

SUSTAINABILITY
REPORT
2023

GREEN TODAY FOR BRIGHT TOMORROW





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ABOUT THE REPORT

At Yücel Grup, we are one of Türkiye's leading industrial organizations, drawing on our extensive experience and high-quality standards since the 1950s. We act with awareness of our responsibility towards the future, transparently sharing our sustainability efforts.

We have released our second Sustainability Report, which includes data from January 2023 to December 2023. This report highlights key developments and progress in our environmental, social, and governance (ESG) performance. In this report, we outline the steps we have taken throughout 2023 and the projects we plan to implement in the future.

In our sustainability journey, we have concentrated on critical issues such as combating climate change, promoting circular economy practices, and enhancing workforce diversity. Our goals to reduce our carbon footprint, transition to renewable energy, and foster an inclusive workforce are among our key priorities.

As we continue to report on our sustainability activities annually, we want to emphasize that feedback from our stakeholders plays a vital role in guiding our efforts.

We welcome your opinions and suggestions regarding the report at surdurulebilirlik@yucelgrup.com.





MESSAGE FROM THE CHAIRPERSON OF THE BOARD

Esteemed Stakeholders and Business Partners,

We are pleased to present our second sustainability report as part of our ongoing sustainability journey, which began with our commitment to being “Environmentally Conscious and Believing in the Future.” For over 70 years, we have contributed to our country’s economic development across various sectors, including iron and steel, agriculture, energy, logistics, machinery, and automotive. This has been made possible through our high production capacity, diverse product range, and the quality of the products and services we provide.

The environmental and social risks that companies face today, along with global climate change and stakeholder expectations, demonstrate that a sustainable future is only possible through a responsible and transparent management approach. With this understanding, we are excited to share our commitments and progress in sustainability through this report, which emphasizes our dedication to the environment, people, and society.

We approach the climate challenges facing our world with sensitivity, efficiently utilizing our resources by adopting circular economy principles and striving to minimize our environmental impact. While we take our responsibility toward the environment seriously through investments in renewable energy, we recognize that sustainability extends beyond environmental concerns. Our focus is also on our employees, as we place people and society at the core of everything that we do. We place great importance on the satisfaction, loyalty, and development of our workforce.

We reject discrimination by fostering a safe, fair, and equitable working environment. Each year, we increase the number of female employees and aim to further improve this ratio.

In line with our responsibilities to society, we support local employment and education initiatives, working to enhance social welfare by contributing to social projects in the regions where we operate.

We are pleased to present our sustainability efforts, which are deeply rooted in our history and guided by a vision for continuous development, through this report.

We will keep you informed about our progress on this journey in the future.

I would like to take this opportunity to thank you, our valued stakeholders, and the environmentally conscious employees of Yücel Grup who look to the future with faith. I hereby also affirm that we will continue to work together to build a better world.

Fatih TAR

CORPORATE PROFILE

We are proud in being listed in the ISO 500 - Türkiye's Largest Industrial Enterprises ranking and the Turkish Exporters Assembly (TIM) list with our group companies. Since the 1950s, we have been steadily advancing in Türkiye's iron, steel, and pipe sectors, driven by our diverse product range, rich history, and a management approach focused on the environment and people. Boasting 10 companies, 12 production facilities, a port, and approximately 4,000 employees, we operate continuously while developing innovative solutions. Since our inception, we have prioritized customer satisfaction and quality as our core values, and we do not compromise on our principles. We are committed to diversifying our sustainability initiatives and making new investments to minimize our environmental impact. As Yücel Grup, we aim for sustainable growth in the steel industry with a forward-looking vision, continually striving to be a guiding force in the sector. Our dedicated employees highlight our commitment to the well-being of people and the environment, and we are determined to achieve continuous development.



CORPORATE HERITAGE

Since our founding in the 1950s, Yücel Grup has been committed to carrying our deep-rooted values into the future, proud of our strong history in the iron, steel, and pipe sectors. This heritage, built on trust, quality, and customer satisfaction, serves as the cornerstone of our business methodology and lays the foundation for a sustainable future. Boasting over 70 years of experience, we develop sustainability-oriented strategies and provide innovative solutions that exceed customer expectations. We add value to society by contributing to sustainable development through our education, health, and environmental projects, while conducting our operations in an ethical and environmentally conscious manner.



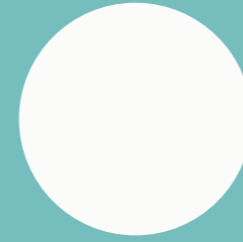
Through our group company operating in Import, Export and Marketing lines, we have become the leading exporter to the most countries, according to the 2023 export figures released by the Steel Exporters' Association. While maintaining our leadership in the export of longitudinally welded pipes, we are 4th in all steel products.

VISION AND VALUES

Our approach is grounded in the pursuit of maximizing the trust and satisfaction of our customers, employees, shareholders, and all other stakeholders throughout the course of our operations. We aim to generate sustainable value not only for our country but also on a global scale by manufacturing products and services that adhere to global quality standards. We prioritize environmental and social values and continuously drive innovation as a dynamic group, propelled by a robust corporate culture deeply rooted in ethical principles on the path we advance. In this regard, we remain committed to our values, ensuring that both the present and future generations can thrive in a sustainable world.

Yücel Grup has maintained its existence from the past to the present by upholding its core values.





GROUP COMPANIES

KROMAN ÇELİK

YÜCEL BORU

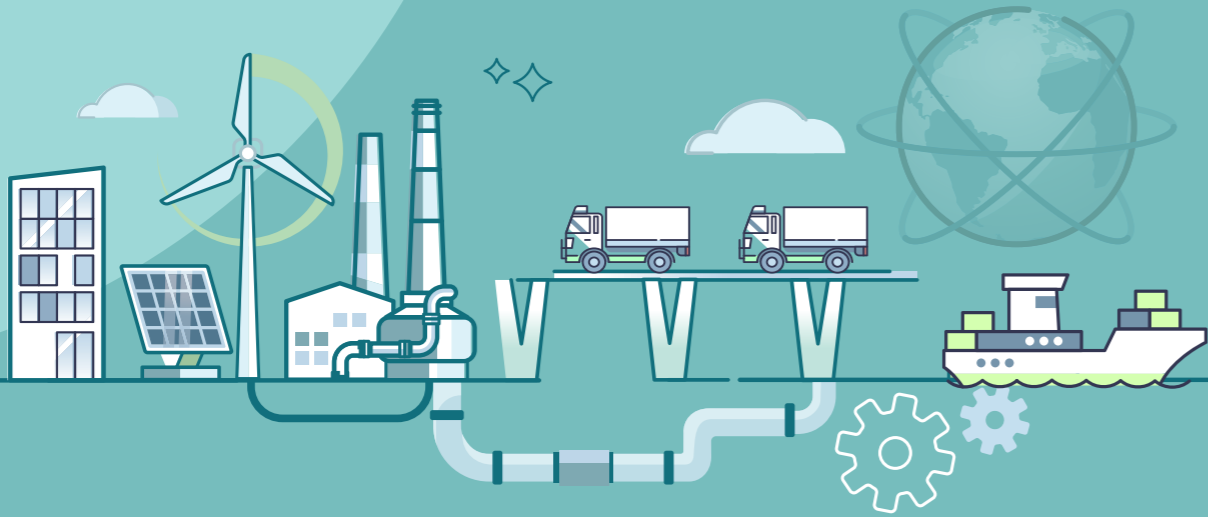
ÇAYIROVA BORU

ÇELSANTAŞ ÇELİK

YÜCEL BORU İHRACAT İTHALAT VE PAZARLAMA

DEMTRANS TAŞIMACILIK

YÜCEL EKO TARIM



KROMAN ÇELİK

Kroman Çelik joined the Yücel Grup in 1985 and is located in Darica, Kocaeli. The company boasts a production capacity of 1,728,000 tons in its wire rod, rolling mill, 1,500,000 tons in its steel mill, and 360,000 tons in rebar. It operates on a total area of 325,000 m² outdoors and 150,000 m² indoors. Due to its technological investments, Kroman Çelik has become a key player in the iron and steel industry, ranking among the top 50 of ISO Türkiye's Top 500 industrial enterprises.

Kroman Çelik manufactures a wide range of products, including wire rod, rebar, profiles, equal angles, bright steel, steel mesh, and spoolers, in various sizes and thicknesses across nearly 300 standards using the hot rolling method. As the first spooler manufacturer in Türkiye and one of the few in the world, Kroman Çelik provides effective solutions to customer needs through its diverse product offerings, flexible manufacturing facilities, robust supply chain, sense of quality, advanced information technology infrastructure, and comprehensive after-sales services.

Established in 2002, Kroman Port Operations serves the iron and steel sector, handling both raw materials and finished products for Yücel Grup, while providing services to major industrial enterprises in the region. The facility spans 32,000 m² and features a 422-meter-long quay with a draft depth of 13 meters, accommodating ships with a tonnage of up to 60,000 DWT. Additionally, the port has an annual handling capacity of 3 million tons for both general and bulk cargo, along with an open temporary storage area of approximately 16,000 m².

In 2023, the Kroman Çelik advanced processing facilities, which feature an open area of 374,000 m² and a closed area of 68,000 m², commissioned cold drawing lines with an annual capacity of 36,000 tons and a profile processing line with a capacity of 50,000 tons.

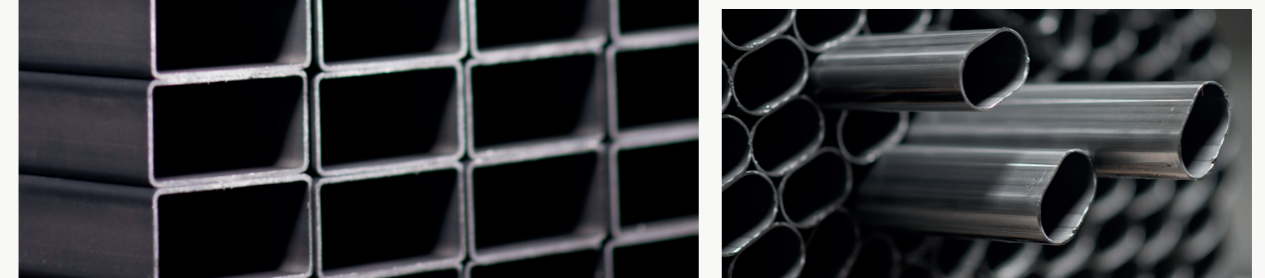
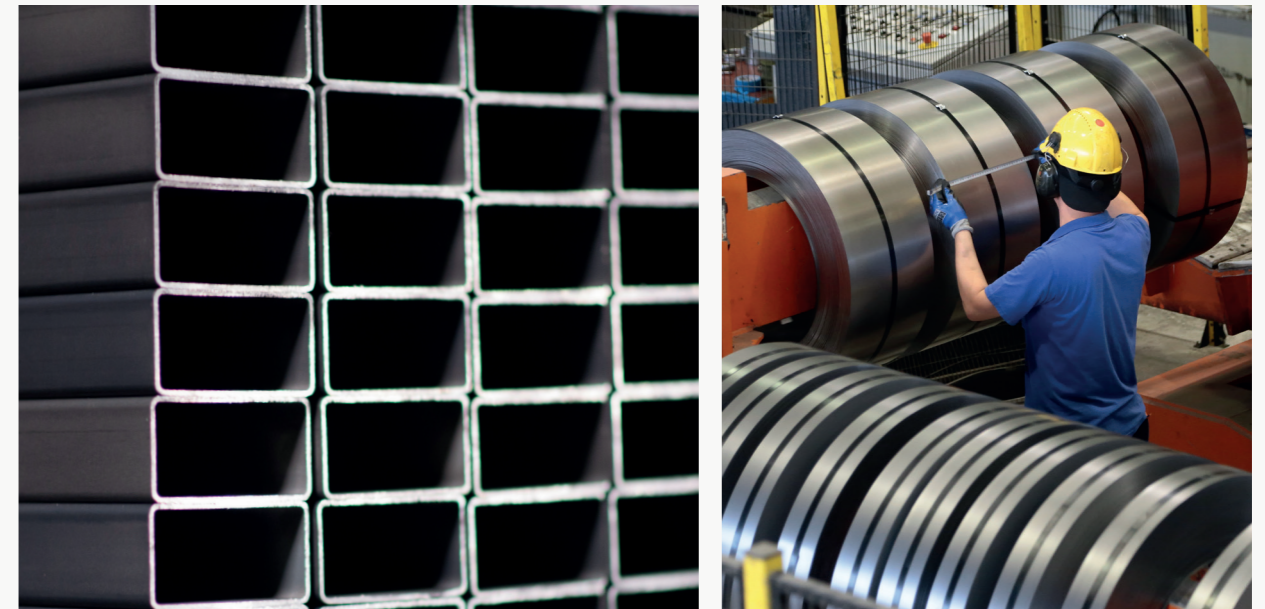


YÜCEL BORU

Founded in 1969, Yücel Boru is ranked among the top 50 companies on the ISO list of Türkiye's 500 largest industrial enterprises. The company operates on a total area of 80,000 m² of open space and 80,000 m² of closed facilities. Yücel Boru offers a diverse range of products, including industrial and construction tubes&profiles, special, section profiles, and precision tubes, with an annual production capacity of 1,000,000 tons. Steel Service Center serves both domestic and international markets with its wide range of products, including sliced roll, flat steel products, and trapezoidal sheets, all produced with a reliable manufacturing approach.

With a production capacity of 330,000 tons in tubes and profiles, 150,000 tons in painted production, and 420,000 tons in slitting operations, Yücel Boru also continues its manufacturing, distribution, marketing, and trading activities in the iron and steel industry at international standards through its Steel Service Center.

Yücel Boru continues its operations at its precision tube facility located in Gebze Organized Industrial Zone (GOSB), with an annual production capacity of 110,000 tons, covering 51,000 m² of open area and 49,000 m² of closed area.



ÇAYIROVA BORU

Çayırova Boru entered the sector in 1979 and specializes in producing various pipes made of iron and steel.

Çayırova Boru continuously carries out its production activities with an annual capacity of 300,000 tons at its Darıca facility, which covers 46,000 m² of open area and 52,000 m² of indoor area, and with an annual capacity of 100,000 tons at its Dörtöyl facility, covering 21,000 m² of open area and 25,000 m² of indoor area.

The company manufactures a wide range of products, including water pipes, fire sprinkler pipes, oil and natural gas line pipes, boiler and high pressure pipes, OCTG pipes, concrete pump pipes. It also provides internal and external epoxy coating and protective paint applications for these products. As a leading player in the Turkish pipe industry, Çayırova Boru is committed to maintaining high quality in its production.

