing to working groups
	Memberships	Continuous	Providing contributions through memberships in sectoral associations and NGOs
	Website, Social Media	Continuous	Informational announcements
	Strategic Collaborations	Continuous	Social projects
INVESTORS	Annual Report, Sustainability Report	Once a year	Regular annual reporting
	Website, Social Media	Continuous	Informational announcements
	One-to-One Meetings and Visits	When needed	Meetings organized according to needs
UNIVERSITIES AND OTHER PUBLIC INSTITUTIONS	General Assembly and Board of Directors Meetings	Annual plans	Informing shareholders and conducting reviews as required
	Career Days	In line with the relevant institution's plan	Contribution to career programs
	Technical Visits	Continuous	Facility visits organized for plant and sector introduction
LOCAL COMMUNITY	Internship Programs	Continuous	Short-term and long-term internship programs
	Website, Social Media	Continuous	Informational announcements
	Website, Social Media	Continuous	Informational announcements
	Local Media	When needed	Informational announcements
	Social Responsibility Projects	Continuous	Conducting activities that contribute to the community
	Annual Report, Sustainability Report	Once a year	Regular annual reporting
EIA Public Participation Meeting	When needed	Conducted as a legal requirement within the scope of investments	

## Prioritization Analysis

While determining our sustainability strategy, priority issues in the fields of social, environmental and governance (ESG) are identified in line with both our company's strategic objectives and the expectations of our stakeholders. Within this framework, the prioritization process we implement has been designed in accordance with the Global Reporting Initiative (GRI) standards and international practices. Our aim is to understand the impacts of our activities on all stakeholders and to develop strategic actions accordingly.

In the first stage of our prioritization process, we identify all issues that may be important from a sustainability perspective. These issues are shaped by internal policies and procedures, sectoral trends and developments, legal regulations and international standards, stakeholder feedback, as well as global risks and opportunities.

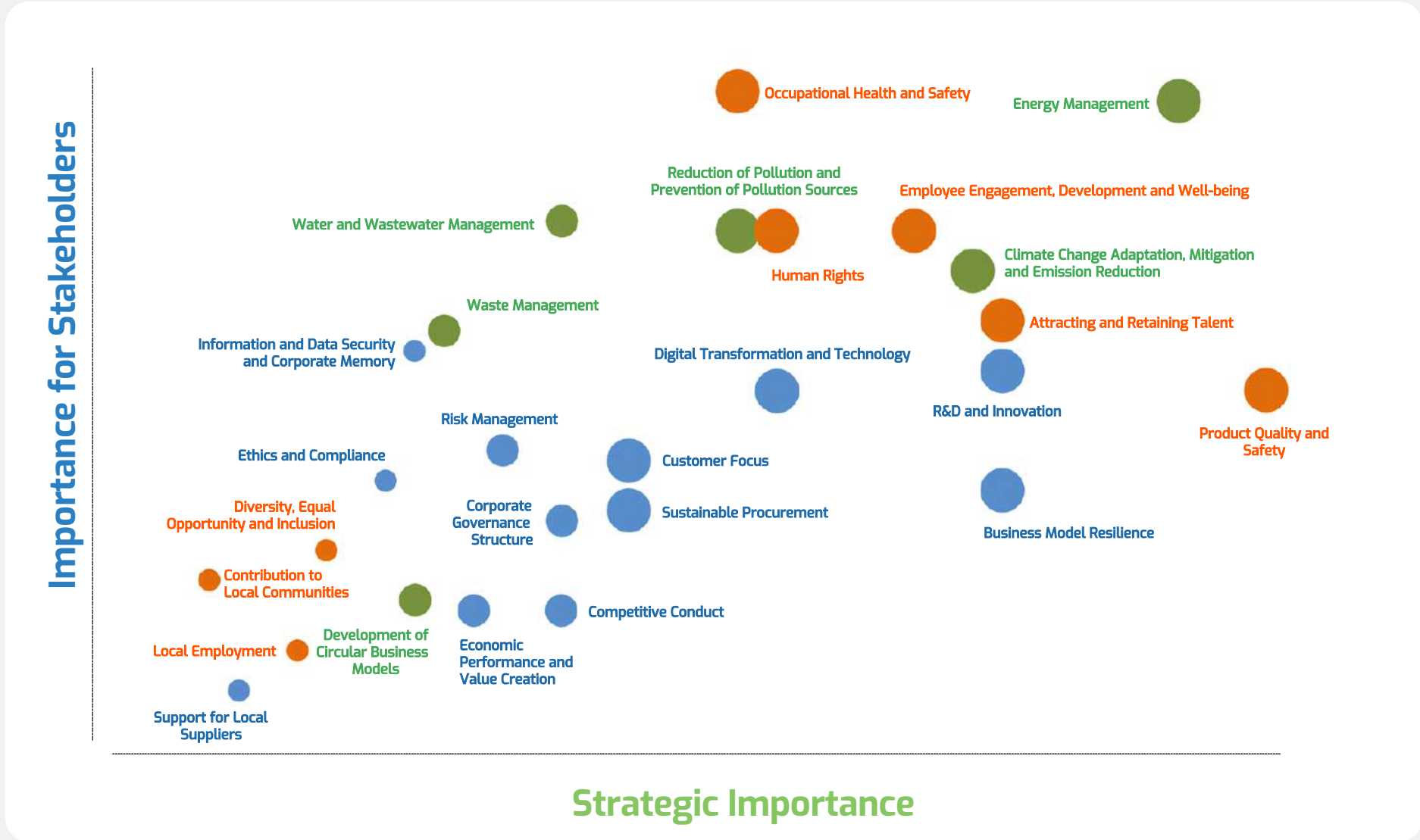
We evaluate the sustainability issues we have identified in terms of their impact on Asil Çelik's business strategy and their significance for our stakeholders. As a result of this analysis, we prioritize the issues that support our company's long-term success and our objective of creating social value.

Based on their strategic impact on the business and stakeholder feedback, we determine our high-priority issues. These issues constitute the core components of our sustainability strategy and guide our performance targets.

We consider the prioritization process as a dynamic structure. In line with changes in the sector, global trends and evolving stakeholder expectations, we regularly review our priority issues and update our sustainability strategy. This flexible approach contributes to strengthening Asil Çelik's resilience against both current and future challenges.

Through this process, we aim to continuously improve our company's sustainability performance and create shared value together with our stakeholders.

# Prioritization Matrix



# Our Priority Topics

## Very High Priority

- 1. Product Quality and Safety
- 2. Energy Management
- 3. Business Model Resilience
- 4. R&D and Innovation
- 5. Attracting and Retaining Talent
- 6. Climate Change Adaptation, Mitigation and Emission Reduction
- 7. Employee Engagement, Development and Well-being
- 8. Digital Transformation and Technology
- 9. Human Rights
- 10. Reduction of Pollution and Prevention of Pollution Sources
- 11. Occupational Health and Safety
- 12. Customer Focus
- 13. Sustainable Procurement

## High Priority

- 14. Water and Wastewater Management
- 15. Corporate Governance Structure
- 16. Competitive Conduct
- 17. Risk Management
- 18. Economic Performance and Value Creation
- 19. Waste Management
- 20. Development of Circular Business Models

## Medium Priority

- 21. Information and Data Security and Corporate Memory
- 22. Ethics and Compliance
- 23. Diversity, Equal Opportunity and Inclusion
- 24. Local Employment
- 25. Support for Local Suppliers
- 26. Contribution to Local Communities

# I. GROWING WITH OUR PEOPLE

## 1-1 Product Quality and Safety

In today's global business environment and under intense competitive conditions, Asil Çelik aims to become a sustainable "World Brand" while maintaining its leading position in the industry. In this context, we adopt customer satisfaction as our fundamental principle, prioritize environmentally responsible production and sustain a culture of continuous improvement as our core values.

While maintaining our leadership in quality in steel production, we aim to increase our market share by developing collaborations with new markets. Within the framework of a culture of continuous development and improvement, we strengthen our competitive advantage by supporting the active participation of all our employees. By closely following technological innovations, we systematically and strategically integrate these advancements into our processes.

We enhance the efficiency of our processes by effectively conducting risk and opportunity analyses within our operations. In line with our customer focus management approach, we respond sensitively to our customers' demands, feedback and suggestions, thereby ensuring a high level of customer satisfaction. By delivering our products to our customers on time with a "high quality" and "cost-effective" approach, we implement our commitment to providing the "best service".

By adopting an environmentally responsible production approach, we prioritize the protection of the natural balance. While carrying out our production processes in an environmentally friendly manner, we maintain our commitment to the Asil Çelik Code of Conduct. In addition, meeting the expectations of all our internal and external stakeholders and increasing their satisfaction is considered an integral part of our mission.

Acting with the philosophy of "Quality is Built in, Not Inspected," we implement the principle of "right first time and consistently high-quality production." We believe that every individual should assume responsibility for quality and emphasize that quality at Asil Çelik is a shared responsibility of all employees.

With this approach, we aim to achieve sustainable success on the global platform and strengthen our vision of maintaining a leading position in our sector.

Since our establishment, we have always placed product quality at the forefront of every process, and this approach has been reflected in our business results. In 2024, the customer satisfaction rate reached 93% for the products and services provided to a total of 222 customers, including 110 international customers.



With the national and international certifications we hold, we are an organization that has achieved high standards in the fields of quality, safety, environmental and energy management. In our production processes, we ensure superior quality by implementing the ISO 9001:2015 Quality Management System and the IATF 16949:2016 Automotive Quality Management System standards. In addition, we hold the PED – Pressure Equipment Directive – EU 2014/68 certification for pressure equipment and are recognized in the maritime sector through the Marine & Offshore – Recognition for BV Mode II Scheme. Our laboratory accreditation is maintained in compliance with the ISO/IEC 17025:2017 standard.

Our other internationally recognized certifications include approvals granted by institutions such as Lloyd's Register, DNV, KR (Korean Register) and Nippon Kaiji Kyokai for our steel production and processing processes. In addition, we hold the Pressure Equipment Directive 2014/68/EU conformity certification issued by TÜV SÜD. For the maritime sector, our processes are certified through the ABS: Certificate of Ship Anchor Chain or Accessory Facility and Process Approval.

With our extensive certification portfolio, we go beyond meeting customer expectations, maintain a leading position in our industry and aim to build a sustainable future through our high standards.

