

TOSYALI
HOLDING



TOSYALI HOLDING
SUSTAINABILITY
REPORT 2022

TOSYALI
FOR A SUSTAINABLE
LIFE...





Tosyalı for a Sustainable Life

Steel, the precursor to green steel production in Türkiye and the world, is everywhere. It's in our buildings, our cars, the products we use, our roads, infrastructure and superstructure.

Part of life, central to the future.

It's called green steel because we make it with next-gen technologies, clean energy sources such as solar and hydrogen power, sustainability-focused R&D projects, and innovations. It's going to play a lead role in building a more carbon-neutral world, inspiring other industries to work toward a Sustainable Life.

Steel is a part of life today. It's going to be at the forefront of change and transformation tomorrow and be central to life in the future.

With our motto Tosyalı for a Sustainable Life, we are going to continue working for a better world using the green steel we make by applying the technology and innovations of the future today.

Steel is everywhere in life...

Throughout this report we have tried to show you just how important a role steel plays in our daily lives with some remarkable facts and figures.

If green transformation is imperative for a sustainable and more habitable world, we have to start with steel...

Our biggest goal is first to transform steel for life...

For if steel transforms, life will transform...

STEEL IS EVERYWHERE IN LIFE
IF STEEL TRANSFORMS, LIFE WILL TRANSFORM



TOSYALI FOR A **SUSTAINABLE** LIFE...

More than 57,000 tonnes of steel went into making just the skeleton of the Empire State Building.



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2022

> About the Report

Tosyalı Holding is pleased to present to all its stakeholders this our second **Sustainability Report** detailing our ESG performance and prepared in line with **Global Reporting Initiative (GRI) guidelines**.

Written to GRI standards, our report covers our objectives prepared in light of the sustainability strategies we created in 2021 and the priorities of the sectors where we operate, or ESG performance, and our contribution to the United Nations Sustainable Development Goals. Tosyalı Holding intends to report its sustainability activities every year from now on.

The report will use the following shortened names instead of full commercial titles: Tosyalı Demir Çelik for Tosyalı Demir Çelik Sanayi A.Ş.; Tosyalı Dış Ticaret for Tosyalı Dış Ticaret A.Ş.; Tosyalı Cezayir for Tosyalı Iron Steel Industry Algeria SPA; Tosyalı Toyo for Tosyalı Toyo Çelik A.Ş.; Tosyalı Harscho for Tosyalı Harsco Geri Dönüşüm Tesisleri A.Ş.; Tosçelik Profil for Tosçelik Profil ve Sac Endüstrisi A.Ş.; Tosçelik Granül

for Tosçelik Granül Sanayi A.Ş.; Tosçelik Spiral Boru for Tosçelik Spiral Boru Üretim A.Ş. Tosyalı Elektrik for Tosyalı Elektrik Enerjisi Toptan Satış İthalat ve İhracat A.Ş.; Tosyalı Denizcilik ve Liman for Tosyalı Denizcilik ve Liman İşletmeciliği A.Ş.; Tosyalı Filmaşın for Tosyalı Filmaşın ve İnşaat Demiri Üretim A.Ş. The report include consolidated data for Tosyalı Holding, Tosçelik, Tosçelik Granül, Tosçelik Yassı Yapısal, Tosyalı Cezayir, Tosyalı Çelik Servis Merkezi, Tosyalı Demir Çelik, Tosyalı Filmaşın, Tosyalı Harsco, and Tosyalı Toyo for the period January 1 - December 31, 2022.

Our 2022 Sustainability Report is available in Turkish and English and has not been subjected to external audit.

Please forward any questions and suggestions you may have regarding the report's contents and our sustainability efforts to our kurumsal@tosyaliholding.com.tr address.

➤ **Message from the Chair of the Board of Directors**

Dear Stakeholders,



2022 was a year of increased social, economic, and environmental uncertainty in the world and reduced predictability. It was a year in which global change and transformation related to sustainability firmly set the agenda so we could all weather these uncertainties.

The social and economic impacts of Russia's war with Ukraine hit the world hard, not least in our geographic region. We experienced serious hardships in energy and food and globally speaking it became clear we don't have the kind of sustainable structure that can withstand such developments.

These developments drove up global inflation and made it more and more difficult for people to make ends meet. The belt-tightening policies implemented to rein in inflation began to increase concerns of a global recession in the second half of the year. For a long time the world climate crisis and environmental risks had been at the forefront but the developments experienced in 2022 led to social and economic risks starting to dominate the equation.

All of this taught those individuals

and institutions who are supposed to take responsibility for living on this planet a good lesson in revisiting sustainability and taking action. We further understood that sustainability is a whole, that the social and economic dimensions constantly affect each other, and that a sustainable life isn't possible unless we make the system more resilient and spread change and transformation to all areas.

Despite all these changing conditions, Tosyalı Holding continued to ensure sustainable growth in 2022 with its sustainability-oriented qualified investments in green steel, its competent work force, and its understanding of flexible and agile management. We increased our consolidated income on a US dollar basis by around 6.5% to over \$4.9 billion with almost 40% of our income coming from exports.

Sustainability is the main item on Tosyalı Holding's agenda

All these developments have made sustainability the main item on our agenda for many years and shown us, as a company that takes action in this vein, that we

are on the right track. Technology, innovation, and R&D lie at the heart of sustainability and our green steel production. We have a responsible ecosystem where we include our stakeholders in ESG topics. Then, there's the future of our business that we are building with our most valuable asset, our work force. Together, they continue to make us strong and resilient. We think that the green transformation in this world is still taking baby steps. We predict that this transformation, which started to spread across the world with the Paris Climate Agreement, will become further institutionalized with the EU Green Deal. This will speed up the green transformation while expanding its area of influence. Many years ago, sustainability was an issue undertaken by only a handful of companies or institutions in a far more limited context. But today, sustainability is a trans-institutional matter. The more we do here and the more we learn from one another, the better it will be for our world and future generations. It is with this understanding that we in Tosyalı Holding don't just focus on our business at home and elsewhere in the world, we are primarily concerned with doing good for

the environment, society, and the planet. We continue to accomplish many firsts focused particularly on technology, innovation, the circular economy, and the use of renewable energy sources so we can make this journey faster and build a more carbon-neutral and waste-free world where our resources aren't squandered.

We are stepping up green steel production with investments in renewable energy and new plants

We in Tosyalı Holding believe that carbon-free steel production is possible and we continue to make value creating investments to this end. All the investments we make at our existing plants and our new ones are focused on sustainability. We are proceeding confidently on our journey to becoming one of the world's few green steel producers by creating productive and efficient plant infrastructures that release less carbon and consume less water and energy. The most important of these investments is the Tosyalı Demir Çelik plant in Sarıseki, scheduled to be commissioned in 2023. Our plant will produce quality steel, including flat steel, eliminating the need to import

➤ Message from the Chair of the Board of Directors

approximately 4 million tonnes of flat steel.

This plant will make us the first company in Türkiye to use Quantum Furnace technology, consuming far less electricity. Using this and other technologies, our plant will use 30% less electricity and consume 15% less natural gas. Our carbon footprint is going to be 70% less than blast furnaces and 20% less than traditional arc furnaces thanks to renewable energy and more efficient use of scrap metal. While the EU Green Deal is transforming the world, we are going to take our place in it as the Center for Green Steel in Türkiye with the Tosyalı Demir Çelik plant in Sariseki.

And as a global producer of steel, we are also spreading our green steel investments to all the other territories where we operate. As part of our Stage 4 investments in our Tosyalı Algérie production complex in Algeria, we are building a flat steel plant capable of producing 4 million tonnes a year in front of a new DRI plant equipped with cutting edge technology. This plant will be one of the best applications in the world steel industry with a lower carbon footprint and capable of operating on 100% hydrogen. Very few companies in the world possess this technology and Tosyalı Holding

is going to continue improving its pioneering work in this field as the first Turkish company to invest in it. We are also going to continue to invest more and more in clean and renewable energy sources to strengthen our position as a green steel producer. We plan to increase our total installed power to 235 MW with the investments we made at all our plants at the same time as we launched our Tosyalı SPP project last year. What's more, the rooftop SPPs at our plants are going to make us the world's largest company with rooftop SPPs. This will make us one of the cleanest steel producers in the world by preventing the release of approximately 171 million kg of carbon. When this investment is complete, 50% of the energy we use will be generated by us. In line with our goal of boosting clean energy production, to over 2.5 GW, we are focusing on investments in solar and hydrogen power while continuing to explore opportunities to invest in geothermal power in the period ahead.

We create value for all our stakeholders with our responsible ecosystem approach

We in Tosyalı Holding don't just make iron and steel. We also touch a huge ecosystem with our 30-plus plants in 3 continents and exports to

roughly 100 countries. We work to create value in material topics such as supply chain, water risks and management, circular production, and responsible investments with our understanding of Responsible Ecosystem Management so this ecosystem can ensure the transformation needed for a Sustainable Life.

Working with our human resources, our suppliers, and our business partners, our first priority has always been to do work that benefits the environment, society, and the planet. We are working to create an innovative, productive, and responsible ecosystem that follows our sustainability principles while continuing to improve all our activities by managing them in line with the principles of corporate governance. We are in constant touch with our suppliers and business partners and use their experiences and feedback to increase the value of our products and services to people, the environment, and society.

Closed-loop systems for managing water are crucial for creating a sustainable iron-steel industry, so we are investing in these systems and ensuring water is recovered. Circular production allows us to reuse all kinds of materials in

our ecosystem such as air, water, and even dust. We owe it to the countries we operate in to expand our social investments there and we continue to mobilize all our resources to this end.

Believing that they key to being a good company is leaving a better future for the next generations, we prioritize social projects that are bound to add value to social life in all the territories where we operate. Our social investments are aimed at improving people's education and health, their conditions of worship, arts and culture, environmental protection, and sports, and increasing solidarity. We support sustainability in the arts in the belief that raising awareness about sustainability in any society will accelerate change and transformation. This is why we hosted pioneering artists from Türkiye at Contemporary Istanbul as part of the "Artist in Residence" program in 2022. Our artists made exciting pieces using iron and steel products used at our plants and scheduled to be scrapped. These were then put on display for art-lovers at the 17th Contemporary Istanbul art exhibition.

We see our human resources as our most valuable asset to take us into the future

➤ Message from the Chair of the Board of Directors

We in Tosyali Holding see our human resources as our most valuable asset to take us into the future. This is why we focus on creating a working environment that can create not only economic value but also environmental and social value and contribute to building a sustainable life for the betterment of our human resources.

We organize training programs to increase our work force's competencies in the name of continuous improvement while creating a working environment that makes improvement part of the job. Our efforts to become one of the top three companies in the sector preferred by talent are continuing apace.

Tosyalı Holding considers inclusion and diversity to be among the most important elements for the future of our business. We are an equal opportunity employer and are making employee suggestions and evaluations an integral part of our business processes. Our company is aware of the creativity, innovative thinking, and productivity that

diversity brings and we are maintaining our efforts to increase the proportion of women in our workplaces. Occupational Health and Safety is of paramount importance for us, which is why we are stepping up employee OHS training and steadily improving our working environment in line with this.

We will continue to grow by doing environmental, social, and economic good.

We in Tosyali Holding will continue to work for the good of our country, our people, and all our stakeholders in the world in 2023, our 70th year in business. 2023 and after will be a period when we pull together as a country to dress the wounds of the catastrophic earthquake that hit 11 of our provinces on February 6, 2023, and in which we lost family members, relatives, friends, neighbors, and business partners. The Tosyalı Family is going to continue mobilizing all the means at its disposal to dress our wounds, meet the needs of the earthquake victims, and rebuild life

in the affected region just as we have been doing since day one. We would like to take this opportunity to pray for those who perished in the earthquake and express our deepest condolences to their families.

2023 will be a year of rapid change and transformation, one full of opportunities and challenges. Focused on sustainability, the green transformation will continue to change societies and industrial organizations like ours that their life blood. Those who can adapt quickly to this process will have a say in the future of the world. We in Tosyali Holding will also continue to follow the strategic road map we drew up by making sustainability the main item on our agenda for the next 5 years. Through the investments we are making in technology, innovation, and digitalization as well as the circular economy and sources of clean energy such as solar and hydrogen power, we are steadily eliminating dependence on fossil fuels in our production.

We are committed to our goal of a better life for all living creatures

through projects that raise people's awareness of environmental and social issues and social investments that increase people's happiness and well-being. With all the environmental, social, and economic good we do, we will continue to grow by creating value for all our stakeholders in 2023 as well.

We in Tosyali Holding are committed to applying our 70 years of experience in 2023 to build a sustainable life for the whole world starting with our country, Türkiye. On behalf of Tosyalı Holding, I want to thank you, our valued stakeholders, who accompany us on our journey with shared values and goals.

Yours faithfully,

FUAT TOSYALI
CHAIR OF THE BOARD OF DIRECTORS

> **Message from the CEO**

Dear Stakeholders,



2022 was the year when we emerged from the pandemic and started to regain our balance. Worries about the social and economic sustainability of life increased throughout the world, fueled by geopolitical developments. The resilience of the global system was called into question and the environmental and social risks associated with the climate crisis remained unchecked.

Russia's war with Ukraine upset the global balances and exposed how fragile supply chains, raw materials, food, and energy are. Increased energy prices led to a global energy crisis. Countries started defining the immediate replacement of traditional fossil fuels with renewable resources as a priority national security risk.

While these developments drove up the cost of living, the high global interest rates accompanying rising inflation made the likelihood of a global recession a key item on the agenda. They also caused the iron-steel industry, the driving force of the global economy, to lose impetus. Although many companies were hit hard by these developments,

companies with sustainable plans and strategies for the future, that increased their added value by producing qualified green steel, managed the crisis correctly and planned their operational processes correctly were able to maintain their competitive edge.

Despite these changing conditions, we in Tosyali Holding managed to continue creating added value in 2022 thanks to our powerful and flexible production capability, agile management, and highly competent work force. We manage our sustainability-oriented business model under three areas of influence, namely, "Carbon-free Steel," "Responsible Ecosystem Management," and "The Future of Business," allowing us to maintain stable growth. We also stepped up our efforts to adapt to the green transformation process, moving faster now with the EU Green Deal. Our companies created a robust production capability through sustainability and circular economy practices, allowing them to carry our business into the future while at the same time creating environmental, social, and economic value for our stakeholders.

We use technology, R&D, and clean energy to make carbon-free steel

We in Tosyali Holding continue to invest in next-gen technologies, clean energy sources such as solar and hydrogen, energy efficiency, and sustainability-oriented R&D projects so we can make carbon-free steel. Our goal with these efforts is to maximize energy savings and efficiency, generate electricity from clean sources and use this in our processes, and ultimately minimize the amount of carbon released into the atmosphere.

Our R&D Center implemented a project in 2022 focused on producing green steel for up to 30 years. We also made Industry 4.0 digitalization a part of carbon-free steel production. We reduced our emissions in our inventory and shipping procedures and made significant energy savings at the same time by using AI algorithms to determine optimum levels and projects for digitally monitoring our business processes.

We continued our efforts to use solar power and hydrogen, which

has zero carbon emissions, as an alternative to fossil fuels with the same resolve in 2022. In parallel with these efforts, we received I-REC (International Renewable Energy Certificate) certification for generating the energy we use from renewable sources. We started work on the world's largest rooftop SPP project in 2022 and plan to bring it on line in 2023. We conducted and completed trials aimed at minimizing fossil fuel consumption and contributing to green steel production by using hydrogen as an alternative to natural gas to fuel our annealing furnaces. We used the results we obtained to continue improving our processes for using hydrogen in production. We are going to use some of the electricity generated by our SPP for the system we developed for hydrogen use. A second DRI plant is currently being built at our Tosyali Algérie facility in Algeria. When it's done, we'll be able to use hydrogen throughout production. In addition, we aim to use the green hydrogen we will produce with renewable energy in our facilities in the coming period. We plan to start work on this

➤ Message from the CEO

technology in 2023 by setting aside a significant R&D budget for it.

That being said, we made considerable progress in 2022 toward calculating our carbon footprint, a fundamental topic for us, and documenting it for each product we make. We also made significant progress here at our hot rolled sheet metal, ERW, and Spiral plants by obtaining EPDs (Environmental Product Declaration) for each product. We are continuing our work on this in line with the targets we set for our other plants. EPD certification will prove that we are one of the producers with the lowest carbon footprint and further increase both our competitiveness and our added value in the EU Green Deal process. What's more, we've also sped up our work on infrastructure to support the harmonization efforts required by the Carbon Border Adjustment Mechanism due to come into effect soon.

We are continuing to expand our ecosystem and area of influence

We maintained our business's

sustainability in 2022 by increasing our ecosystem's environmental, social, and economic resilience. Despite all the hardships in the global economy, we succeeded in running our model of growth through sustainable production by realizing 60% of our overall production at our plants in Osmaniye and Iskenderun and the remaining 40% at the Tosyalı Algeria plant in line with our globalization strategy.

Not only did we continue to grow in 2022 but we also expanded our supplier network further. We increased our number of suppliers in 2022 to 16,629, up 46% on the previous year. One of the main reasons for the increase in suppliers in 2022 was the increase in our number of indigenous suppliers. Our number of indigenous suppliers rose to 14,946 in 2022, an increase of over 40% compared to the previous year. This significant increase meant that 90% of our suppliers were indigenous suppliers. This in turn increased our ecosystem's resilience at a time of increasing global uncertainty.

We also recorded positive progress in mater management, a key element of our responsible ecosystem, in 2022. Aiming to reduce water consumption, we implemented many projects such as closed-loop systems, various discharge methods, and cooling towers to cool process water and reuse it. As a result of these efforts, we managed to reduce the water consumption of all the companies under the Tosyalı Holding umbrella in 2022 by almost 11% compared to the previous year.

We also proceeded with our work on circular production, which we regard as an integral part of our sustainability strategy, without interruption in 2022. For example, we are using the scale material, regarded as waste throughout the industry, at our plant in Algeria as production input by turning it into pellets using a untested and somewhat challenging process. We use filters and reverse airflow to collect flue dust at our plants which we then give to our zinc factories. We are also proceeding with R&D studies to establish a plant that will separate the elements in flue dust

using technology that's the first of its kind in the world. With Tosyalı Harsco, we are putting 1.2 million tonnes of slag waste, previously only stored and not recycled, back into the economy. Again with Tosyalı Harsco, we are producing iron and steel more efficiently and with less energy by separating scrap from foreign materials at the 2-million-tonne capacity scrap-sorting and cleaning plant we built inside our Tosçelik Osmaniye factory. We also reclaim copper, stainless steel, and aluminum from scrap metal at the same plant. We will continue to take the lead in circular production in Türkiye with the good examples we set here by spreading all these Tosyalı Harsco activities to other regions.

We are continuing to invest in the training and development of our human resources

Our human resources are the greatest asset we have for the future of our industry and the work we do, and we took some important steps in 2022 for their training and development. We organized training programs led by Tosyalı

> Message from the CEO

Academy and continued to create innovative areas of improvement guided by the feedback we received. We organized over 94,000 hours of training for our work force in 2022. We implemented the Tosyalı VR virtual reality app for use in our training, orientation, and design programs at Tosyalı Academy. Using this app, we can give VR tours of our plants to newly hired employees, students on technical visits, and the guests we collaborate with.