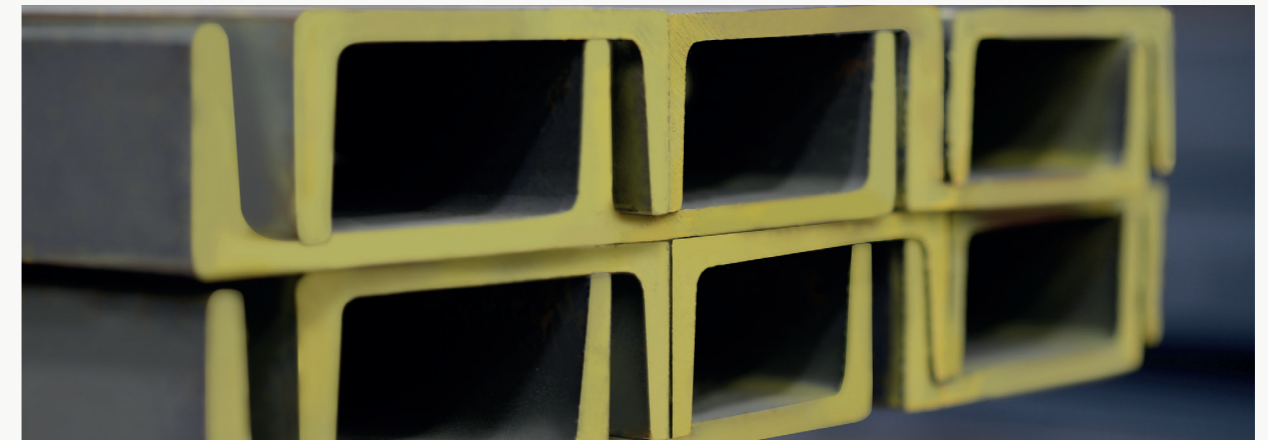
It also provides internal and external epoxy coatings, as well as protective paint applications for these products. Committed to maintaining its status as a leading figure in the Turkish pipe sector it maintains a strong commitment to high-quality production.





ÇELSANTAŞ ÇELİK

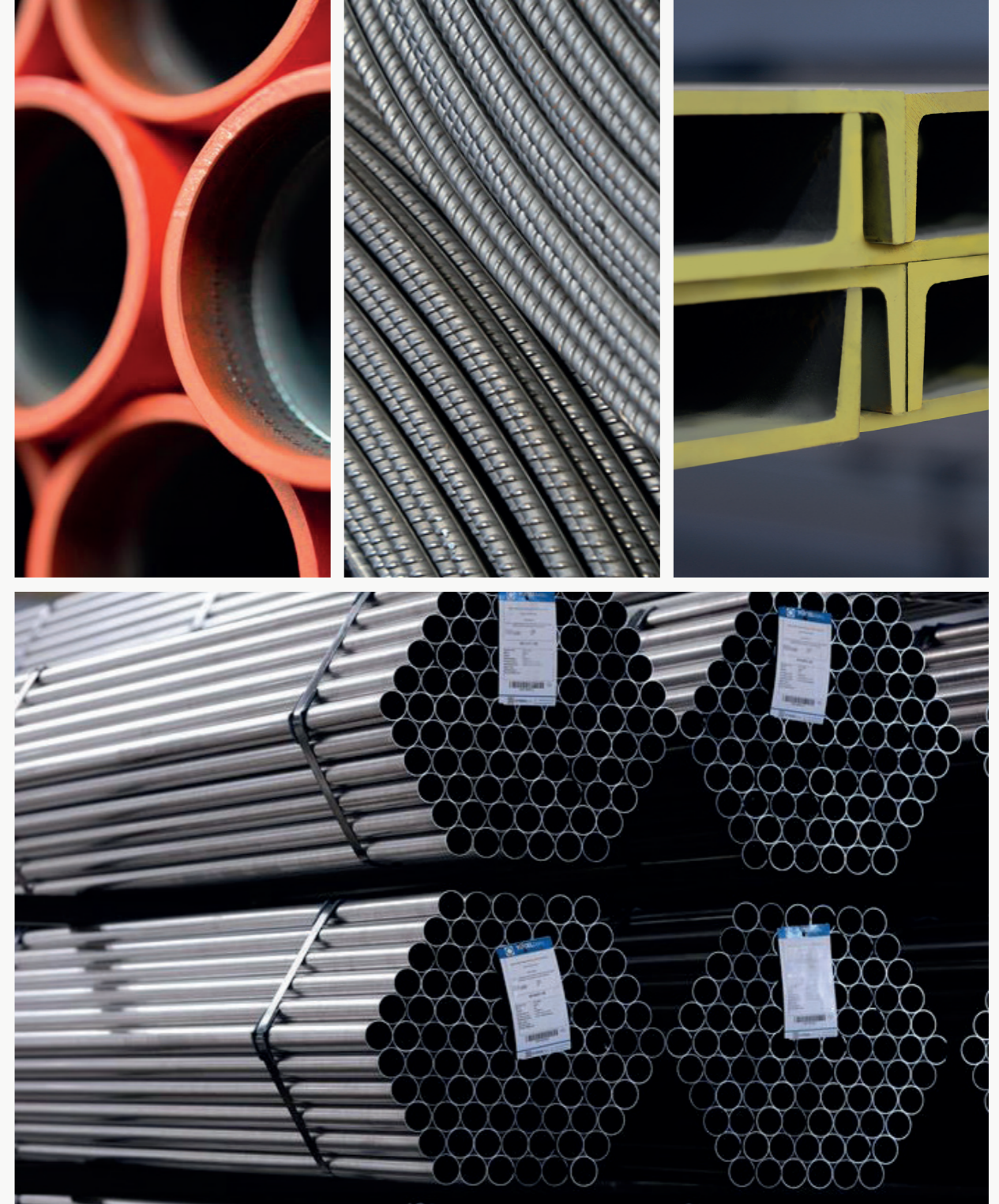
Established in 1979, Çelsantaş has been a pioneer in domestic equal angles production, being the first company in Türkiye to produce imported equal angles company's product range includes raw and semi-finished materials created through hot iron rolling, and it continually expands its production capacity. Çelsantaş operates on a total area of 68,000 m², with 28,000 m² dedicated to enclosed facilities. It produces equal angles and sections for both domestic and export markets, holding a significant share in local and international markets, particularly within the equal angles sector. In pursuit of quality and customer satisfaction, Çelsantaş continues its operations in modern facilities located in the Karabük Organized Industrial Zone, effectively meeting the needs of both domestic and international customers.





YÜCEL BORU İHRACAT İTHALAT VE PAZARLAMA

Incepted in 1984, Yücel Boru specializes in exporting Yücel Grup's products to international markets, conducting foreign trade and market research, and overseeing the foreign trade activities of group companies. With over 40 years of experience and the strength of its sector-leading group companies, Yücel Grup operates on six continents, exporting nearly 1 million products annually. Its dynamic and innovative approach aims to sustain sector leadership by adapting to global trends such as digitalization, sustainable production, and supply chain optimization. In line with this objective, a trading and investment company was established in Houston, United States.





DEMTRANS

Established in 1993 by Yücel Boru and Kroman Çelik, Demtrans operates in the logistics sector, providing a comprehensive range of services for the Yücel Grup. These services include transportation, vehicle maintenance and repair, inspection services, port loading and unloading operations, container management, invigilating, and the transportation of imported machinery. Demtrans also offers specialized transportation solutions.

Handling 8 million tons of transportation annually, Demtrans delivers logistics solutions across various sectors, including iron and steel, construction materials, and industrial equipment. To address its environmental responsibilities, the company employs AdBlue technology in its vehicles to minimize harmful nitrogen oxide emissions. Additionally, Demtrans utilizes an “Artificial Intelligence Supported Driver Monitoring and Driving Safety System” to enhance driver safety. This system promotes safe driving habits and improves operational efficiency through in-vehicle technologies that monitor load safety, fuel consumption, and driver performance.

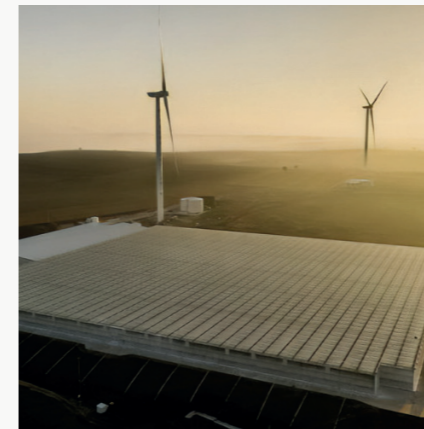




YÜCEL EKO TARIM

Established in 2017 as a wholly-owned subsidiary of Kroman Çelik, Yücel Eko Tarım spans an and a closed area of 40,000 m². The company focuses on modern greenhouse farming and the food sector, employing advanced agricultural practices, particularly in cold storage, cold chain supply systems, and logistics. It utilizes renewable energy sources, including wind, solar, and geothermal, across approximately 3,000 decares of land in the Balıkesir-Bandırma region.

Yücel Eko Tarım produces tomatoes, wheat, and sunflowers, aligning with current product varieties in Türkiye and international markets. The company exports its tomatoes to various countries, holding Global GAP, GRASP, and ITU certifications that ensure compliance with international quality standards.



YÜCEL GRUP: TÜRKİYE'S STEEL BRAND



MAIN FIELDS OF OPERATION:

- Iron & Steel
- Agriculture
- Energy
- Logistics

FIELDS OF PRODUCTION:

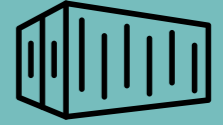
- Automotive and Supply Industry
- Construction and Building
- Household Appliances
- Furniture
- Machinery and Energy
- Agriculture and Construction Machinery Manufacturing

PRODUCTION FACILITIES:

- Yücel Boru Gebze Factory
- Yücel Boru Precision Tube Factory
- Yücel Boru Osmaniye Factory
- Yücel Boru Gebze Steel Service Center
- Çayırova Boru Darıca Factory
- Çayırova Boru Dört Yol Factory
- Kroman Çelik Darıca Factory
- Kroman Çelik Gebze Factory
- Kroman Çelik Aggregate Production Facility
- Kroman Çelik Yücel Çelik Park Investment
- Çelsantaş Karabük Factory

YÜCEL GRUP IN NUMBERS

In 2023, we exported to about **100 countries** with **456 export customers**.



Our annual production of **435,000 km** of pipes and hollow sections is equivalent to encircling the Earth **11 times** each year.

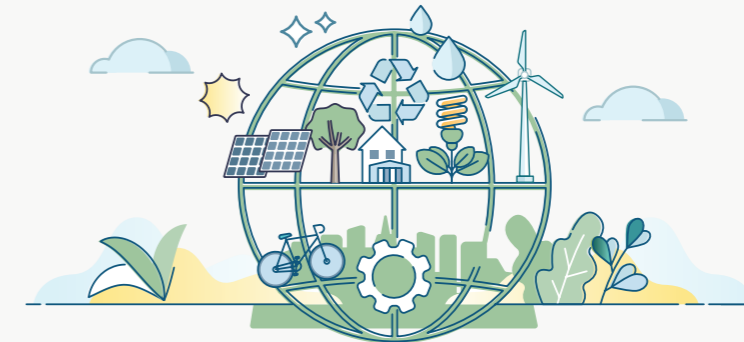


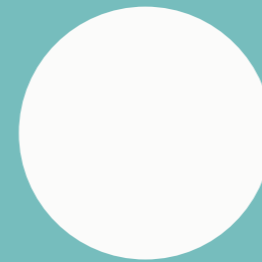
In 2023, our exported pipe& hollow section products accounted for **%28 of Türkiye's total exports**.



We are producing **3.5 million tons of steel products**.

As Yücel Grup, we operate in **7 regions of Türkiye** and employ approximately **4,000 people**.





CORPORATE GOVERNANCE

Policies

Efficient Risk Management

Business Ethics and Compliance

Internal Control and Audit



CORPORATE GOVERNANCE

We are committed to creating value for all our stakeholders by efficiently utilizing our environmental, financial, and human resources. This approach allows us to address current needs while maintaining a strategic focus on the future. We aim to ensure that future generations can enjoy a healthy environment, have access to sustainable resources, and benefit from economic prosperity. To achieve this, we regularly evaluate and update our activities and outcomes related to our capital resources.

We strive to maximize our potential for value creation while ensuring the efficient use of our resources. At Yücel Grup, we work decisively to make a significant impact in alignment with our sustainability principles by effectively managing our resources and integrating them with innovative solutions.

Our governance activities are grounded in principles aligned with corporate governance standards, ensuring they are independent of individuals and uphold equality. We strengthen our collaborations to assist all stakeholders in adhering to the Corporate Governance Principles. Our approach to corporate governance is professional and emphasizes transparency, accountability, and effective decision-making processes to manage risks and seize opportunities effectively.



We uphold the principles of public disclosure and transparency in our corporate governance practices and our relationships with shareholders and stakeholders. To this end, we prepare an annual Corporate Governance Principles Compliance Report, which outlines our compliance status.

To assist the Board of Directors in fulfilling its duties and responsibilities effectively, we operate with five committees:



The Board of Directors carefully determines the areas of authority, working principles, and membership structures for these committees.

We provide all necessary resources and support to the committees fulfill their responsibilities effectively. By contributing independent expert opinions, we elevate the effectiveness of the committees' work and ensure that all activities are documented in detail. Committees hold regular meetings in accordance with their working principles, at least every 6 months. The findings and suggestions from these meetings are reported to the Board of Directors, assisting in the overall decision-making process.

At Yücel Grup, adherence to applicable laws and regulations is our top priority. To raise awareness of competition law and to avoid statements that could lead to misunderstandings in commercial processes, we fully comply with Competition Law principles and conduct our activities in accordance with legal requirements, thereby protecting our Group Companies from potential risks. The identified risks and opportunities are periodically shared with the individuals listed in the stakeholder engagement document, and their feedback is collected.

POLICIES



ENVIRONMENTAL POLICY

In line with our commitment to environmental sensitivity, we base our production processes on the life cycle principle, which allows us to assess the environmental impact of our products in advance. As a result, we proactively implement measures to minimize and recycle waste, control pollution at its source, and reduce environmental harm. Our primary objective is to ensure a cleaner world for future generations by adopting the most effective methods in sustainability and environmental protection.



OCCUPATIONAL HEALTH AND SAFETY POLICY

We regard occupational health and safety (OHS) as a fundamental element of our business processes and embrace the principle of exemplary performance in this domain. In accordance with our OHS Policy, we take all necessary measures to ensure the safety and promote the health and well-being of our employees and business partners in every area we operate. To this end, we encourage the use of personal protective equipment, conduct emergency training sessions, and adapt working environments to safety standards. We strive to maximize OHS standards by offering courses, seminars, and organizing various events to meet the expectations of our stakeholders.