In line with our objective of delivering safe and high-quality products to our customers at the highest standards, we implement a comprehensive quality control and assurance system that guarantees product safety and quality. Our assurance system is built upon the following key elements:

### 1. 100% Scrap Inspection with Radiation Detection Equipment

All scrap materials used in our production are inspected at a rate of 100% using radiation detection devices. In this way, we prevent materials carrying radiation risks from entering our production processes and ensure that our products comply with international health and safety standards.

### 2. ISO (International Organization for Standardization) 17025 Laboratory Accreditation

Through our laboratory accredited with ISO 17025 within our facility, we ensure scientific accuracy and reliability in our measurement and testing processes. Thanks to this accreditation, we demonstrate that all our analyses are carried out in accordance with internationally recognized methods and that our results achieve a high level of accuracy.

### 3. 100% Ultrasonic and Surface Crack Inspection (NDT Equipment)

A total of seven automatic quality control lines operate within Asil Çelik. All our products undergo ultrasonic and surface crack inspections on these lines. By using Non-Destructive Testing (NDT) equipment, we detect possible internal and surface defects in our products and ensure that our production processes are carried out flawlessly. Through these practices, we achieve the highest standards of safety and durability in product quality.

### 4. Employees with NDT Level 2 Competency

Our non-destructive testing operations are carried out by our expert employees who hold NDT Level 2 certification. This level of competency demonstrates that our teams are highly specialized in non-destructive testing techniques and are capable of successfully conducting precise inspection processes.

### 5. Responsible Personnel for Product Safety and Compliance

Our product safety and compliance processes are meticulously managed by our experienced and authorized personnel. Our teams continuously conduct auditing and improvement activities to ensure that our products comply with quality standards and fully meet customer expectations.

Through these systematic quality control practices, we ensure the reliability, durability and compliance of our products with international standards. Our strong commitment to Product Safety and Quality continues to be one of the key values that reinforces our leading position in the industry.

## 1-2 Attracting and Retaining Talent

To support the development of our employees' capabilities and help them achieve their career goals, we implement various training and development programs. In order to support their long-term career aspirations, we adopt a transparent approach in our performance evaluation processes and provide constructive feedback aimed at enhancing their competencies. Through our differentiated performance management systems designed for both white-collar and blue-collar employees, we identify key areas for development. Each employee is evaluated once a year through one-on-one meetings with their managers. Our evaluation system is structured on a competency-based framework, allowing us to establish distinct processes for white-collar and blue-collar employees. By regularly reviewing this system and making updates when necessary, we aim to maintain objectivity and effectiveness.

To attract talented individuals, we collaborate with high schools and universities and participate in career fairs and career days. Through these initiatives, we have the opportunity to meet young talents whom we consider potential employees and introduce them to our organization. We provide practical skills training at our facility to students studying in departments such as office management, information technologies, accounting, machinery technologies, metal technologies and electrical-electronics technologies at Multi-Program Anatolian High Schools and Vocational and Technical Anatolian High Schools located in Gemlik, Orhangazi and Yalova.

We consider interns as our potential future employees and open the doors of our facility to students from various universities particularly those studying in the Department of Metallurgy and Materials Engineering to complete their summer internships with us. In this way, we both build our potential talent pool and help our interns prepare for professional life. Many of these students are employed at our facility after graduation.

In line with our strategy of effective career planning, we prioritize internal appointments and meet our organizational staffing needs primarily through our existing employees.



## 1-3 Employee Engagement, Development and Well-being

We consider our employees to be our most valuable asset and recognize their health, safety, happiness and professional development as our top priorities. Our Human Resources Policy aims to maximize the potential of our employees through innovative practices and inclusive approaches while fostering diversity and inclusion, continuously improving recruitment and talent management processes, acting with a strong sense of social responsibility and prioritizing employee well-being in order to create a sustainable working environment.

In order to support the well-being of our employees and strengthen their commitment to the company, we organize various activities. By coming together in events such as cinema and theatre gatherings, excursions and outdoor activities with employees and their families, we both strengthen our communication and support personal development.

We also stand by our employees during difficult times such as the loss of their relatives. In addition, we grant our employees with disabilities one day of paid leave on 3 December, the International Day of Persons with Disabilities, both to support them and to increase awareness within our company.

In order to continuously improve the employee experience, employee satisfaction surveys are conducted every year and improvement initiatives are implemented based on the feedback obtained from these surveys. We transform feedback into action plans aimed at increasing employee satisfaction and monitor these actions through digital platforms. As an example of the actions implemented based on employee feedback, we can mention the events we organize. During 2024, we organized various domestic trips for our employees.



## 1-3 Employee Engagement, Development and Well-being

To support the physical and psychological well-being of our employees, we promote work-life balance through the implementation of collective bargaining agreements and additional employee benefits. By prioritizing the health and safety of our workforce, we provide extensive benefits to our blue-collar employees within the scope of the collective bargaining agreement, while offering private health insurance to our white-collar employees.

We believe in the principle of continuous development and implement various training programs to support the professional and personal development of our employees. Through our online training platform, which we have established and made accessible at all times, we provide our employees with opportunities to enhance their knowledge and skills. Awareness trainings such as Information Security and PDPL (Personal Data Protection Law) compliance, Energy Management System, Environmental and Waste Practices, ADR Awareness, Risk Assessment, TS EN ISO 45001 and Occupational Health and Safety awareness are delivered through this platform.

In addition to the trainings conducted within the scope of legal requirements, we have organized various professional development trainings over the last three years to enhance professional knowledge and competencies in different areas. Key examples of these trainings include:

- Trainings for our accounting staff aimed at improving professional knowledge and skills, including Financial Statement Analysis, Current Tax Regulations and Developments, Cost Accounting and Social Security Law
- Trainings related to our foreign trade activities, including Letters of Credit, Inward Processing Regime and Customs Practices
- Basic Training on Periodic Inspection of Work Equipment in relevant fields enabling our engineers to gain professional authorization
- Trainings for our Information Systems employees such as Exchange Server, SAP ABAP programming language and System Expertise
- Technical trainings for our teams on steel, failure analysis, tool steels, heat treatment and specialized software and hardware
- Trainings related to management systems
- Theoretical and practical trainings on cost reduction and efficiency improvement for our managers, supervisors, engineers and foremen

We also attach importance to the personal development of our employees and organize trainings in various areas. Trainings on Effective Public Speaking and Presentation Skills, Leadership and Negotiation Skills are among the programs we offer within this scope.

## 1-4 Human Rights

Respect for human rights is considered a fundamental principle of our efforts toward building a sustainable future. We conduct our activities in compliance with international human rights standards and all applicable national legal requirements, closely monitoring relevant developments and updates. Our commitment to human rights is shaped in alignment with international frameworks such as the United Nations Universal Declaration of Human Rights and the standards of the International Labour Organization (ILO). We assume responsibility for the protection and promotion of human rights and base our communication with stakeholders on our Social Compliance Policy and Code of Ethics. We aim to create a working environment where everyone is treated with respect, free from discrimination and supported by an inclusive culture.

We prioritize ensuring that our employees work under fair and safe working conditions and provide all employees with fair wages and social benefits in accordance with applicable laws. We implement policies aimed at promoting workforce diversity and ensuring equal opportunities, offering equal opportunities to all employees and encouraging diversity. Within this framework, we apply an equal pay for equal work policy in line with the principle of gender equality.

We also adopt the principle of equal opportunity in our recruitment processes and aim to increase workforce diversity. In order to provide a safe and healthy working environment, we treat Occupational Health and Safety as a critical priority and continuously implement improvement practices to minimize occupational accidents and work-related diseases.

In line with our social compliance policy, we respect our employees' right to organize and operate in compliance with the requirements of the collective bargaining agreement. In 2024, the ratio of our employees covered by the collective bargaining agreement was 73%. Within the framework of the mutual trust established with our trade union and employees, no disputes regarding the collective agreement have occurred. We also support students by providing internship opportunities at our facility, particularly for those studying Metallurgy and Materials Engineering, as well as students from various other academic disciplines. Through these internship programs, we contribute to preparing students for professional life while building a potential talent pool. Many of these students are employed at our facility after graduation.

In line with our strategy for effective career planning, we prioritize internal appointments and meet our organizational staffing needs primarily through our existing employees.

## 1-5 Occupational Health and Safety

We consider Occupational Health and Safety (OHS) as one of our core values. In line with the principle of "Safety for Life," we conduct our activities with the goal of "Zero Occupational Accidents." We regard creating a safe and healthy working environment as a fundamental right for all our employees. In this regard, we fully comply with applicable laws and regulations and closely monitor ongoing legislative developments.

Through the OHS Policy we have established and the ISO 45001:2018 Occupational Health and Safety Management System, we aim to protect the health of our employees and prevent occupational accidents and work-related illnesses. Our Occupational Health and Safety Policy can be accessed through our website at: <https://asilcelik.com.tr/isg>

We recognize that awareness is the most critical factor in achieving our goals and therefore organize regular face-to-face, remote, on-site and practical training programs. Through these trainings, we aim to increase OHS awareness among our employees and strengthen the culture of safe working. In 2024, in addition to the trainings provided in accordance with legal requirements, we also conducted various trainings and awareness sessions both on-site and off-site.

Key examples of these trainings include:

- LOTO (Lockout-Tagout) Safety Procedure
- Metal cutting operations
- Safe working with machinery and equipment
- Causes and prevention of occupational accidents
- Ergonomics
- Safe working practices
- Signalman and slinger training
- First aid

In 2024, a total of 18,42 man-hours of training were delivered.

By identifying priority topics, we organize toolbox talks within operational areas to inform and raise awareness among our employees. Field inspections conducted with the participation of OHS specialists, workplace physicians and department managers also contribute to strengthening awareness and information sharing regarding occupational health and safety.

In order to proactively prevent potential occupational accidents and ensure continuous improvement, we implement an effective risk assessment process. We consider employee participation in this process to be critical and integrate feedback collected through near-miss and hazard reporting practices into our risk assessment activities.

Throughout 2024, we held a total of 12 Occupational Health and Safety (OHS) Committee meetings, conducted monthly, and implemented 13 decisions taken during these meetings. In these decisions, we also considered the opinions and solution proposals of our employees through the employee representatives participating in the committee.

We involve all relevant departments in the process by conducting root cause analyses of occupational accidents. Within this scope, we identified 221 actions in 2024 and achieved a 100% completion rate, regularly reporting the results to the OHS Committee.