We also started work on new VR projects in 2022 aiming to develop VR-assisted training programs and other projects.

We are forging ahead with our work knowing that by creating a productive and innovative working environment that is meaningful at an individual, environmental, and social level and where our employees can do good for the world, we can increase their engagement and sense of belonging. It is with this in mind that we give their suggestions and requests the attention they deserve. We saw a huge increase

in the number of suggestions made by our employees using the Human Resources Suggestion System in 2022 and implemented more than 40% of them. As a result of this work, employee turnover has fallen while our employee engagement score has climbed to 74%, higher than it was before the pandemic.

With occupational health and safety being one of most material topics, we conducted studies in 2022 to improve our working culture here. In addition to the many studies we ran, we implemented the Behavior-Focused OHS Management System to foster a more positive outlook toward OHS topics among Tosyalı employees.. This project entailed introducing various practices to create a culture of safe behavior, replacing risky behaviors with safe ones and developing a culture in which our employees watch out for each other.

Not only this but we continued taking action in line with our goal of increasing our proportion of women employees to 86% by 2030 as a company that thrives on inclusion and diversity.

We will continue to work for a Sustainable Life

2023 is going to be a critical year for change and transformation in our company and the world. In a world where sustainability has become an unavoidable fact of life, those companies that adapt quickly to this change will have a say in global production. So we in Tosyalı Holding are going to continue doing our level best to achieve the targets we set in line with our sustainability strategy.

Our biggest objective for next year will be to do all we can to dress the wounds left by the devastating earthquake that hit our country on February 6, 2023. Which is why the Tosyalı Family, aware of this responsibility, is going to begin each day with this mission.

We are going to rally together, work harder, produce more, and get back on our feet together. While continuing to work for a Sustainable Life, we are going to rally around common values and act in unison to increase our environmental, social, and economic resilience as a society.

Together with all our stakeholders, we are going to magnify the impact created by our ecosystem so we can forge ahead with sure and certain steps in pursuit of our sustainability goals, and continue to create value for our company, our industry, and our country.

On behalf of Tosyalı Holding, I thank all our stakeholders who accompany us on this long-lasting journey for the value they add to us, and wish everyone health, happiness, and success in hope of many more years of working together.

Yours faithfully,

SUHAT KORKMAZ Ph.D.
CEO AND MEMBER OF THE BOARD OF DIRECTORS

STEEL IS EVERYWHERE IN LIFE
IF STEEL TRANSFORMS, LIFE WILL TRANSFORM



TOSYALI FOR A **SUSTAINABLE** LIFE...

On average, 75% of a typical household appliance's weight comes from steel.



Generating **4.9 billion USD** in business volume in 2022 according to World Steel Association figures, Tosyalı Holding **climbed five rungs in one go to become the 77th largest steel producer in the world.**

> Tosyalı Holding



TOSYALI HOLDING

Tosyalı Holding continues to create economic and social value with more than 30 plants, 20 companies, and approximately 15,000 employees spread over 3 continents. Marking its 70th anniversary in 2023, Tosyalı Holding is Türkiye's global steel producers with a combined production volume of roughly 12 million tonnes a year. We ranked 77th among the world's raw steel producers in 2022, according to World Steel Association figures.

Tosyalı Holding is Türkiye's largest and Europe's second largest pipe manufacturer, making it a decision-maker in the international markets for this product group. Meanwhile, the Tosyalı Osmaniye flat steel production complex is Türkiye first and only integrated facility where more than a thousand types of steel production take place in the same location.

Its production activities cover nine separate product groups in total - flat steel, ERW pipes and profiles, rolled profiles, rebar and wire rods, spiral pipes, steel granules, alloyed forged steel, steel services, and cold rolled steel. Known throughout the steel industry for its wide and diverse product range, Tosyalı fulfills the needs of many industries from automotive and

household appliances to energy and construction.

Tosyalı Holding's domestic companies include Tosyalı Demir Çelik making steel in Iskenderun; Tosçelik Profil making hot sheet metal, billets, ERW pipes, and profiles; Tosçelik Granül in Iskenderun meeting the industry's need for steel ball bearings; Tosçelik Spiral Boru in Osmaniye making spiral welded pipes, and finally Tosyalı Filmaşın, also in Osmaniye, making wire rods and rebar.

Tosyalı Holding also has significant investments abroad, including Algeria, Senegal, and Angola. One of its largest plants in Algeria is Tosyalı Algerie, which has the honor of being Türkiye's largest industrial investment abroad. Tosyalı Holding strengthens its ability to do business globally through its foreign business associates. Take Tosyalı Toyo, for example. It produces high-quality flat steel in Osmaniye in association with Japan-based Toyo Kohan. Another is Tosyalı Harsco. Based also in Osmaniye, it focuses on metal reclamation and selling slag in association with Harsco Corporation, a global industrial concern and pioneer in circular production. We have successfully maintained these two different collaborative ventures for many

years now.

When it comes to managing and operating industrial zones, Tosyalı has a wealth of international experience and is planning port investments in Erzin in addition to its ongoing port operations in Iskenderun and Algeria. Another of Tosyalı Holding's business activities is managing industrial zones in Türkiye and Africa.

Having adopted a growth strategy focused on sustainability, Tosyalı Holding has invested considerably in sustainability, technology, and innovation and now owns the greenest and most environmentally friendly steel production plants in the world. Over the past 5 years, Tosyalı Holding has carried out more than 100 sustainability-focused R&D projects and owns all their proprietary rights. It conducts all its business processes from raw materials and process management to production and marketing while adhering to its sustainability principles.

Tosyalı Holding continues to invest in sustainability-oriented cutting edge technology such as the Quantum Furnace, which is going to be used for the first time in Türkiye at the Tosyalı Demir Çelik

Plant in Sariseki, planned to come on line in 2023, and the world's largest DRI (Directly Reduced Iron) facility at its production complex in Algeria. At the same time Tosyalı is going to be the company with the world's largest rooftop SPP reaching 235 MW of installed power with the SPP project it is undertaking at all its plants. It intends to be one of the greenest steel production companies in the world by preventing the release of 171 million kg of carbon into the atmosphere with this investment. Tosyalı is also investing in technologies that will enable the energy produced by its SPPs to be used in hydrogen production in order to build plants in Türkiye and Algeria that can run on hydrogen.

Thanks to all these sustainability-oriented investments, Tosyalı Holding is reducing its carbon footprint and proceeding confidently on its path to becoming one of the world's few green steel producers.

TOSYALI FOR A **SUSTAINABLE** LIFE...

> Tosyali Holding **in Numbers**

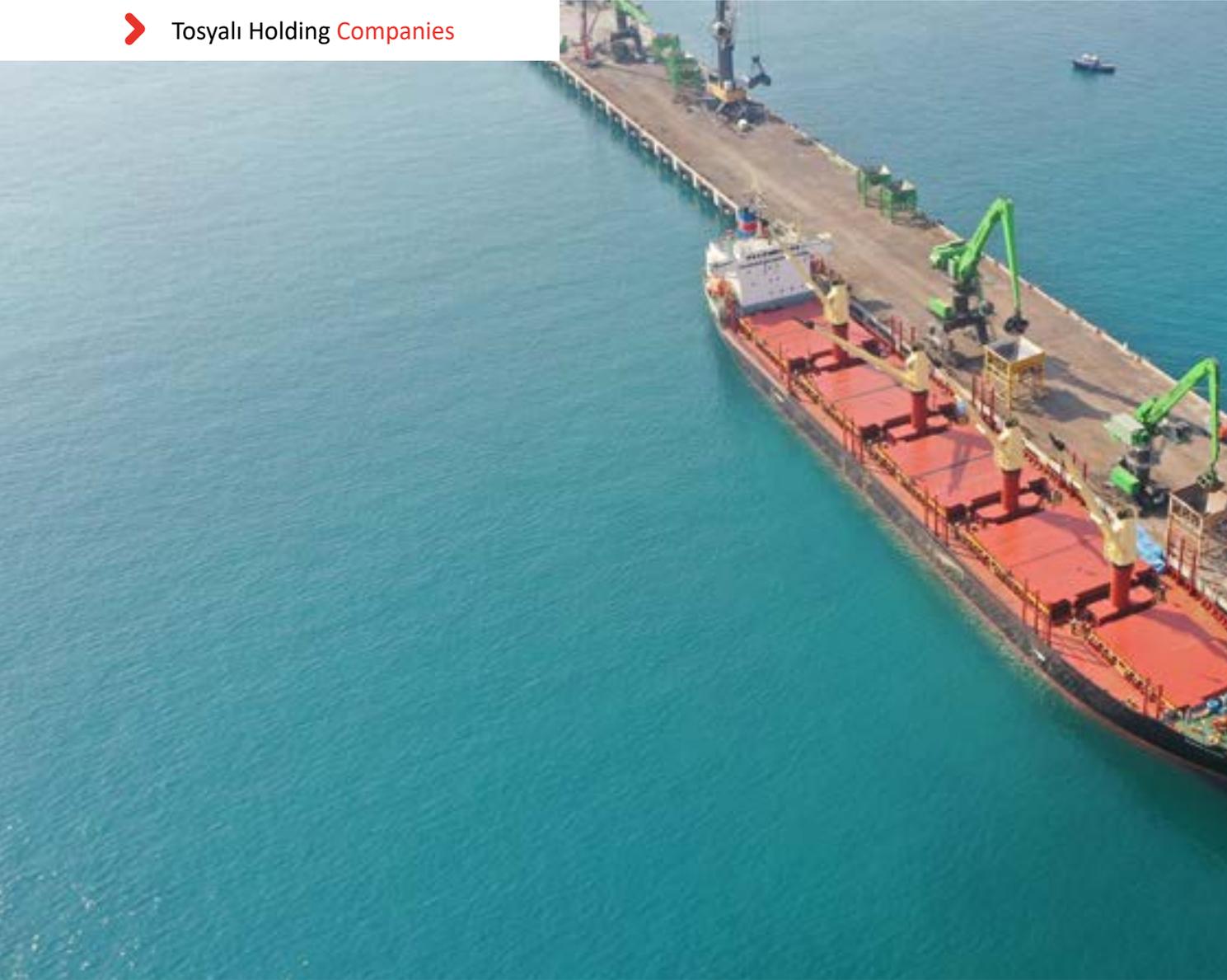


 Tosyalı Holding Companies**Tosyalı Demir Çelik Sanayi A.Ş**

Tosyalı Demir Çelik Sanayi A.Ş. (Tosyalı Demir Çelik) was founded in the Iskenderun Organized Industrial Zone in 1994. Tosyalı Demir Çelik started operating one year after it was founded and has been contributing to the volume of Türkiye 's steel production and exports ever since. The company's product range includes equal-leg angles, IPN, IPE, and UPN profiles. Since the day it was founded, Tosyalı Demir Çelik has been producing quick and flexible solutions to customers needs both at home and abroad as the industry leader in quality-focused production.

TOSYALI FOR A **SUSTAINABLE** LIFE...

> Tosyalı Holding Companies



TOSYALI Dış Ticaret

Toşçelik Dış Ticaret A.Ş.

Was founded in 1996 to make best use of the Tosyalı Group's rapidly increasing foreign trade capacity in the world markets. It allows the group companies to conduct their imports and exports under one roof and runs studies aimed at discovering new markets.

TOSYALI FOR A **SUSTAINABLE** LIFE...

 Tosyalı Holding Companies



 **TOSYALI** Elektrik Ticaret

**Tosyalı Elektrik Enerjisi Toptan
Satış İthalat İhracat A.Ş.**

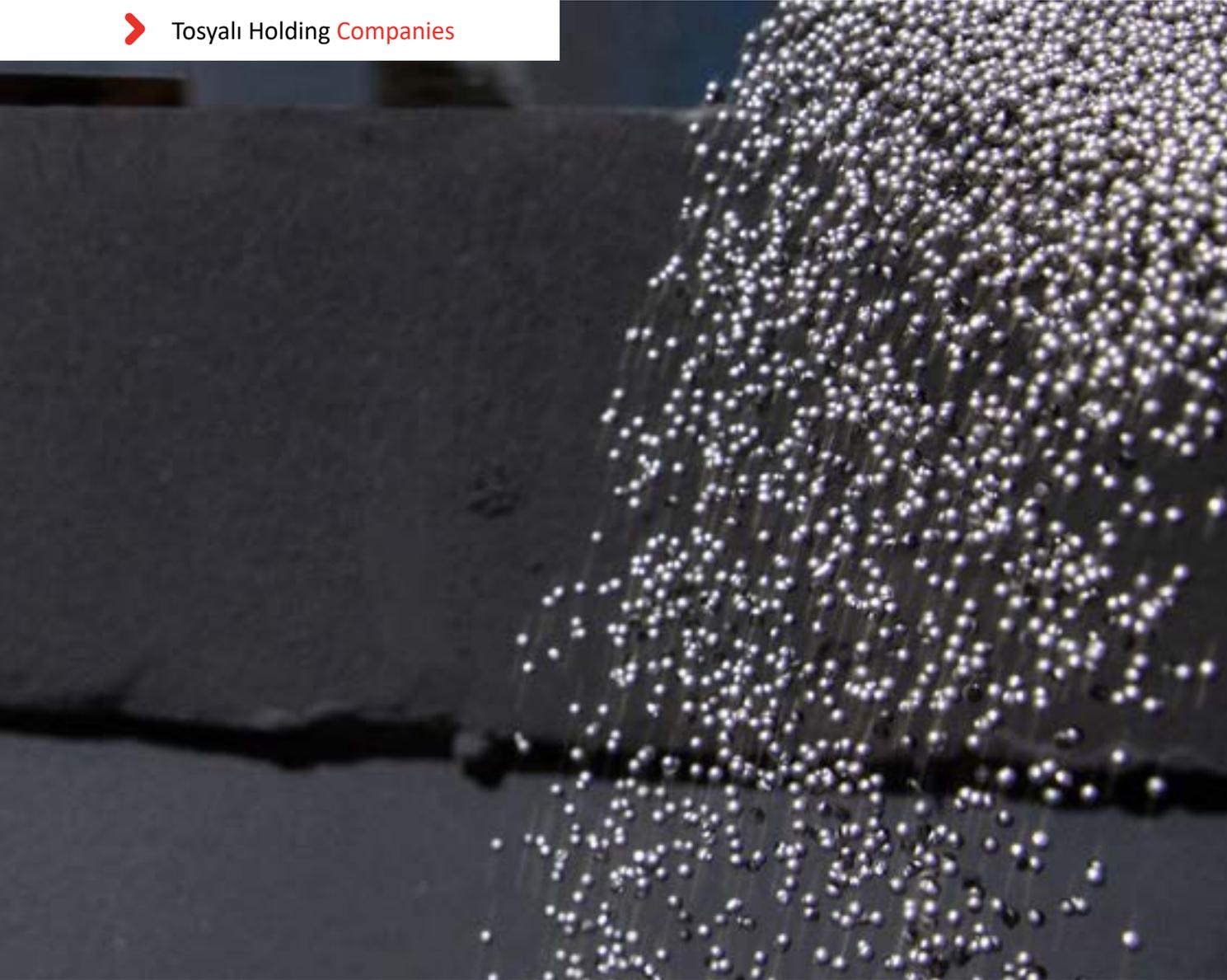
Was founded in 2010 to trade in electricity with an EPDK operating license and is still active today.

TOSYALI FOR A **SUSTAINABLE** LIFE... Tosalı Holding Companies **TOSÇELİK** Profil ve Sac**Tosçelik Profil ve Sac Endüstrisi A.Ş.**

Was founded in the Iskenderun Industrial Zone in 1997 to make industrial piping and box profiles. The company produced its first special hot rolled flat product at its Yassı Yapısal Çelik Üretim plant in Osmaniye in 2009. Its pipe and profile plants entered production in the Osmaniye Organized Industrial Zone in 2012. The plant has the distinction of being Türkiye's largest ERW Pipe manufacturer, the second largest in Europe, and having the largest enclosed space under one roof in all of Europe. Located in Kocaeli Dilovası, the ERW pipe and profile plant came online in 2016. Making a difference in the industry since the day it was founded, Tosçelik Profil aims to produce value added products with its focus on sustainability. Its R&D Center in Osmaniye opened in 2017. The first of its kind in the region, the R&D Center is the home of R&D studies for all of Tosalı Holding's production plants. Tosçelik Profil ve Sac exports to almost 100 countries spread across 6 continents.

TOSYALI FOR A **SUSTAINABLE** LIFE...

 [Tosyalı Holding Companies](#)



TOSÇELİK Granül

Tosçelik Granül Sanayi A.Ş.

Tosçelik Granül Sanayi A.Ş. (Tosçelik Granül) was founded in 2006 capable of producing 25,000 tonnes of steel ball bearings. Investments made in 2010 doubled this capacity. With capacity enough to meet the need for ball bearings on a global scale and using the latest technology in its production plants, Tosçelik Granül produces its proprietary and environmentally sensitive KOTAR brand products that reduce natural resource consumption and carbon emissions. The company ranks first in the world in low-carbon steel ball production.

TOSYALI FOR A **SUSTAINABLE** LIFE...

➤ Tosyalı Holding Companies



Tosçelik Spiral Boru Üretim San. A.Ş.

Tosçelik Spiral Boru A.Ş. Employs cutting-edge technology and highly qualified personnel at its production plants in Algeria and Türkiye. Both its Algerian and Turkish plants have a production capacity of 400,000 tonnes a year. All the stages of production at Tosçelik Spiral's plants and its final products meet world-recognized production standards and international requirements including ISO-API 5L, ASTM A252, EN ISO 3183, and EN 10224. Tosçelik Spiral Boru has the distinct honor of supplying spiral welded pipes for major international projects such as TANAP (Trans-Anatolia Natural Gas Pipeline) and BRUA (Bulgaria-Romania-Hungary-Austria) Gas Pipeline.

TOSYALI FOR A **SUSTAINABLE** LIFE...

> Tosyalı Holding Companies



TOSYALI Denizcilik

**Tosyalı Denizcilik ve Liman İşletmeciliği
A.Ş.**

Founded in 2011, the company works to bring to life the Tosyalı Erzin Port Project in Erzin.

TOSYALI FOR A **SUSTAINABLE** LIFE...