QUALITY POLICY

Our Quality Policy is based on recognizing customers' demands and expectations and delivering products and services that meet their desired standards. In this regard, we strive to earn stakeholders' trust while enhancing customer satisfaction. We regularly review our business processes and quality standards, identify opportunities for improvement, and take steps to optimize efficiency. Our commitment to quality translates into a strong undertaking to not only deliver high-quality products and services but also support the long-term success and sustainable growth of our company through continuous auditing and improvement processes, as well as customer feedback mechanisms.



ENERGY POLICY

Our Energy Policy is built on the principles of 'Sustainable Development' and 'Clean Energy and Economic Production.' It aims to maximize the efficient use of energy resources while ensuring the continuity of our operations through effective energy management. To achieve this, we continually refine our energy management systems and identify opportunities for improvement. We also prioritize efficiency in the procurement of products and equipment, as well as in designs that enhance energy performance. Looking ahead, we strive to minimize our environmental impact by increasing our use of clean and sustainable energy, with the goal of ranking among the top in our sector.



SUSTAINABILITY POLICY

We consider sustainability an integral part of our corporate culture. Therefore, we strive to continuously strengthen our sustainability goals and priorities with the contributions of all Grup Companies and employees. We remain committed to supporting the United Nations Sustainable Development Goals by providing sustainable growth through an ethical and transparent management approach.



HUMAN RIGHTS POLICY

Our Human Rights Policy seeks to foster an inclusive, fair, and equitable work environment for our employees that respects human rights. We are committed to providing equal opportunities to all our employees, regardless of religion, language, race, age, gender, ethnic origin, or any other personal differences, and to devise strategies accordingly. We promote diversity and embed inclusion as a cornerstone of our workplace by cultivating a business culture where the human rights of every individual are respected and valued.



CORPORATE SOCIAL RESPONSIBILITY POLICY

In keeping with our Corporate Social Responsibility principle, we engage in projects in areas such as the environment, education, and health with the aim of adding value to society and our stakeholders. We provide product support for university projects through our Grup companies, engage in sponsorship activities, and participate in career days to guide young people on their career journeys. By integrating this social responsibility approach into our corporate culture under our Corporate Social Responsibility Policy, we aim to contribute to the resolution of social issues and create lasting solutions to improve the welfare of society. We actively participate in social projects for a sustainable future and support societal development. We integrate processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities into our risk management and shape our strategies accordingly.



SUPPLY CHAIN POLICY

Our Supply Chain Policy aims to ensure that procurement and supply chain processes are managed sustainably across all regions where we operate. We seek to build long-term, healthy relationships with our suppliers, fostering mutual cooperation and establishing feedback mechanisms that contribute to stakeholder development. We expect our suppliers to uphold the highest quality standards within their organizations as well as throughout their local and global supply chains. This approach enables us to remain sensitive to societal needs and environmental concerns, ultimately creating a sustainable supply chain.



ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

Our Anti-Bribery and Anti-Corruption Policy aims to establish a business model that is honest, fair, transparent, and accountable, grounded in corporate governance principles across all sectors in which we operate. Within this framework, we implement effective measures to prevent the abuse of authority and responsibilities, identify and discourage risks that could lead to bribery and corruption, and strictly adhere to ethical standards. Through this approach, we seek to improve transparency in our business processes and strengthen our relationships with our stakeholders.

EFFICIENT RISK MANAGEMENT

Our Board of Directors employs a robust approach to risk management, grounded in the principles of transparency, accountability, fairness, and responsibility. We have established a comprehensive risk management system, spearheaded by the Early Risk Detection Committee, to identify and address potential risks. In alignment with Yücel Grup's "Corporate Principles" and "Universal Principles of Good Corporate Governance," we continuously monitor risks that could threaten our existence and sustainability, developing appropriate policies by assessing their potential impacts.

Our risk management system targets several key objectives:

Building and implementing strategies on a solid foundation,

Minimizing risks associated with our operations,

Ensuring stability and sustainability,

Promoting effective allocation and utilization of resources

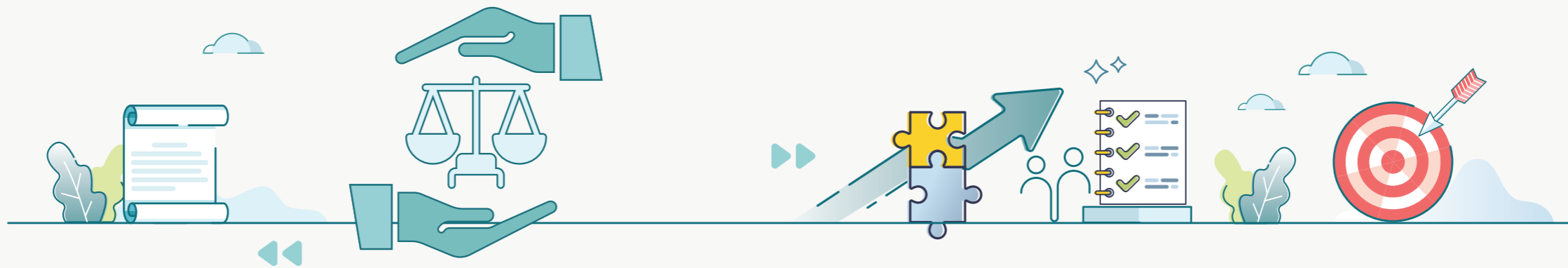
Increasing stakeholder trust,

Monitoring company performance from a risk-oriented perspective.

In this context, we do not endorse unmeasured risks and focus on conducting benefit and cost analyses. Our decision-making processes prioritize accountability, allowing us to develop inclusive methods.

By integrating risk management into the core of our organization, we focus on environmental, organizational, and human factors, allowing us to adapt to ongoing changes and developments. Our internal control systems incorporate risk management analyses and internal audit processes to identify potential issues.

Early Risk Detection Committee is responsible for identifying, assessing, and calculating the potential impact of strategic, operational, financial, legal, and other risks that could threaten the existence and sustainability of Yücel Grup. We provide recommendations to the Board of Directors to effectively manage and report these risks in alignment with the corporate risk profile. To ensure the effectiveness of the internal control mechanism, the Audit Committee continuously monitors the system's functionality and, when necessary, communicates any issues related to risk management and internal control processes to the Board of Directors.



BUSINESS ETHICS AND COMPLIANCE

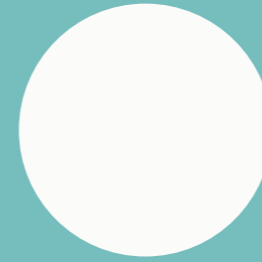
Our understanding of ethics encompasses a set of rules grounded in a commitment to honesty and integrity. We have established a “Regulation on Ethics and Code of Conduct” to define the ethical standards our employees must uphold and to strengthen our corporate ethical culture. This regulation is implemented in accordance with our internal policies.

We expect our managers to effectively communicate these rules to employees and foster open channels of communication. By maintaining a zero-tolerance stance on discrimination, harassment, and abuse, we encourage fair decision-making in areas such as promotions, recognition, and disciplinary actions. We also urge managers to leverage their leadership skills to enhance employee motivation. This approach is designed to promote the well-being of our employees while reinforcing the corporate values of Yücel Grup.

INTERNAL CONTROL AND AUDIT

Our internal control and audit processes are managed by the Audit Committee, which reports to the Board of Directors. The committee is responsible for assessing corporate governance, risk management, and internal audit processes, as well as ensuring the reliability of corporate reporting and overseeing regulatory compliance.

We periodically report our audit processes to the Board of Directors and conduct internal audit reports, risk analyses, and regulatory compliance checks to ensure the effectiveness of these processes. We also strive to continuously improve by formulating action plans based on the identified findings. As a Grup, we process your personal data in accordance with the PDP Law; your data will not be used for other purposes without your explicit consent and will not be shared with third parties, except as required by law. To clarify our personal data policies, a Clarification Text is available on our website.



YÜCEL GRUP'S SUSTAINABILITY JOURNEY

Sustainability Journey

Sustainability Strategy

Sustainability Governance Structure



SUSTAINABILITY JOURNEY

We put sustainability at the heart of our business model and set our strategic priorities accordingly. We define our sustainability strategy for the future based on the value we attribute to the environment and living creatures, and manage our environmental, social and economic impacts in a holistic manner.

As part of our energy efforts, we lower our carbon footprint by leveraging renewable energy resources, undertake energy efficiency projects and mitigate our environmental impact through waste-recovery systems. This way, we seek to pass on a more equitable, clean and inhabitable world to future generations. We harmonize all our operations with internationally recognized management systems by systematically addressing issues such as the rights of our employees, occupational health and safety principles, stakeholder relations, information security and environmental impacts. These systems help us reinforce our management structure and sustainability vision.

DOCUMENTS

COMPANY	ISO 9001 Quality Management System	ISO 14001 Environmental Management System	ISO 45001 OHS Management System	ISO 27001 Information Security Management System	ISO 50001 Energy Management System	IATF 16949:2016 Automotive Quality Management System
Yücel Boru	✓	✓	✓	✓	✓	✓
Çayırova Boru	✓	✓	✓	✓	✓	
Çelsantaş	✓					
Kroman Çelik	✓	✓	✓	✓	✓	✓

SUSTAINABILITY STRATEGY

We recognize that global resolutions on sustainability and international agreements signed by Türkiye are not merely about legal regulations. In line with these agreements, we resolutely participate in pioneering projects in our sectors. By undertaking projects that contribute to sustainability in environmental, social and economic dimensions, we aim to pioneer meaningful change on a global scale.

We support bilateral dialogues by fostering open and transparent communication with all our stakeholders. Our goal is to create a better world for future generations by taking a leadership role in sustainability through innovative solutions, technological advancements, and strategic partnerships. We implement our sustainability policy based on the priorities and principles we establish to align all activities of our group companies with the United Nations Sustainable Development Goals (SDGs). This approach reinforces our commitment to sustainability as a core element of our corporate vision.



CLIMATE CHANGE RISK ASSESSMENT

Transition risks related to climate change are assessed based on the Turkish Sustainability Reporting Standard and the Task Force on Climate-Related Financial Disclosures (TCFD). These risks include policy and legislation, market, technology, reputational, and legal risks, as well as physical risks categorized as acute and chronic. Each risk is analyzed through indicators, impacts, degrees of impact, probabilities, maturity levels, measures, and opportunities.

For the risk and opportunity assessment, we utilized the results from a modeling study that predicted a temperature increase of 1.5 to 2 Celsius degrees, in line with the Paris Climate Agreement. This study evaluated sustainability-related risks and opportunities that could reasonably impact the future financial viability of our business. We incorporate our sustainability risks and opportunities into our future investment plans and overall strategy.

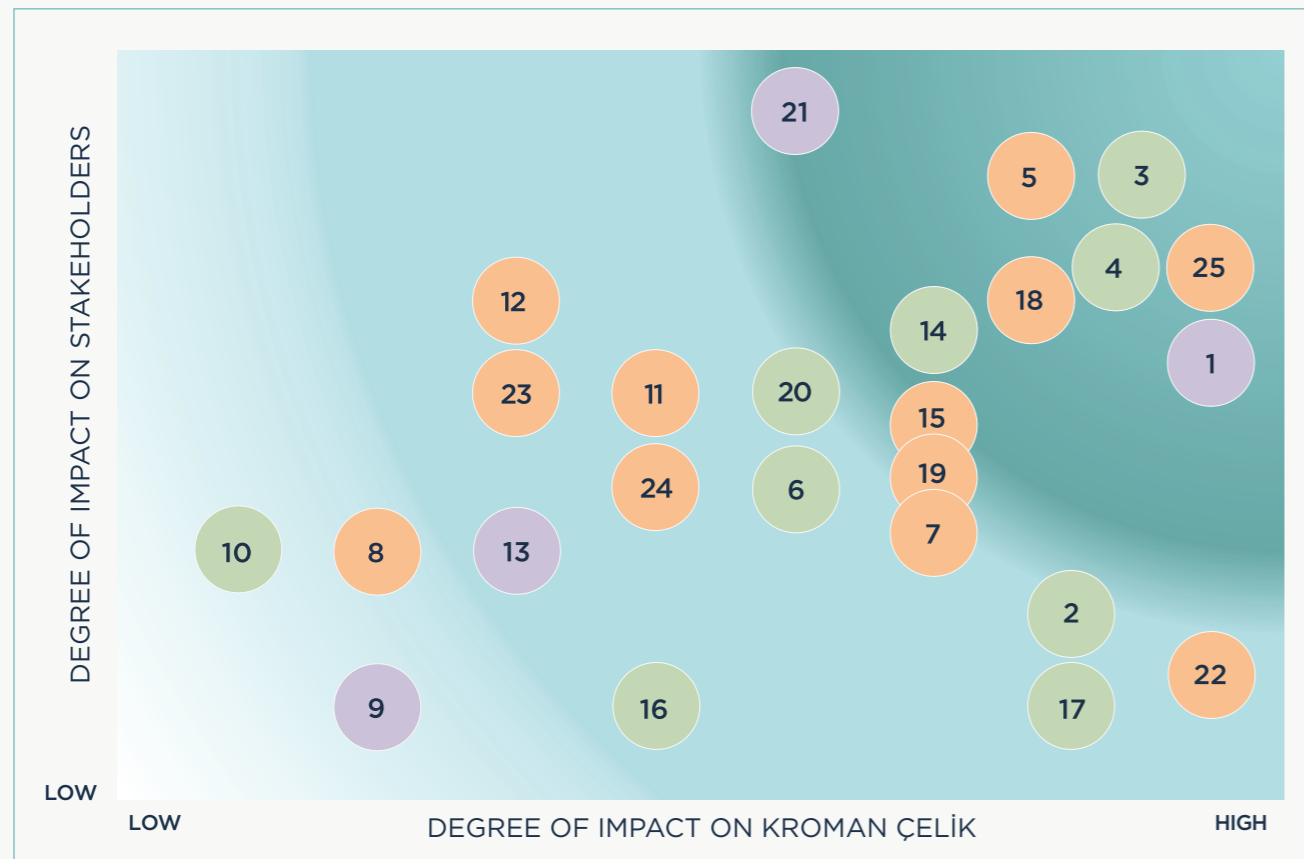
In this context, the transition risk with the greatest potential impact arises from carbon pricing mechanisms, such as Emissions Trading Systems (ETS), carbon taxes, and Carbon Border Adjustment Mechanisms (CBAM). To mitigate negative effects and capitalize on opportunities, we adhere to national and international legislation and actively participate in sector meetings to provide informed opinions. Our goal is to promote renewable energy generation and seek raw materials with lower carbon content.