In order to prevent the recurrence of similar incidents, we share lessons learned from accidents with our employees through regular meetings and training sessions and provide awareness briefings regarding frequently occurring accidents in social areas.

We also conduct emergency preparedness training and drills, ensuring the participation of employees from every department. In 2024, an emergency drill was carried out under the coordination of OHS specialists and the workplace physician.

#### Projects and Activities Implemented in 2024:

##### Occupational Safety Equipment:

- Locking devices designed for different energy sources (LOTO) are displayed in the occupational health and safety equipment corner of our training hall, where we provide visual and practical training to our employees on how to use these devices.
- In order to minimize hand pinch risks experienced by employees during material handling in conditioning lines, we designed impact-absorbing gloves and made them available for use by our employees.

##### Innovative Practices

- Lifeline systems have been installed to ensure the safety of employees during maintenance, repair and other activities carried out on rooftops. These systems are designed to eliminate fall risks for personnel working at heights and provide a safer working environment. At the same time, they enable employees to move safely on rooftops, thereby preventing potential occupational accidents.
- High-angle rescue equipment has been provided to ensure the safe rescue of injured employees or personnel in potential emergency situations that may occur in crane cabins or crane rail areas. These systems aim to prevent workers from being stranded at heights and enable them to be safely lowered to the ground in case of an accident or emergency.

**Awareness Publications:** Employees were regularly informed through annual OHS bulletins and monthly statistical reports.

**Expansion of Safe Material Storage Areas:** We plan to increase the number of material storage racks located both inside and outside the production area. Through this initiative, we aim to establish safer and more organized storage areas and minimize risks within the working environment.

**Activities for Office Employees:** We published regular internal communications and organized training programs related to the working environment and projects. Through these activities, we strengthened OHS awareness and encouraged all employees to contribute to a culture of safe working.

##### Projects and Activities Planned for the Future:

**Machine Overhaul in Conditioning Lines:** We aim to prevent occupational accidents by carrying out comprehensive machine overhauls on the equipment used in conditioning lines. Through these revisions, our objective is to ensure safer and more efficient machine operations.



## II. OUR ENVIRONMENTAL IMPACT

As a leading company in Türkiye's specialty steel industry, we adopt an environmentally responsible and sustainable production approach as a fundamental principle. Aware that protecting and improving the environment is an indispensable factor in enhancing the quality of life within the ecosystem, we conduct our operations with environmental responsibility at the forefront.

We aim to ensure full compliance with environmental regulations and to use raw materials and natural resources efficiently and responsibly in all our activities. By identifying and managing environmental risks, we develop and implement policies aimed at reducing waste and energy consumption within a continuous improvement framework. During our operations and investments, we carry out various initiatives to minimize environmental impacts and consider the fight against climate change and global warming as a strategic priority.

In our production processes, we meet our raw material requirements through the use of recycled scrap metal. In addition, 99% of the waste generated in our operations is recovered through recycling processes, while the remaining 1% is managed through controlled landfill methods. Domestic and industrial wastewater is treated in wastewater treatment facilities and safely discharged into receiving environments. Furthermore, treated industrial wastewater is reused in our processes, increasing resource efficiency.

Our air emissions, including gases, dust, vapors and aerosols, are released into the atmosphere in compliance with legal limit values. In addition, we continuously monitor our greenhouse gas emissions and carry out initiatives to sustainably reduce them. We regularly monitor, measure and minimize our environmental parameters and transparently share these data with relevant stakeholders. Furthermore, we implement practices aimed at minimizing odor, noise and visual pollution.

In our new investments, we prioritize environmentally friendly and green technologies by applying Best Available Techniques (BAT). We continuously develop and improve our environmental management processes. We attach great importance to training, awareness and incentive activities aimed at increasing environmental awareness among all our stakeholders, ranging from local communities and employees to suppliers and contractors.

By fulfilling our environmental responsibilities, we remain committed to maintaining a nature-compatible production approach and leaving a livable world for future generations. From the wastes sent outside the facility and included in recovery processes, we generated TRY 78,049,553 in revenue.

Thanks to our strong environmental responsibility practices, no environmental accidents or administrative penalties were recorded in 2024.

# 99%



## 2-1 Energy Management

As a leading company in Türkiye's specialty steel industry, we consider energy management an indispensable part of our business processes. In this context, we take concrete steps to improve energy efficiency, contribute to the conservation of natural resources and support a sustainable future. To achieve our objectives, we effectively manage the necessary information and resources while ensuring the accuracy, accessibility and continuity of this information. Within this scope, we hold the TS EN ISO 50001 Energy Management System Certificate and implement the system requirements stipulated by the standard across our organization.

Senior management of our company encourages the active participation of employees in order to achieve the objectives defined within the scope of our energy policies and ensures that all necessary resources are provided. We closely monitor all legal regulations and other obligations related to energy and fulfill our responsibilities by acting in full compliance with them. At the same time, we place importance on establishing open and effective communication with all our stakeholders regarding energy management in order to create mutual value.

In order to continuously improve our energy performance, we utilize innovative and appropriate technologies and ensure the most efficient use of our resources. Reducing energy consumption, increasing the use of renewable energy sources and minimizing environmental impacts are among our priority objectives. In our energy-related processes, we prefer products and services that enhance efficiency and develop projects in line with this approach.

In addition to our employees, we conduct training and awareness activities to raise awareness among our suppliers, visitors and the wider community regarding energy consumption. We make every effort to continuously improve our Energy Management System, communicate it across all organizational levels and keep it up to date.

We conduct all our activities in cooperation with our stakeholders in a way that creates mutual benefit. Our commitment to energy management represents a fundamental principle that supports our goal of creating a more sustainable world.

The primary energy sources used in Asil Çelik's operations are natural gas and electricity, while diesel fuel is consumed partially. In 2024, total consumption amounted to 34.5 million Sm<sup>3</sup> of natural gas and 430 million kWh of electricity.

As a result of optimization studies carried out in the rolling mill, furnaces and heat treatment furnaces in 2023, we achieved energy savings equivalent to TRY 15.5 million.

In addition to the projects we have implemented, we have initiated numerous new projects aligned with our energy efficiency objectives. In 2024, we launched a rooftop Solar Power Plant (SPP) project aimed at reducing our electricity consumption and increasing the use of renewable energy sources.

## 2-2 Climate Change Adaptation, Mitigation and Emissions Reduction

We consider combating environmental challenges such as climate change, air pollution and water pollution as one of our key priorities. In this context, we aim to increase energy efficiency, reduce dependency on fossil fuels and promote the use of sustainable energy sources. Our commitment to protecting natural resources and ensuring their efficient use forms an important part of our long-term environmental sustainability strategy.

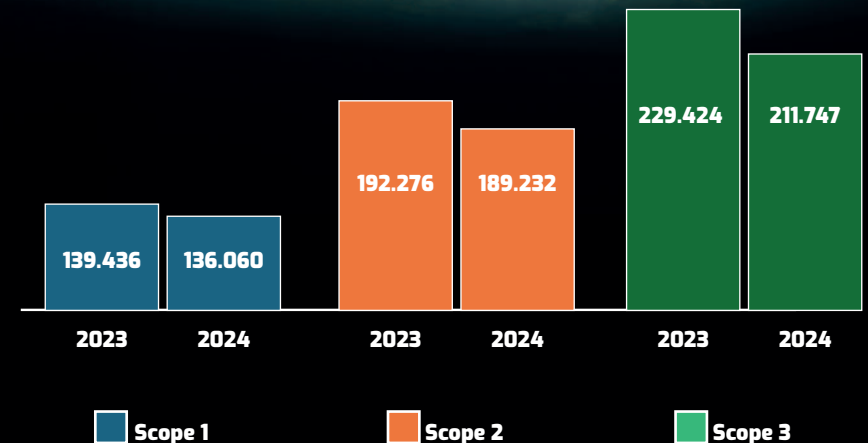
Our target for 2035 is to reduce product carbon emissions generated in 2024 by 71%. In addition, we aim to ensure the sustainable use of water resources by expanding waste management and recycling practices. For this purpose, we have established two wastewater treatment plants within our facilities – one for domestic wastewater and the other for industrial wastewater – to treat groundwater and enable its reuse. Through our environmental sustainability policies, we protect natural resources and ecosystems while also considering public health and social well-being. In this context, we adopt innovative technologies and green production practices to minimize our environmental impacts.

In line with our green steel production vision, we develop processes focused on reducing our carbon footprint. Through our environmentally friendly production approach, we both fulfill our environmental responsibilities and assume a leading role in sustainability within our sector.

We remain committed to fulfilling our responsibilities for a cleaner future and to being part of the solution in addressing environmental challenges. With our environmentally responsible production approach, we aim to protect not only today but also future generations.

Within the scope of ISO 14064 and ISO 14067 standards, we regularly prepare our corporate carbon footprint and greenhouse gas emission reports every year.

Greenhouse Gas Emissions (tCO2e)




# Greenhouse Gas Emissions Management

## 2050

100%   
0 CO2(t)


- 100% green energy utilization
- Use of hydrogen instead of natural gas as fuel
- Improving production efficiency through advanced technological equipment
- Use of alternative raw materials
- Implementation of carbon capture technologies

## 2030

24%   
0,355 CO2(t)  
Scope 1: 0.145 - Scope 2: 0.210

- Renewable energy investments
- Energy efficiency projects
- Utilization of internal energy resources
- Input raw material optimization
- Use of low-emission raw materials

## 2035

62%   
0,135 CO2(t)  
Scope 1: 0.135 - Scope 2: 0

- Renewable energy investments
- Energy efficiency projects
- Use of low-emission raw materials
- Input raw material optimization

## 2024

0,467 CO2(t)  
Scope 1: 0.148 - Scope 2: 0.319



## 2-3 Pollution Prevention and Reduction of Pollution Sources

### AIR EMISSIONS

Emissions generated from our production processes are treated and released into the atmosphere through baghouse dust collection systems, cyclone-type filtration systems, flue gas scrubbing units and electrostatic precipitators.

Dust emissions generated during steelmaking operations are treated through three dust collection facilities with a total suction capacity of 2,200,000 m<sup>3</sup>/hour.

- As of 2024, a total of 8,827,520 kg of flue dust was captured in the dust collection facilities. All of this flue dust, classified as hazardous waste, was sent to recovery facilities licensed by the Ministry and successfully recovered.