 [Tosyalı Holding Companies](#)

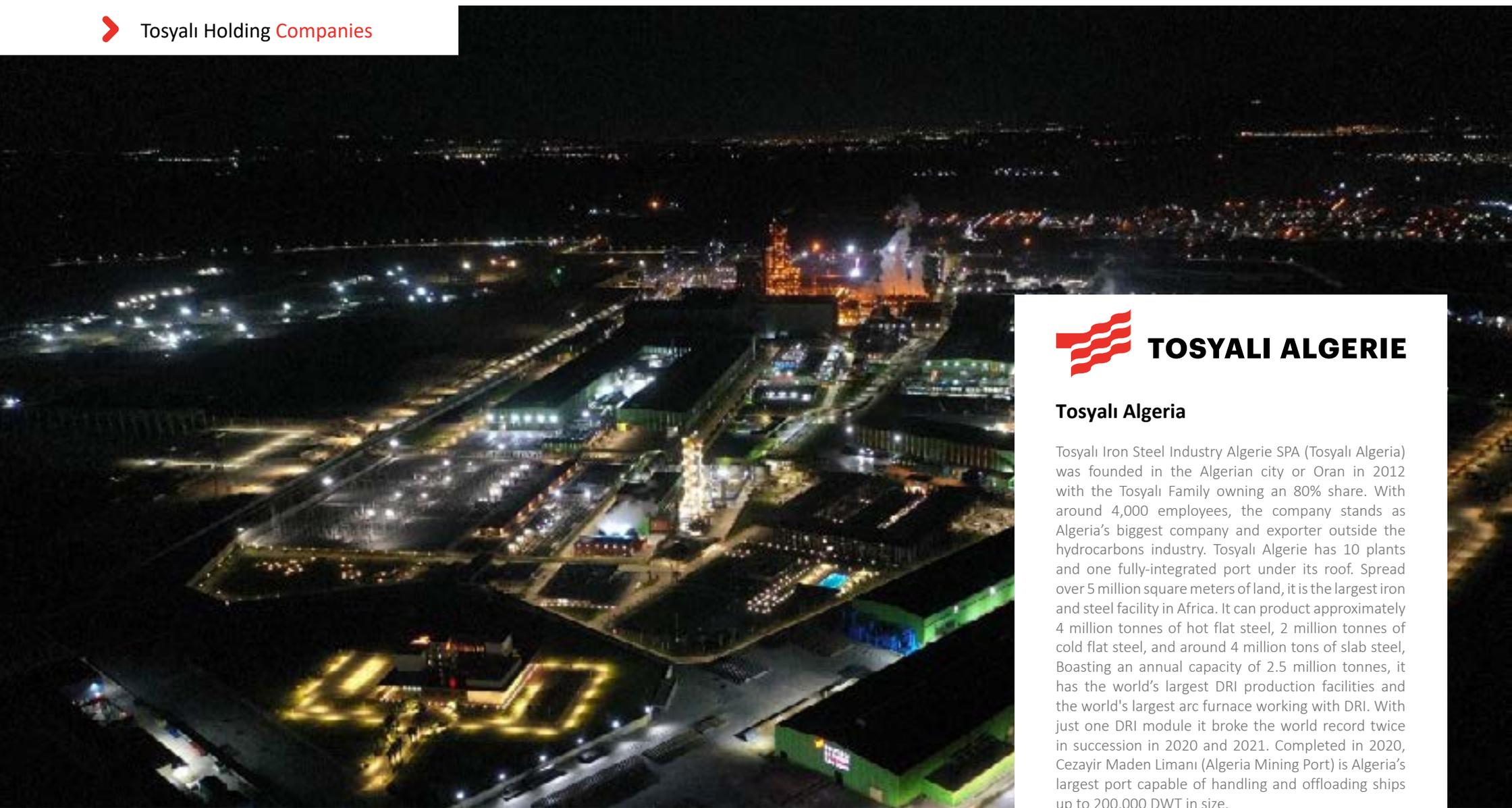


TOSYALI Filmaşın ve İnşaat Demiri
Tosyalı Filmaşın ve İnşaat Demiri Üretim A.Ş.

Tosyalı Filmaşın ve İnşaat Demiri Üretim A.Ş. (Tosyalı Filmaşın) was founded on 90,000 square meters of land in the Osmaniye Organized Industrial Zone in 2012 and started making wire rods (filmaşın) and rebars in 2014. Manufacturing a wide range of products, Tosyalı Filmaşın provides high-quality services at affordable prices to companies operating in the construction industry. The company guides the industry with its dynamic production capacity, sales network made up of experience and solution-oriented teams, and its high-quality products.

TOSYALI FOR A **SUSTAINABLE** LIFE...

 Tosyalı Holding Companies



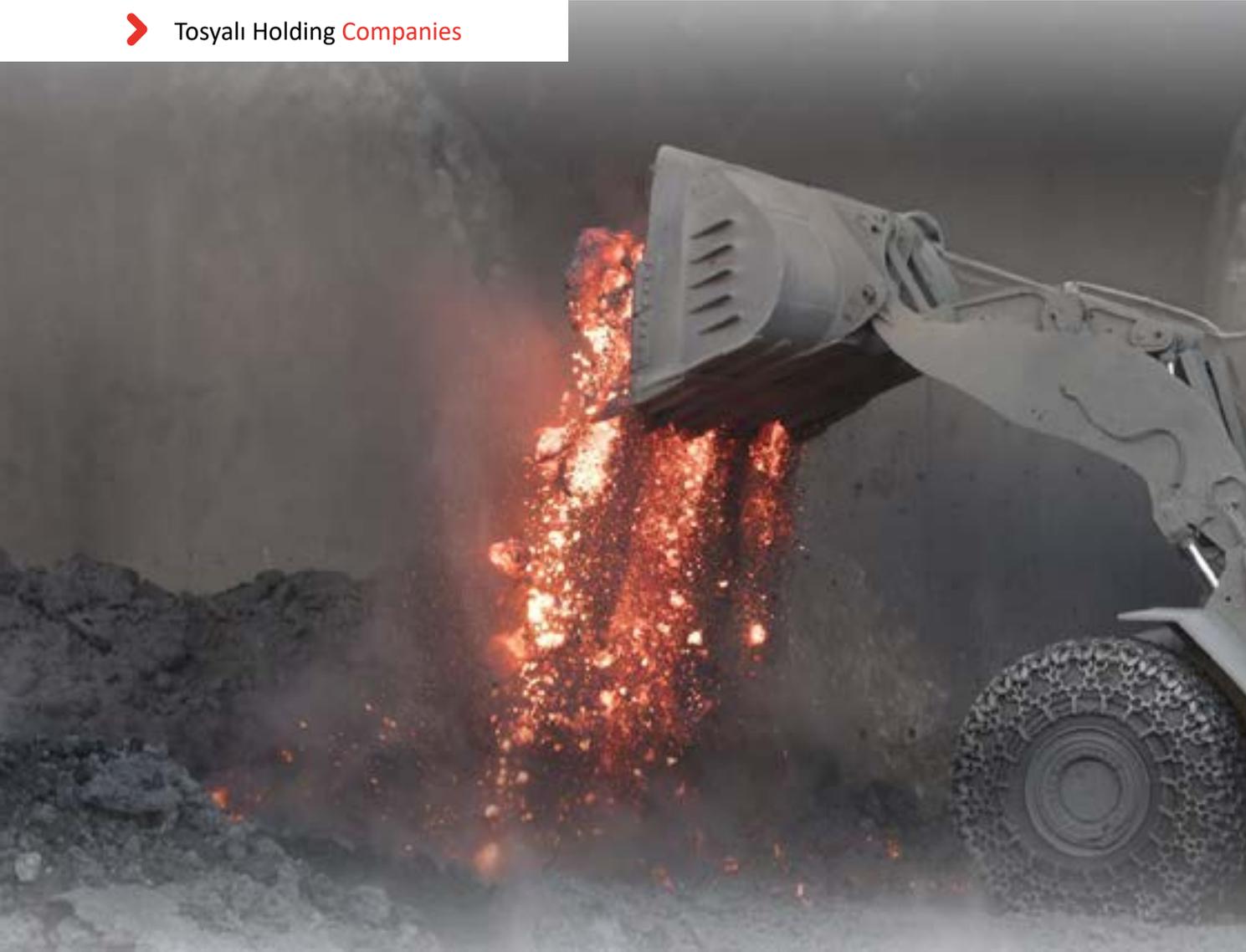
TOSYALI ALGERIE

Tosyalı Algeria

Tosyalı Iron Steel Industry Algeria SPA (Tosyalı Algeria) was founded in the Algerian city of Oran in 2012 with the Tosyalı Family owning an 80% share. With around 4,000 employees, the company stands as Algeria's biggest company and exporter outside the hydrocarbons industry. Tosyalı Algeria has 10 plants and one fully-integrated port under its roof. Spread over 5 million square meters of land, it is the largest iron and steel facility in Africa. It can produce approximately 4 million tonnes of hot flat steel, 2 million tonnes of cold flat steel, and around 4 million tons of slab steel. Boasting an annual capacity of 2.5 million tonnes, it has the world's largest DRI production facilities and the world's largest arc furnace working with DRI. With just one DRI module it broke the world record twice in succession in 2020 and 2021. Completed in 2020, Cezayir Maden Limanı (Algeria Mining Port) is Algeria's largest port capable of handling and offloading ships up to 200,000 DWT in size.

TOSYALI FOR A **SUSTAINABLE** LIFE... Tosyalı Holding Companies**Tosyalı Toyo Çelik A.Ş.**

Tosyalı Toyo Çelik A.Ş. (Tosyalı Toyo) was founded in 2015 as joint venture between Tosyalı Holding and Japan's Toyo Kohan split 51% and 49% respectively. The company's production plants in the Osmaniye Organized Industrial Zone entered production in 2017 able to roll 1.2 million tonnes of steel a year. Tosyalı Toyo boasts a large industry portfolio including packaging and electrical home tools, IT products, construction, household appliances, and the automotive industry. Currently producing 325, 000 tonnes of tinplate products, Tosyalı Toyo has started investments aimed at doubling this capacity to 650,000 tonnes.

 Tosyalı Holding Companies**Tosyalı Harsco Geri Kazanım
Teknolojileri A.Ş.**

Tosyalı Harsco is a joint venture involving Türkiye's global leader in iron and steel, Tosyalı Holding, and the Harsco Corporation, another global industrial concern specializing in metal reclamation and selling slag. Tosyalı Harsco has 2 plants in Türkiye. The first of these has been operating on 7,700 m² of land in Osmaniye since 2017. The second plant, situated in Dilovası in the Marmara Region, started operating on 8,857 m² of land in 2021. The plant processes the waste generated by iron and steel production (slag), not only reclaiming metal but also turning it into a byproduct that can be used in other industries. The plants can process 1.2 million tonnes of slag a year. The amount of metal reclaimed is about 18,000 tonnes a year. The company provides the construction and cement industries with 350,000 tonnes of raw material a year. Tosyalı Harsco stands apart with the quality service it provides for the entire steel industry and is noted for its sectoral practices aiming for "zero waste."

> **Tosyalı Holding** Our Vision, Mission, Values, and Principles



Our Vision

To be an innovative world company that guides the steel industry, is favored and followed for its exemplary practices.



Our Mission

Aware of our responsibilities in the steel industry toward the environment and society:

- To provide integration from raw material to final product,
- To use innovative technology and produce technology,
- To produce competitive products with high added value,
- To make continuous improvement a working principle,
- To raise people's quality of life,
- To provide value for our stakeholders.



Our Principles

- Human-oriented management,
- Customer-oriented management,
- Technology-based management,
- A safe place to work,
- Continuous improvement



Our Values

- Being trustworthy,
- Being innovative,
- Being caring,
- Being strong,
- Being sharing.

TOSYALI FOR A **SUSTAINABLE** LIFE...

> Tosyalı Holding **Board of Directors**



We in Tosyalı Holding continue to raise the bar with the confidence and resolve required by being a company committed to preserving its vision since the day it was founded.

Our company's highest executive body the Board of Directors comprises five members, each with their own knowledge, know-how, experiences, and skills.



FUAT TOSYALI
CHAIR OF THE BOARD OF DIRECTORS



E. AYHAN TOSYALI
MEMBER OF THE BOARD OF DIRECTORS



ŞERİF YAVUZ TOSYALI
MEMBER OF THE BOARD OF DIRECTORS

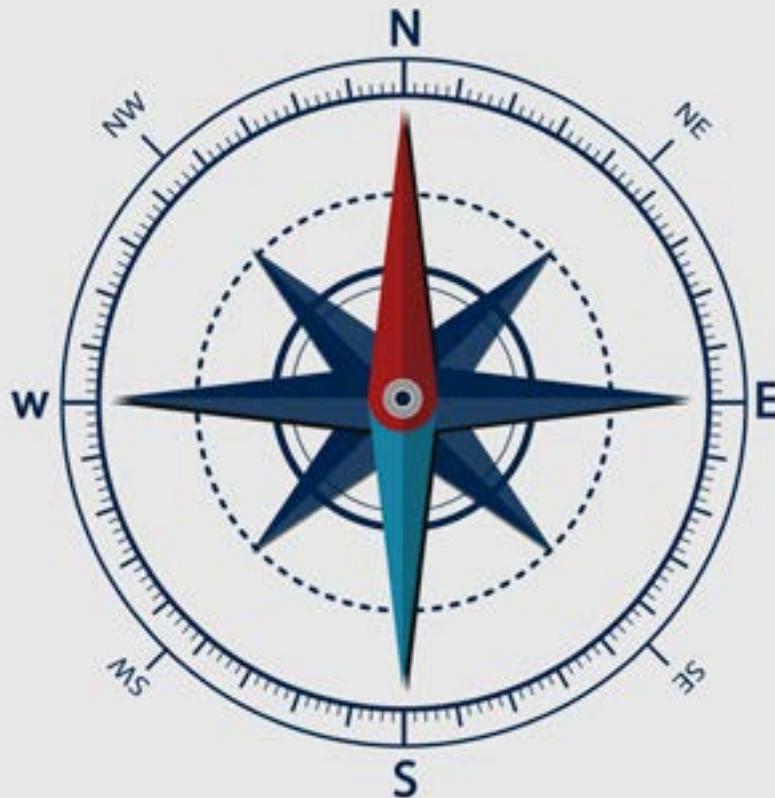


SUHAT KORKMAZ Ph.D.
CEO AND MEMBER OF THE BOARD OF DIRECTORS



HAKAN EMİNSOY
MEMBER OF THE BOARD OF DIRECTORS

> Tosyalı Holding Code of Conduct



*We believe that the primary duty of all our employees is to ensure that Tosyalı Holding and its Group companies are associated with **trust, integrity, and professionalism** and to always strive to do better in these areas.*

Basic principles that guide our relations with all stakeholders underpin the way Tosyalı Holding and the group companies do business. Ours is corporate management approach and we pursue affirmative relations with all our stakeholders by listening to and applying their feedback and suggestions.

We believe that the primary duty of all our employees is to ensure that Tosyalı Holding and its Group companies are associated with trust, integrity, and professionalism and to always strive to do better in these areas. It is against this backdrop that we have set out a code of conduct that all employees at Tosyalı Holding and the Group companies must follow.

Tosyalı Holding and the Group companies care about open and transparent communication. We have set out our Principles of

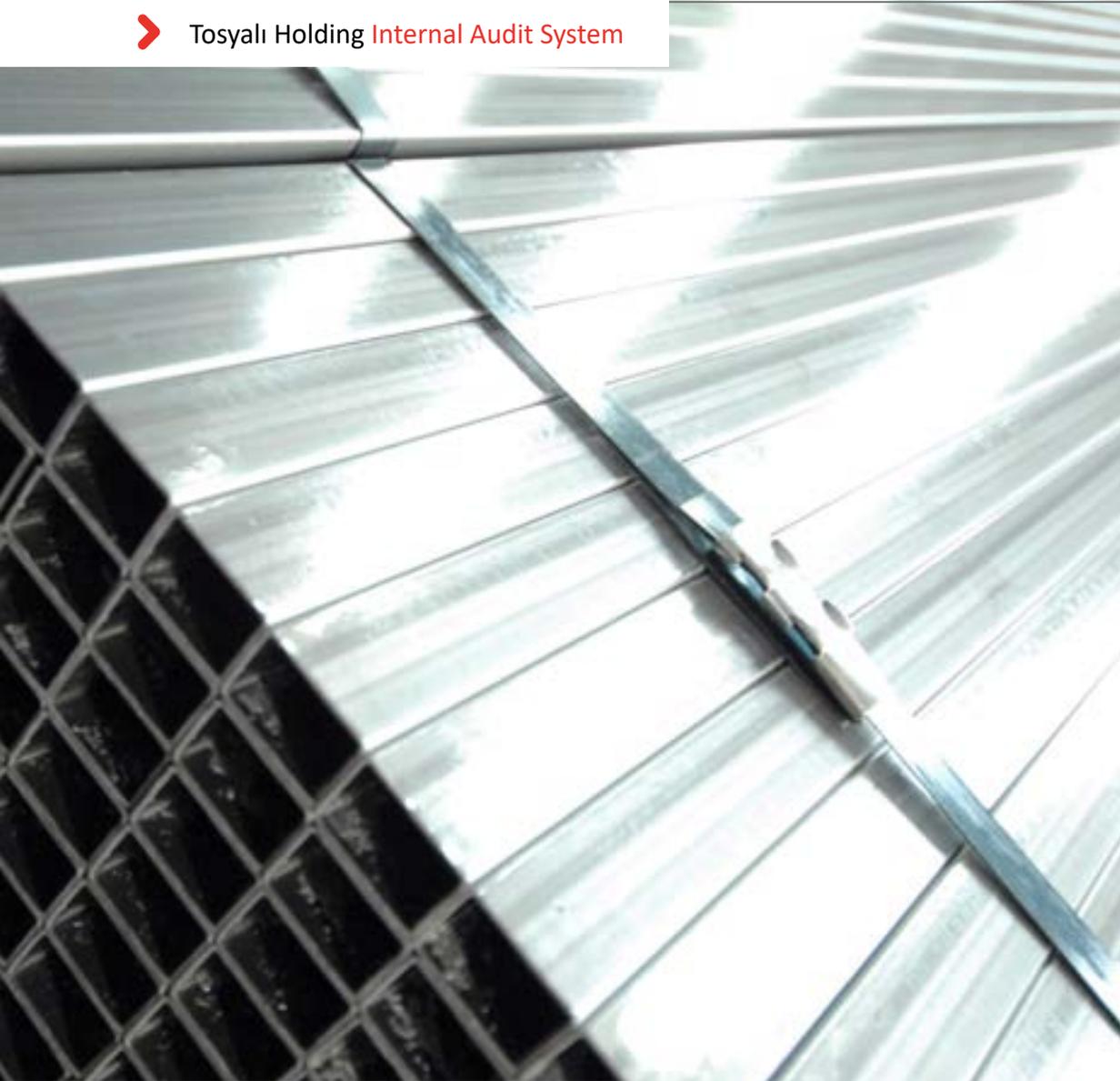
Ethical Conduct to this end.

Whenever any of our employees thinks that Tosyalı Holding policies and procedures are being violated, they can report such actions and conduct to the Ethics Board, the Holding's authorized body here, via e-mail on the Ethics Line.

All our employees and all third parties acting on behalf of our company are obliged to follow the anti-corruption rules and related legislation. We detected no cases of corruption or bribery in our reporting year. Being a trustworthy company is one of our values. Tosyalı Holding and the Group companies have a policy of zero tolerance for bribery and corruption.

We go out of our way to follow the anti-bribery and corruption laws and regulations anywhere we have commercial relations and expect the same diligence from our employees.