The physical risk with the most significant impact has been identified as water stress, scarcity, and drought, which complicate water supply. In the short term, we strive to minimize the use of clean water resources and recover water discharged to the sea from municipal wastewater treatment plants. This project will help prevent water scarcity and ensure production continuity by safeguarding clean water resources.



PRIORITIZATION STUDY

At Yücel Grup, we prioritize the sustainability concerns of our stakeholders and carry out materiality analysis studies accordingly. We have developed a matrix that assesses the sustainability issues related to environmental, social, and economic impacts. This matrix helps us evaluate the significance and extent of these impacts on both our stakeholders and Yücel Grup, as detailed in the table below.



ENVIRONMENTAL IMPACT

- | | |
|---|---|
| 2 Natural Resources (energy management, water management) | 10 Biodiversity and ecotoxicity |
| 3 Environmental permit/license compliance (emissions) | 14 CO2 footprint |
| 4 Environmental permit/license compliance (water use) | 16 Transportation |
| 6 Waste, by-products | 17 Raw material utilization and material efficiency |
| 20 Environmental impacts (noise/vibration) | |

SOCIAL IMPACT

- | | |
|---|--|
| 1 Financial and operational performance | 13 Creativity |
| 9 Diversity and economic stability | 21 Safe and healthy working conditions |

ECONOMIC IMPACT

- | | |
|------------------------------------|---|
| 5 Occupational health and safety | 11 Ethical standards (including slavery and child labor) and human rights |
| 8 Skills and training | 12 Transparency and reliability |
| 7 Supply chain | 15 Employee relations |
| 18 Natural disasters | 19 Epidemics (Pandemics) |
| 22 Carbon prices driving the costs | 23 Contribution to local economy |
| 24 Innovation and novelty | 25 Wars |

ALIGNMENT WITH UN SUSTAINABLE DEVELOPMENT GOALS

We identified our high-priority issues based on the results of a survey conducted to prioritize our Sustainable Development Goals (SDGs). In light of discussions with senior management and our organizational goals, we have chosen to focus on SDG-7, SDG-8, SDG-9, SDG-11, SDG-12, and SDG-13.

To achieve this, we have formed specialized sub-working groups within the Yücel Grup Sustainability Governance Structure. These groups focus on the Sustainable Development Goals (SDGs) we have identified while also ensuring their activities align with all SDGs. In addition to our common SDGs, our Grup Companies undertake projects related to other SDGs that align with their specific corporate structures and areas of expertise. This approach allows us to address our sustainability goals comprehensively.




























SUSTAINABILITY TARGETS

Our goal is to integrate sustainability into the core of our corporate culture. We place sustainability at the heart of our business models as we shape our future operations. In this respect, we set not only operational goals but also sustainability goals linked with our priority topics. We outline the timeframes for our targets and their connections to the Sustainable Development Goals (SDGs).

With a forward-thinking perspective, we share our sustainability vision with all stakeholders, emphasizing effective collaboration and innovative solutions. This way, we strive to take a pioneering role in sustainability. In this endeavor, we adopt a strategy that considers both environmental and social impacts. We focus on increasing renewable energy resources, developing projects to reduce carbon emissions, and enhancing waste management and recycling processes. Simultaneously, we seek to maximize social impact through initiatives that promote gender equality, support local development, and provide educational opportunities. In doing so, we strive to create a more livable world for the future.



TARGET YEAR	OUR TARGETS	2022
2024 	Increasing the average training time per employee to 16 hours across all Group Companies.	14.20 hours
2025 	Anually improving the ratio of female employees to the total workforce	5.13%
2023 2030 	Minimizing employee turnover rates by fostering greater employee loyalty.	11.47%
2030 	Achieving a 20% reduction in Scope 1 and 2 emissions per ton of steel produced.	0.230 tCO2/t
2026 	Decreasing the consumption of fresh water by 30%.	621,395 m ³
2030 	Augmenting the generation of renewable energy through planned investments in Solar Power Plants (SPP) and Wind Power Plants (WPP).	1,610,951.04 kWh
2030 	Raising the waste recovery rate to 95% across all Group Companies.	83%
2030 	Continuously reducing the accident frequency rate each year compared to the previous year.	30.33

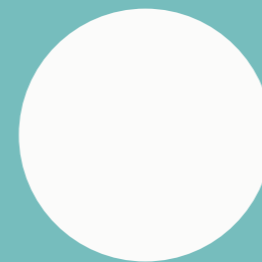
CURRENT RATIO (2023)	TARGET	RELEVANT SDG
15.69	16 hours	
6.60%	Annual increase	  
17.07%	Annual reduction	 
0.229 tCO2/t	0.19	   
694,706 m ³	434,977	 
1,632,870.72 kWh	15,000,000.00	   
84%	95%	 
33.1	Annual reduction	

SUSTAINABILITY GOVERNANCE STRUCTURE

The Sustainability Management System (SYS) is an infrastructure that facilitates and coordinates the achievement of common goals in collaboration with all stakeholders. Through this system, we establish specific performance indicators to effectively manage sustainability issues, conduct regular audits, and continuously monitor processes by identifying responsible parties at all levels. We strive to integrate sustainability into all our business lines and to stay updated on innovations in the sector, incorporating them into our practices. Simultaneously, we have developed a robust governance model in the field of sustainability to enable senior management to report effectively. With this structure, we aim to make significant progress as Yücel Grup in achieving sustainability goals and enhancing our responsibility at every step.

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SERVING THE PLANET

Combating Climate Change

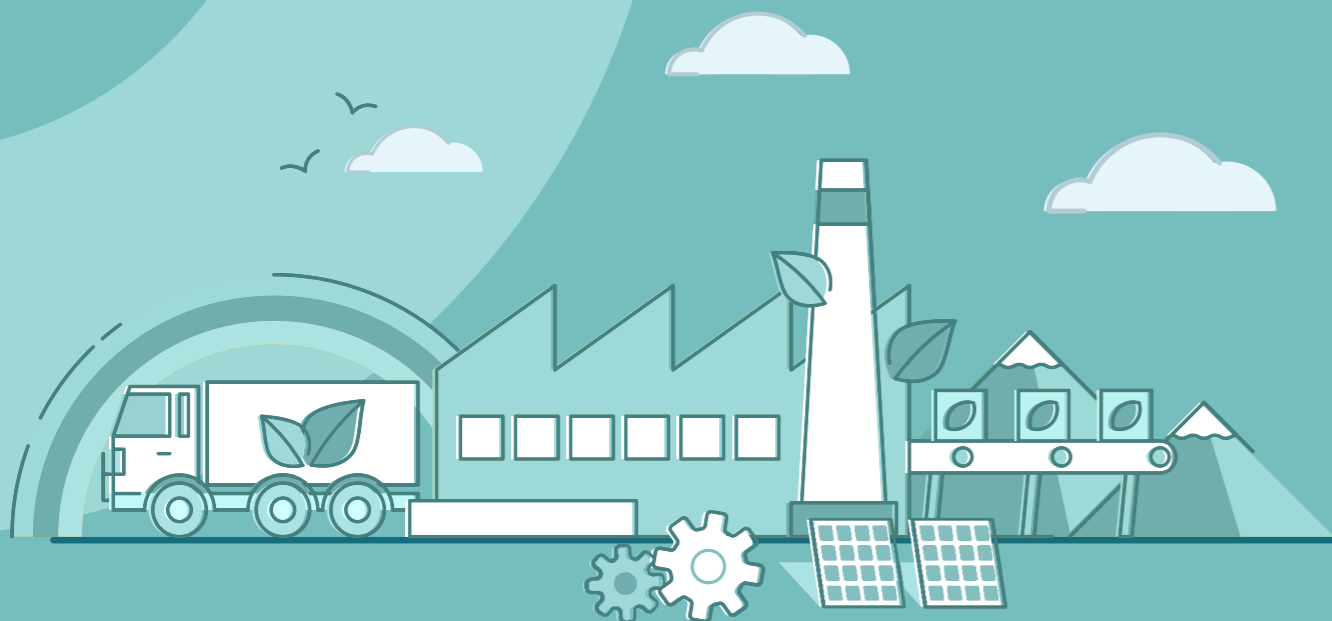
Energy and Emission Management

Water Management

Waste Management

Biodiversity

Sustainable Supply Chain



SERVING THE PLANET

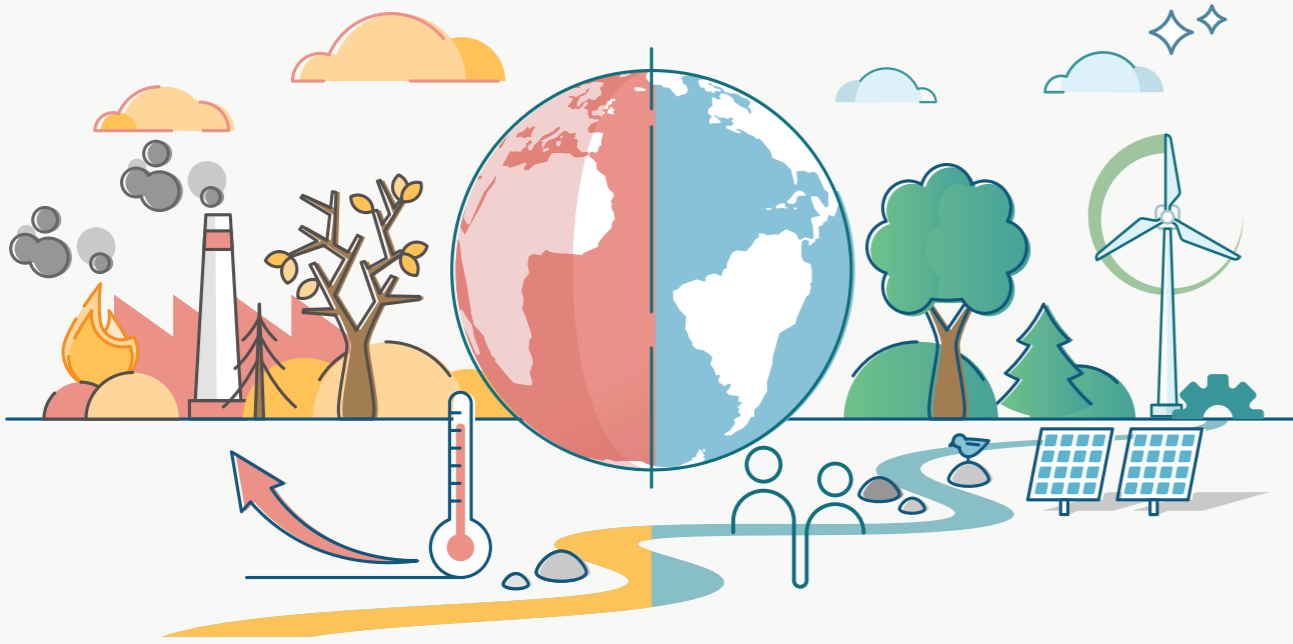
We aim to reduce the negative environmental impacts of our production and logistics operations, prioritizing the development of proactive measures to address these challenges as a key component of our environmental sustainability efforts. Every action taken to lessen our environmental footprint contributes significantly to a cleaner, healthier, and more sustainable future. To this end, we regularly assess, evaluate, report on, and monitor the environmental performance of all our facilities, striving for continuous improvement in critical areas such as climate change mitigation, energy efficiency, emission reduction, water usage and discharge, waste management, biodiversity protection, and the establishment of a sustainable supply chain. Our improvement initiatives are guided by the results we obtain.

We continually revise our activities to create a more environmentally friendly production process, analyze the **ISO 14001:2015 Environmental Management System**, and implement improvements to achieve our sustainability goals. In this context, we regularly monitor our environmental data and risks, taking necessary measures to address any identified potential issues. Thanks to these principles, we fully comply with environmental laws and related regulations, ensuring that we do not face any findings of nonconformity or administrative sanctions at our facilities.



Understanding that “knowledge proliferates when it is shared,” we organize annual training sessions focused on the environment and combating climate change. These sessions aim to raise environmental awareness among all our stakeholders, facilitate the dissemination of knowledge through written materials, and conduct awareness-raising activities. Embracing the idea that “change starts within us,” we provide comprehensive training on sustainability during our employee orientation. We also strive to keep this information readily accessible by distributing handbooks to employees after the training.

We participate in local events for World Environment Day on June 5 to raise environmental awareness among children, who are vital members of society. Through these efforts, we aim to set an example for all our stakeholders and lead a comprehensive change. By encouraging our stakeholders to foster their environmental sensitivity and corporate engagement in this area, we seek to create change at both social and individual levels.



COMBATING CLIMATE CHANGE

We combat climate change by improving our environmental impact values. Our goal is to become a leading company in green production and responsible resource management. We assess our contributions to the fight against climate change in specific areas, such as energy and emissions management, water and waste management, and transportation, and we implement improvements in these domains. Additionally, we strive for better processes while considering our impact on biodiversity and the indirect effects of our suppliers.



As part of our climate change efforts, we report the greenhouse gas emissions from our activities, evaluates their extent, and conducts climate change risk and opportunity analyses. We use these analyses to inform our strategic decisions and adjust our targets as needed. We also invest in renewable energy sources to meet our growing energy demands and work to reduce the environmental impact of our energy consumption. Our goal is to protect the ecosystem by managing and using our natural resources efficiently. We develop projects that prioritize water conservation, exercising ultimate care for the efficient use and recycling of water in our production processes. We assess all waste for its potential contribution to the circular economy and handle any waste that cannot be recycled according to the waste hierarchy. We are dedicated to minimizing our environmental impacts that contribute to climate change.

As Yücel Grup, we actively engage with institutions and organizations, including the Turkish Iron and Steel Producers Association, World Steel Association (World Steel) the Ministry of Environment, Urbanization and Climate Change, and the Ministry of Industry and Technology, in the fight against climate change. We regularly share our industry experiences during meetings with these organizations.

We have improved our environmental sustainability and green supply chain strategy by creating Environmental Product Declaration (EPD) documents that comply with the ISO 14025 standard. These documents showcase the environmental performance of our products over their entire life cycles. Additionally, we have received verification certificates for our Gebze, Osmaniye, and GOSB facilities, in line with the ISO 14064-3 Greenhouse Gas Verification Standard.



ENERGY AND EMISSION MANAGEMENT

We place emphasis on measuring, monitoring, and reducing energy consumption and emissions. To comply with national and international regulations, we implement various projects aimed at improving energy efficiency. Our Energy Management System supports these efforts by continuously monitoring and recording high energy-consuming resources, facilitating reporting and evaluation. We also develop plans for the effective use and conservation of our energy resources. Our Energy Committee oversees these initiatives, assessing savings potential and determining actionable steps.