### CONTINUOUS EMISSION MONITORING SYSTEM (CEMS)

Emissions released into the atmosphere are monitored in real time through the Continuous Emission Monitoring System (CEMS) devices installed in our dust collection facilities. These devices are connected online to the Ministry of Environment, Urbanization and Climate Change and are continuously monitored by the Ministry.

### EMISSION MONITORING AND QUALITY ASSURANCE PRACTICES

Within the scope of emission control and quality assurance in our dust collection facilities, the following tests and measurements are carried out periodically:

- AST (Annual Surveillance Test): Annually,
- QAL3 (Quality Assurance Level 3): Monthly,
- QAL2 (Quality Assurance Level 2): Every 5 years or in case of system modifications

### STACK EMISSIONS AND EMISSION MEASUREMENTS

Emission and emission verification measurements are conducted at a total of 51 stacks in our facility at two-year intervals. The measured parameters are as follows:

- Combustion gases: CO (Carbon Monoxide), SO<sub>2</sub> (Sulfur Dioxide), NO (Nitric Oxide), NO<sub>2</sub> (Nitrogen Dioxide), NO<sub>x</sub> (Nitrogen Oxides)
- Dust / Particulate Matter
- VOC (Volatile Organic Compounds)
- Inorganic Chlorine
- Inorganic Fluorine
- PAH (Polycyclic Aromatic Hydrocarbons)
- Heavy metals: Lead (Pb), Cadmium (Cd), Thallium (Tl)
- Dioxins – Furans (Persistent Organic Pollutants)
- Settled Dust: Measurements are conducted at 8 different locations every two months.
- PM 10 (Particulate Matter smaller than 10 micrometers): Measurements are conducted at 2 different locations every two months.

### AUTHORIZED AND ACCREDITED LABORATORY MEASUREMENTS

All emission measurements and analyses are carried out by independent laboratories authorized by the Ministry of Environment, Urbanization and Climate Change and accredited by TÜRKAK (Turkish Accreditation Agency).

In order to minimize environmental impacts arising from emissions, we continue our activities in full compliance with environmental regulations in line with our sustainable production approach.



## WATER AND WASTEWATER MANAGEMENT

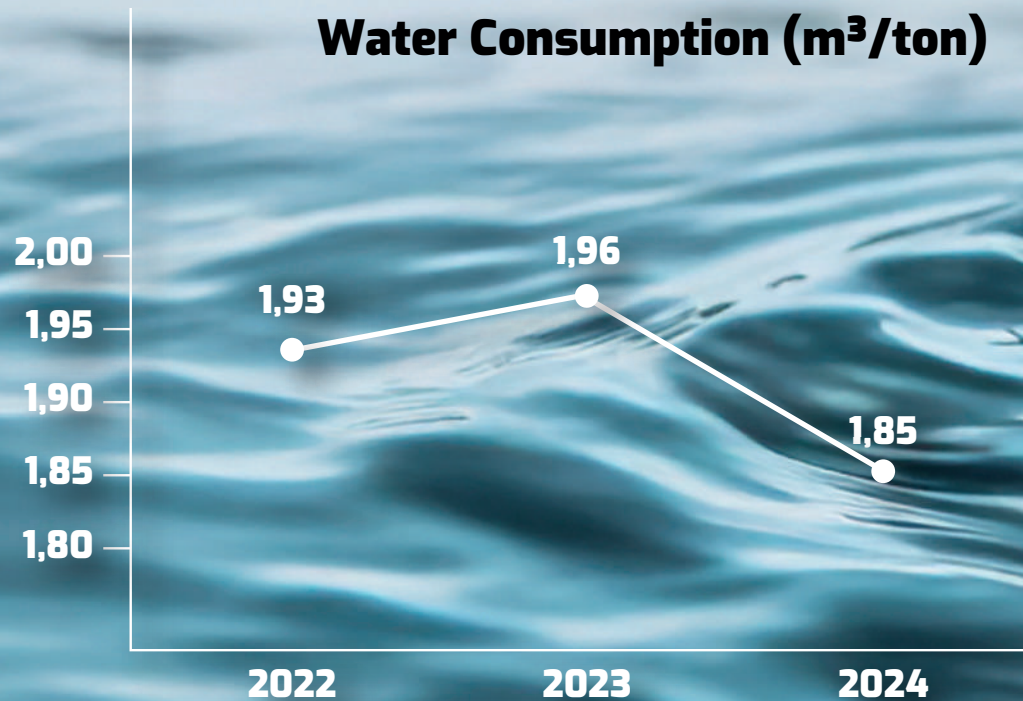
Within our sustainability approach, the efficient and responsible use of water is considered a priority area. Water, which is an indispensable resource in steel production, plays a critical role not only in ensuring the continuity of production processes but also in maintaining ecological balance. For this reason, we have implemented systematic improvements over the years to reduce water consumption within our operations, resulting in a continuous downward trend in water usage.

Through the measures taken in water management, we reduce the environmental impacts arising from our production activities while contributing to the protection of water resources. In this context, our wastewater treatment facilities represent one of the key elements of our environmentally responsible production approach. The processes carried out in these treatment facilities prevent process water from harming the natural environment. In addition, process cooling water used within closed-loop systems is reused. In this way, water conservation supports not only the efficiency of our production processes but also the protection of the environment and the improvement of societal well-being.

The reduction achieved in our water consumption over the years has become a strong indicator of our environmentally responsible production approach. Producing more efficiently with less water enables us to fulfill our responsibilities in addressing the adverse effects of climate change while supporting our goal of leaving a more livable environment for future generations.



### Water Consumption (m<sup>3</sup>/ton)



## WASTEWATER MANAGEMENT

Within our facility, there are two separate wastewater treatment plants, one for domestic wastewater and the other for industrial wastewater. Wastewater generated from domestic and industrial uses is collected through separate pipelines and treated in wastewater treatment plants designed according to their respective characteristics. The treated wastewater is discharged in full compliance with the limit values specified under the "Water Pollution Control Regulation".

At our wastewater treatment facilities, effluent samples are collected regularly every month by independent laboratories authorized and accredited by the Ministry of Environment, Urbanization and Climate Change, and the analysis results are reported and submitted to the Ministry.

During 2024:

- 24 wastewater samples were taken within the scope of internal monitoring,
- 8 unannounced samples were collected and analyzed during Ministry inspections.

All analysis results were found to be fully compliant with the regulatory limit values, and no exceedance of limit values was detected.

## DOMESTIC WASTEWATER TREATMENT PLANT

Domestic wastewater generated within our facility is treated at the Domestic Wastewater Treatment Plant, which includes both physical and biological treatment processes.

In 2024:

- 90,000 m<sup>3</sup> of domestic wastewater was treated and discharged into the receiving environment.
- 6,780 kg of sewage sludge generated during the treatment process was sent to licensed companies for recovery.

At the Domestic Wastewater Treatment Plant, analyses of BOD (Biological Oxygen Demand), COD (Chemical Oxygen Demand), TSS (Total Suspended Solids), and pH parameters are carried out regularly to ensure compliance with regulatory standards.

Our Domestic Wastewater Treatment Plant operates with a treatment capacity of 600 m<sup>3</sup>/day.

## INDUSTRIAL WASTEWATER TREATMENT PLANT

Industrial wastewater generated within our facility is treated at the Industrial Wastewater Treatment Plant, which includes physical and chemical treatment processes.

In 2024:

- 80,000 m<sup>3</sup> of industrial wastewater was treated and discharged into the receiving environment.
- 20,340 kg of treatment sludge generated during the treatment process was sent to licensed companies for recovery.

At the Industrial Wastewater Treatment Plant, analyses are regularly conducted to monitor the following parameters and ensure compliance:

- COD (Chemical Oxygen Demand)
- Oil and Grease
- pH
- Settleable Solids
- Heavy metals (Lead, Iron, Zinc)
- Chloride and Sulfate
- Fish Bioassay Test

Our Industrial Wastewater Treatment Plant operates with a treatment capacity of 1,000 m<sup>3</sup>/day.



## WASTE MANAGEMENT AND CIRCULAR ECONOMY

At our facility, waste is classified into 6 different categories and 46 types, and as of 2024, a total of 55,675,697 kg of waste, including slag, has been managed. Recycling or disposal operations were carried out by licensed companies.

Our Waste Types:

1. Hazardous Waste
2. Non-Hazardous Waste
3. Packaging Waste
4. Construction and Excavation Waste
5. Domestic Waste
6. Medical Waste

## HAZARDOUS WASTE MANAGEMENT

Hazardous waste generated at our facility is classified according to its type and managed in accordance with appropriate recovery and disposal processes. Storage operations are carried out in our Hazardous Waste Temporary Storage Area, which has been granted an indefinite permit by the Provincial Directorate of Environment, Urbanization and Climate Change. Our storage area is equipped with the following systems to prevent environmental risks:

- Impermeable ground infrastructure,
- Leakage and spill prevention measures
- Dust control and fire safety precautions
- Systems preventing odor formation.

Hazardous wastes that reach shipment tonnage are transported by licensed vehicles to authorized recovery or disposal facilities.

- In 2024, a total of 11,096,000 kg of hazardous waste collected in 25 different categories was sent to facilities licensed by the Ministry and recovered.

## NON-HAZARDOUS WASTE MANAGEMENT

In 2024, a total of 15,462,900 kg of non-hazardous waste collected in 10 different categories was sent to licensed recovery facilities and reintegrated into the economy.

## PACKAGING WASTE

Packaging waste generated at our facility is collected in four different categories and sent to licensed companies in accordance with recycling processes.

Types of Packaging Waste:

1. Paper – Cardboard
2. Nylon – Plastic
3. Wood – Wooden Pallets
4. Glass

In 2024, a total of 281,940 kg of packaging waste was sent to licensed recycling facilities and reused as raw materials in various manufacturing sectors.

## DOMESTIC WASTE

Domestic waste generated at our facility is collected regularly and transported to the sanitary landfill sites of Bursa Metropolitan Municipality.

- In 2024, a total of 187,740 kg of domestic waste was disposed of.





## MEDICAL WASTE

Medical waste generated in our infirmary unit is transported by licensed companies using specially equipped vehicles and disposed of at authorized sterilization facilities.

- In 2024, a total of 117 kg of medical waste was treated through sterilization and disposed of accordingly.

## ZERO WASTE PRACTICE

Our facility operates a waste management system certified with the "Zero Waste Certificate." Within this framework:

- Efficient use of resources,
- Minimization of waste generation,
- Establishment of effective collection systems and
- Recycling of waste are carried out through an integrated waste management approach.