➤ Tosyalı Holding Internal Audit System



*Tosyalı Holding Board of Directors and the Audit and Risk Committee conduct **audits and reviews** of all operational procedures and internal controls including high-risk sub-processes.*

In line with our Group's objectives, our Internal Audit unit monitors compliance of all activities carried out within Tosyalı Holding and its associated companies with applicable legislation and the Board's resolutions and directives. It also assesses the effectiveness of all interacting systems including all work flows and internal controls and procedures.

The Internal Audit Unit works for the continuous improvement and development of procedures within the Group companies. It proactively draws attention to potential risks and offers instructional and guiding recommendations that result in savings and increase effectiveness, efficiency and

the quality of service. Just as we did in the past, we conducted routine audits of all our Group companies' operational procedures and internal controls in 2022 as well. We also audited and reviewed the high-risk sub-processes prioritized by the Tosyalı Holding Board of Directors and Audit and Risk Committee. We then prepared action plans for the risks detected by our audits and reviews in consultation with the corresponding process owners.

Approved action plans are followed up periodically in line with the Board's instructions.

> Tosyalı Holding Risk Management

The risks faced by our Group companies in the course of their work include regulation compliance risk, operational risk, environmental risks, occupational health and safety risks, financial and strategic risks, exchange rate risk, and raw material risk. Raw material risk particularly covers dependence on scrap, energy prices, and dependence on energy sources.

Environmental uncertainty, drought, floods, extreme temperatures, and violent storms as well as global costs reaching \$500 billion a year pose a steadily growing risk to society. The steel industry is one that makes a huge environmental impact due to its carbon emissions. This situation harbors financial risks for the industry in the future. As a result, we make climate-related risks and the associated actions our first priority in operational investments.

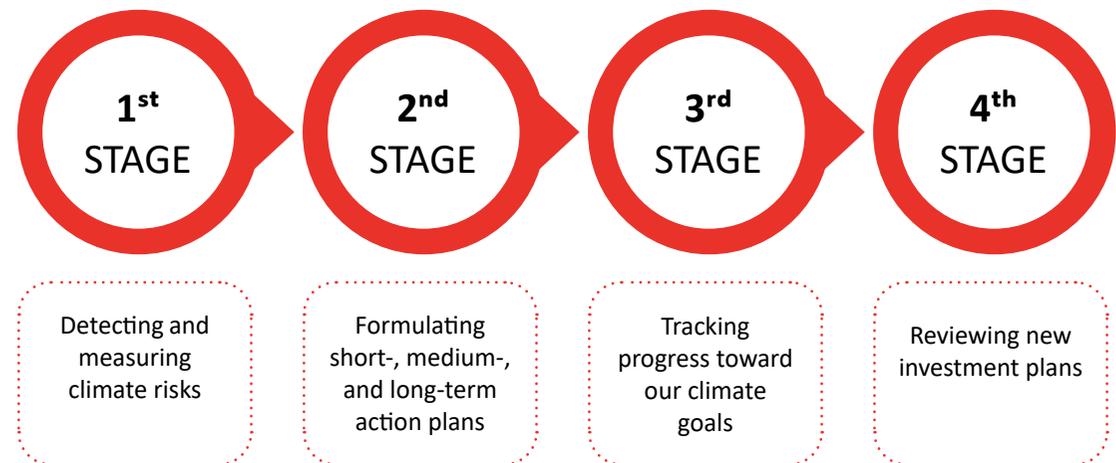
1. In Stage 1 we detect and measure climate risks.

2. In stage 2 we formulate short-, medium-, and long-term action plans in light of these measurements and plan the necessary investments and financing.

3. In Stage 3 we make regular measurements and analyses to track our progress toward these defined climate goals.

4. In Stage 4 we evaluate new investment plans based on these measurements and analyses.

We follow a 4-stage process throughout Tosyalı Holding:



The units involved closely monitor all the above work and procedures. They also improve and actively manage their measurement methods by following current developments. In addition

to doing all this, we also invest in our areas of influence by exploiting opportunities in the field of sustainability as well as risks.

STEEL IS EVERYWHERE IN LIFE
IF STEEL TRANSFORMS, LIFE WILL TRANSFORM



TOSYALI FOR A **SUSTAINABLE** LIFE...

Structural steelwork accounts for around 70% of the high-rise building skeletons in the UK.



*We made progress toward our **sustainable growth target** in 2022 by strengthening our production body with the **value-adding investments** we made.*

➤ Tosyali Holding Developments in 2022

Tosyali Holding continued to fortify its position as a global steel producer in 2022 with the goods it made in nine different product groups at almost 30 production plants spread over 3 continents.

Even though the volatility in global conditions and expectations of a recession drove prices down, we were still able to achieve a combined production volume of around 12 million tonnes in 2022.

Yassı Yapısal Çelik Group continued to dominate the Tosyali Group's product range in 2022 at 48.7% with İnşaat Demiri ve Filmaşın Group accounting for 23.9%.

Yassı Yapısal Çelik Group produced 5.8 million tonnes in 2022, corresponding to 87% of its production capacity. This group produced 1.633 million tonnes at its steel plant in Osmaniye, 1,724 million tonnes at its rolled steel plant, also in Osmaniye, and 2.477 million tonnes at its steel plant in Algeria.

Production in İnşaat Demiri ve Filmaşın Group was up 12.7% on the previous year, achieving close to 2.9 million tonnes. Meeting 53% of Algeria's need for rebar and 60% of the country's need for wire rods, our Tosyali Algeria plant's contribution to this increase was significant.

ERW Boru ve Profil Group upped production by 5.5% on the previous year, achieving more than 1.6 million tonnes. Hadde Profil Group produced 485,000 tonnes and Spiral Boru Group produced 131,000 tonnes.

In Çelik Servis Hizmetleri (Steel Services), we achieved 347,000 tonnes of production at our four steel service centers in Iskenderun, Osmaniye, Gebze, and Aliğa making plates from low-silica hot and cold sheet metal rolls. Çelik Granül Group makes low-carbon steel balls with bainitic microstructure from high-quality scrap at its facilities in Iskenderun, and it produced 31,000 tonnes in 2022 proving that ours is a company that can produce a variety of solutions and products in the iron-steel industry.

One of our joint ventures, Tosyali Toyo Çelik, continued to produce flat steel with high added value using advanced technology. Producing 661,000 tonnes in 2022, Tosyali Toyo Çelik boosted its export performance by 19% on the previous year. Tosyali Toyo Çelik accounts for 70% of Türkiye's exports in tinplate products and it launched a new investment in 2002 that will double its production capacity to 650,000 tonnes. This investment will enable the company to meet the high demand in this field by further increasing its packing steel capacity produced with cutting edge

technology including Tin-Free Steel.

Our Tosyali Harsco Geri Dönüşüm Tesisleri (recycling facilities) joint venture continued working to make the slag that had been building up for a long time in Türkiye work for the economy. The plant serves iron and steel, aluminum, copper and nickel, ferro chrome, and cement factories across Türkiye and exports to many countries including the United States, Germany, Portugal, Egypt, Tunisia, and Israel. The company also established a second recycling plan measuring 8,857 m² in Kocaeli Dilovası, carrying the work it does in the Mediterranean Region into the Marmara Region. Tosyali Harsco also began cleaning slag from underneath furnaces using machinery it developed as another line of business. It also established a plant inside the Tosçelik Osmaniye factory to sort and clean 2 million tonnes of scrap metal.

Our Phase 4 investments in Tosyali Algeria continue apace. Our efforts here to establish a steel plant capable of producing 4 million tonnes a year in front of a new DRI plant possessing the latest technology continued throughout 2022. Capable of operating on 100% hydrogen, the DRI module in our Phase 4 investment will stand as one of the best practices in the world's steel industry, producing a much lower carbon footprint. Tosyali Algeria is Algeria's biggest company and export in the

industry outside of the hydrocarbons sector. When Phase 4 is completed it will reduce Algeria's to import iron and steel while further contributing to its value-added exports.

Our efforts to create a special economic zone in Senegal, the gateway to West Africa, continued apace in 2022. We also continued to work on our project consisting of a steel plant and a rolled steel plant designed with multi-functionality in mind to produce rebar and wire rods at a capacity of 750,000 tonnes a year.

Our investments in the region to operate iron mines in Angola in the historic Kassinga Region possessing some of the country's largest iron reserves continued with the same resolve in 2022. Tosyali Holding started the work required to convert iron ore into steel in January 2020. It was also granted the right use the mining port under construction in the Namibe Basin and the 500 km (300 miles) of railway track between the mine and the port. Our project in this region with 2 billion tonnes of iron ore reserves is projected to start with a processing capacity of 4-5 million tonnes a year, increasing quickly to 10 million tonnes.

STEEL IS EVERYWHERE IN LIFE
IF STEEL TRANSFORMS, LIFE WILL TRANSFORM



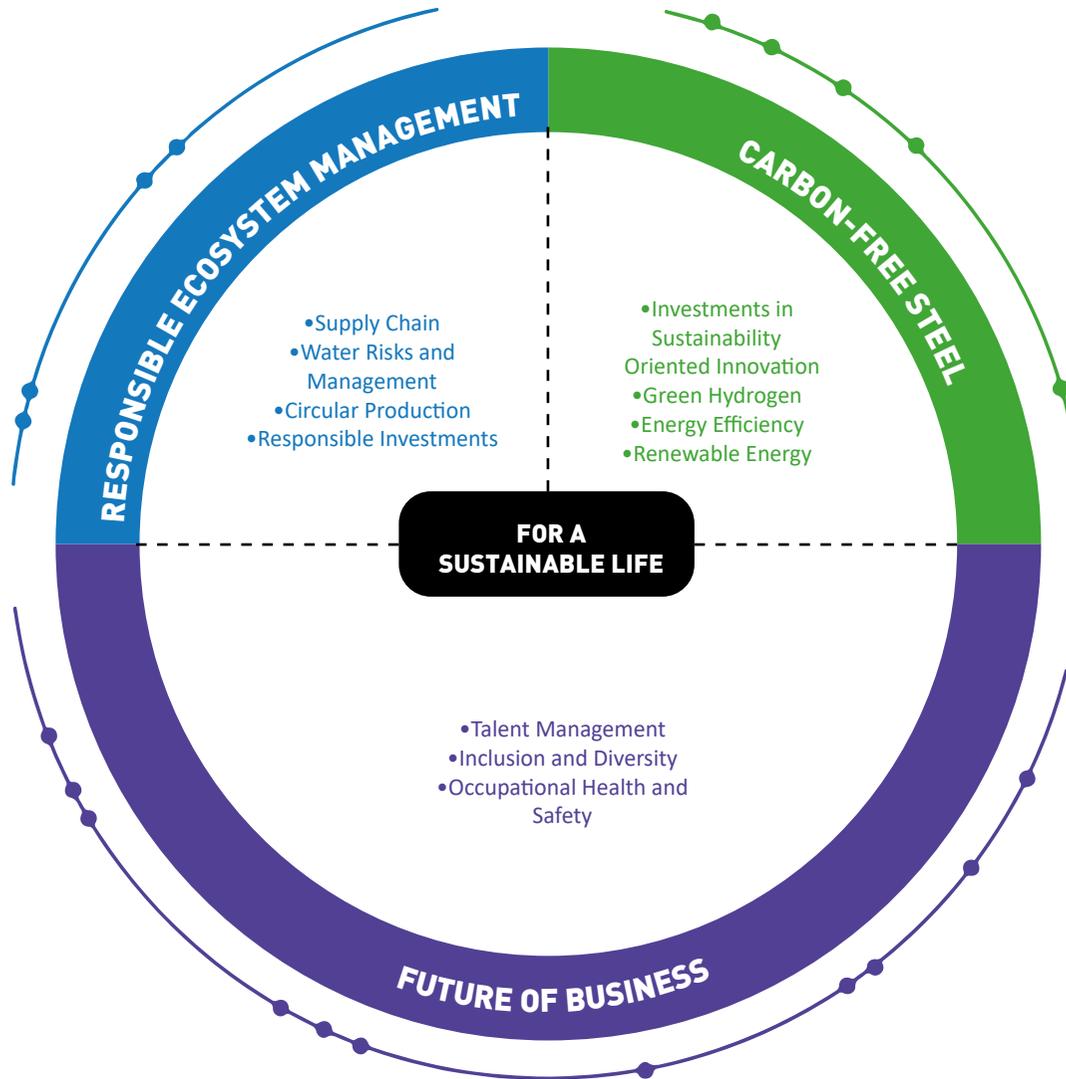
TOSYALI FOR A **SUSTAINABLE** LIFE...

42,000 tonnes of steel were used
in the "Bird's Nest" sports stadium
in Beijing.



Sustainability is an integral part of how we do business in Tosyalı Holding and the Group companies. Working in an energy- and resource-heavy industry inevitably imposes duties on us when it comes to sustainability.

➤ Tosyali Holding Sustainability Framework



*We are proceeding undaunted on our journey to becoming a company that is innovative, favored, and looked to as an example in the steel industry with our work in the areas of **Responsible Ecosystem Management, Carbon-free steel, and the Future of Business.***

We in Tosyali Holding developed our sustainability strategy in 2022 with the participation of our stakeholders and by paying attention to international standards and global indices.

We placed our vision of contributing to a carbon-free economy at the core of our strategy and grouped our material topics under three different areas of influence.

We are proceeding with sure and certain steps on our journey to becoming a company that is innovative, favored, and looked to as an example in the steel industry with our work in the areas of Responsible Ecosystem Management, Carbon-free steel, and the Future of Business.

We are investing in innovative and original projects with the goal of having a say in the future, too. We consider it our responsibility to help create a carbon-free society.

We will continue to invest in green technologies and decarbonization in line with our efforts for the future.

TOSYALI FOR A SUSTAINABLE LIFE...

➤ Tosyali Holding Our Sustainability Goals

We set out objectives for the fields we identified concerning sustainability as part of the Sustainability Strategy study we began in 2021. We began our work by taking stock of our current situation. We then set out our goals under the three areas of influence we identified in our sustainability strategy and created our road map.



2023

Is when we are going to start using hydrogen for fuel in some stages of production.

2023

We intend to raise employee engagement, currently at 71% to 80% by then.

2025

We are going to reclaim 60% of the water we use by then.

2025

Is the year by which the electricity we obtain from on-site generation through the SPP investments we have planned will account for 50% of all the electricity we use.

2026

Is the year by which we intend to ready the infrastructure that will allow us to switch to 100% hydrogen at all our plants.

2030

Is the year by which we intend to reduce our employee turnover, currently at 5.47% and our talent pool turnover, currently at 10.90% to just 3.5%.

2030

Is the year by which we want to increase our proportion women employees, currently at 3.77% to 7%.

➤ Tosyali Holding Sustainability Goals



With respect to our Responsible Ecosystem Management area of influence, we are committed to monitoring our performance in managing reclaimed or reused water. Once we have worked out what our water footprint is, we shall launch projects aimed at using water sources efficiently and reclaiming the water we use. **We are going to be using water sustainably within 2 years by reclaiming 60% of the water we use through the efficient use of water sources.**

The goal behind our ongoing Solar Power Plant (SPP) investments is **to generate 50% of the energy we use on-site with the rest coming from renewable sources by 2025 at the latest.**

We are also proceeding toward our goal of production using hydrogen. **We are readying our infrastructure to switch to 100% hydrogen use at all our plants in 2026.**

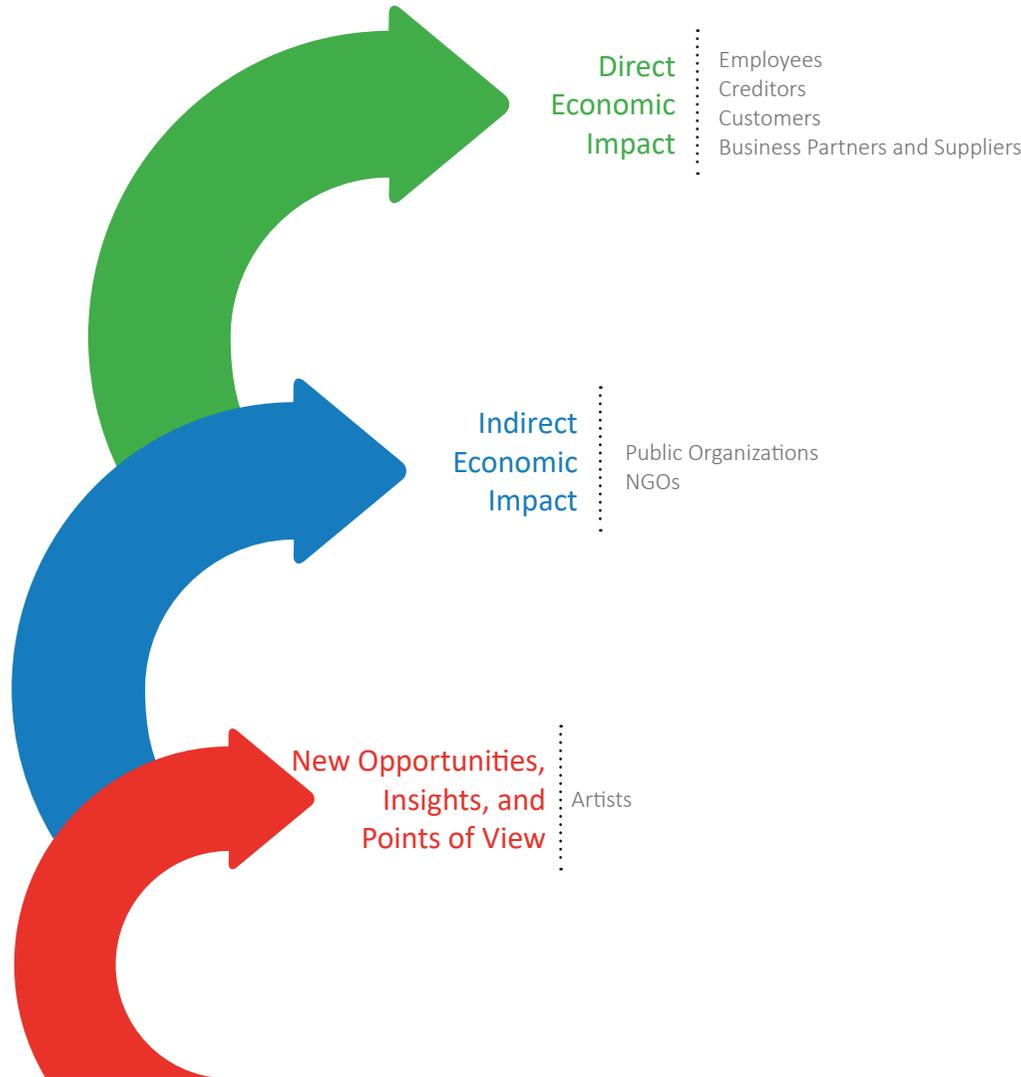
In addition to our goals in the areas of Responsible Ecosystem Management and Carbon-free Steel, we have also given various undertaking under the Future of Business heading.

To begin with, we intend to take steps to increase the number of women employees, no easy task in our industry, **and increase their numbers by 86% compared to 2019 by 2030.** We are aware that women can work in the steel industry and our efforts here are continuing.