Looking ahead, we plan to complete the **EAF flue gas power generation project** as part of our short-term investment strategy. We also aim to increase our renewable energy production through investments in **SPP and WPP** until 2030, supporting the **SDG-7, SDG-9, SDG-12, and SDG-13** initiatives. These projects are designed to significantly reduce carbon emissions, boost energy independence, and achieve long-term savings in operating costs.

Greenhouse Gas Emissions (tCO₂e) (2023)

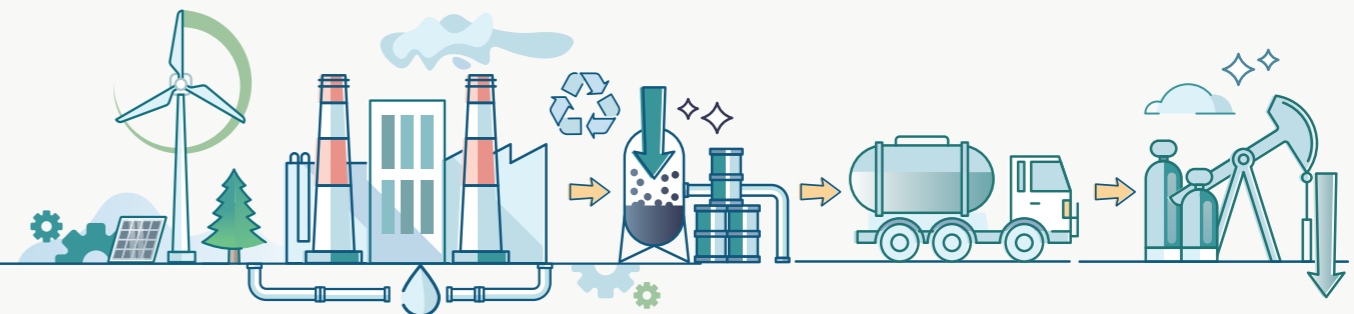
As Yücel Grup, we regularly calculate our emissions from production on an annual basis.

Scope 1	250650
Scope 2	410934

*Total emissions of the Kroman Çelik (Darıca&Rebar Rolling Mill), Çayırova Boru (Darıca & Dörtöl) , Yücel Boru (Gebze, GOSB, Osmaniye) and Çelsantaş Factory

From 2017 to 2023, we generated a total of **11,039,531 kWh** of electricity

with **1,632,870 kWh** produced in 2023 alone.



Additionally, we are committed to minimizing the impact of our industrial activities on climate change by reducing our environmental footprint through sustainable energy generation. **Since the base year of 2015, we have been verifying our Scope 1 and Scope 2 emissions through an independent third-party auditing firm, in accordance with the ISO 14064-1 Standard for the Verification and Reporting of Greenhouse Gas Emissions.**



In line with our planned projects

By 2035, we expect to save **146,143,088 kWh/year** annually

reduce CO₂ emissions by **64,303 ton CO₂/year**

In our group companies with high energy consumption, we intend to implement effective energy management through both completed and ongoing projects.





COMPLETED PROJECTS

Project Name: Warehouse SPP

Energy Type: Electricity

Priority Topic: Tackling the Climate Crisis and Transition to a Zero Carbon Economy

SDG: 9-Industry, Innovation and Infrastructure, 13-Climate Action

Project Description: Solar power plant to promote the use of renewable and clean energy



Project Name: Insulation of Heating Mechanic Installation

Energy Type: Natural Gas

Priority Topic: Responsible Environmental Management, Sustainable Supply Chain Management

SDG: 12-Responsible Production and Consumption

Project Description: Preventing energy losses by insulating mechanical installations



Project Name: Installation of Automatic Level Sensor Valves

Energy Type: Electricity

Priority Topic: Responsible Environmental Management, Sustainable Supply Chain Management

SDG: 12-Responsible Production and Consumption

Project Description: Prevention of excess air discharge by installing valves equipped with air loss prevention capability and level sensors.



ONGOING PROJECTS

Project Name: LED Transformation

Energy Type: Electricity

Priority Topic: Responsible Environmental Management, Sustainable Supply Chain Management

SDG: 12-Responsible Production and Consumption, 7-Affordable and Clean Energy

Project Description: Replacement of existing luminaires with more efficient LED luminaires



Project Name: Cascade Boiler Conversion

Energy Type: Natural Gas

Priority Topic: Responsible Environmental Management, Sustainable Supply Chain Management

SDG: 12-Responsible Production and Consumption

Project Description: Replacement of the central boiler system with a cascade-type condensing combi boiler system for improved efficiency.



Project Name: Horasan SPP

Energy Type: Electricity

Priority Topic: Combating the Climate Crisis and Transition to a Zero Carbon Economy

SDG: 9-Industry, Innovation and Infrastructure, 13-Climate Action

Project Description: To promote the use of renewable and clean energy, we plan to build a solar power plant with 145,470 panels and an installed capacity of 80 MWm/65 MWe on 75.3 hectares in the Horasan district of Erzurum, with the aim of increasing energy efficiency.





ONGOING PROJECTS

Project Name: Scada System

Energy Type: Electricity
Priority Topic: Responsible Environmental Management, Occupational Health and Safety
SDG: 12-Responsible Production and Consumption
Proje Açıklaması: Monitoring and elimination of compressed air leaks using SCADA system



As a Grup, we are committed to adopting more environmentally friendly energy sources to mitigate our environmental impact in response to our growing energy demand from production over the past three years. We are continuously working towards sustainable solutions by increasing our energy consumption from renewable sources each year.

	2021	2022	2023
Total Electricity Consumption (GJ)	3,442,278.58	3,474,393.91	3,597,979.89
Natural Gas Consumption (GJ)	1,857,478.13	2,203,060.36	1,940,832.90
Other (GJ)	624,773.48	681,163.96	907,574.63
Total Energy Consumption (GJ)	7,378,012.70	7,700,196.05	6,446,387.42

Through the implementation of best practices in steel production, we have reduced our direct emissions by 93% compared to blast furnaces and by 19% compared to conventional electric arc furnace systems. In the last three years, along with the increase in our annual production volume, there has been an increase in our total electricity consumption. However, we have reduced our electricity consumption per ton by approximately **17%** from 2022 to 2023.



We believe in the power of renewable energy, and we promote and invest in environmentally friendly energy solutions. Yücel Eko Tarım company operates a **Wind Power Plant** with a capacity of **6.8 MW**, while Yücel Boru’s Yeşilköy facilities host a **Solar Power Plant** with a capacity of **980 kW**. We are actively seeking ways to increase the use of renewable energy at our other facilities and are moving forward with additional solar power plant projects.

Through our investments in renewable energy, **we aim to boost energy efficiency, reduce air pollution, and promote environmentally friendly energy consumption.** Currently, we are focused on **land-based Solar Power Plant projects of 65 MW and 45 MW** in the Horasan district of Erzurum, along with an additional 45 MW in the Kangal district of Sivas. We have received the **EIA Positive Certificate from the Ministry of Environment, Urbanization, and Climate Change for the Solar Power Plant** in the Erzurum Horasan district. Our commitment to expanding our renewable energy capacity continues as we pursue further investments.

We operate in accordance with our **Energy Policy** and adhere to national and international energy regulations and standards. Our goal is to work efficiently while maintaining comfort, and we strive to raise both **efficiency and awareness** through ongoing monitoring and improvement processes. Meanwhile, **our efforts are aligned with our commitment to incorporating energy performance as a key criterion in our evaluation of product and service procurement.** Our energy management practices help us reduce **emissions** effectively.

As a group, we utilize a **continuous emission measurement system** at key points **to ensure our flue gas emissions meet regulatory limits.** We continuously monitor and report this data. **We also conduct regular inspections of the filters in our chimney systems and perform planned maintenance.** Our efforts to reduce our carbon footprint have led to a **15% decrease in specific energy consumption per ton of liquid steel produced since 2010.** **By 2030, we aim to reduce our Scope 1 and Scope 2 emissions per ton of steel production by 20% and to develop projects aligned with SDG-7, SDG-9, SDG-12, and SDG-13.**



	2021	2022	2023
Total Water Consumption (m3)	521,799.80	621,395.03	694,706.04
Water Recovered* (m3)	43,219.00	69,413.00	63,500.00

We conduct **regular inspections of our water systems to prevent leaks and prioritize dry cooling technology in new cooling water projects.** We collect blowdown water from open cooling towers in a pool for reuse. In 2018, we saved approximately **115,000 m³ of water annually** by replacing sand filters in our water preparation processes with filters that feature automatic backwash systems. Additionally, in our reverse osmosis (RO) plant, we enhanced our water recovery rate by implementing a secondary RO unit that reconcentrates waste from the entire RO unit.

As a result of these projects, we **reduced water consumption per unit of product across our group and completely eliminated industrial wastewater generation at our Kroman Çelik plants.** Looking ahead, we aim to minimize the use of clean water resources and recover water discharged into the sea from municipal wastewater treatment plants. With this project, our goal is to produce recovery water from wastewater that can be supplied continuously, rather than relying on variable water sources.

Domestic wastewater generated at our facilities is processed in the advanced biological treatment plants of the relevant municipalities before being discharged into the environment. Throughout this process, we care about the protection of soil and groundwater resources by **fully complying with regulations.** We also conduct regular analyses of the discharged wastewater at accredited laboratories to ensure ongoing oversight. The planned Water Recovery investment has been postponed to 2025 due to unforeseen reasons. During this period, the commissioning of new investments has led to an increase in our clean water usage. However, our goals remain unchanged. The work on the water recovery project with İSU has reached its final stage, and it is expected that we will achieve our targets in 2025.

WATER MANAGEMENT

We **continuously monitor and improve** our practices to protect water resources, enhance water efficiency, and **reduce our water footprint.** To achieve this, we implement strategies such as **closed-circuit water use, water recovery, and resource management,** while also **controlling water leaks** to protect natural resources.

To increase water efficiency and ensure effective management, we maximize the use of **closed-circuit cooling water across all our facilities and take proactive measures to prevent water loss.** As Yücel Grup, we aim to reduce our clean water consumption by **30% by 2025,** and in line with this plan, we are developing projects that contribute positively to the **SDG-6 and SDG-12.**



In alignment with **circular economy principles,** we use **dry cooling technology** in our steel mill's cooling system to prevent evaporation losses, conserve water, and recover all used water through a closed system. Since 2015, this approach has enabled us to save **205,000 m³ of make-up water annually.**



Since 2015, this approach has enabled us to save **205,000 m³** make-up water annually.



WASTE MANAGEMENT

We implement a comprehensive waste management system across our Group companies to ensure the effective sorting, storage, recovery, and disposal of waste. Alongside these processes, we develop innovative projects that reduce the environmental impact of waste.

At all our facilities, we meticulously separate waste at the source using appropriate collection equipment, directing it to licensed facilities for recovery or disposal in full compliance with legal requirements. We undertake various improvement initiatives to improve our waste recovery rate and actively support recycling and reuse, guided by the principle that “No output is waste.”

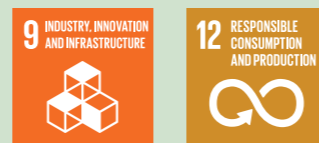
Our goal is to increase our recycling rate from the current 83% across our Group Companies to 95% by 2030, contributing to SDG-9 and SDK-12.

As of 2023, 8% of the waste generated by our Group Companies is classified as hazardous, while 92% is non-hazardous. We strive to raise environmental awareness among our employees through operational regulations and awareness-raising activities, supplemented by regular environmental training sessions.

We fully meet the requirements outlined in the “Basic Level Zero Waste Certificate” across all our Group Companies and comply with all obligations set by the zero-waste regulation.

To integrate our waste into the circular economy, we launched Türkiye’s first slag landfill facility in 2007. In 2019, we secured the necessary permits to recover slag and use it as aggregate, initiating aggregate production.

Our SAP system enables us to develop sustainable solutions by digitally monitoring waste, which has significantly reduced our paper consumption and allowed us to transition to centralized printing. Additionally, we have achieved resource efficiency by minimizing toner waste.



We act with environmental awareness to pass down a habitable world for future generations. To raise awareness among our stakeholders, we organize environmental training sessions and participate in events on June 5, World Environment Day. On World Environment Day in 2023 celebrated under the auspices of the Kocaeli Provincial Directorate of Environment, Urbanization, and Climate Change, along with the Kocaeli Metropolitan Municipality, we conducted a seedling planting workshop to promote environmental awareness among children.



Recognizing that recovery in waste management is one of the most critical elements for waste reduction, we implement various circular economy practices. Through these efforts, we promote the effective use of resources and fulfill our responsibility for a sustainable future:

- Zinc metal found in the flue dust generated at Kroman Çelik facilities is sent to Marzinc, a company in which Kroman Çelik is also a shareholder, for recovery. Marzinc processes flue dust received from steel companies and supplies raw materials to some of the world's largest zinc refineries.
- At our Group Companies, we direct waste with recycling potential to licensed facilities for processing in compliance with environmental legislation.
- In line with our product conformity certificates for TS 706 EN 12620, TS EN 13043, and TS EN 13242, we aim to contribute to the circular economy by using aggregate as a by-product.
- Rather than using chemical slag-formers, we integrate waste from the aluminum industry into our processes.
- We reprocess the metal scrap generated during our operations at our recycling facility, reintegrating it into the economy.