Our wastes are separately collected at the source, labeled and transferred to licensed recovery or disposal facilities in accordance with our waste management plan.



# Waste Minimization and Reuse

## SLAG RECOVERY

In order to recover slag generated during steel production, we established a recovery facility at our plant consisting of crushing, screening, magnetic separation and grading units.

Within this facility:

- Residual metals contained in the slag are recovered.
- The remaining material is classified into four different particle sizes and processed into artificial aggregates.

As a result of this process, the slag previously classified as waste has been granted "by-product status" by the Ministry of Environment, Urbanization and Climate Change and officially certified.

By obtaining TSE Compliance, CE Certification and Trademark Registration Certificates for our artificial aggregates, we supply our products for use in the following areas:

- Ready-mix concrete production,
- Road and highway construction,
- Fill material applications

As of 2024:

- A total of 28,647,000 kg of slag generated from steel production was processed in our recovery facility.
- Through this process, we recovered 1,718,820 kg of waste metal.
- A total of 26,928,180 kg of artificial aggregates produced were supplied to the market and used across various industries.

Through this structured and sustainable approach, we continue to reduce environmental impacts and increase resource efficiency.

At our slag recovery facility, we recover approximately 6% of the metals contained in the slag, while the remaining material is reused as aggregate and supplied as a by-product raw material for different industries.

We remain committed to fulfilling our environmental responsibilities and continue to manage all waste management processes in a manner that minimizes environmental impacts.

# III. OUR BUSINESS SUSTAINABILITY

## 3-1 Business Model Resilience

By adapting to dynamic market conditions, technological innovations and changing customer expectations, we consider strengthening the resilience of our business model as a strategic priority. In order to remain resilient against external factors, we identify potential risks and evaluate opportunities. We aim to develop an innovative and sustainable business model that increases operational efficiency while maintaining customer satisfaction at the highest level and sustaining our leading position in local and global markets.

In line with our goal of becoming an international player in our sector, we aim to achieve sustainable and profitable growth by utilizing our steelmaking and rolling mill capacities at optimum levels. Within this framework, we aim to increase the revenue generated from the product groups we have determined, prioritize new product development processes and implement various projects and initiatives to continuously improve product performance. Increasing the efficiency of production processes, optimizing equipment utilization and reducing unit costs are among the critical steps that enhance our operational resilience.

We aim to maintain market leadership by increasing our sales revenues in Türkiye. In addition, we plan to increase our international brand awareness through a strategy of deepening our presence in existing and target export markets. We aim to establish representations in target countries to provide tailored solutions for strategic customer segments and strengthen our brand image. In line with these objectives, we attach importance to activities such as improving market intelligence and actively participating in sectoral promotion organizations. In this context, in 2022 we participated as a platinum sponsor at the "Euroforge Bilbao" fair and as an exhibitor at the "ANKIROS/TURKCAST" fair. In 2023, we attended the "Made in Steel Milano," "Metal Expo 5. International Iron, Steel, Metal Products and Production Technologies Fair," and "IDEF'23 16th International Defence Industry Fair." In the same year, we also participated as a Gold Sponsor in the "Machine Summit 2023" program. In 2024, we participated in the ANKIROS 2024 fair, held between 19-21 September at Istanbul Expo Center (IFM) Istanbul Expo Center. Within the framework of our collaborations with sectoral organizations, the Turkish Machinery Federation (MAKFED) also paid a visit to our factory.

## 3.1 Business Model Resilience

In line with market conditions, we develop competitive pricing and sales policies and aim to strengthen our sales organization by conducting market analyses in our target countries. Through data-driven strategies, we carry out detailed analyses regarding the size and needs of our existing customers. Within this framework, we believe that data analysis will contribute significantly to Asil Çelik's ability to achieve a strong position in the market.

In our production processes, we implement improvement plans based on performance measurements to ensure continuous development. We apply various strategies and suggestion systems aimed at increasing both production efficiency and employee productivity. In order to attract a qualified workforce to our company, we conduct effective career planning initiatives. We also consider data security as a critical element for operational sustainability and take the necessary measures in this regard.

We attach great importance to corporate social responsibility projects and external communication activities that support the resilience of our business model. In order to strengthen our reputation in the sector and create social awareness, we aim to increase employee awareness through various social responsibility projects.

Completed initiatives aimed at creating opportunities for expansion into new markets in the future include:

- Investment in an ESR unit (Electro-Slag Remelting) for special steels used particularly in the aviation industry
- Investment in a forging facility for value-added products
- Investment in a VOD unit (Vacuum Oxygen Decarburization) enabling the production of special steels such as stainless steel

## 3-2 R&D and Innovation

As an important player in the specialty steel production sector, we recognize that R&D and innovation activities play a key role in further strengthening our position in the industry. For this reason, we attach great importance to research and development activities and carry out projects through our established R&D department. In addition to using our own resources in the projects we develop, we also collaborate with TÜBİTAK and benefit from publicly supported platforms.

We transform scientific and academic knowledge into production processes and new products to contribute to the national economy and differentiate ourselves in the market. We aim to become a center for developing advanced production technologies for high-quality steel materials. Our R&D department consists of three highly qualified employees, one of whom is a woman. In order to increase our project capacity on national and international platforms, we develop joint projects and collaborations with domestic and international R&D centers, customers and universities.

With our well-equipped laboratories and pilot-scale R&D unit, we conduct studies on many areas such as induction melting under vacuum, the design of new steel compositions, the development of high-strength steels aimed at reducing weight in automotive materials, and improving the mechanical properties of existing steels to enhance product performance. In addition, we carry out activities aimed at increasing production efficiency, designing new production processes and procedures, developing advanced technology materials, and producing steels with high cleanliness.

Adopting innovation-driven outcomes as a guiding principle in our projects, we aim to crown our studies with patent and utility model applications. In this context, in 2022 we obtained a patent related to our research on low-carbon bainitic alloys for the machinery manufacturing industry.



## 3-2 R&D and Innovation

We conduct research on the design, production and testing conditions of high-grade specialty steels used in the aerospace industry and nuclear power plants. Through our innovation-oriented approach, we share the knowledge and experience gained with our production and quality departments. In this way, our activities are systematically monitored and evaluated within the scope of R&D Project Management Processes.

Our objective is to conduct research on new production techniques and advanced technology materials while raising quality standards through the production of high-purity steels.

Projects and initiatives completed in 2024

### Development of Low-Carbon Bainitic Steel:

We developed and implemented the alloy and process design of a new bainitic steel alloy that can be used as an alternative to quenched and tempered steels, which have high production costs in long semi-finished product manufacturing. This newly designed bainitic steel alloy, intended for use in the machinery manufacturing industry, was developed to achieve mechanical properties and weldability performance equal to or higher than that of quenched and tempered steels.

### Design of a New Rollable Square Ingot:

In order to increase efficiency, studies were conducted on ingot molds and ingot geometries. Considering operational constraints, simulations were carried out and industrial-scale trials were performed and implemented. Through this project, improvements were achieved in both internal defect rates and emission levels.

### Redesign of Intermediate Plates Used in Large Ingots:

A new design was developed and implemented to extend the service life of intermediate plates used in ingot molds and to reduce the weight of the scrap region located at the bottom section of the ingots. With the new design, the regional scrap rate was reduced by 30%, and the plate weight was decreased by 40% compared to the previous design, resulting in improved plate production costs.

## 3-3 Digital Transformation and Technology

We strive to achieve an innovative and competitive position in our sector through digital transformation and technology-oriented investments. The foundation of our digital transformation strategy is based on improving production processes, increasing efficiency, enhancing customer satisfaction, and contributing to our sustainability objectives. Our strategy supports sustainable growth by developing integrated solutions through digitalization and innovative technologies across all areas, from production processes to employee training. In this context, by adopting digital transformation trends, we aim to ensure operational excellence in business processes, reduce environmental impacts, and deliver better services to our customers.

Recognizing that digitalization plays a critical role in our company's future position and success, our information systems activities are largely managed by our in-house experts, while external support is obtained only when necessary.

In 2024, we continued to develop our digitalization strategy by focusing on end-to-end digital transformation covering all business processes.

### Digitalization in Business Processes:

We manage all our business processes—from customer orders to shipments, from production to customer services—through a digital infrastructure. Within our system based on the SAP platform, we manage operational processes such as production, costing and reporting, as well as Customer Relationship Management (CRM). In addition, we prepare strategic executive reports using our reporting tool (business intelligence) integrated with SAP's data warehouse.

### Digitalization in Production Processes:

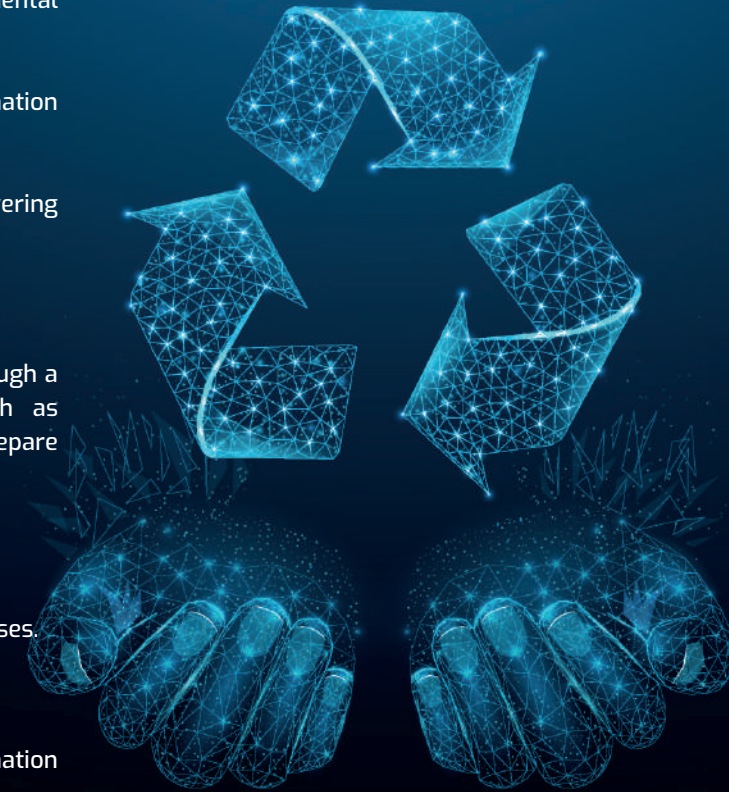
By utilizing SCADA-based systems in production, we standardized production management and recipe management processes.