We also set out targets for our employees, our most valuable asset. **We intend to increase employee engagement to 80% by 2023.** We know that employees who enjoy their work and feel committed will help us achieve the other targets we have set more easily.

We set out targets for both employee and talent management, another of today's hot topics. We intend to reduce our employee turnover rate **from 5.7% to 3.5% by 2030 and our talent pool turnover rate from 10.9% to 3.5% also.**

➤ Tosyali Holding Sustainability Priorities



Materiality Analysis

In order to adopt a more systematic approach to sustainability management, we in Tosyali Holding first determined our current situation by carrying out a comparative situational analysis. This study revealed the areas that will enable our sustainability performance to progress further. In conducting this assessment in the realm of sustainability leadership, we followed an approach aimed at increasing Tosyali Holding’s respectable global sustainability indices as well as its intangible assets and brand value in the eyes of responsible investors. This study allowed us to apply a strategic outlook to the most material social, environment, and economic topics that will create value for our stakeholders.

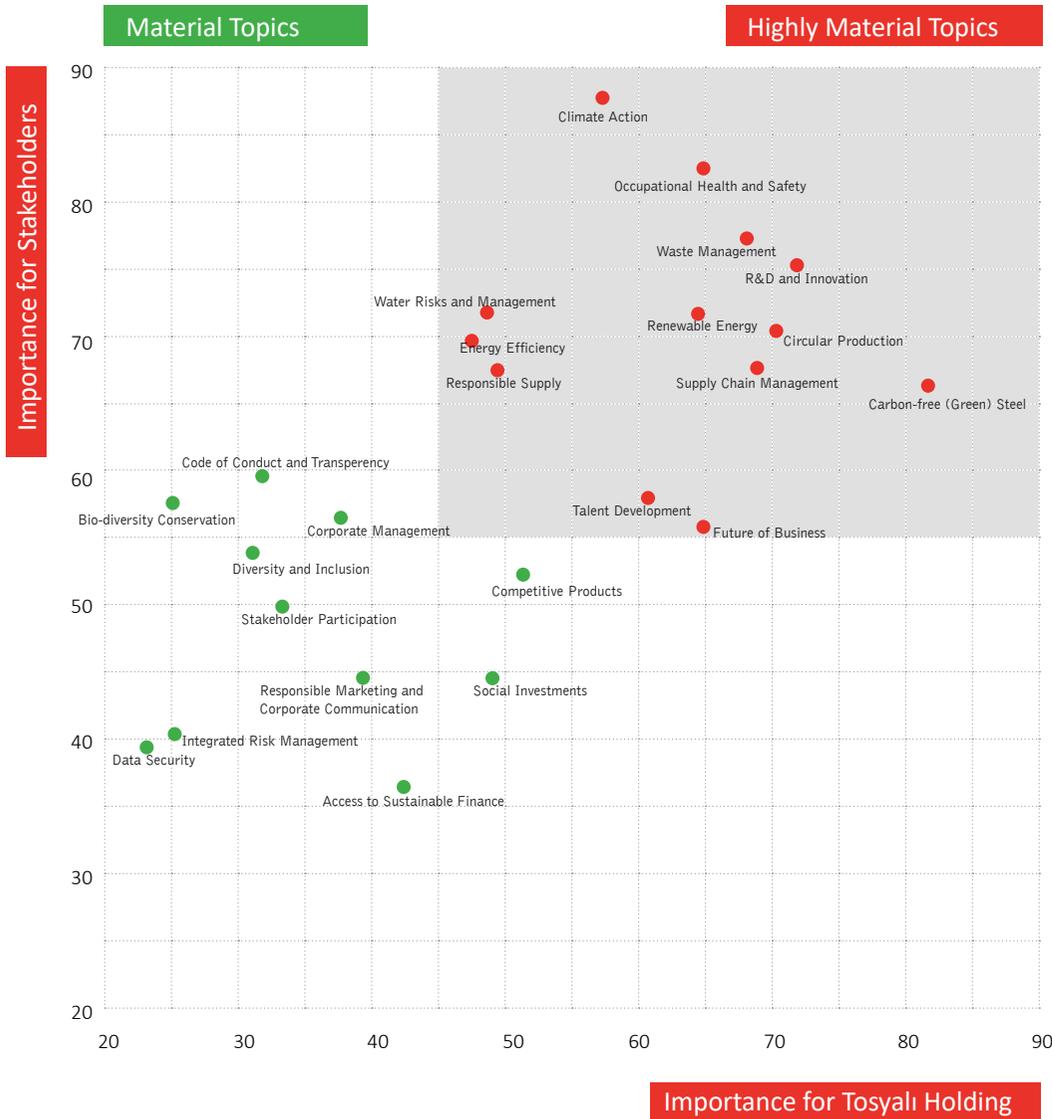
Afterward, we conducted a participatory and inclusive stakeholder process in line with the **AA1000 Stakeholder Participation Standard** to determine the material topics that we needed to concentrate on in the field of sustainability. When creating our materiality matrix, we utilized international literature on

sustainability and sought the opinion of our stakeholders. We saw how the topics integrated with business strategy.

And when determining our material topics, we classified our strategic foreign stakeholders, business partners, suppliers, creditors, customers and domestic stakeholders as stakeholders that make a direct economic impact. We also classified public organizations and NGOs as stakeholders that make an indirect economic impact and included artists in the group of stakeholders that generate new opportunities, insights, and points of view.

During our materiality studies, we conducted a survey to gather the opinions of seven stakeholder groups and integrated them into the materiality matrix.

Tosyali Holding Sustainability Priorities



Materiality Matrix

As a result of our materiality analysis study, we identified 11 material topics that we need to manage proactively through close monitoring and 13 highly material topics that we need to focus on. Aware of our responsibilities in every field of

sustainability, we in Tosyali Holding intend to make significant contributions toward a sustainable world while growing our business by focusing on the most material topics we identified in our analysis.

Highly Material Topics	Material Topics
R&D and Innovation	Competitive Products
Carbon-free (Green) Steel	Social Investments
Occupational Health and Safety	Ethics, Compliance, and Transparency
Waste Management	Corporate Management
Circular Production	Responsible Marketing and Corporate Communication
Supply Chain Management	Stakeholder Participation
Climate Action	Diversity and Inclusion
Renewable Energy	Access to Sustainable Financing
Talent Development	Preservation of Biodiversity
Future of Business	Integrated Risk Management
Responsible Supply	Data Security
Energy Efficiency	Social Investments
Water Risks and Management	

➤ Tosyali Holding Sustainability Priorities

Degree of Materiality	Material Topic	Topic Management	Relevant SDG
Highly Material	R&D and Innovation	We invest in original and innovative projects by improving our sectoral activities with technology and the power of innovation. This allows us to support the creation of a zero-carbon society.	
	Carbon-free (Green) Steel	Tosyali Holding produces steel today with the lowest carbon foot in the industry. We make the greenest and most environmentally friendly steel in the world assisted by DRI (Direct Reduced Iron/Sponge Iron) technology.	
	Occupational Health and Safety	Acting on the principle “People Come First,” we provide our employees with a safe and healthy working environment with the highest levels of OHS awareness in all our processes.	 
	Waste Management	Our investments aimed at preventing pollution at the source include projects to reduce the amount of hazardous waste generated and increase the amount of recyclable waste by raising employee awareness about sorting waste, and projects to stop waste water harming nature.	
	Circular Production	We have waste utilization projects in place. We produce asphalt, road building and cement additives, aggregate (mixture of sand and gravel that makes up the raw material of concrete), and railroad ballast from the slag put back into the economy.	
	Supply Chain Management	We keep a close eye on the portfolio of the many firms that supply goods and services to the Tosyali Group companies and regularly assess them against performance criteria.	 
	Climate Action	Our efforts to minimize carbon emissions in steel production and switch to entirely green steel production are proceeding apace.	 

➤ Tosyali Holding Sustainability Priorities

Degree of Materiality	Material Topic	Topic Management	Relevant SDG
Highly Material	Renewable Energy	We generate our own electricity using the solar electricity panels we installed on the roofs of our companies in Tosyali Holding and are bringing the world's largest rooftop solar power plant investment to life.	
	Talent Development	We are aware that a powerful work force makes all the difference in maintaining our edge in a constantly developing and shifting competition environment. With a proactive approach, we are implementing practices such as Tosyali Academy to ensure the continuous improvement of our employees.	
	Future of Business	We are conducting studies to attract talents who will spearhead our Group's transformation and to create a structure that can respond to Tosyali Holding's needs and improve our employees' inherent skills.	
	Responsible Supply	Using the SAP system, we review the companies in our supplier portfolio twice a year and whenever necessary.	 
	Energy Efficiency	We intend to reduce our energy consumption by improving processes and making capital investments as well as with efficiency-focused initiatives.	 
	Water Risks and Management	We aim to use water sources as minimally as possible with 100% recycling.	

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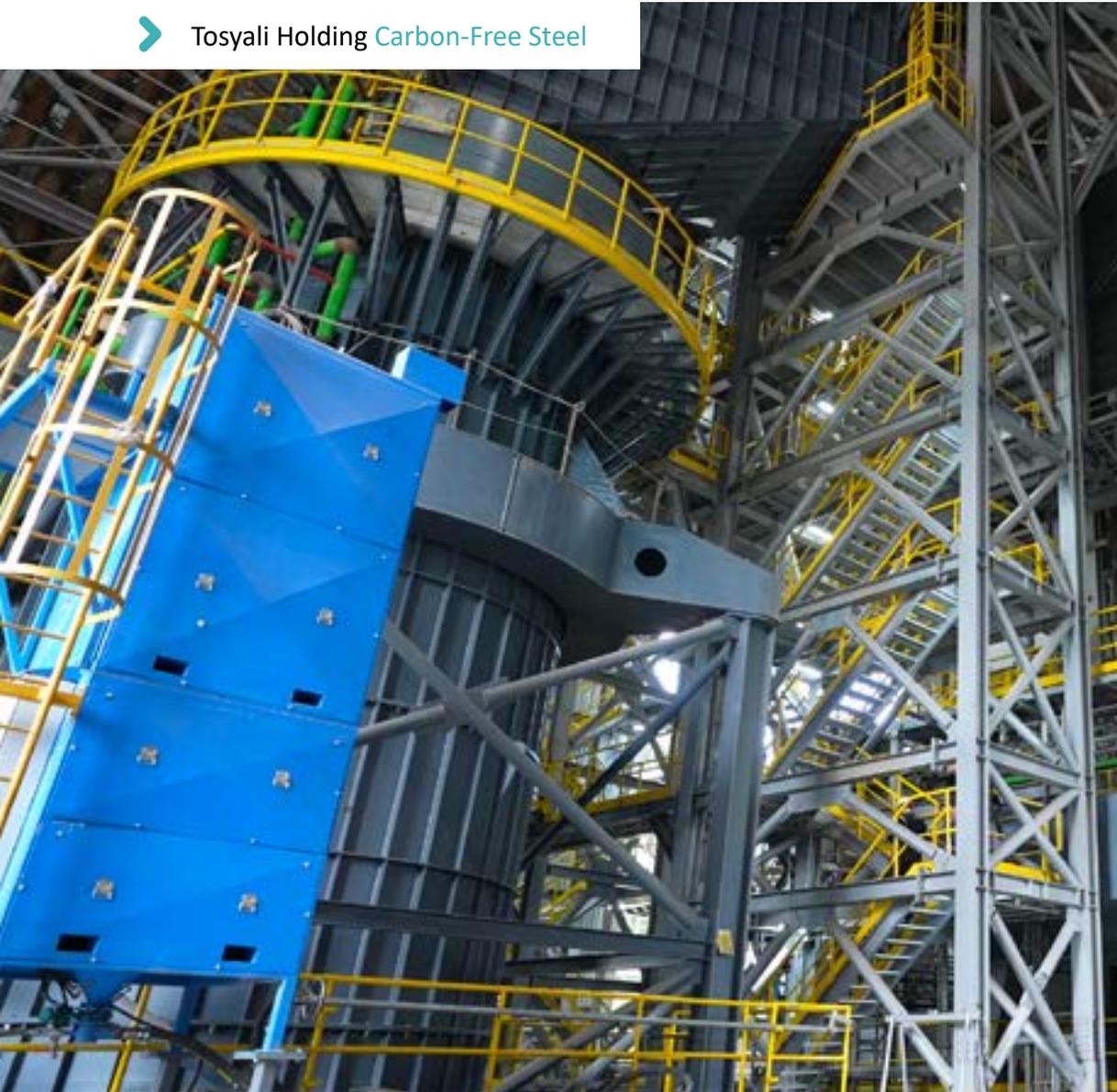
TOSYALI FOR A **SUSTAINABLE** LIFE...

An average of 900 kg of steel is used in every vehicle.



*We in Tosalı Holding **are continuing to focus on green steel production by investing in upcycling, advanced technologies, renewable energy, R&D, and innovation in line with our zero carbon target.***

➤ Tosyali Holding Carbon-Free Steel



TOSYALI FOR A SUSTAINABLE LIFE...



We prevented the release of 281,000 tonnes of greenhouse gases corresponding to 21% of our greenhouse gas emissions stemming from our operations in Türkiye.

The adverse effects of global warming and the climate crisis continue to grow each day. Every day we hear news of new and unprecedented environmental catastrophes from all over the world. Unless quick and decisive action is taken to lower emissions, we are going to see new environmental problems and the social and economic issues triggered by them. Problems that we can fix today at very little cost will turn into a global issue tomorrow with a social and economic cost higher than we could ever predict. The states and companies that are aware of this are announcing targets here while working at the same time to realize these targets with the practices they implement. Common ground appears to have formed when it comes to doing better and creating green solutions. The European Green Deal coming in the wake of the Paris Climate Agreement shows that institutional efforts here are prompting companies and institutions to take action faster. Companies are gearing up for the Carbon Border Adjustment Mechanism. Industrial companies, the iron-steel industry in particular, are going to be faced with high carbon taxes under the Carbon Border Adjustment Mechanism. Companies

are going to have to improve their processes through R&D, technology, and innovation and make considerable investments to replace fossil fuels with renewable sources of energy.

Sustainability has long been the main item on our agenda at Tosyali Holding and we perceive these developments as an opportunity for change and development for a better world. This is why we conduct all of our organization's processes from raw materials and process management to production and sales and marketing with a focus on sustainability.

We continue to focus on green steel production by moving forward in line with our zero carbon target with our investments in advanced technologies for a Sustainable Life. As a result of the improvements we made in our processes with R&D, technology and innovation, and our investments in renewable energy and efficiency, we managed to reduce our operations-related carbon emissions by **21% in 2022 compared with the previous year**, preventing the release of approximately **281,000** tonnes of greenhouse gases into the atmosphere.



➤ Tosyalı Holding Energy Efficiency



We are conducting many studies focused on saving energy in our factory infrastructures and processes to reduce carbon emissions.

Both economic cost and energy efficiency in terms of carbon emissions matter a great deal in industry, the sector where energy consumption is heaviest. The prediction in our Energy Efficiency Action Plan covering 2017-2023 that savings of up to \$30 billion at 2017 prices by 2023 are possible gives an important clue as to the economic size this this business. More than this, industrial companies that manage their energy use correctly can create considerable competitive advantages. The most energy-intensive industrial sector is the iron and steel industry and it is one where global competition is the most intense. Sustainability has only recently been included in this competition but it encourages iron-steel companies to make value-creating investments in energy efficiency as well as in the use of clean and renewable sources of energy in line with the

zero-carbon target. Improvements made in processes, in particular, with advanced technologies and innovation can make a considerable difference in energy efficiency. We in Tosyalı Holding are conducting many studies focused on saving energy in our factory infrastructures and processes to reduce carbon emissions. As an ISO 50001 Energy Management System-certified company, we manage energy with a 360-degree approach and treat savings, efficiency, and carbon emissions equally in line with our sustainability goals. Thanks to these projects we carried out, not only do we use energy much more efficiently, we also reduce our carbon emissions more and more each day.

➤ Tosyalı Holding Energy Efficiency

GHG Emissions*	Unit	2020	2021	2022
Scope 1	tCO ₂ e	2,173,616	2,273,683	424,901
Scope 2	tCO ₂ e	1,838,151	1,799,351	623,838
Scope 3	tCO ₂ e	-	-	5,738,258
Total Emissions (Scopes 1+2+3)	tCO ₂ e	4,011,767	4,073,034	6,786,997

* Includes the consolidated results of our operations in Türkiye and Africa in 2020 and 2021 and the results of our operations in Türkiye in 2022.

Thanks to our energy efficiency projects and our use of SPP, we produced fewer Scope 2 emissions in 2022 than in previous years.

According to the emission density analysis we made of the consolidated production amounts to see how effective our investments in energy efficiency and renewable energy were, our GHG density in our Türkiye operations in 2022 was down 26% on previous years. Furthermore, we are striving to reduce our emissions in all our business processes this year by calculating Scope 3 emissions, too.



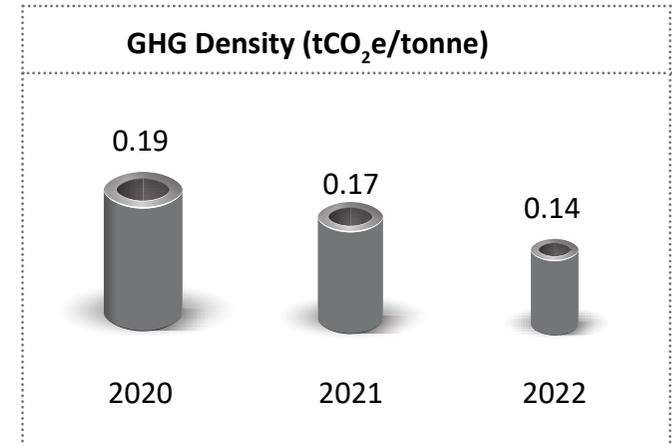
*We utilize the energy in our plants' waste heat flues that create a greenhouse gas effect. **We have more than 100 projects in place aimed at reducing steam, electricity, and natural gas consumption.***



➤ Tosalı Holding Energy Efficiency

Emission Density *	Unit	2020	2021	2022
Total Emissions	tCO ₂ e	1,341,731	1,329,847	1,048,738
Production Amount	tonnes	7,237,000	7,632,000	7,250,521
GHG Density	tCO ₂ e/tonne	0.19	0.17	0.14

* Density calculated based on emission and production amounts in our Türkiye operations.