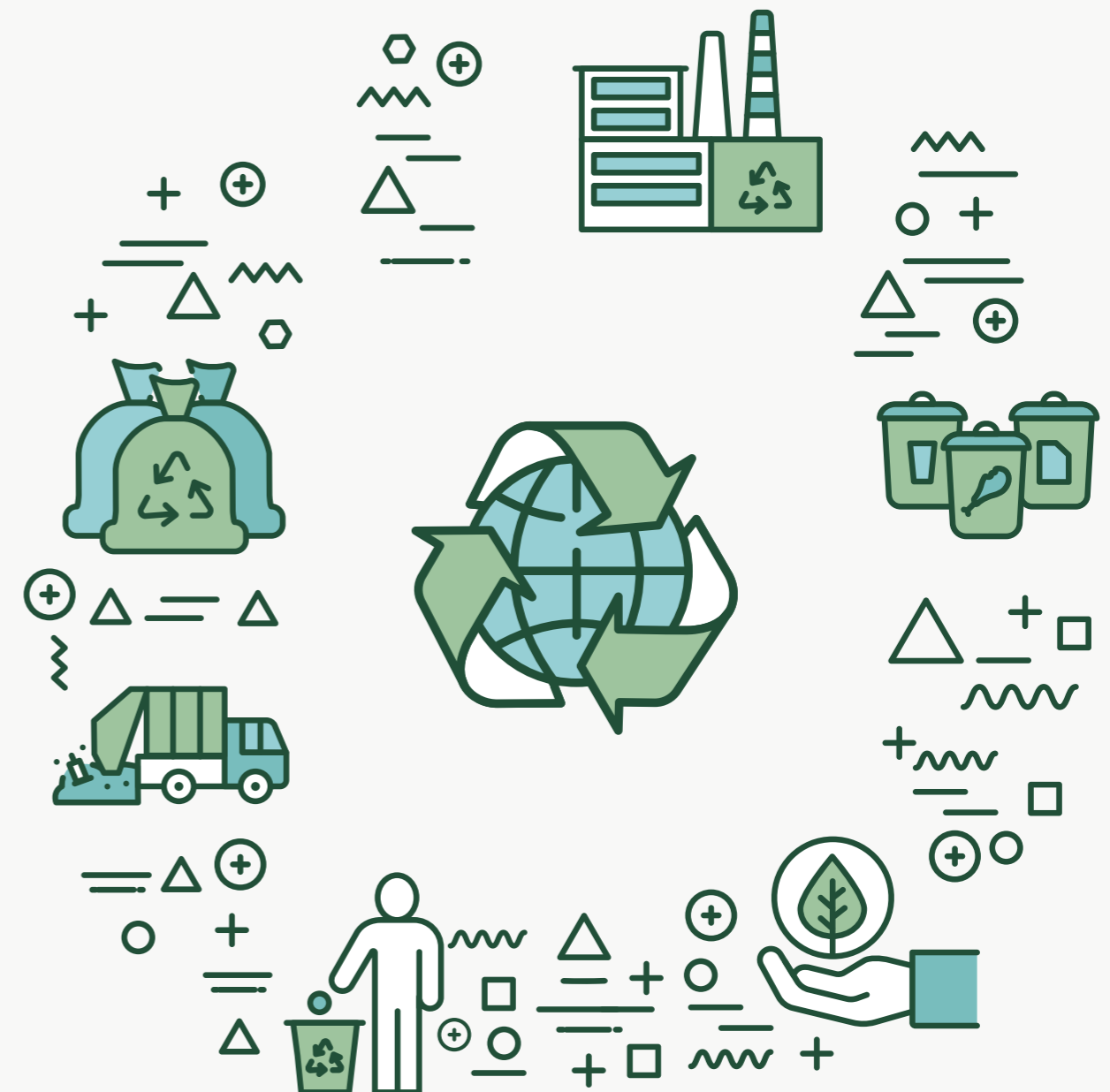
• Additionally, we utilize mill scale, which is produced as waste in our manufacturing processes, as a raw material in various facilities due to its high iron oxide content.

We meticulously manage hazardous chemicals in raw materials by classifying their hazards, storing them according to safety standards, and minimizing potential risks.

In areas where chemicals are used, we take all necessary precautions against leaks and spills, and we are prepared for emergencies by keeping safety data sheets readily accessible.

We diligently adhere to the KKDİK (Legislation on Registration, Evaluation, Authorization, and Restriction of Chemicals) framework, opting for less hazardous or non-hazardous chemicals whenever possible.

We manage end-of-life or waste chemicals in strict compliance with all relevant legislation and regulations, implementing necessary safety measures to minimize the environmental and health impacts of chemical use.



BIODIVERSITY

Production activities can lead to **environmental changes** that **decrease biodiversity** and **harm the habitats** of various life forms.

At Yücel Grup, we undertake all activities with the understanding of preventing both direct and indirect damage to nature, taking tangible steps to protect biodiversity and all living beings.

As part of our evaluation processes, we **continuously monitor** our **environmental impacts**, implement necessary measures in line with our improvement efforts, and conduct regular analyses.

Through our circular economy projects, sustainable management of energy and water resources, waste reduction initiatives, and actions to combat climate change, we are dedicated to **protecting biodiversity** and **creating a healthier environment** for future generations.

In pursuit of our goal to continuously improve our processes, we encourage our stakeholders to prioritize environmental responsibility and to adopt an environmentally sensitive approach whenever possible.

We support our stakeholders in reducing the direct and indirect environmental impacts of their activities by raising awareness and providing support for them to take action.



We avoid constructing our facilities in areas designated for special protection to safeguard natural life.

We thoroughly examine all biodiversity-related issues in our investment projects as part of our Environmental Impact Assessment Reports.

We conduct a comprehensive review of our projects' impacts on biodiversity and implement necessary measures accordingly.

SUSTAINABLE SUPPLY CHAIN

While we place importance on clean production processes, we adopt sustainability-oriented processes in our supply chain and assess our suppliers' sustainability practices in a systematic fashion.

To facilitate this, we have developed an advanced SAP-based evaluation system across all our Group Companies, categorizing our suppliers into four main groups:

- Ideal Supplier
- Acceptable Supplier
- Potential Supplier
- Unacceptable Supplier

In accordance with our sustainability principles, we conduct a comprehensive analysis process, scoring suppliers based on the greenhouse gas intensity of their products and prioritizing those with lower carbon emissions. Additionally, we evaluate suppliers' certifications in key areas such as quality, environmental impact, occupational health and safety (OHS), and energy efficiency.



Our supplier portfolio is developed based on these sustainability principles, considering their adherence to ethical standards, codes of conduct, and their integration into our safety management system.

We give utmost care to ethical values in our supplier selection process and diligently monitor compliance with our Code of Ethics and Conduct as well as Competition Law. Suppliers found to be non-compliant are blacklisted, regardless of their scoring, and we promptly terminate our business relationships with them.

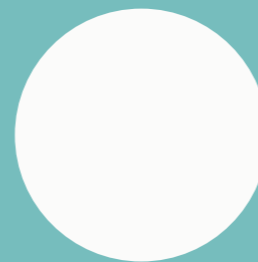
In keeping with our commitment to sustainable supplier management, we have increased local procurement since 2013, which has significantly reduced our environmental impact from transportation. This strategy not only promotes environmental sustainability but also strengthens the local economy.

Our goal is to raise the percentage of our suppliers certified with ISO 9001, ISO 14001, and ISO 45001 from 72% to 75% by 2025.

Furthermore, we aim to contribute to sustainable development goals that align with SDG-12, SDG-13, and SDG-17 targets.

In addition, we conduct a sustainability supply risk assessment to identify which suppliers, products, or procurement categories expose our company to sustainability risks, and we determine the measures to be taken.





SERVING THE PEOPLE

Human Resources Approach

Inclusion, Equal Opportunities
and Diversity

Employee Engagement

Talent and Career Management

Occupational Health and Safety





HUMAN RESOURCES APPROACH

At Yücel Grup, our commitment to sustainability extends beyond environmental responsibilities to include our commitment to the services we deliver to our employees. Recognizing that our human resources are our greatest asset, we design all our processes with this principle in mind.

We strive to foster a supportive and inclusive work environment by emphasizing our corporate values, prioritizing employee welfare, and promoting both personal and professional development.

Our goal is to fortify our brand value by increasing employee satisfaction and cultivating a team spirit that drives our business's sustainable success.

Together, we envision a sustainable future where individuals can develop and realize their potential with Yücel Grup.

As one of the leading company in the Turkish metal industry, we consistently improve our capacity and effectiveness through strategic investments. The achievements and innovative insights of our employees across our Group Companies are fundamental to our sustainable growth. We recognize and value these contributions at every opportunity.

**Together,
we envision a
sustainable future
where individuals can
develop and realize
their potential with
Yücel Grup.**



In shaping our activities, we embrace an egalitarian, inclusive, and fair approach in all our activities, prioritizing respect for human rights and a contemporary vision. At Yücel Grup, we emphasize fairness and inclusion in our human resources processes, with a strong focus on gender equality in recruitment, career development, promotion opportunities, work-life balance, and compensation.

Human Resources Policy

- We foster an egalitarian, inclusive, and fair working environment **that upholds human rights.**
- **We rigorously adhere to occupational health and safety (OHS) standards** and are committed to continuously advancing employee rights.
- We maintain a **zero-tolerance policy against forced labor and child labor.**
- We honor our **employees' freedom of unionize** and their right to engage in union activities, supporting collective bargaining processes.
- We implement a **fair and transparent remuneration policy**, embracing the principle of equal pay for equal work.
- We attract the right talent to our organization through **competency-based recruitment processes.**
- We promote information sharing and encourage innovative ideas from our employees by providing an effective **communication and motivational environment.**
- We boost our employees' professional competencies through **ongoing training and development programs**, supporting their learning journeys with digital solutions.

Human Resources Committee

Our Human Resources Committee **regularly evaluates** the management of key activities within the organization.

- **In 2023 six meetings** were held to address topics such as the digitalization of employee information and the planning and development of group training sessions.
- We **promote knowledge** sharing among Group Companies and organize **coaching meetings** to foster employee development.
- We actively run efforts to **effectively manage performance evaluation processes and ensure** compliance with wage regulations.

We integrate sustainability-related topics and metrics into our performance evaluation processes and consider these factors in our remuneration policy.

We employ approximately
4,000
individuals. Notably,
%93.54 of
our employees are
professionals
under the
age of 50.

EMPLOYEE PROFILE

Our skilled workforce is the cornerstone of our success in the sectors we operate. **As of 2023, we employ approximately 4,000 individuals along with 754 subcontractor personnel within Yücel Grup.** Notably, **93.54% of our employees are professionals under the age of 50.** Additionally, **employees under 30 years old constitute 20.95% of our workforce,** reflecting our dynamic and innovative outlook, as they are eager to learn and open to personal and professional growth.

RECRUITMENT PROCESS

Across all our Group Companies, we adhere to a **systematic and comprehensive Recruitment Policy** to effectively address our human resource needs. This policy aims to attract **qualified and specialized individuals** who will help us achieve our sustainability goals.

We carry out our recruitment processes **by publishing job postings on relevant Human Resources platforms.** We review the applications we receive, identify suitable candidates, and invite them to participate in interviews.

For open positions within the Group, we prioritize evaluating our existing employees, offering them **opportunities for sustainable career development** through an internal placement strategy.

To help new hires adapt quickly, **we provide comprehensive orientation programs designed by the Human Resources department and relevant units.** These programs ensure that our employees:

- Quickly adapt to their roles and responsibilities,
- Contribute to minimizing turnover rates,
- Gain comprehensive knowledge about the policies, organizational structure, and production processes of our Group Companies,
- Gain awareness of social rights, working conditions, occupational health and safety (OHS), and environmental issues.

Through these processes, we aim to ensure that our employees, **embrace the corporate culture and assist them in their long-term career development.**



INCLUSION, EQUAL OPPORTUNITIES AND DIVERSITY

At Yücel Grup, we take pride in our employee-centered and innovative human resources approach. We continually strive to provide our employees with the best opportunities and support their professional development. Our commitment to the principles of equal opportunity, diversity, and inclusion is woven into all our practices, and we actively uphold these values at every stage.

Respecting individual differences, including gender, ethnicity, age, religion, and other characteristics, we foster an organizational culture that ensures equal opportunities for all employees, regardless of their position. Our goal is to create a working environment where diverse perspectives are valued, ideas are shared freely, and every individual feels a sense of belonging. We place special emphasis on gender equality and human rights during our strategy development processes.

Feedback and Reporting Mechanisms

- We encourage open communication, allowing our employees and stakeholders to express their views freely. We provide effective feedback channels (e.g. guvenlihat@yucelgrup.com), suggestion platforms, and grievance mechanisms to facilitate this.
- We regularly monitor and improve these mechanisms.
- We uphold a zero-tolerance policy towards discrimination and harassment, taking a firm stance against negative behaviors.
- To deliver prompt and effective solutions, we implement strong communication channels and utilize them effectively.



Percentage Increase in
the Female Employee to -
Male Employee

**Ratio
2022-2023:
12.90**

Increase in the
Number of
Disabled Employees

**The Past
Three Years
%15**

Inclusion in the Supply Chain

- We expect our suppliers and subcontractors to prioritize human rights and implement the necessary measures to raise awareness.
- We also actively work to identify and mitigate nonconformities while strengthening our commitment to protect human rights.

Gender Equality and Women's Employment

We prioritize increasing the proportion of female employees and securing gender equality, reflecting the dynamics of the sectors in which we operate.

- Our webinars to promote awareness of gender equality across the Group elevate understanding in this area.
- The increase in our female employee ratio as of 2022 clearly indicates our commitment to this cause.
- Over the past year, we demonstrated our dedication to gender equality by raising the ratio of female employees by 1.66% across all our Group Companies.
- We increased the ratio of female employees to male employees from 5.13% in 2022 to 7.07% in 2023.
- In 2023, 11.75% of our new hires were women.
- We remain determined in our efforts to raise the ratio of the female workforce.

Disabled Employees and Accessibility

In our Group Companies, we aim to provide an inclusive working environment that considers the needs of individuals with disabilities and empowers them.

- We implement practices that allow our employees with disabilities to showcase their talents effectively.
- Our goal is to eliminate barriers through accessible facilities and robust policies.
- By fostering inclusion, we enable our employees with disabilities to contribute their skills and expertise to our Group's success.
- In 2023, we raised the ratio of employees with disabilities by 15% compared to 2021.
- Increase in the Number of Disabled Employees (The Past Three Years): 15%

EMPLOYEE ENGAGEMENT

Aligned with our commitment to fostering a sustainable and evolving workplace hand in hand with our employees, we prioritize employee engagement as one of our primary goals. We understand that employees who feel a strong sense of belonging contribute to a more productive and creative work environment, which is essential for long-term corporate success.

At Yücel Grup, we aim to cultivate a work culture where every employee's contributions are valued, heard, and encouraged for ongoing development. By actively involving our employees in decision-making processes, we provide professional development opportunities and promote a healthy work-life balance.

In this context, we aim to reduce our employee turnover rate each year in alignment with SDG-1 and SDG-3. In 2023, the retirement of employees due to the EYT (victims of delayed pension age) regulation led to an unforeseen increase in the turnover rate. However, our annual reduction target remains unchanged.



To improve the sense of belonging and commitment, we focus on strengthening employee engagement through continuous communication.

By encouraging employee development, we strive to create a work environment that empowers them to contribute actively to the sustainable future of our Group.



- We employ scientific methods to assess training needs and actively engage in career planning by providing professional development opportunities for our employees.
- We foster a culture of creativity and innovation that encourages the generation of value-driven ideas, drawing inspiration from the knowledge and experiences of our stakeholders.
- Our goal is to continuously raise employee satisfaction and business success by valuing both individual contributions and environmental factors.

We design our training programs based on employee feedback and input from Human Resources and department managers, ensuring they align with current needs. Our training programs include a diverse range of options, both online and in-person.

Executive Development and Training Programs

- We collaborate with Türkiye's leading universities to organize executive development training for our sales, marketing, export, and procurement teams.
- In 2023, we placed special emphasis on leadership and coaching training, resulting in the participation of 17 employees in these programs.
- Among the participants of these courses, nine employees were women.