### Document Management:

Documentation related to certification processes such as Quality, Environment, Occupational Health and Safety, Information Security, Energy Management and Laboratory Accreditations is managed through digital platforms.

### Customer Portals:

Through digital platforms, we provide services such as enabling customers to track and analyze order status and delivering customized technical solutions tailored to customer needs.



## 3-3 Digital Transformation and Technology

Projects carried out in 2024 include:

- **SIRI Analysis:** We conducted the SIRI (Smart Industry Readiness Index) analysis, an internationally recognized methodology, to measure our digital maturity level and to improve our digitalization strategies.
- **Research on Plastic Deformation Simulation Programs:** Our project aimed at reducing scrap rates is ongoing and currently at the decision stage.
- **Calculation of Mold Stripping Times of Large Ingots with Simulation Support:** Through this project initiated with the objective of energy savings, we calculated the mold stripping times of ingots ranging from 2 tons to 35 tons, with square, round and polygonal geometries, for different steel grades using simulation software support.
- Integration between production field equipment and systems has been initiated.
- The traceability capabilities of laboratory samples through QR code tracking have been enhanced.
- Version upgrade activities for existing systems have been initiated.

In the future, we plan to initiate big data analytics projects and implement AI-supported production systems. In this way, while increasing our operational efficiency, we also aim to support our sustainability-oriented digital transformation strategies. Based on the outputs of the SIRI project, we conducted sectoral analysis as well as current situation and gap analyses, and developed our digital transformation roadmap. Furthermore, in line with our "end-to-end digital factory" objective, we plan to ensure that all equipment in the production area operates within an integrated system and to enhance real-time traceability of processes.



## 3-4 Customer Focus

We consider customer satisfaction not only as a part of our commercial activities but also as one of the fundamental pillars of our sustainable success. Accurately understanding the needs of our business partners, meeting their expectations and establishing long-term, trust-based collaborations are integral parts of our corporate culture.

By enhancing customer satisfaction and loyalty, we aim to increase the number of annually contracted customers and establish long-term customer relationships. We provide high-quality and value-added solutions tailored to the specific needs of our customers and aim to exceed expectations through our timely, reliable and environmentally responsible production approach. In this regard:

- We ensure on-time delivery through effective logistics and distribution methods.
- We provide technical consultancy and expert support to help our customers make the right decisions.
- We respond rapidly to market demands through our flexible production capabilities.

We evaluate customer feedback, complaints and suggestions as opportunities for improvement. Through a transparent and reliable system, we carefully analyze this feedback and implement corrective and preventive actions to prevent similar issues from recurring. The actions taken are coordinated with the relevant departments and reported back to our customers.

To strengthen our relationships with our customers, we conduct regular satisfaction surveys, field visits and technical evaluations. Through these activities, in 2024 we achieved a Customer Satisfaction Rate of 93% and a Customer Reliability Rate of 100%, reflecting a very high level of performance. In addition, among our customers—49% international and 51% domestic—we received no complaints regarding breaches of confidentiality and experienced no data leaks or violations related to customer information.

We continuously improve our processes in order to meet not only the commercial expectations of our customers but also their environmental and social expectations. Low-carbon emissions, energy efficiency and recycling practices are integrated into our production processes. In this way, we contribute to our business partners in achieving their own sustainability objectives.

By closely monitoring market trends and adopting data-driven decision-making processes, we shape our marketing strategies. This enables us to increase the preference for our products within the sector and enhance our capacity to deliver innovative solutions to our customers.

We regard our customer-oriented approach as an integral part of our corporate culture. Acting in line with our vision of being a "Reliable Solution Partner," we offer our business partners a transparent, ethical and value-oriented business model. This approach forms the foundation of both our sustainable growth and our vision of creating value for society.



## 3-5 Sustainable Procurement

We consider our supply chain not only as a component that ensures the continuity of our production processes, but also as a fundamental part of our sustainable growth and corporate responsibility. We manage our relationships with suppliers in a transparent, ethical and sustainable manner, positioning our business partners as strategic stakeholders who share our responsibilities toward society and the environment.

In the selection of new suppliers and the regular evaluation of our existing suppliers, we carefully consider not only technical competence, quality and financial criteria but also ethical principles, environmental performance, occupational health and safety, and compliance with human rights. We expect our suppliers to adopt fundamental principles such as the prohibition of forced labor, prevention of child labor, combating discrimination, respect for freedom of association and anti-corruption practices. These principles are incorporated into our contracts as an integral part of the "Code of Ethics and Working Principles for Suppliers."

During the selection process, we prioritize local suppliers whenever possible. The distribution of the 7,534 suppliers in our portfolio in 2024 is as follows:

OUR SUPPLIERS	2024
Number of Suppliers	7534
Local Supplier Ratio	79%
Foreign Supplier Ratio	21%

At the same time, we implement Supplier Development Programs to support the growth of our suppliers and aim to contribute to the Turkish economy by prioritizing domestic suppliers. Supporting the institutional capacity development of our local business partners is one of the key objectives of our sustainable value chain.

From an environmental perspective, we regularly evaluate our suppliers based on criteria such as carbon footprint and chemical management. We systematically monitor the data required to comply with international environmental regulations, particularly the EU Carbon Border Adjustment Mechanism (CBAM). This approach plays a critical role in achieving our climate change mitigation targets.



# PERFORMANCE TABLES



## Financial Performance Indicators

Economic Performance	Unit	2022	2023	2024
Total Sales – Export	TRY	3.106.876.420	4.679.659.580	5.029.307.195
Total Sales – Domestic	TRY	6.638.473.877	9.147.554.517	10.474.924.132
Total Sales	TRY	9.745.350.297	13.827.214.097	15.504.231.327
Sales Volume	TONS	436.323	504.438	457.330

## Social Performance Indicators

### Employees

Number of Employees (excluding subcontractors)	Unit	2022		2023		2024	
		Female	Male	Female	Male	Female	Male
Total Employees	person	24	1.165	30	1.210	32	1.218
	%	2,02	97,98	2,42	97,58	2,56	97,44
Number of White-Collar Employees	person	24	296	30	306	32	314
	%	7,50	92,50	8,93	91,07	9,25	90,75
Number of Blue-Collar Employees	person	0	869	0	904	0	904
	%	0,00	100,00	0,00	100,00	0,00	100,00
Employees Covered by Collective Bargaining Agreement	person	0	869	0	904	0	904
	%	0,00	100,00	0,00	100,00	0,00	100,00

Employees by Employment Category	Unit	2022		2023		2024	
		Female	Male	Female	Male	Female	Male
Fixed-Term White-Collar Employees	person	1	13	1	13	1	12
	%	7,14	92,86	7,14	92,86	7,69	92,31
Indefinite-Term White-Collar Employees	person	23	283	29	293	31	302
	%	7,52	92,48	9,01	90,99	9,31	90,69
Fixed-Term Blue-Collar Employees	person	0	1	0	1	0	1
	%	0,00	100,00	0,00	100,00	0,00	100,00
Indefinite-Term Blue-Collar Employees	person	0	868	0	903	0	903
	%	0,00	100,00	0,00	100,00	0,00	100,00

Employees by Age Group	Unit	2022		2023		2024	
		Female	Male	Female	Male	Female	Male
Age 18-30	person	5	338	9	379	9	341
	%	1,46	98,54	2,32	97,68	2,57	97,43
Age 31-40 (including ages 31 and 40)	person	8	471	9	483	10	479
	%	1,67	98,33	1,83	98,17	2,04	97,96
Age 41-50 (including ages 41 and 50)	person	10	305	10	290	11	309
	%	3,17%	96,83	3,33	96,67	3,44	96,56
Age 51-60 (including ages 51 and 60)	person	1	43	2	47	2	73
	%	2,27	97,73	4,08	95,92	2,67	97,33
Age 61 and Above	person	0	8	0	11	0	16
	%	0,00	100,00	0,00	100,00	0,00	100,00

## Social Performance Indicators

### Employees

Employees with Disabilities and Foreign National Employees	Unit	2022		2023		2024	
		Female	Male	Female	Male	Female	Male
Minimum Number of Employees with Disabilities Required by Law	person	33		33		35	
Employees with Disabilities	person	1	34	1	36	1	34
	%	2,86	97,14	2,70	97,30	2,86	97,14
Foreign National Employees	person	0	0	0	0	0	0
	%	0,00	0,00	0,00	0,00	0,00	0,00

### OHS

OHS Company Employees	Unit	2022	2023	2024
Total Number of Recorded Accidents (Including Non-Lost Time Accidents)	Number	194	247	221
Number of Lost Time Accidents (More Than 1 Day Lost)	Number	169	202	185
(Number of Lost Time Accidents / Total Working Hours × 10 <sup>6</sup> )	-	65,68	77,44	67,17
Change in Accident Frequency Rate	%	20,16	17,90	- 13,26
Number of Fatal Accidents	Number	0	0	0
Accident Severity Rate (Total Lost Days / Total Working Hours × 10 <sup>3</sup> )	-	1,03	1,67	1,31

OHS Company Employees	Unit	2022	2023	2024
Change in Accident Severity Rate	%	6,19	62,14	- 21,55
Number of Occupational Diseases	number	0	0	0
Occupational Disease Rate	%	0	0	0
Absence Due to Occupational Accidents	number	169	202	185
Days of Absenteeism	day	2648	4355	3631
Lost Days per Accident Rate	%	13,64	17,63	16,43

OHS Contractor Employees	Unit	2022	2023	2024
Total Number of Recorded Accidents	number	44	61	57
Number of Lost Time Accidents (More Than 1 Day Lost)	number	35	49	54
Accident Frequency Rate (Number of Lost Time Accidents / Total Working Hours × 10 <sup>6</sup> )	-	81,69	116,33	103,70
Change in Accident Frequency Rate (%)	rate	7,11	42,4	-10,86
Number of Fatal Accidents	number	0	0	0
Accident Severity Rate (Total Lost Days / Total Working Hours × 10 <sup>3</sup> )	rate	0,96	1,66	1,19
Change in Accident Severity Rate (%)	rate	92,36	72,92	-28,31
Number of Occupational Diseases	number	0	0	0
Occupational Disease Rate	rate	0	0	0
Absence Due to Occupational Accidents	number	24	49	54
Days of Absenteeism	day	381	698	624
Lost Workday Rate	%	15,87	14,24	10,95