Steam Production From Tosalı Filmaşın Annealing Furnace Waste Heat

We set out to produce steam from all the waste gases produced by the annealing furnace at our wire rod plant using a specially designed waste heat boiler and use that steam in our Tosalı Toyo plant. By automating the system we were able to control and monitor steam consumption. The new system we designed has reduced natural gas consumption. We pass all the waste gases from the wire rod furnace through the waste heat

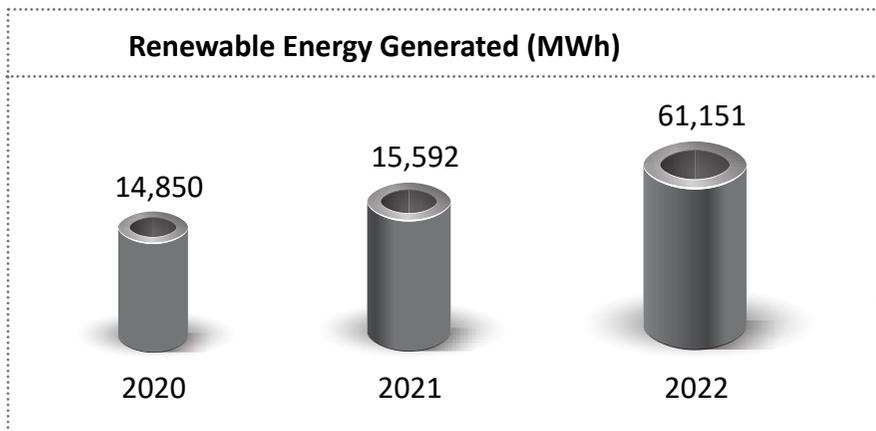
boiler and obtain an average of 9 tonnes an hour at 7 Barg at 177 °C'. We transfer the resulting steam from the point where the boiler is set up in the wire rod plant to the Toyo plant along a DN200 heat-insulated steel pipe running between them and into a usage collector. Using this method, we are able to reduce the amount of natural gas consumed in steam production.

What's more, we completed this project by consulting with professors at Gazi University in the context of University-Industry Collaboration. We can list the project's environmental benefits as making use of the waste heat we release into the atmosphere, making our processes more energy efficient, and reducing fossil fuel consumption thus shrinking our carbon footprint.



*In addition to our investments in renewable and clean sources of energy, we make sure the energy we produce can be traced and we certify that our electricity is generated from renewable sources by obtaining the **International Green Energy Certificate (I-REC)**.*

➤ Tosyalı Holding Renewable Energy



We commissioned the world's largest rooftop SPP project.

The SPP project we have initiated at all our facilities will deliver 235 MW of installed power, making us the world's largest company with a rooftop SPP. This project will also make us one of the cleanest and greenest steel producers in the world by preventing the release of approximately 171 million kg of carbon. The Purlin Connection technique applied during its construction and the use of cutting edge materials make this project a rooftop SPP built with the world's newest technology. We worked on this project in association with the world's best tech companies such as JINKO SOLAR, HUAWEI, and SOLAR APEX. Our R&D Center also contributed

significantly to this project with its innovative development studies and the panel holders it designed to reduce the system's static load on the roofs. Designed to make maximum use of the sun's rays with bidirectional solar panels, our project is one of the best examples of energy efficiency in the world. One of our project's most significant features is its readiness for hydrogen-powered production instead of fossil fuels in iron and steel production. Next, we are going to use some of the electricity supplied by the SPP for hydrogen in production and build an integrated green energy system.



We achieved a 4-fold increase in the amount of renewable energy we generated in 2022 compared to the previous year.

The increases in energy prices in 2022 due to the war coupled with concerns about energy security highlighted once again the long-term importance of renewable energy. With investments in renewable energy continuing in line with the net zero carbon target, the Russo-Ukraine war further increased demand for renewable energy. Governments supported investors by further sweetening incentives toward investments in renewable energy and continued to develop financial resources and funds for this. One of the main themes of COP27 was the need to gradually phase out fossil fuels and switch to renewable sources of energy. Worldwide investment in clean energy stands at \$1.5 trillion and while not yet enough to meet climate targets, it surpasses the approximately \$1 trillion worth of investment in fossil fuel, showing that progress is being made toward clean and renewable sources. According to the International Energy Agency's (IEA) Renewable Energy 2022 report, the global renewable energy capacity is expected to increase by 2,400 gigawatts to 5,650 gigawatts in

2027. The expected growth in renewable energy in the next five years looks like equaling the past 20 years of growth in the world. Projections show that 90% of the increase in global electricity capacity in the next five years will be met from renewable sources and that these sources will outstrip coal as the largest source of electricity in 2025. Renewable sources accounted for 28% of electricity production in 2017 and is expected to increase to 38% with 20% of this coming from solar and wind power. The IEA's projections also show that renewable energy in Türkiye is going to grow by 64% in the next five years. This growth will see Türkiye rank fourth in Europe in terms of renewable energy and among the top 10 in the world. Some 75% of this growth in renewable energy will come from solar and wind power.

Aware of these fact, we in Tosyalı Holding are continuing to invest in clean sources of energy such as solar and hydrogen. In 2017, we commissioned the Osmaniye SPP project, one of the top five rooftop solar power

plants in the world measuring 250,000 m², at the Tosyalı ERW Pipe and Profile Production Plant in Osmaniye. At 10 MW of installed power, the project supplies a significant proportion of the plant's electrical energy needs, preventing the release of 10,000 tonnes of greenhouse gases into the atmosphere. As a result, we can make steel pipes and profiles with the world's smallest carbon footprint at the Tosçelik ERW Pipe and Profile Production Plant. Encouraged by the success of this project, we are continuing to take steps to reduce our carbon emissions by propagating new SPP projects in all the regions of Türkiye where we operate. We hope that by 2025, 50% of our total electricity usage will come from the power we generate on-site with the SPP investments we have planned. In line with our goal of boosting clean energy production, to over 2.5 GW, we are focusing on investments in solar and hydrogen power while continuing to explore opportunities to invest in geothermal power in the period ahead.

➤ Tosyalı Holding Green Hydrogen



*We are resolutely moving forward in line with our goal of being the **first steel company in the regions where we operate that uses green hydrogen in production, significantly reducing GHG emissions.***

Given the increasing adverse affects of global warming and the climate crisis, the importance of using clean and renewable sources of energy to reduce carbon emissions, particularly in production, is becoming more and more critical every day. Green hydrogen produced from renewable sources as a source of clean energy itself stands out as one of the leading alternatives here.

As renewable sources such as solar, wind, and geothermal are used in its production and use, green hydrogen has no carbon emissions and makes no negative impact at all on the environment. Some studies predict that the use of green hydrogen in iron-steel production will exceed 30% by 2050. The Carbon Border Mechanism is going to compel companies to act faster in reducing carbon emissions. Add to this the new

technologies being developed for producing hydrogen, this rate could well be higher.

When we consider the increasing investments in renewable sources of energy in Türkiye and the solar energy applications that have come to the fore in recent years with rooftop systems as a source of clean energy, we will see even more opportunities develop to produce green hydrogen in integration with these systems. Particularly now when carbon taxes at the border are being talked about due to the EU Green Deal, including hydrogen in production in the iron-steel industry will increase our sustainability capacity and make our companies more competitive in the markets of developed countries such Europe.

Aware of these fact, we in Tosyalı Holding are directing

our efforts toward using hydrogen in production at our plants in both Türkiye and Algeria. We are investing in technologies that will allow us to use the energy supplied by our solar power plants, in particular, in hydrogen production. The clean electricity we will generate on site in line with our target for renewable electricity production will be key to achieving our goal of using green hydrogen in production. We have already started pilot trials here while we tirelessly pursue our R&D studies. We intend to abandon fossil fuels in production entirely in 2026 by using hydrogen as our main fuel, thus significantly reducing our GHG emissions. We are resolutely moving forward in line with our goal of being the first steel company in the regions where we operate that uses green hydrogen in production.

➤ Tosyalı Holding Sustainability-Focused Innovation Management

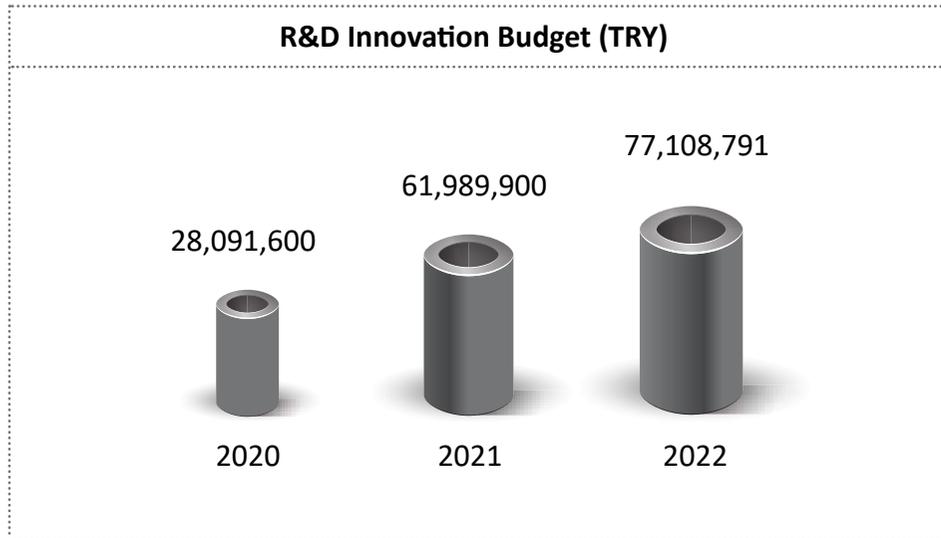


We invested TRY 77 million in R&D and innovation in 2022 with a considerable proportion of our investments going into sustainability-focused studies.

We in Tosyalı Holding emphasize R&D and innovation investments focused on sustainability to qualified and carbon-free steel production with high added value. We are conducting many R&D projects including projects looking at energy efficiency, using clean energy in production, and reducing carbon emissions under Industry 4.0. We closely follow developments in advanced technologies to reduce carbon emissions and conduct the studies and pilot projects required to apply them to our production processes as well as development studies aimed at our needs. To this end, we are increasing our innovation capacity by forging collaborative efforts with universities and advanced technology companies in addition to the studies at our R&D Center. We allocate more of our budget to R&D and innovation every year while simultaneously maintaining our project development efforts by utilizing international funds.

also continued our wide-ranging infrastructure development efforts toward energy efficiency. We sped up our R&D studies aimed at using clean energy sources starting with hydrogen. We conducted and completed trials aimed at minimizing fossil fuel consumption and contributing to green steel production by using hydrogen as an alternative to natural gas to fuel our annealing furnaces. We used the results we obtained to continue improving our processes for using hydrogen in production. We intend to ready the infrastructure that will allow us to switch to 100% hydrogen at all our plants by 2026. We made considerable headway in projects aimed at utilizing waste and waste heat. We sped up infrastructure work in support of the harmonization efforts required by the Carbon Border Adjustment Mechanism. We continued running projects related to 6 Sigma training and its use in businesses to maximize efficiency in our processes. We completed projects to eliminate elements that pose an OHS risk through our digital transformation efforts and by employing robots at production points where the human factor is risky, continuing to commission the automation-heavy systems required by Industry 4.0.

With this in mind, we invested TRY 77 million in R&D and innovation in 2022 with a considerable proportion of our investments going into sustainability-focused studies. In 2022 we continued focusing on projects aimed at green steel production, sustainability, and reducing our carbon footprint. We



➤ Tosyalı Holding Sustainability-Focused Innovation Management



Designed by the European Union, the Carbon Border Adjustment Mechanism is going to enter into force next year on October 1, 2023. Starting then, companies in Turkey will report their emissions and taxation at the border will be introduced in 2026 for all emissions over a specified amount. Producers that aren't ready for this will lose their competitive power and find it harder to enter the European markets.

We in Tosyalı Holding have been pursuing harmonization efforts as part of the European green Deal for some time now. We set up a special team here and started working within the context of the Carbon Border Adjustment Mechanism. We also prove that we meet sustainability criteria in production with the international certificate we receive. We have worked out our corporate carbon footprint and received EPD (Environmental Product Declaration) certificates showing our carbon footprint and vital for green steel production at our ERW and Spiral plants. We sped up our efforts in 2022 to further reduce our carbon emissions, which are already far below the industry average, and get it certified.



We sped up our harmonization efforts as part of the European Green Deal.

Tosyalı R&D Center

The R&D Center opened by Tosyalı Holding in Osmaniye in 2017 under the auspices of group company Tosçelik carries the distinct honor of being the first of its kind in the region. The R&D Center in Osmaniye is the center for the research and development studies in all of Tosyalı Holding's production plants. Although it has a staff of 41 people in 2022, it develops projects in collaboration with the personnel at all the plants in its research and development activities. Many of the projects developed by the R&D Center are given trial runs in the plants and are commissioned quickly if approved. Furthermore, collaborative efforts with TÜBİTAK and the region's universities continue. Through its R&D studies and these collaborations, the Center conducts R&D activities in many areas including the development of next-gen steel products as well as patent and industrial design activities on a global scale and the use of such renewable sources of energy as solar and hydrogen power. Much importance is given in its R&D studies to renewing production processes, developing value added

production technologies, product development simulation studies and modeling. Its R&D activities are conducted with an all round approach. R&D is an inseparable part of the process from the very moment work begins. Having this center drives down prototype costs and research and development costs in many topics while simultaneously boosting the efficiency of research and development processes. Projects include work on energy efficiency, waste management and waste utilization, process improvement, process development, design, system development, system improvement, projects to increase production, projects to reduce consumables used at the plants, as well as developing activities and projects aimed at reducing maintenance and downtime. It is with this understanding that we have developed more than 100 R&D projects in the past 3-4 years focused on sustainability, a significant number of which are firsts in the world, and with Tosyalı Holding owning all the proprietary rights.

➤ Tosyalı Holding Sustainability-Focused Innovation Management



20% smaller carbon footprint than traditional arc furnaces and **70% smaller** than blast furnaces.

We in Tosyalı Holding closely follow advanced technologies that will reduce our carbon footprint and make considerable investment to apply these technologies in our existing and future plants. The Tosyalı Demir Çelik Sarıseki plant in Iskenderun's 2nd Organized Industrial Zone is Türkiye's largest running industrial investment and we plan on it entering production in 2023. We are implementing many firsts in the world as part of this investment. The Sarıseki Plant will employ the most advanced technologies and will put Tosyalı Holding ahead of the competition in

compliance with Industry 4.0. When it comes fully on line, this plant will make Tosyalı the first in Türkiye to use Quantum Furnace technology, consuming far less electricity. Thanks to our sustainability-focused investments, our carbon footprint in our plants will be 20% smaller than traditional arc furnaces and 70% smaller than blast furnaces. With this investment we will end Türkiye's need to import 4 million tonnes of flat steel and set a good example for the value added steel production needed for our country to develop and advance.

Suggestion System Platform

We established the Suggestion System Platform in all our plants so our employees can pass on ideas for improving the work they do and making it more efficient. The system begins with the employee entering their suggestion and proceeds with their supervisors approving it. A certain percentage of the revenue generated by projects that are approved and implemented in the field is given to the employee who made the suggestion as a financial reward. We also placed suggestions boxes in designated areas in the work sites. The goal is to encourage our employees to participate actively in R&D and innovation processes.

STEEL IS EVERYWHERE IN LIFE
IF STEEL TRANSFORMS, LIFE WILL TRANSFORM



TOSYALI FOR A **SUSTAINABLE** LIFE...

Roughly 83,000 tonnes of steel
was used for the Golden Gate
Bridge.



We in **Tosyalı Holding** don't just make iron and steel. We also **touch a huge ecosystem** with our 30-plus plants in 3 continents and exports to roughly 100 countries. We work **to create value** in material topics such as supply chain, Water Risks and Management, circular production, and responsible investments with our understanding of **Responsible Ecosystem Management** so this ecosystem can ensure the transformation needed for a Sustainable Life.

➤ Tosyalı Holding Supply Chain

We in Tosyalı Holding are working toward a Sustainable Life with the huge ecosystem we created consisting of 30-plus plants, 15,000 employees, and a network of more than 16,000 suppliers spread across three continents. We act in harmony with our suppliers in line with the common principles we determined to create social, economic, and environmental value. We communicate and interact constantly to carry the value we create together ever higher and we conduct periodical reviews against our performance criteria.

	2020	2021	2022
Total Number of Suppliers	10,178	11,390	16,626
Number of New Suppliers	436	1,212	1,527
Number of Domestic Suppliers	9,590	10,662	14,946
Payment Made to Suppliers (TRY)	1,162,253,039	2,795,813,832	13,137,453,663
Payments Made to Indigenous Suppliers (TRY)	843,076,533	1,794,486,438	6,108,456,470
Number of Critical Suppliers	134	134	234

We meticulously apply the “Tosyalı Holding Supplier Evaluation Procedure” in all the purchasing transactions carried out by the Tosyalı Holding Companies to identify suppliers, assess their competencies, and measure how effectively they can meet demands. The “Tosyalı Holding Central Purchasing Directorate” is in charge of checking the suitability of new suppliers and monitoring and auditing existing ones. Our Business Units systematically assess the quality of supplied products on the SAP system, do trial production runs for newly supplied products, and report their findings to the Central Purchasing Directorate.

For each new supplier, we administer a Supplier Evaluation Form and review their Commerce and Quality Certificates and samples of their products. We use sample products to assess production results. We subject our existing suppliers to up-to-date quality certificate reviews and on-site visits with the On-Site Supplier Review Form. As part of this procedures, we review potential suppliers

against such criteria as quality conformity, price advantage, and deadlines. Quality Management System certificates are one of the parameters against which we evaluate potential suppliers. We want ISO 9001, ISO 450001, and ISO 140001 management system and CE conformity certificates for all our suppliers and use these certificates to evaluate them.

We later visit the companies we have preliminary information on and make trial purchases. Companies that fit the criteria in the Tosyalı Holding Supplier Evaluation Procedure are first approved by the Central Purchasing Directorate then entered into the SAP ERP system and added to the Tosyalı Holding supplier portfolio.

We review the supplier companies in our portfolio twice a year and whenever necessary, backing up our reviews with on-site visits.

➤ Tosyalı Holding Supply Chain



Indigenous suppliers accounted for 90% of our suppliers in 2022.

Not only did we in Tosyalı Holding continue to grow in 2022 but we also expanded our supplier network further. We increased our number of suppliers by 46% in 2022 to 16,629. We are steadily increasing our number of indigenous suppliers as an institution that prioritizes social development and the strengthening of indigenous production in all the territories where we operate in line with our sustainability approach. One of the main reasons for the increase in suppliers in 2022 was the increase in our number of indigenous suppliers. Our number of indigenous suppliers rose to

14,946 in 2022, an increase of over 40% compared to the previous year. This significant increase means that 90% of our suppliers were indigenous suppliers. Almost half the payments we made to our suppliers in 2022 were to indigenous suppliers, showing a 3.4-fold increase on the previous year. In addition to this, our critical suppliers are very important to us for the sustainability of our business. With this in mind, we reviewed our needs in critical areas again and increased our number of critical suppliers in 2022 to 234.

Supplier Evaluation Project on the SAP System

We commissioned this project to identify the suppliers in the portfolio who fall into the risk group (Group C Supplier) and to keep the critical Group A suppliers under control. We use a scoring system to rate the delivery of orders given to suppliers in our purchasing processes according to commodity group (critical, standard, service, calibration). The order's conformity with the opened order price and delivery time is calculated automatically by the system according to the data opened in the SAP system. Other criteria are scored by the user/requesting unit and the purchasing unit.

TOSYALI FOR A SUSTAINABLE LIFE...