We prioritize **the development of our internal stakeholders** while also ensuring that **our suppliers and subcontractors are informed about OHS and environmental practices before they begin working at our facilities**. In collaboration with leading industrial organizations and private institutions, we provide our employees with a range of training and webinar opportunities in areas such as technical knowledge, language skills, leadership, and mentoring.

Academic Collaboration and Internship Programs

- We share information with scholars and students by organizing technical trips and collaborating effectively with educational institutions to advance sector development.
- Through the internship opportunities we provide for pre-undergraduate and undergraduate students, we support their knowledge and experience growth while introducing them to the business environment within our Grup Companies.
- In 2023 our popular intern program connected 51 students with the business world at Yücel Grup.

During the selection process, **we prioritized the children of our employees, local high school students, and students from leading universities**. We offer our interns real-life work environments where they can learn industry dynamics and shape their careers, allowing them to discover their potential and develop their talents.

TALENT AND CAREER MANAGEMENT

Effective career management aligned with employees' competencies is essential for the **sustainable success and long-term growth of organizations**. **Talent and career management practices** not only foster company **growth and innovation** but also play a significant role in **enhance employee loyalty and satisfaction by attracting qualified individuals**.

We conduct regular performance evaluations led by our department managers, utilizing objective criteria based on competencies. We recognize and reward high-performing employees accordingly. Each year, in November and December, we implement performance evaluations using scientific methods aligned with the competencies established by our Group Companies. Employees are assessed on a scale from A to E by their respective managers, and promotions for those who meet the specified criteria occur in January and July each year.

At Yücel Grup, **we implement effective talent and career management strategies to create a fulfilling work environment where employees can reach their full potential**, supported by ongoing development opportunities.

OCCUPATIONAL HEALTH AND SAFETY

At our Group Companies, we prioritize **Occupational Health and Safety (OHS) across all work areas by fully complying with legal regulations, international standards, and ethical principles.** Our **Occupational Health and Safety Policy** reflects our commitment to workplace safety, our focus on continuous improvement, and our determination to implement effective practices.

Recognizing that occupational health and safety (OHS) is a shared responsibility, we encourage our employees to actively participate and support them in setting goals aligned with our policies.

Continuous Development and Safety Culture

Our OHS approach emphasizes ongoing development and improvement in line with regulations and international standards.

- We perform preventive risk assessments and build a safe working environment.
- We procure appropriate protective equipment, and carry out incident examinations as well as root cause analyses.
- We take preventive and corrective measures, and set goals to prevent occupational accidents and diseases.
- We effectively manage inspection and reporting processes, drawing on the input of operational and executive staff.

We conduct daily and monthly **OHS audits and continuously assess our performance through monthly meetings and annual review sessions.** We successfully implement the **ISO 45001 Occupational Health and Safety Management System** across our Group Companies.

Our risk assessment teams perform detailed analyses of all operational activities and organize ongoing training programs to raise awareness of occupational health and safety.

OHS Training and Employee Safety

- We conduct regular OHS training sessions based on hazard classifications to ensure employee safety.
- We also organize OHS-themed events at our facilities to raise safety awareness.
- Ambient and personal exposure measurements are routinely conducted to safeguard our employees.
- We enforce mandatory OHS training, risk assessments, and health checks for all employees entering production sites.

OHS Trainings Provided:

- Onboarding orientation trainings
- Basic OHS topics and Periodic OHS trainings
- Work-at-height training
- OHS training following a workplace accident
- First aid training
- Indoor work training
- Risk assessment training
- Machine safety training
- Ex equipment maintenance and installation training
- OHS training for department and position changes
- Prevention of Major Industrial Accidents Regulation Training
- Defensive driving training
- Hazardous substance awareness training

OHS Management and Sectoral Collaborations

We actively engage in the OHS committees of leading organizations, including the Turkish Employers Association of Metal Industries (MESS) the Turkish Steel Producers' Association (TÇÜD), and the World Steel Association (Worldsteel). Through these collaborations, we exchange information to improve working conditions and incorporate our sectoral expertise into these initiatives.

We encourage our employees to actively participate in Occupational Health and Safety (OHS) management through OHS Committees and an employee suggestion system. By considering their input, we aim to strengthen our safety culture.

Aligned with our “Journey to Zero Accidents” initiative, we are proud to report that there have been no fatal accidents or occupational diseases in any of our Group Companies over the past three years.

Employee Health and Other Benefits

- Our Occupational Health and Safety (OHS) Policy is transparently shared with all stakeholders, and we encourage feedback from employees through suggestion boxes.
- We offer medical examinations and consultancy support for employees and stakeholders at our factory site, with 24-hour health services available.
- We also offer complementary health insurance coverage to all employees, enhancing the protection for their health.



Our goal of achieving zero accidents is embedded in our improvement processes, which support our OHS sustainability objectives and foster the continuous development of our safety culture.

HAZARD IDENTIFICATION AND RISK ANALYSIS

- We take swift action to eliminate risks identified through hazard notification cards, field audits, and our OHS Risk Assessment software.

CONTINUOUS IMPROVEMENT AND TECHNOLOGY SOLUTIONS

We have implemented an artificial intelligence-supported platform that integrates with the existing cameras in our facilities. This system allows our Occupational Health and Safety (OHS) teams to detect hidden dangers and proactively recognize and prevent potential occupational accidents. It provides real-time risk notifications, enabling rapid assessments and immediate responses 24/7. In addition to the OHS Platform, we have implemented smart proximity alarm systems and rear-view cameras in critical areas to enhance the safety of both work equipment and pedestrian traffic. These sensors serve as an additional layer of protection by warning individuals of potential hazards and reducing the risk of accidents. We monitor periodic equipment checks through the SAP system and automatically notify relevant staff about the process. To ensure compliance with national regulations, we conduct both theoretical and practical training sessions led by expert trainers. Furthermore, we offer our employees online training opportunities focused on sector-specific information and emergency management.

TRAINING AND SPECIALIZATION SUPPORT

We conduct both theoretical and practical courses led by expert trainers in order to ensure compliance with national regulations. We offer employees online training opportunities on sector-specific information and emergency management. We strengthen the occupational safety culture through regular trainings and drills to raise OHS awareness.





EMERGENCY SAFETY MEASURES

We have established an integrated security infrastructure at all our facilities, featuring fire alarm systems, passive fire suppressors, and automatic gas extinguishing systems. Each shift is supported by a fully-equipped fire truck and a team of expert firefighters, ready to respond to emergencies. To address potential earthquakes nationwide, we regularly assess the seismic resilience of our facilities and undertake preventive measures to minimize potential damage. Additionally, we have formed search and rescue teams for rapid response, adopting a proactive disaster preparedness approach. Each year, we provide training and conduct drills for our employees regarding the actions to be taken in the event of potential chemical spills.

Artificial Intelligence in Safe Driving and Logistics

Demtrans, one of our Group Companies, utilizes artificial intelligence-based modeling in logistics services to monitor and alert drivers in real-time through in-vehicle cameras installed in our long-haul transportation vehicles.

- We analyze driver performance data to promote safe driving habits and raise operational efficiency.
- Our top-performing drivers are rewarded, and we encourage all employees to adopt safe driving practices.
- Our goal is to instill a culture of safe driving throughout the organization.



ACTING FOR THE SOCIETY

Stakeholder Communication

Customer Satisfaction

Corporate Social Responsibility

Memberships and Collaborations





STAKEHOLDER COMMUNICATION

At Yücel Grup, building trust-based relationships with our external stakeholders and employees—both nationally and internationally—is paramount for us.

We believe that continuous and transparent communication is the foundation of these relationships.

For this purpose, we regularly update our stakeholders on our ongoing projects and the progress we have made. We also establish effective communication channels that allow us to receive feedback. We promote open, two-way communication to foster sustainable cooperation.

The preferred communication methods we use in our relationships with stakeholders are outlined in the table below.



Stakeholder Group	Communication Method
Employees (Including unions)	Verbal/written communication with management and employees
	Performance feedback
	Employee engagement surveys
	Intranet
	Collective bargaining/agreement discussions
	Training and development programs

Stakeholder Group	Communication Method
Customers	Meetings and verbal/written communication
	Field visits
	Joint product development efforts
	Website
	Conferences
	Fairs

Stakeholder Group	Communication Method
Suppliers/Contractors	Meetings and personal communications
	Global and regional supplier summits
	Local contributions partnerships
	Fairs
	Social responsibility partnerships
	Attendance at contractor safety programs and continuous improvement initiatives

Stakeholder Group	Communication Method
Public Institutions and Supervisory/ Regulatory Authorities	Meetings and verbal/written communication
	Responding to inquiries
	Participation in events and forums
	Collaboration on government/industry campaigns and programs
	Annual audits
	Regulatory submissions
	Operations
	Field visits

Stakeholder Group	Communication Method
Shareholders	Annual and quarterly reports
	Regulatory submissions
	Annual general assembly meeting
	Phone, e-mail, website and postal communications
	Regular meetings

Stakeholder Group	Communication Method
Host Communities (Neighbours)	Meetings and personal communication
	Participation in social and environmental assessments
	Suggestion and grievance mechanisms
	Forums
	Conferences
	Field visits
	Surveys
	Community development committees and dashboards
	Socio-economic programs
	Foundations and partnerships

Stakeholder Group	Communication Method
Non-governmental institutions (NGOs) and Multinational Organizations	Meetings and personal communication
	Participation in multi-stakeholder initiatives
	Partnerships
	Social/community/other assessments
	Forums
	Conferences
	Surveys
	Participation in advisory councils

Stakeholder Group	Communication Method
Media	Meetings
	Phone and e-mail communication
	Interviews
	Company website
	Press releases
	Regulatory submissions
	Presentations/Publications
	Field visits
	Advertisement/ Banners
	Social media

Stakeholder Group	Communication Method
Group members and sector associations	Meetings and personal communication
	Active participation as board members
	Conferences
	Participation through business associations
	Sector initiatives



CUSTOMER SATISFACTION

We understand that building strong communication and business relationships is crucial for meeting our customers' needs and expectations, which is essential for long-term success. Our operations are centered around a customer-oriented approach, keeping customer satisfaction at the forefront. To ensure continuous improvement, we conduct regular customer satisfaction surveys and analyze the results within our quality management processes.

Each year, we hold meetings with customers to discuss industry innovations and exchange ideas to deepen our collaboration. We maintain dynamic customer relations through phone calls and on-site visits. We aim to expedite our complaint management processes to respond to customer requests as quickly as possible. Additionally, we are committed to the ongoing development of our customer portal, providing our customers with quick and easy access to information about their orders.





CORPORATE SOCIAL RESPONSIBILITY

Contributing positively to society and supporting sustainable development is fundamental to the long-term success of organizations. At Yücel Grup, we prioritize stakeholder engagement and collaborate with various institutions to achieve this goal.

- We focus on creating earthquake-resistant structures and safe installation systems through our iron and steel products, pipes, and profiles.
- Driven by a sense of social responsibility, we undertake sustainable projects in education, health, environmental and social development.



SUPPORT FOR EDUCATION

To promote quality education, we have built Kroman Çelik Primary School, Yücel Boru Science High School, Mustafa Gökşen Anatolian High School, and Kayseri Osman Yücel Primary School in partnership with the Ministry of National Education

- We upgrade school libraries by providing educational materials and new publications.
- Our goal is to ensure equal opportunities for students by supporting their involvement in sports, science, culture, and the arts.
- We have renovated the physical spaces of Kroman Çelik Primary School to create a better learning environment for students.
- Additionally, we have secured insurance for Kroman Çelik Primary School and Gökşen Mustafa Yücel Anatolian High School as part of our educational support initiatives.
- We supported schools in Darıca by providing paint, desks, and gifts for April 23rd National Sovereignty and Children's Day as well as organizing painting contests and children's theater events. Additionally, we supplied iPads, Teknofest materials, and technological equipment to assist the projects of Yücel Boru Science High School students.
- We inspire students by supporting their Teknofest projects and initiatives in science and technology.

At Yücel Grup, we prioritize education as part of our corporate social responsibility strategy, investing in the future by providing scholarship opportunities for students.



COMMUNITY SUPPORT

- We are committed to helping those in need through the Suspended Bread.
- Additionally, we implement various social responsibility projects, including scholarship programs and food support, to enhance the welfare of the community.



HEALTH SUPPORT

- We have donated supplies to Kahramanmaraş Afşin State Hospital and Gebze Fatih State Hospital.



ASSISTANCE IN THE EARTHQUAKE ZONE

- In response to the February 6 earthquake, we provided donations for housing construction and offered assistance in various areas affected by the disaster.



Our Future Goals for Corporate Social Responsibility (CSR)



TRAINING AND TALENT DEVELOPMENT

- Increasing Accessibility in Education: Offering free educational materials and scholarships to children in rural and disadvantaged areas.
- Career Development and Mentoring Programs: Implementing programs to help young people prepare for the workforce.
- Supporting STEM Education: Assisting students in developing projects in science, technology, engineering, and mathematics (STEM).
- Lifelong Learning Programs: Providing continuous training and skill development opportunities to keep our workforce up-to-date.



HEALTH SUPPORT

- Psychological Health Support: Organizing psychological support programs and awareness campaigns for employees and the community.
- Health Services for People with Disabilities: Developing initiatives to improve access to health services for individuals with disabilities.
- Health Screenings and Awareness Campaigns: Conducting regular health screenings and seminars to raise awareness about common diseases in the community.



SOCIAL EQUALITY AND HUMAN RIGHTS

- Women and Youth Rights Programs: Establishing programs to raise the social, economic, and political participation of women and youth.
- Legal Support for Social Justice and Equality: Creating legal support initiatives for individuals facing discrimination.
- Training Programs for Gender Equality: Running training sessions on gender equality for employees, school groups and communities.

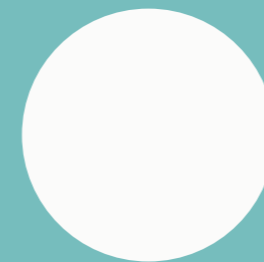


MEMBERSHIPS AND COLLABORATIONS

We foster strategic collaborations to strengthen the market positions our Group Companies in both national and international markets. This allows us to stay aligned with industry trends and adapt our practices accordingly.

- We maintain our memberships based on the principle of common sense to support the advancement of the steel industry.
- Our goal is to represent these values across various platforms while maintaining a responsible approach to the environment, our employees, and society.
- By broadening our membership network, we seek to strengthen our collaboration on sustainable business models and innovative solutions.