# Social Performance Indicators

## OHS

OHS Trainings Employees	Unit	2022	2023	2024
Total OHS Training Hours Provided to Employees	hours	20.639	24.449	24.293
Number of Employees Receiving OHS Training	person	1.223	1.193	1.319
Average OHS Training Hours per Employee	person	16,88	20,49	18,42

OHS Trainings – Contractors / Subcontractors	Unit	2022	2023	2024
Total OHS Training Hours Provided to Contractors / Subcontractors	hours	3.588	5.264	2.736
Number of Contractors / Subcontractors Receiving OHS Training	person	217	329	171
Average OHS Training Hours per Contractor / Subcontractor	person	16,53	16	16

Occupational Health and Safety	Unit	2022	2023	2024
Number of Established OHS Committees	Number	9	8	8
Total Number of Members in OHS Committees	Number	25	26	26
Number of Employee Representatives in OHS Committees	Number	5	5	5

Other Performance Indicators	Unit	2022	2023	2024
Number of Near Misses	number	10	16	25
Number of Hazardous Situations	number	64	70	78
Number of Health, Safety and Environment (HSE) Field Inspections	number	916	1.252	1.098
Closure Rate of HSE Observations	%	100	100	100
Employee Observation Rate	%	1,1	1,3	1,4
Rate of Employees Receiving Awards	%	2,1	2	1,16
Number of Emergency Drills Conducted	number	1	2	1



## Environmental Performance Indicators

Penalties and Sanctions under Environmental Legislation	Unit	2022	2023	2024
Number of Environmental Fines and Sanctions	Number	0	0	0
Amount of Environmental Fines and Sanctions	TRY	0	0	0

Environmental Awareness and Incidents	Unit	2022	2023	2024
Number of Environmental Incidents	Number	0	0	0
Details of Environmental Incidents (If Any)	Number	0	0	0
Amount Spent for Response to Environmental Incidents	TRY	0	0	0
Number of Environmental Emergency Drills Conducted	Number	1	1	1

Direct Non-Renewable Energy Consumption Data	Unit	2022	2023	2024
Natural Gas	sm <sup>3</sup>	42.672.989	41.748.832	34.488.403
Diesel Fuel	L	-	3.760	5.542
Refrigerant Gas Leaks	kg	-	114,5	141,84
Fire Extinguisher Leakage Amount	kg	-	515	695

Renewable Energy	Unit	2022	2023	2024
Renewable Energy Production	GJ	0%	0%	0%
Renewable Energy Consumption	GJ	50%	50%	50%
Purchased Renewable Energy	GJ	50%	50%	50%

Indirect Non-Renewable Energy	Unit	2022	2023	2024
Electricity Consumption	kWh	448.223.654	456.605.466	431.430.309

Water Consumption	Unit	2022	2023	2024
Total Industrial Water Consumption	m <sup>3</sup>	844.713	876.115	735.091
Total Domestic Water Consumption	m <sup>3</sup>	196.201	199.380	197.664

Water Supply	Unit	2022	2023	2024
Groundwater Supply (Well Water)	m <sup>3</sup>	1.040.340	1.074.693	931.879
Drinking Water Supply (Packaged / Purchased from Market)	m <sup>3</sup>	574	802	876

## Environmental Performance Indicators

Greenhouse Gas Emissions	Unit	2022	2023	2024
Scope 1	tCO2e	-	139.436	136.060
Scope 2	tCO2e	-	192.276	189.232
Scope 3	tCO2e	-	229.424	211.747

Waste Management	Unit	2022	2023	2024
Hazardous Waste Amount	tons	10.152,6	9.847	11.096
Non-Hazardous Waste Amount	tons	15.992,5	14.344,9	15.462,9
Packaging Waste Amount	tons	307,6	276,3	281,9
Domestic Waste Amount	tons	172,6	178,9	187,7
Medical Waste Amount	tons	0,1	0,1	0,1
Slag Recovery	tons	31.200	32.424	28.647
Total Waste	tons	57.825,4	57.071,2	55.675,7



# GRI Content Index

<b>Purpose of Use</b>	The Asil Çelik report for the period 01.01.2024–31.12.2024 has been prepared in accordance with the GRI Standards.
<b>Applicable GRI</b>	GRI 1 : Foundation 2021
<b>Applicable GRI Sector Standard</b>	There is no applicable sector standard.

GRI Standard / Other Source	Disclosure	Relevant Section in the Report	Notes
<b>General Disclosures</b>			
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	<ul style="list-style-type: none"> <li>About Asil Çelik</li> <li>Corporate Governance</li> </ul>	
	2-2 Entities included in the organization's sustainability reporting	<ul style="list-style-type: none"> <li>About the Report</li> </ul>	
	2-3 Reporting period, frequency and contact point	<ul style="list-style-type: none"> <li>About the Report</li> </ul>	
	2-4 Restatements of information	<ul style="list-style-type: none"> <li>First Report</li> </ul>	
	2-5 External assurance	<ul style="list-style-type: none"> <li>No External Assurance</li> </ul>	
	2-6 Activities, value chain and other business relationships	<ul style="list-style-type: none"> <li>About Asil Çelik</li> <li>Our Production Lines</li> <li>Our Products</li> </ul>	
	2-7 Employees	<ul style="list-style-type: none"> <li>Annexes</li> </ul>	
	2-8 Workers who are not employees	<ul style="list-style-type: none"> <li>Annexes</li> </ul>	
	2-9 Governance structure and composition	<ul style="list-style-type: none"> <li>Corporate Governance</li> </ul>	
	2-10 Nomination and selection of the highest governance body	<ul style="list-style-type: none"> <li>Corporate Governance</li> </ul>	





GRI Standard / Other Source	Disclosure	Relevant Section in the Report	Notes
<b>General Disclosures</b>			
<b>GRI 2: General Disclosures 2021</b>	2-11 Chair of the highest governance body	· Corporate Governance	
	2-12 Role of the highest governance body in overseeing the management of impacts	· Corporate Governance	
	2-13 Delegation of responsibility for managing impacts	· Corporate Governance	
	2-14 Role of the highest governance body in sustainability reporting	· Sustainability Organization	
	2-15 Conflicts of interest	· Ethical Principles and Compliance	
	2-16 Communication of critical concerns	· Corporate Governance · Risk Management	
	2-17 Collective knowledge of the highest governance body	· Corporate Governance	
	2-18 Evaluation of the performance of the highest governance body	· Corporate Governance	
	2-19 Remuneration policies	· Employee Engagement, Development and Well-Being · Attracting and Retaining Talent · Human Rights	
	2-20 Process to determine remuneration	· Employee Engagement, Development and Well-Being · Attracting and Retaining Talent · Human Rights	
	2-21 Annual total compensation ratio		This information is not available.

GRI Standard / Other Source	Disclosure	Relevant Section in the Report	Notes
<b>General Disclosures</b>			
<b>GRI 2: General Disclosures 2021</b>	2-22 Statement on sustainable development strategy	· Our Sustainability Strategy · Our Contribution to the Sustainable Development Goals	
	2-23 Policy	· Information and Data Security and Corporate Memory · Ethical Principles and Compliance	
	2-24 Embedding policy commitments	· Information and Data Security and Corporate Memory · Ethical Principles and Compliance	
	2-25 Processes to remediate negative impacts	· Risk Management · Ethics and Compliance Practices	
	2-26 Mechanisms for seeking advice and raising concerns	· Risk Management · Ethics and Compliance Practices	
	2-27 Compliance with laws and regulations	· Corporate Governance · Our Vision, Mission and Values · Risk Management · Ethics and Compliance Practices	
	2-28 Memberships	· Memberships	
	2-29 Approach to stakeholder engagement	· Our Stakeholders · Materiality Analysis	
	2-30 Collective bargaining agreements	· Employee Engagement, Development and Well-being · Human Rights	



<b>Purpose of Use</b>	The Asil Çelik report for the period 01.01.2024–31.12.2024 has been prepared in accordance with the GRI Standards.
<b>Applicable GRI</b>	GRI 1 : Foundation 2021
<b>Applicable GRI Sector Standard</b>	There is no applicable sector standard.

GRI Standard / Other Source	Disclosure	Relevant Section in the Report	Notes
<b>Material Topics</b>			
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	<ul style="list-style-type: none"> <li>Our Stakeholders</li> <li>Materiality Analysis</li> </ul>	
	3-2 List of material topics	<ul style="list-style-type: none"> <li>Materiality Analysis</li> </ul>	
<b>R&amp;D and Innovation</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	<ul style="list-style-type: none"> <li>Our Stakeholders</li> <li>Materiality Analysis</li> </ul>	
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	<ul style="list-style-type: none"> <li>Highlights</li> <li>Sustainability Indicators</li> <li>R&amp;D and Innovation</li> </ul>	
	203-2 Significant indirect economic impacts	<ul style="list-style-type: none"> <li>Economic Outlook</li> <li>R&amp;D and Innovation</li> </ul>	
<b>Digital Transformation and Technology</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	<ul style="list-style-type: none"> <li>Our Stakeholders</li> <li>Materiality Analysis</li> </ul>	
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	<ul style="list-style-type: none"> <li>Highlights</li> <li>Sustainability Indicators</li> <li>Digital Transformation and Technology</li> </ul>	
	203-2 Significant indirect economic impacts	<ul style="list-style-type: none"> <li>Economic Outlook</li> <li>Digital Transformation and Technology</li> </ul>	
<b>Business Model Resilience</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	<ul style="list-style-type: none"> <li>Our Stakeholders</li> <li>Materiality Analysis</li> </ul>	
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	<ul style="list-style-type: none"> <li>Highlights</li> <li>Sustainability Indicators</li> <li>Business Model Resilience</li> </ul>	
	203-2 Significant indirect economic impacts	<ul style="list-style-type: none"> <li>Economic Outlook</li> <li>Business Model Resilience</li> </ul>	