➤ Tosyalı Holding Management Systems



Tosyalı Holding has a broad customer portfolio in different countries. As an institution that makes it a principle to increase customer satisfaction and strengthen brand reputation in the eyes of all stakeholders, we have adopted corporate management in all our companies and we work to create sustainable value with all the management system we develop with this understanding. We apply a quality system throughout all Tosyalı Holding Companies based on our quality policy and we manufacture to international standards.

The basic elements of the Tosyalı Holding Quality Policy:

- To increase customer satisfaction with an understanding of quality that meets their needs and expectations, To improve our processes by providing environmental and OHS conditions through the suggestion system and teamwork, and work on them constantly to ensure a competitive edge at international levels,
- To increase efficiency and profitability by minimizing production costs,
- To set quality targets in line with our total quality philosophy.

We apply a quality system at all functions and levels based on our quality policy. We renewed our ISO 9001 Quality Management System certificate in 2022 when Tosyalı Holding facilities achieved standardization in all their production processes, our ISO 14001 Environmental Management System certificate with our environmentally conscious approach, and our ISO 45001 Occupational Health and Safety Management System certificate with our OHS practices.. We also carried out interim audits of our Quality Management Systems certificates in 2022.

Tosyalı Holding SAP S/4 Hana Digital Transformation Project

We in Tosyalı Holding are continuing to implement digital transformation projects to increase our competitive power, optimize our business processes, and contribute to sustainability. Chief among these is the “Tosyalı Holding S/4 Hana Digital Transformation Project” we started in 2021 and brought on line at the start of 2023. This project gave our ERP system an infrastructure that is a platform suitable for digital transformation and that possesses the new “In Memory”: technology. We also carried out transformations in such areas as production planning optimization, online integration

with banks, subcontracting, the customer request evaluation system, variant pricing, and offer costing.

Our number of customers rose to 4,083 in 2022.

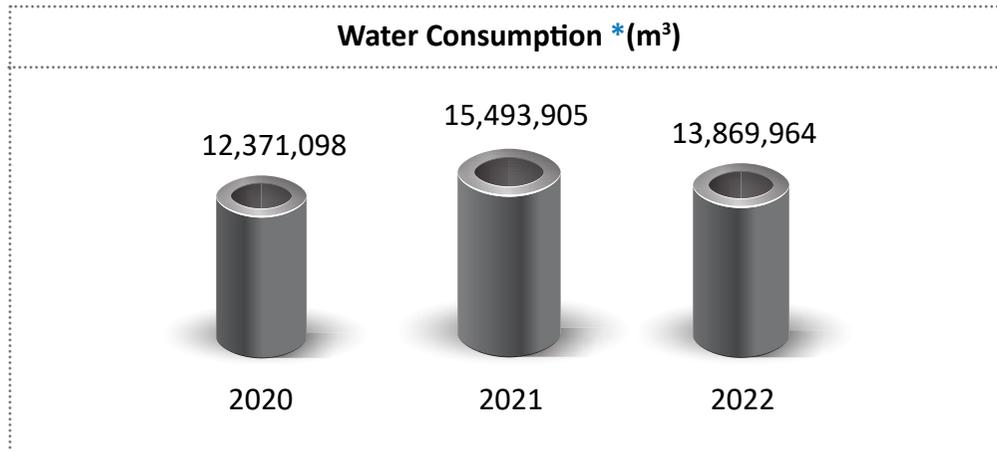
We in Tosyalı Holding care deeply about customer experience in all our activities. We proactively identify customer needs and respond effectively to incoming customer requests. The number of customers in Tosyalı Holding, where 12 of our companies use the ISO 10002 Customer Satisfaction Management System, rose to 4,083 in 2022.



Tosyalı BizBize Loyalty Portal Project

Commissioned over two years ago, the Tosyalı BizBize (Between Us) Loyalty Portal Project continues to grow and develop. There were 39 sub-dealers registered with “Tosyalı BizBize,” the first loyalty portal in Türkiye’s iron and steel industry, in 2020, This figure rose to 235 in 2022. The sub-dealers defined by Tosyalı Holding’s customers are among the business partners that use the portal most actively. Additional development programs have been added to the platform such as virtual backgammon, social posting, and video sharing and it has started turning into a leisure time area.

Tosyalı Holding Water Risks and Management



* Türkiye and Africa operations include consolidated results

Reclaiming 91% of WWTP Discharge Water

Toyo began working on reclaiming and reusing the discharge water at our Wastewater Treatment Facility as part of our zero waste projects in 2022. We examined the water’s chemical analyses and decided it was fit for reclamation. As a result of the extra chemical analyses performed on the discharge water, we saw that we could implement the recycling project with “Ferrous and Organic Matter

Removal” and we designed the Pilot Plant. Although this plant is still being installed, the results of the chemical analyses that will be performed on the water sampled from the Pilot Plant will determine the “discharge water’s reclamation rate.” We intend to reclaim at least 90% of the Wastewater Discharge Water and predict water savings of \$97,352 a year as a result.



Our successful practices in water management despite increased iron-steel production in 2022 resulted in a **fall in our water consumption of around 11% compared to the previous year.**

Water management is one of the material topics critical to creating a sustainable iron-steel industry. Significant amounts of water are used for cooling in our iron-steel plants, where we work at very high temperatures. Only by keeping steam losses to a minimum by maintaining a continuous flow of water and using closed-loop systems can a large part of the water, needed in vast quantities, be recovered and water consumption reduced. Another factor reducing water consumption is reusing waste water after treating it. The technologies used here are advancing every day delivering significant improvements in water consumption in our iron-steel plants.

We in Tosyalı Holding use water in our operations for cooling and have invested heavily in closed-loop systems to prevent water losses. We reduce water consumption by passing waste water through filters and after-coolers to use

it again. We use cutting-edge technology devices to use chemicals less in water conditioning. We have R&D activities under way looking into using a special method to eliminate pollution in the water instead of the chemicals normally used.

Aiming to reduce water consumption, our company implemented many projects in 2022 such as closed-loop systems, various discharge methods, and cooling towers to cool process water and reuse it.

As a result of all these efforts, we managed to reduce the water consumption of all the companies under our company’s umbrella in 2022 by almost 11% compared to the previous year. Our total water consumption stood at 13,869,964m³ while the amount of reclaimed water came to 10,330,685m³.

➤ Tosyalı Holding Circular Production

2022 Non-Hazardous Waste Breakdowns*

Waste * (tonnes)	2020	2021	2022
Hazardous and Non-Hazardous Waste	606,256	634,506	3,805,272
Hazardous Waste	37,357	3,797	885,744
Recycled Hazardous Waste	35,756	2,442	30,538
Non-Hazardous Waste	568,899	630,709	2,919,528
Recycled Non-Hazardous Waste	549,870	595,531	2,229,660



* Includes Türkiye operations.

* Includes our Türkiye and Africa operations.

We in Tosyalı Holding regard circular production as being integral to our sustainability strategy. As one of the world's few producers of green steel, we apply the circular economy to reevaluate everything in our ecosystem. Not only are we investing in low carbon technologies here, we are also working to manage a circular economy-oriented process in our facilities.

With this in mind, we are using technology and innovation to ensure nothing is squandered including waste, air, water, energy, and waste heat, even the tiniest particle of dust, and making them do good for people, society, and nature. We recycle scrap iron and steel. We prolong the life cycle of process-related dust by sending it

to licensed companies. And we sort non-hazardous waste produced at our sites at the source then send it to licensed companies to have it recycled.

We have succeeded in turning scale into pellet cakes

When the material processed in our iron-steel plants is cooled, an iron oxide layer called scale forms. Normally, this is a loss for this industry and very hard to get any economic value out of it. Tosyalı Holding generates up to 80,000 tonnes of scale waste annually. As a result of our R&D studies, we managed to turn the scale waste into pellet cakes using a somewhat untried and challenging process. Instead of importing pellet cakes at considerable cost at our plant

in Algeria, we now meet that need using scale. We send this material to our plant in Algeria where it is used like iron ore.

We have started separating and making use of the elements in flue dust

Flue dust contains zinc oxide at a rate of 25-28%. We use filters and reverse airflow to collect and accumulate flue dust. We then give the flue dust we collect to zinc factories. We have been running R&D studies with a tech company for some time now to turn these wastes into high value-added products. We are going to build a plant that will separate the elements in flue dust using technology never seen before in the world where there will be none of these environmentally

harmful wastes. As a result, we will have developed a system that will put high value-added materials back into the economy while not generating environmental waste.

Here at Tosyalı Holding zero-waste management is one of the key components of our environmental sustainability approach. We manage this subject by adopting an all-round approach in many areas such as preventing pollution at the source, using natural resources, creating zero waste, and increasing energy efficiency. We also keep track of our national and international statutory obligations toward protecting human health and the environment. We apply the ISO 14001 Environmental Management System that aims

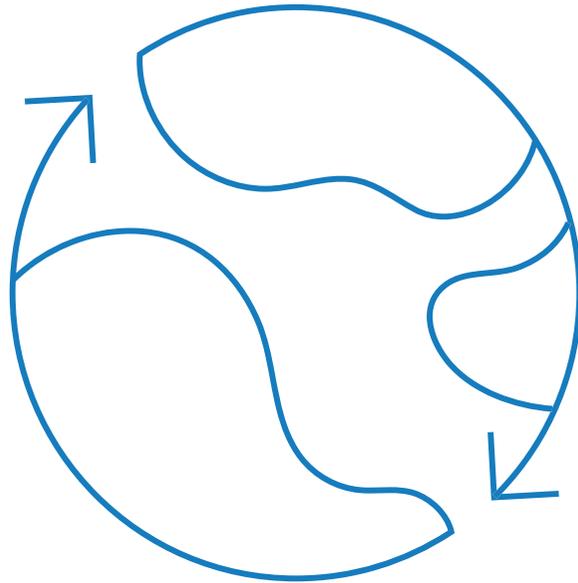
to reduce the use of natural resources and minimize harm to the environment. We periodically measure noise, illumination, dist, etc. at our production plants against specific criteria, measure flue emissions, and dispose of industrial waste. We send GHG reports to the Turkish Ministry of Environment and Urbanization.

As a result of our efforts in many fields such as zero waste, circular production, and reclamation, 77% of our total waste in 2022 was non-hazardous waste despite the increase in production. And 99.9% of the non-hazardous wastes produced in our operations was recycled.

> Tosyalı Holding Circular Production



At Tosyalı Harsco **Recycling Facilities**, we are putting **1.2 million tonnes** of slag waste, previously only stored and not recycled, back into the economy.



The amount of **recycled non-hazardous waste** in our operations in Turkey in 2022 reached **99.9%**.

We have been utilizing the slag from the processes of specific iron and steel producers in the industry and the companies in our group since 2018 with our Tosyalı Harsco company, established on 7,700 m² of land in Osmaniye in a joint venture between Tosyalı Holding and the US-based Harsco Corporation. Slag used to be stored only and not recycled and put back into the economy but we recover metal from slag and turn into a by-product to be used in different industries.

Tosyalı Harsco serves iron and steel, aluminum, copper nickel, ferro chrome, and cement factories in Türkiye. By recycling slag wastes at its facilities, Harsco enables them to be used as raw materials and additives in such areas as aggregate and railway ballast production, and used as raw materials in such sectors as asphalt, road construction, cement additives, and fertilizer production. We carried our successes from the work we started in the Mediterranean Region with Tosyalı Harsco into the Marmara Region when the Dilovası Harsco facility built on 8,857 m² of land opened in 2021. We use these two facilities of ours to put 1.2 million tonnes of slag waste back into the economy.

Earthquake-resistant asphalt with reduced water permeability increases vehicle safety

Thanks to the machines designed based on the principle of zero waste as a result of our R&D studies coupled with the in-house developed “Bloodhound” software, we can track the metallic iron in the slag online and minimize the proportion of metal in the slag. Recycled slag is treated by working cement sherbet into its pores and the resulting high resistance to wear makes it a far superior material than aggregate. Furthermore, the water permeability of asphalt made with slag increases vehicle safety in the rain and it turns out to be a safe material against earthquakes because it has better tensile and compression resistance than concrete.

Tosyalı Harsco also began cleaning slag from underneath furnaces in June 2019 using machinery it developed as another line of business. We also established a plant inside the Tosçelik Osmaniye factory to sort and clean 2 million tonnes of scrap metal. We separate scrap from foreign matter in our scrap sorting and cleaning plant, and produce iron and steel more efficiently and with less energy. We also reclaim copper, stainless steel, and aluminum from scrap metal at the same plant. We will continue to take the lead in circular production in Türkiye with the good examples we set here by spreading all these Tosyalı Harsco activities to other regions.

➤ Tosyalı Holding Responsible Investments



Our total social investment spending came to TRY 834 million in 2022.



We in Tosyalı Holding are focused on creating value for our stakeholders in line with our sustainability approach and we pursue our activities aware of our responsibilities to society as an institution with a 70-year history. Believing that the key to being a good company is leaving a better future for the next generations, we prioritize social projects that are bound to add value to social life in all the territories where we operate.

Our social investments are aimed at improving people’s education and health, their conditions of worship, arts and culture, environmental protection, and sports, and increasing solidarity.

We give back to society by providing schools, healthcare institutions, and so much more besides. Through the schools and healthcare institutions we build, we help young people and those in need of assistance for a healthy life. Believing that youth are the guarantee of our future, giving back to society through schools matters to us. For society to advance on more solid foundations, we need to raise healthy generations and ensure that people lead healthy and happy lives. This is why we provide healthcare institutions and contribute to many areas that

support social life.

We have contributed to the building of many living spaces such as schools, learning centers, dorms, libraries, medical centers, places of worship, sports fields, and gyms and helped restore historic works.

Supporting local and regional development is one of the key components of our sustainability approach. With this in mind, we don’t think it’s enough to do only our job at home and in the countries where we operate abroad; rather, we consider the development of those regions and their social needs to be our responsibility too. And so we contribute to local and regional development with the clustering model by leading organized industry and industrial zones.

As an institution that has made sustainability the lead item on its agenda, we help raise awareness about sustainability in society by supporting upcycling in art.

At Tosyalı Holding, we are one of the rare companies that has created funding in its budget for national disasters and that implements this disaster budget on behalf of the country in emergencies. We have also set aside a very large social

advisory fund.

We act in concert with the relevant ministries, institutions, and organizations in all the projects we implement. We also have work that we have planned in accordance with the demands of ministries, administrations, and local government. After completing the projects and handing them over, we continue to follow them closely to meet any new needs the projects might have moving forward. In addition to this, we can also support universities’ research-application projects and NGOs through direct sponsorship or by making donations in line with arising needs and incoming requests.

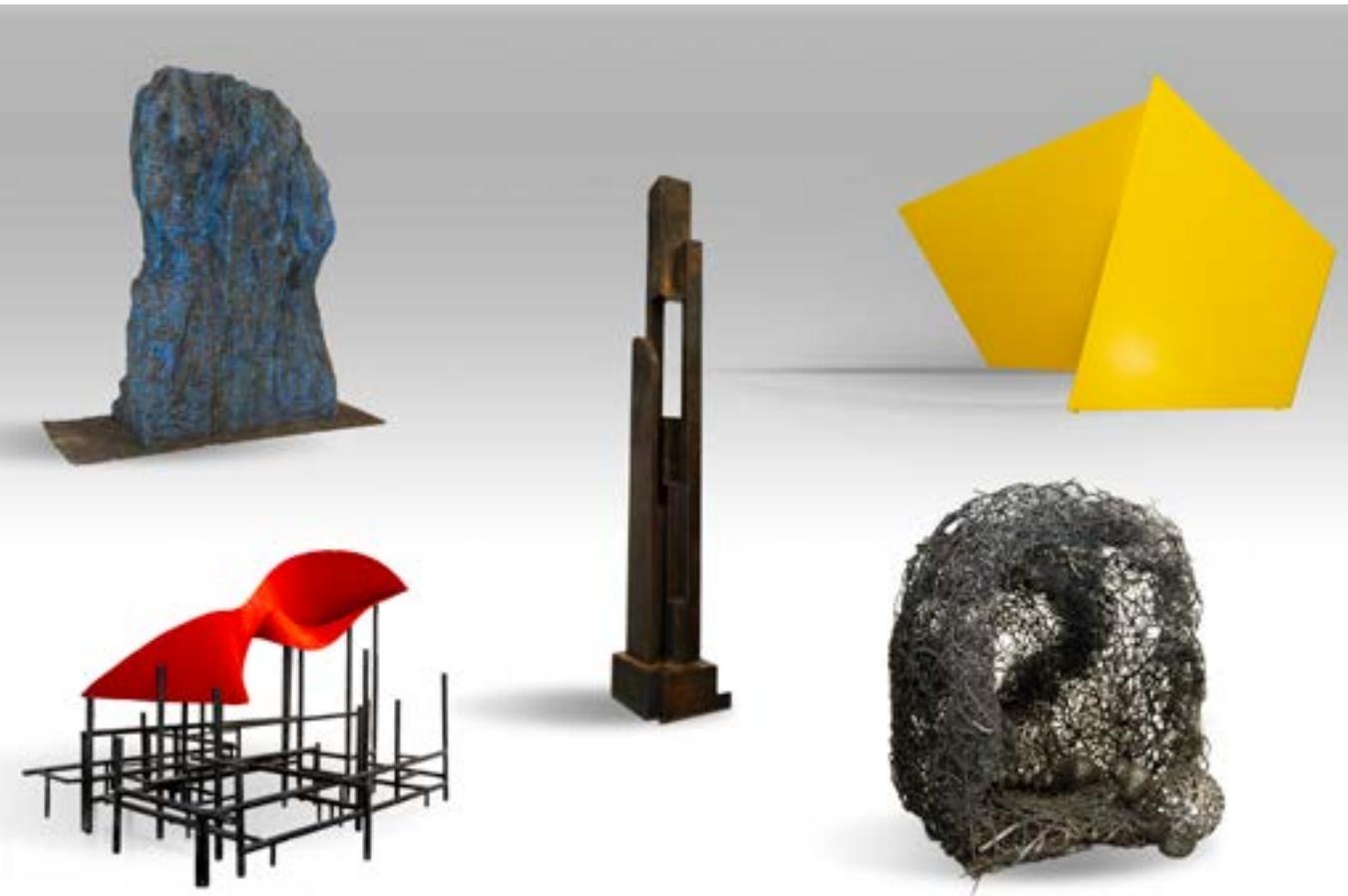
As a reflection of our social responsibility on 2022, we in Tosyalı Holding invested in many social projects including the School for the Disabled, Beysarayı Renovation, the “Artist in Residence” Program (for visiting artists) in collaboration with Contemporary Istanbul, and National Afforestation Day.

Together with all these developments, we spent TRY 845 million on social investments in 2022, an increase of more than three times compared to the previous year.

➤ Tosyalı Holding **Responsible Investments**



In association with **Contemporary Istanbul Foundation** we began **creating social responsibility projects** around the **theme of upcycling in art** in order to contribute to the development of sustainable art.



**“ARTIST IN RESIDENCE”
SUPPORTING UPCYCLING
IN ART**

Aware that art and artists are the most important factor in motivating change and transformation in society, our institution supports upcycling in art in the belief that sustainability can gain more meaning through art. This approach also dovetails with the green steel technology we created to reduce Tosyalı Holding’s carbon footprint to zero as our investment, globalization, and sustainability goals.