BESİAD-Association of Fastener Industrialists and Businesspeople
ÇEBİD-Steel Pipe Manufacturers Association
Steel Foreign Trade Association
ÇİB-Steel Exporters' Association
DEİK-Foreign Economic Relations Board
DörtYol Chamber of Industry and Commerce
World Steel Association
Gebze Chamber of Commerce
GOSB Chamber of Industry
GOSB Chamber of Commerce
İMMİB-İstanbul Mineral and Metals Exporters' Association
İSO-İstanbul Chamber of Industry
İTO-İstanbul Chamber of Commerce
Karabük Association of Private Sector Iron and Steel Rolling
Karabük Chamber of Commerce and Industry
Kocaeli Chamber of Industry
MESS - Turkish Employers' Association of Metal Industries
Osmaniye Chamber of Commerce
TİM-Türkiye Exporters Assembly
TURKTRADE-Foreign Trade Association of Türkiye
TUCSA-Turkish Constructional Steelwork Association
Turkish Confederation of Employer Associations
Port Operators Association of Türkiye
YİSAD-Flat Steel Exporters and Industrialists Association



SERVING THE FUTURE

R&D, Innovation and Digitalization



R&D, INNOVATION AND DIGITALIZATION

The impact of research and development (R&D), innovation, and digitalization on sustainable growth is a top priority for us across all our Group Companies.

- We always embrace innovative approaches to continuously improve our products, services, and operational processes.
- We strive to drive operational efficiency, effectively executing digital transformation strategies.
- Our goal is to generate sustainable solutions as we navigate global challenges by leveraging cutting edge technologies.

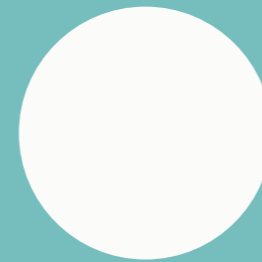
We have placed a strong focus on occupational safety and digital transformation, and in this way:

- We raise operational efficiency via 24-hour inspections driven by AI.
- Identify potential risks and hazards early, allowing us to take precautions and maximize employee safety.
- Utilize advanced technologies like SAP and RPA (Robotic Process Automation) to strengthen resource management, optimize operational processes, and streamline decision-making.

SAP System and Digital Transformation Processes

- With the S/4 HANA transformation, we improve supplier selection evaluation reports, update the customer portal, and provide quick access to order information
- E-Transformation technologies help us streamline invoice and dispatch note processes, reduce paper usage, and minimize waste generation.
- Process automation improves demand management and approval procedures.
- Our enterprise resource planning systems ensure fast and easy access to key data for relevant stakeholders.
- In accordance with our ISO 27001 Information Security Management System Certificate, we maintain high cybersecurity standards through regular testing.

Through these innovative approaches, **we establish a fast, safe, and efficient operational structure that consistently strengthens our competitive advantage in the industry.** By investing in research and development, we aim to tackle global challenges by supporting innovative ideas and leveraging advanced technologies, ultimately striving to create continuous value for a more sustainable future.



ANNEXES

Performance Indicators

GRI Content Index



ANNEXES

DIRECT EMPLOYMENT	2021	2022	2023
Women	110	170	221
Men	3033	3143	3125
Total	3143	3313	3346

TOTAL EMPLOYEE COUNT	2021	2022	2023
Blue Collar	2187	2313	2264
White Collar	954	1027	1082
Total	3141	3340	3346

GOVERNING BODIES AND BOARD OF DIRECTORS		2021	2022	2023
Number of people on Governing Bodies and Board of Directors	Women	7	9	14
	Men	65	65	61
	TOTAL	72	74	75
Number of people excluding governing bodies	Women	131	195	174
	Men	2963	3097	3123
	TOTAL	3094	3292	3297

NUMBER OF NEW RECRUITS	2021	2022	2023
Women	22	124	63
Men	400	451	473
Total	422	575	536

TOTAL WORKFORCE BY AGE GROUPS	2021		2022		2023	
	Women	Men	Women	Men	Women	Men
18-30	34	620	52	692	78	623
30-50	71	2264	111	2277	124	2305
50+	5	149	7	174	13	203
Total	110	3.033	170	3.143	215	3131
Total	3143		3313		3346	

DISTRIBUTION OF INDIVIDUALS IN MANAGEMENT BY GENDER		2021	2022	2023
Senior Management Level	Women	6	6	9
	Men	60	57	50
	Total	66	63	59
Middle Management Level	Women	29	24	30
	Men	99	108	123
	Total	128	132	153

NUMBER OF DISABLED EMPLOYEES	2021	2022	2023
Women	2	12	6
Men	71	80	78
Total	73	92	84

NUMBER OF SUBCONTRACTED WORKERS	2021	2022	2023
Women	36	35	37
Men	682	665	662
Total	718	700	699

ENERGY CONSUMPTION (GJ)	2021	2022	2023
Total Electricity Consumption (GJ)	3,442,278.58	3,474,393.91	3,597,979.89
Natural Gas Consumption (GJ)	1,857,478.13	2,203,060.36	1,940,832.90
Other (GJ)	624,773.48	681,163.96	907,574.63
Total Energy Consumption (GJ)	7,378,012.70	7,700,196.05	6,446,387.42

Water Management (m³)	2021	2022	2023
Total Water Consumption (m³)	521,799.80	621,395.03	694,706.04
Total Recovered Water * (m³)	43,219.00	69,413.00	63,500.00

* Data obtained from Kroman Çelik, Çayırova Boru (Darıca), Yücel Boru (Gebze) and Yücel Eko Tarım plants.

WASTE MANAGEMENT (TON)	2021	2022	2023
Hazardous Waste	32,434.46	28,907.23	30,126.67
Non-Hazardous Waste	354,171.86	352,353.62	370,966.60
Waste to Disposal	11,542.43	65,800.24	65,722.60
Waste to Recovery	375,063.88	315,460.60	335,320.67
Total Waste	386,606.32	381,260.84	401,093.27



GRI Index

GRI Standard	Disclosure	Page numbers, descriptions, and/or URL	Exclusions
GRI 1: Foundation 2021			
GRI 2: General Disclosures 2021			
Corporate Profile, Corporate Governance and Effective Risk Management			
"GRI 2: General Disclosures 2021"	2-1 Organizational details	Corporate Profile, s.8	-
	2-2 Entities included in the organization's sustainability reporting	"About the Report, s.4 Message from the Senior Management, s.6 Group Companies, s.12-41"	-
	2-3 Reporting period, frequency, and contact point	About the Report, s.4	-
	2-4 Restatements of Information	"Materiality Analyses, s.62,63 Sustainability Targets, s.65 Performance Indicators, s. 126,127"	-
	2-5 External assurance	The sustainability report has not received external assurance.	-
	2-6 Activities, value chain, and other business relationships	Yücel Grup: Türkiye's Steel Brand, s.12-43	-
	2-7 Employees	Employee Profile, s.97	-
	2-8 Workers who are not employees	Employee Profile, s.97	-
	2-9 Governance structure and composition	Corporate Governance, s.48-55	-
	2-10 Nomination and selection of the highest governance body		"Confidentiality Constraints As a private company, details of board members, other affiliations, etc. are considered proprietary and are not disclosed to the public."
	2-11 Chair of the highest governance body	Message from the Senior Management, s.6	-
	"2-12 Role of the highest governance body in overseeing the management of impacts"	"Message from the Senior Management, s.6 Sustainability Governance Structure, s.68,69"	-
	"2-13 Delegation of responsibility for managing impacts"	"Sustainability Strategy, s.59 Sustainability Governance Structure, s.68,69 Serving the Planet, s.72-91"	-
	"2-14 Role of the highest governance body in sustainability reporting"	"Sustainability Strategy, s.59 Sustainability Governance Structure, s.68,69"	-

GRI Standard	Disclosure	Page numbers, descriptions, and/or URL	Exclusions
	2-15 Processes to prevent conflicts of interest	Business Ethics and Compliance, s.54	-
	"2-16 Process of communicating critical issues to the highest governance body"	"Corporate Governance, s.25 No critical issues were communicated to Yücel Grup throughout the reporting period."	-
	"2-17 Collective knowledge of the highest governance body"	Corporate Governance, s.25	-
	"2-18 Evaluation of the performance of the highest governance body"		"Confidentiality Constraints As a private company, details of board members, other affiliations, etc. are considered proprietary and are not disclosed to the public."
	2-19 Remuneration policies	Human Resources Approach, s.94,95	-
	2-20 Process to determine remuneration	Human Resources Approach, s.94,95	-
	2-21 Annual total compensation ratio		"Confidentiality Constraints As a private company, details of board members, other affiliations, etc. are considered proprietary and are not disclosed to the public."
	"2-22 Statement on sustainable development strategy"	"Message from the Senior Management, s.6 Sustainability at Yücel Grup, s.58-69"	-
	2-23 Policy commitments	Policies, s.50-52	-
	2-24 Embedding policy commitments	"Corporate Governance, s.48 Policies, s.50-52"	-
	2-25 Processes to remediate negative impacts	"Corporate Governance, s.48-55 Efficient Risk Management, s.53 Serving the Planet, s.72-91 Serving the Future, s.123"	-
	"2-26 Mechanisms for seeking advice and raising concerns about issues related to ethical and legal behavior"	Business Ethics and Compliance, s.54	-
	2-27 Compliance with laws and regulations	Business Ethics and Compliance, s.54	-
	2-28 Membership associations	Memberships and Collaborations, s.118,119	-
	2-29 Approach to stakeholder engagement	"Stakeholder Communication, s.112-114 Customer Satisfaction, s.115 Corporate Social Responsibility, s.116-118"	-
	"2-30 Percentage of employees subject to collective bargaining agreements"	Performance Indicators, s.126,127	



GRI Index

GRI Standard	Disclosure	Page numbers, descriptions, and/or URL	Exclusions
GRI 3: Material Topics 2021			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Analysis, s.62,63	-
	3-2 List of material topics	"Materiality Analysis, s.62,63 -Occupational health and safety -Compliance with environmental permits/licenses -War -Natural Disaster -Safe and healthy working conditions -Carbon footprint -Employee Relations -Pandemic"	-
	3-3 Management of material topics	"Alignment with UN Sustainable Development Goals, s.64 Sustainability Targets, s.65"	
Compliance with Corporate Governance Principles and Efficient Risk Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	Corporate Governance, s.48-55	-
GRI 205: Anti-Corruption 2016	"205-1 Operations assessed for risks related to corruption"	Business Ethics and Compliance, s.54	-
GRI 206: Anti-Competitive Behavior 2016	"206-1 Legal actions for anti-competitive behavior and activities"	"No legal action has been taken against the company regarding anti-competitive behaviors and activities."	-
Managing Climate Risks and Opportunities			
GRI 3: Material Topics 2021	3-3 Management of material topics	Combating Climate Change, s.74,75	-
"GRI 302: Energy 2016"	302-1 Energy consumption within the organization	"Energy and Emissions Management, s.76,77 Performance Indicators, s.126,127"	-
	302-4 Reduction of energy consumption	Energy and Emissions Management, s.76,77	
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	Energy and Emissions Management, s.76,77	-
Responsible Environmental Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	"Combating Climate Change, s.74,75 Water Management, s.82,83 Waste Management, s.84-87 Biodiversity, s.88,89"	-
"GRI 306: Waste 2020"	"306-1 Waste generation and significant wasterelated impacts"	Waste Management, s.84-87	-
	"306-2 Management of significant waste-related impacts"	Waste Management, s.84-87	-
	306-3 Waste generated	"Waste Management, s.84-87 Performance Indicators, s.126,127"	

GRI Standard	Disclosure	Page numbers, descriptions, and/or URL	Exclusions
	306-4 Waste diverted from disposal	"Waste Management, s.84-87 Performance Indicators, s.126,127"	
GRI 303: Water and Effluents 2018	303-5 Water consumption	"Water Management, s.82,83 Performance Indicators, s.126,127"	-
Sustainable Supply Chain Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable Supply Chain, s.90,91	-
Product and Quality Assurance			
GRI 3: Material Topics 2021	3-3 Management of material topics	"Customer Satisfaction, s.115 Vision and Values,, s.10,11"	-
Digital Transformation			
GRI 3: Material Topics 2021	3-3 Management of material topics	Serving the Planet, s.72-91	-
R&D and Innovation			
GRI 3: Material Topics 2021	3-3 Management of material topics	Serving the Planet, s.72-91	-
Occupational Health and Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	Occupational Health and Safety, s.104-109	-
GRI 403: Occupational Health and Safety 2018	"403-1 Occupational health and safety management system"	Occupational Health and Safety, s.104-109	-
	403-3 Occupational health services	Occupational Health and Safety, s.104-109	-
	"403-4 Worker participation, consultation, and communication on occupational health and safety"	Occupational Health and Safety, s.104-109	
	"403-5 Worker training on occupational health and safety"	Occupational Health and Safety, s.104-109	-
	403-6 Promotion of worker health	Occupational Health and Safety, s.104-109	-
	"403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships"	Occupational Health and Safety, s.104-109	-
	403-10 Work-related ill health	"There were no cases of employees being diagnosed with occupational diseases as a result of our activities during the reporting period."	-
Inclusion, Equal Opportunity and Diversity			
GRI 3: Material Topics 2021	3-3 Management of material topics	"Human Resources Approach, s.94,95 Inclusion, Equal Opportunity and Diversity, s.98,99"	-



GRI Index

GRI Standard	Disclosure	Page numbers, descriptions, and/or URL	Exclusions
"GRI 405: Diversity and Equal Opportunity 2016"	"405-2 Ratio of basic salary and remuneration of women to men"		"Confidentiality Constraints Yücel Grup's current policies classify this data as confidential and, therefore, it cannot be disclosed for the time being. Yücel Grup is exploring the possibility to change this view in the future."
GRI 406: Non-Discrimination 2016	"406-1 Incidents of discrimination and corrective actions taken"	"Business Ethics and Compliance, s.54 Human Resources Approach, s.94,95 There were no cases of discrimination reported during the reporting period."	-
GRI 408: Child Labor 2016	"408-1 Operations and suppliers at significant risk for incidents of child labor and actions taken"	"Business Ethics and Compliance, s.54 Human Resources Approach, s.94,95"	-
GRI 409: Forced or Compulsory Labor 2016	"409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor and actions taken"	"Business Ethics and Compliance, s.54 Human Resources Approach, s.94,95"	-
Employee Development and Employee Engagement			
GRI 3: Material Topics 2021	3-3 Management of material topics	Employee Engagement, s.100,101	-
GRI 404: Training and Education 2016	"404-1 Average hours of training per year per employee"	Talent and Career Management, s.102,103	-
	"404-2 Programs for upgrading employee skills and transition assistance programs"	Talent and Career Management, s.102,103	-
Corporate Social Responsibility			
GRI 3: Material Topics 2021	3-3 Management of material topics	Corporate Social Responsibility, s.116,118	-