GRI Standard / Other Source	Disclosure	Relevant Section in the Report	Notes
<b>Sustainable Procurement</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	<ul style="list-style-type: none"> <li>Our Stakeholders</li> <li>Materiality Analysis</li> </ul>	
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	<ul style="list-style-type: none"> <li>Sustainable Procurement</li> </ul>	Distribution of suppliers by region is provided.
<b>Customer Focus</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	<ul style="list-style-type: none"> <li>Our Stakeholders</li> <li>Materiality Analysis</li> </ul>	
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	<ul style="list-style-type: none"> <li>Customer Focus</li> </ul>	
<b>Energy Management</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	<ul style="list-style-type: none"> <li>Our Stakeholders</li> <li>Materiality Analysis</li> </ul>	
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	<ul style="list-style-type: none"> <li>Energy Management</li> <li>Annexes</li> </ul>	
	302-3 Energy intensity	<ul style="list-style-type: none"> <li>Energy Management</li> <li>Annexes</li> </ul>	
	302-4 Reduction of energy consumption	<ul style="list-style-type: none"> <li>Energy Management</li> <li>Annexes</li> </ul>	
	302-5 Reductions in energy requirements of products and services	<ul style="list-style-type: none"> <li>Energy Management</li> <li>Annexes</li> </ul>	
<b>Climate Change Adaptation, Mitigation and Emissions Reduction</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	<ul style="list-style-type: none"> <li>Our Stakeholders</li> <li>Materiality Analysis</li> </ul>	
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> <li>Climate Change Adaptation, Mitigation and Emissions Reduction</li> <li>Annexes</li> </ul>	
	305-2 Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> <li>Climate Change Adaptation, Mitigation and Emissions Reduction</li> <li>Annexes</li> </ul>	

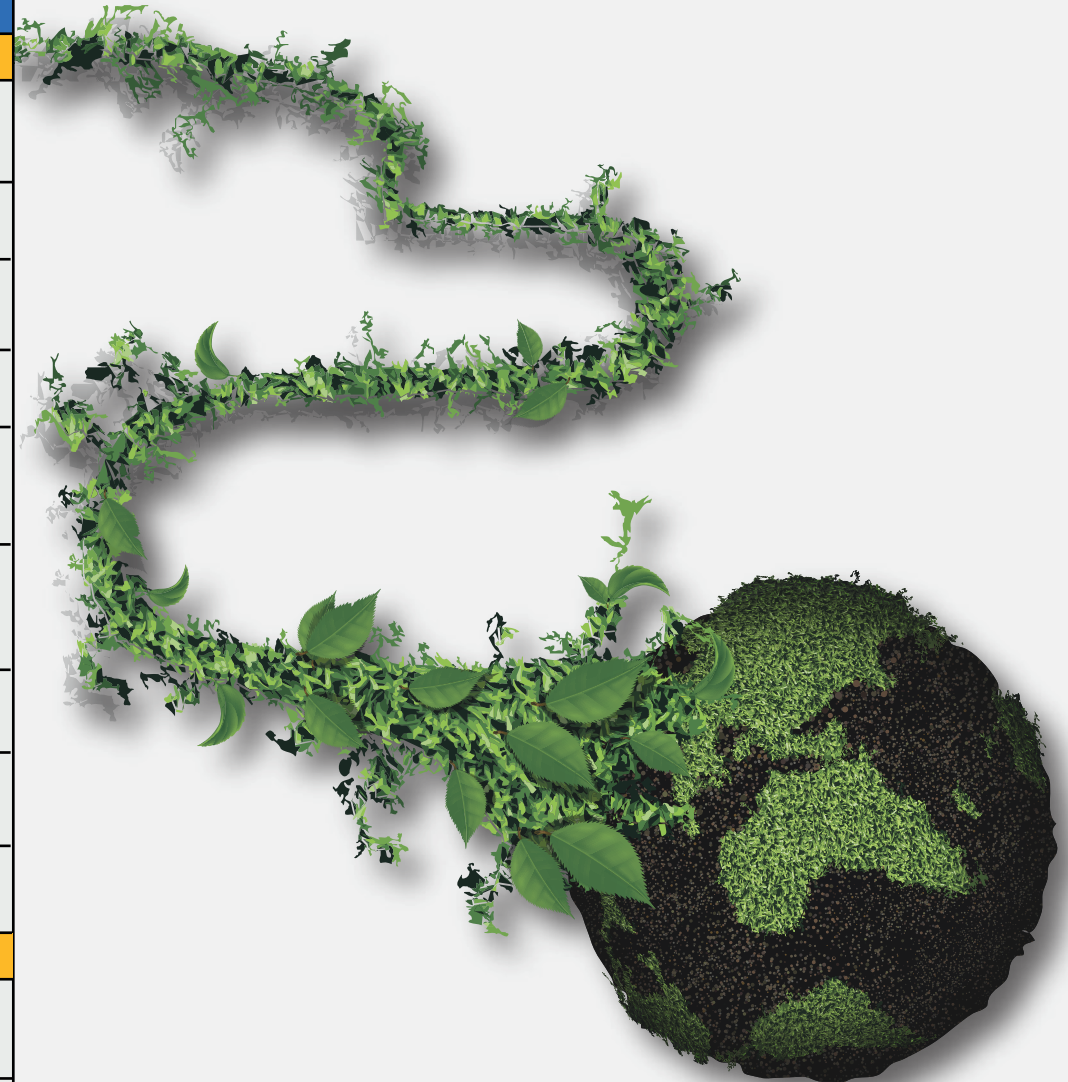


GRI Standard / Other Source	Disclosure	Relevant Section in the Report	Notes
<b>Prevention of Pollution and Reduction of Pollution Sources</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	<ul style="list-style-type: none"> <li>Our Stakeholders</li> <li>Materiality Analysis</li> </ul>	
<b>GRI 303: Water and Effluents 2018</b>	303-2 Management of water discharge-related impacts	<ul style="list-style-type: none"> <li>Prevention of Pollution and Reduction of Pollution Sources</li> </ul>	
	303-3 Water withdrawal	<ul style="list-style-type: none"> <li>Prevention of Pollution and Reduction of Pollution Sources</li> <li>Annexes</li> </ul>	
	303-4 Water discharge	<ul style="list-style-type: none"> <li>Prevention of Pollution and Reduction of Pollution Sources</li> </ul>	
	303-5 Water Consumption	<ul style="list-style-type: none"> <li>Prevention of Pollution and Reduction of Pollution Sources</li> <li>Annexes</li> </ul>	
<b>GRI 305: Emissions 2016</b>	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	<ul style="list-style-type: none"> <li>Prevention of Pollution and Reduction of Pollution Sources</li> </ul>	
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	<ul style="list-style-type: none"> <li>Prevention of Pollution and Reduction of Pollution Sources</li> </ul>	
	306-2 Management of significant waste-related impacts	<ul style="list-style-type: none"> <li>Prevention of Pollution and Reduction of Pollution Sources</li> </ul>	
	306-3 Waste generated	<ul style="list-style-type: none"> <li>Prevention of Pollution and Reduction of Pollution Sources</li> <li>Annexes</li> </ul>	
	306-4 Waste diverted from disposal	<ul style="list-style-type: none"> <li>Prevention of Pollution and Reduction of Pollution Sources</li> </ul>	
	306-5 Waste directed to disposal	<ul style="list-style-type: none"> <li>Prevention of Pollution and Reduction of Pollution Sources</li> </ul>	
<b>GRI 301: Materials 2016</b>	301-2 Recycled input materials used	<ul style="list-style-type: none"> <li>Prevention of Pollution and Reduction of Pollution Sources</li> </ul>	
	301-3 Reclaimed products and their packaging materials	<ul style="list-style-type: none"> <li>Prevention of Pollution and Reduction of Pollution Sources</li> </ul>	

GRI Standard / Other Source	Disclosure	Relevant Section in the Report	Notes
<b>Employee Engagement, Development and Well-being</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	<ul style="list-style-type: none"> <li>Our Stakeholders</li> <li>Materiality Analysis</li> </ul>	
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	<ul style="list-style-type: none"> <li>Sustainability Indicators</li> <li>Employee Engagement, Development and Well-being</li> </ul>	
	404-2 Programs for upgrading employee skills and transition assistance programs	<ul style="list-style-type: none"> <li>Employee Engagement, Development and Well-being</li> </ul>	
<b>Attracting and Retaining Talent</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	<ul style="list-style-type: none"> <li>Our Stakeholders</li> <li>Materiality Analysis</li> </ul>	
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	<ul style="list-style-type: none"> <li>Attracting and Retaining Talent</li> <li>Annexes</li> </ul>	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	<ul style="list-style-type: none"> <li>Attracting and Retaining Talent</li> <li>Annexes</li> </ul>	
<b>Human Rights</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	<ul style="list-style-type: none"> <li>Our Stakeholders</li> <li>Materiality Analysis</li> </ul>	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	<ul style="list-style-type: none"> <li>Corporate Governance</li> <li>Human Rights</li> <li>Annexes</li> </ul>	
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	<ul style="list-style-type: none"> <li>Ethical Principles and Compliance</li> <li>Human Rights</li> </ul>	
<b>GRI 407: Freedom of Association and Collective Bargaining</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<ul style="list-style-type: none"> <li>Human Rights</li> </ul>	



GRI Standard / Other Source	Disclosure	Relevant Section in the Report	Notes
<b>Occupational Health and Safety</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	<ul style="list-style-type: none"> <li>Our Stakeholders</li> <li>Materiality Analysis</li> </ul>	
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> </ul>	
	403-2 Hazard identification, risk assessment, and incident investigation	<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> </ul>	
	403-3 Occupational health services	<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> </ul>	
	403-4 Worker participation, consultation, and communication on occupational health and safety	<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> <li>Annexes</li> </ul>	
	403-5 Worker training on occupational health and safety	<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> <li>Annexes</li> </ul>	
	403-6 Promotion of worker health	<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> <li>Annexes</li> </ul>	
	403-9 Work-related injuries	<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> <li>Annexes</li> </ul>	
	403-10 Work-related ill health	<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> <li>Annexes</li> </ul>	
<b>Product Quality and Customer Satisfaction</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	<ul style="list-style-type: none"> <li>Our Stakeholders</li> <li>Materiality Analysis</li> </ul>	
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	<ul style="list-style-type: none"> <li>Product Quality and Customer Satisfaction</li> </ul>	



**LEGAL NOTICE:**

The Asil Çelik 2024 Sustainability Report (the "Report") is prepared solely for informational purposes. The content and information included in this Report have been compiled using sources and data believed to be accurate and reliable at the time the Report was prepared. The information and content contained in this Report shall not be interpreted as any statement, guarantee, or commitment. Furthermore, no warranty is provided that the information and content included herein are complete, accurate, or unchanged. The Company, its managers, employees, and all other individuals and institutions contributing to the preparation of this Report shall not be held liable for any damages that may arise from the use of the information contained in this Report. All rights to the Report belong to Asil Çelik.



**ASIL CELIK**

2024  
Sustainability  
Report