It is with this in mind that we sponsored the exhibition by legendary sculptor İlhan Koman, celebrating his 100th birthday, at the 16th Contemporary Istanbul art exhibition in 2021 as part of our long-standing collaboration with Contemporary Istanbul. It was under this collaborative effort that we hosted pioneering artists from Türkiye and around the world at Contemporary Istanbul as part of the “Artist in Residence” program in 2022.

Artists participating in the “Artist in Residence” Program -- Chiara de Rocchi, Emrullah Örünlü, Koray Tokdemir,

Nermin Ülker, and Songül Girgin -- visited Tosyalı Holding’s plants in Osmaniye in May and selected waste materials from 27 tonnes of scrap set aside in the production areas before starting work on pieces under the theme upcycling in art at the studio set up by Tosyalı Holding in Maslak, Istanbul, especially for the program. Teaming up for a sustainable life respecting nature, the five artists used their upcycling skills to breathe new life and purpose into materials no longer used after being spent. They worked hard for about five months on their exciting pieces, which they presented to art lovers at the 17th Contemporary Istanbul art exhibition in September.

Tosyalı Holding Chair of the Board Fuat Tosyalı participated in the “Upcycling in Art Panel” supported by Tosyalı Holding as part of this collaboration joined by Contemporary Istanbul Chair of the Board Ali Güreli, artist Kemal Tufan, collector and gallery owner Emirhan Elkörek, and Contemporary Istanbul Art Director Aslı Ünal. Watched eagerly by art lovers, the panel’s audience include many of Tosyalı Holding’s business partners from Türkiye’s various cities.

STEEL IS EVERYWHERE IN LIFE
IF STEEL TRANSFORMS, LIFE WILL TRANSFORM



TOSYALI FOR A **SUSTAINABLE** LIFE...

The Paris Eiffel Tower has 18,038 pieces of forged iron and 2.5 million rivets.



*We in Tosyali Holding see **our human resources** as our most valuable asset to take us into the future and with this in mind, **we are advancing toward our goal of being one of the top three companies** in the industry favored by talents by working under three different headings, namely, **Talent Management, Inclusion and Diversity, and Occupational Health and Safety.***

➤ Tosyalı Holding Talent Management

Achievements and Goals	2020	2021	2022	2023	2025	2030
Employee Engagement Rate	72%	71%	74%	80%	82%	85%
Employee Turnover Rate	4.89%	5.47%	7.50%	5.00%	4.50%	3.50%
Talent Pool Turnover Rate	9.20%	10.90%	9.46%	7.00%	5.00%	3.50%

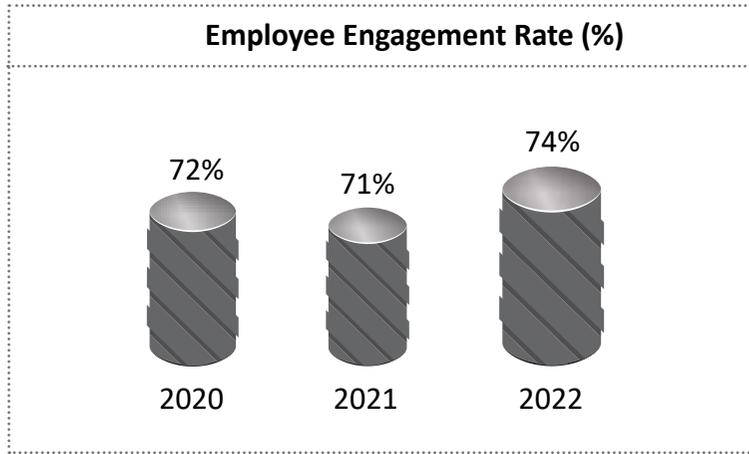


We in Tosyalı Holding are working to create a business culture that is open to continuous improvement and innovation with the strength we draw from our 70-year history and our values. Knowing that our continually improving and changing human resources are behind everything we have achieved, we continue to advance toward our goal of being one of the top three companies in the industry favored by talents. This is why we focus on creating a working environment that can create not only economic value but also environmental and social value and contribute to building a sustainable life for the betterment of our human resources, our most valuable asset.

Forming the corporate architecture that will respond to its corporate transformation and growth as

Tosyalı Holding moves forward with the goal of being one of the 30 largest steel companies in the world and ensuring talent development constitute the corner stone of our Tosyalı employer brand strategy. It is with this vision that we continue to organize training programs that will contribute to our human resources' continuous improvement and increase their competencies, design a working environment that will make improvement part of the job, and create a self-sustaining environment of learning and experience with Tosyalı Academy. The employee brand occupies a key place in the promotion of our company. Our plants are opening their doors to universities. We are giving them chance to see up close what kind of workplace they will be working in at Tosyalı Holding.

> Tosyalı Holding Talent Management



We are forging ahead with our work knowing that by creating a productive and innovative working environment that is meaningful at an individual, environmental, and social level and where our employees can do good for the world, we can increase their engagement and sense of belonging. The steps we took in the past two years with this in mind started bearing fruit in 2022. Our employee engagement score reached 74%, higher than it was before the pandemic.

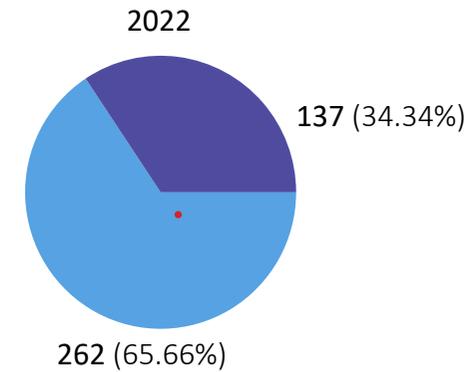
The number of suggestions made on the Employee Suggestion System in 2022 was 336, up 48.7%.

We in Tosyalı Holding have an Employee Suggestion System in place that works very well indeed. We manage this system using the software and systematics we developed in-house. We have a reward system in place supporting our suggestion system. We periodically hold reward ceremonies after the suggestion has been turned into a project and the project has concluded successfully.

The number of suggestions made on the Employee Suggestion System in 2022 was 336, up 48.7%. The number of suggestions acted on was 262, 41% of which, or 137 were put into effect.



Our employee engagement score reached 74%, higher than it was before the pandemic.



- Number of Suggestions Put Into Effect
- Number of Suggestions Acted on
- Number of Suggestions Remaining

Employee Suggestion System	2021	2022
Number of Suggestions	226	336
Number of Suggestions Put Into Effect	96	137
Number of Suggestions Acted on	144	262

➤ Tosyalı Holding Talent Management



We carried out 94,130 hours of training in 2022. The number of hours of training we gave our employees was up 21% compared to 2021.

Here are some of our employee satisfaction projects and efforts in 2022.

- Events on special occasions to increase employee satisfaction
- Rewards for the Suggestion System
- Gift packages for employees on March 8 Women's Day, Mothers Day, and New Year
- Year-end and fast-breaking events
- Improvements to the health insurance coverage provided to all employees
- Work on improving/renewing shuttle vehicles
- Continuing the production and sale premium system implemented to increase employee motivation and productivity.

We organized various training and development programs in 2022 starting with Manager Development programs and Sales School training to improve our employees' competencies.

We implemented the Tosyalı VR virtual reality app for use in our training, orientation, and design programs at Tosyalı Academy. We started using this VR app to give introductory tours of our facilities to newly hired white/blue-collar employees, students on technical visits, and the guests we collaborate with. We took the experience gained with this project and started to develop new VR-assisted training programs and other projects. For example, using the first version of the app, we carried out ceiling hoist training in a simulated environment, firefighting training, and working at heights training all in VR. In addition to this, we have commissioned two projects called "Rolling Shop Looper Roll Replacement Training" and "Fitting and Removing Couplings on ERW Coated Lines Training" by way of giving machinery and equipment repair/maintenance/removing/fitting training using VR apps. We plan on implementing at least 10 repair/maintenance/removing/fitting projects in VR in 2023.

We in Tosyalı Holding intend to implement the Work Zone, Career Management System-Talent Management, Onboarding practices in the Successfactors program in 2023 as well as VR Virtual Training, Holistic Leadership Training programs and Manager Training Programs.

➤ Tosyalı Holding Talent Management

Employee Training	2020	2021	2022
Total Training Hours	59,756	77,651	94,130
Training Hours Per Employee	7.4	9.0	13.99

Successfactors Program

The hiring, performance, career management, employee center, duty travel models in the Successfactors Program, the digital transformation project run by HR, were commissioned in 2022. Structural work on the studies for Workzone (in-house social media) and onboarding modules was completed. The Successfactors Program was launched in 2019 to make Tosyalı Holding employees' needs related to personnel work, training, and communication activities faster and more effective in a digital environment. Employee leave, performance management, online training, duty and travel approvals

are run on the Successfactors app. Employees and their supervisors can see their personnel and training information, up-to-date organization schematics, and past work experience on the Successfactors app. The digital program can be accessed using smart phones.



2022 Employee Training

- OHS Training on Let-X for White and Blue-Collar Employees
- Technical Training Programs Using In-House Trainers
- PLC and Automation Training Programs
- E-Training Programs Associated with Basic, Functional, and Managerial Skills for White Collar Employees
- Manager Development Program
- Sales team Development Program
- Foreign Language Training for White Collar Employees
- 6 Sigma Training and Project Work, 5S Training for Designated Teams in All Plants
- Orientation App Using 260-Degree Virtual Reality Goggles
- Virtual Reality Technical Training and Occupational Health and Safety Training
 - Firefighting Training
 - Working at Heights Training
 - Rolling Shop Looper Roll Replacement Training
 - Fitting and Removing Couplings on ERW Coated Lines
- First Aid Training in Line With Plant Needs
- Professional Competency Certification Work

➤ Tosyalı Holding Talent Management



Manager Development Program

The aim of the Manager Development Program is for Tosyalı Holding managers to evaluate the basic business processes within a corporate company's organizational makeup by seeing the big picture and ensure maximum participation in them. Participants in the program learn to apply the knowledge obtained through action learning sets in the real world by analyzing real-world cases from the business world and developing

effective and appropriate approaches in daily life. Aiming to help our managers be happier, more original, and more successful, this program consists of 5 modules, namely, **“Discover Yourself and the Future”**, **“Sales-Marketing and Brand Management”**, **Project and Process Management, Purchasing”**, **“Finance and Basic Accounting”**, and **“Human Resources and Coaching in Leadership”**.



With Tosyalı Academy we help train a qualified and talented work force for 3 different continents.

TOSYALI ACADEMY

With Tosyalı Academy we help train a qualified and talented work force for 3 different continents. As a group that believes in value-added production through cutting edge technology, we founded Tosyalı Academy to improve the quality of our human resources and train young talents for the industry. We aim to help our employees adapt to the institution and their duties from their first day at work. To this end, we plan training courses and methods at Tosyalı Academy to improve the knowledge and skills our employees are supposed to have to do their jobs and we assess their progress.

We conduct technical and professional training under the academy. We make attending our professional training courses mandatory and we aim for all our employees to complete this training within 2 years. In addition to this, we

improve our employees' knowledge by organizing orientation training, competency training, and project training at our Basic Education School, also part of the academy. We also have an Online Campus Portal to create a learning environment that supports all the academy's processes. We organize leader training and potential leader training aimed at training managers for the plants and the Holding's units and at improving our employees' leadership skills.

In addition to all this, we implemented the Tosyalı VR virtual reality app for use in our training, orientation, and design programs at Tosyalı Academy. We use the VR app to introduce our plants to newly hired white and blue-collar personnel, students on technical visits, and guests we collaborate with.

➤ Tosyali Holding Inclusion and Diversity

Our Employee Profile	2020	2021	2022
Number of Female Employees	257	273	251
Number of Male Employees	7,857	8,315	6,476
Number of White-Collar Female Employees	162	176	232
Number of White-Collar Male Employees	1,164	1,285	1,760
Number of Blue-Collar Female Employees	95	97	19
Number of Blue-Collar Male Employees	6,693	7,030	4,716

Tosyali Holding considers inclusion and diversity to be among the most important elements for the future of our business. With this in mind, we provide equal working opportunities in the Tosyali ecosystem regardless of age, gender, nationality, race, ethnicity, religion, or political opinion. We act with this understanding in all our hiring, remuneration, performance evaluation, career management, talent management, and training management areas. There are very few women working in the iron-steel industry, a heavy industry by nature. Even so, we are seeing women starting to occupy more and more places in the industry with the shift in world dynamics in recent years. Our company is aware of the creativity, innovative thinking, and productivity that diversity brings and we are maintaining our efforts to increase the proportion of women in our workplaces. We are speeding up our actions in line with our goal of increasing our proportion of women employees by 86% by 2030.



*We aim to increase our **proportion of women employees by 86%** by 2030.*

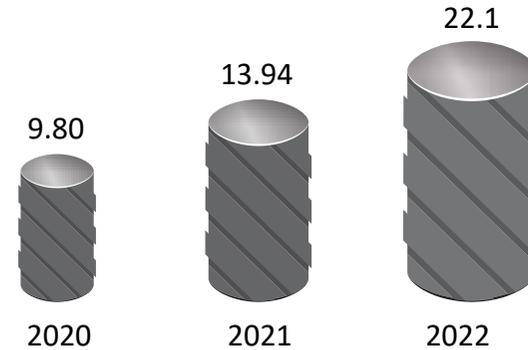
Achievements and Goals	2020	2021	2022	2023	2025	2030
Proportion of Female Employees	%3.82	3.77%	3.73%	4.00%	5.00%	7.00%

TOSYALI FOR A SUSTAINABLE LIFE...

Tosyalı Holding Occupational Health and Safety



OHS Training Hours Per Employee*



* Includes our data in Türkiye operations.



OHS Training Hours Per Employee **up 58% on the previous year.**

We in Tosyalı Holding consider the health and safety of everyone in our ecosystem in all our activities to be our most material topic. We run all our OHS-related process with great diligence and manage this topic within the scope of international standards beyond legal legislation with our zero workplace accident approach.

We continually update our risk assessments in line with ISO 45001 standards and legal legislation and take measures to minimize risks by redefining them as situations develop. We also keep our employees aware of the risks through the regular training we provide.

Through regular meetings and the suggestion system, we include our employees in OHS processes and design improvements to practices and new processes together.

As a company that puts training and development first, we increase and improve our training in OHS topics more and more each day. With this in mind, we provided 148,669 hours of training in 2022. We increased the average amount of OHS training per employee per year by 25% to 22.1 hours. A total of 12,944 people took part in this training.

Tosyalı Holding Occupational Health and Safety



Behavior-Focused OHS Management System

Statistics for workplace accidents show that 88% of all accidents are due to the personnel themselves behaving incorrectly. We implemented the Behavior-Focused OHS Management System project under the auspices of Tosyalı Toyo Çelik A.Ş to affect positive change in personnel behavior regarding OHS.

This project entailed introducing various practices to create a culture of safe behavior, replacing risky behaviors with safe ones and developing a culture in which our employees watch out for each other.

OHS-Environment Volunteer Program

With the OHS-Environment Volunteers program we launched in 2022, employees who voluntarily want to make a contribution began assuming responsibility voluntarily, intervening in inappropriate OHS behavior seen at work, informing the relevant parties, and eliminating such behavior in addition to their normal work when they completed training. A total of 58 employees volunteered under this program in 2022.

increasing employee training while restructuring our working environment accordingly more every day. As part of our Industry 4.0 investments, we are using robots in various areas that pose OHS risks to people at various rates. As a result of the training we organized, our Industry 4.0 investments, and the arrangements we made in our processes and working environment, we had no fatal workplace accident in 2022. We are continuing to work toward our long-term goal of “zero workplace accidents.”

In line with the zero workplace accident principle in Tosyalı Holding Companies, we are

Occupational Health and Safety Training given in 2022

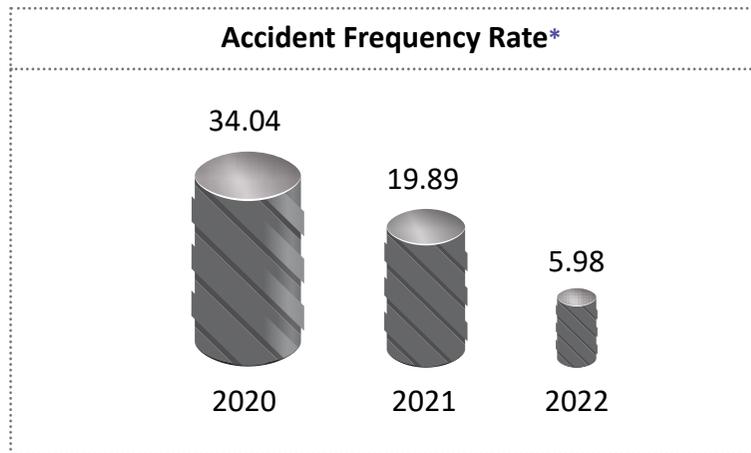
- We provided basic OHS training.
- We gave online OHS training.
- We continued technical training all year round with Tosyalı Academy.
- We gave our emergency response teams training for emergencies.
- We gave training in the technical topics we considered necessary by giving on-the- talks each week in addition to the mandatory training.
- Our Working at Heights Trainer gave theoretical and practical lessons in Working at Heights to personnel who work at heights at the Dilovası ERW Plant.

In addition to our ongoing efforts in 2022, we implemented many projects and practices such as Foreman Briefing and Consultation Meetings, Unit OHS Representative Meetings, Pre-Shift OHS Talks, Risk Assessment Update Studies, Emergency Action Plan Update Studies, Behavior-Focused OHS Management System, Unit OHS Representative Meetings and missions a Packaging Robot.

> Tosyalı Holding Occupational Health and Safety



We are advancing toward our long-term goal of **“zero workplace accidents”**. We **reduced our workplace accident frequency by 70% compared to the previous year in 2022.**



* Includes our data in Türkiye operations.

OHS Practices Implemented in 2022

- We completed illuminating in some zero elevation areas where there was none.
- We carried out non-damaging inspections to determine the ability of lifters and conveyors to detect dangers in advance and material fatigue..
- We carried out maintenance and period inspections on the fire detector system.
- We created special activity flow charts for each unit to create safe working instructions and produced concept maps.
- We conducted a multi-factor leadership culture survey about leaders and safety culture for a sustainable safety culture.
- We organized training so that employees, operators, and technicians working in the work zone could quickly and appropriately assess incidents occurring on site.
- We organized training on performing the water melon experiment with employees to emphasize the importance of using Personal Protective Equipment.
- We organized informative training about the Japanese practice of KICHEN-YOKHI (Danger Estimation) used to detect dangers in the work zone that could be caused by employees using machinery and equipment .
- We gave 1,720 hours of training to 131 employees with the online training system.
- We made a flammable chemicals store located inside the Storage depot to counter the fire risk.

STEEL IS EVERYWHERE IN LIFE
IF STEEL TRANSFORMS, LIFE WILL TRANSFORM



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TOSYALI FOR A **SUSTAINABLE** LIFE...

31,400 tonnes of rebars were
used in the Burj Khalifa.



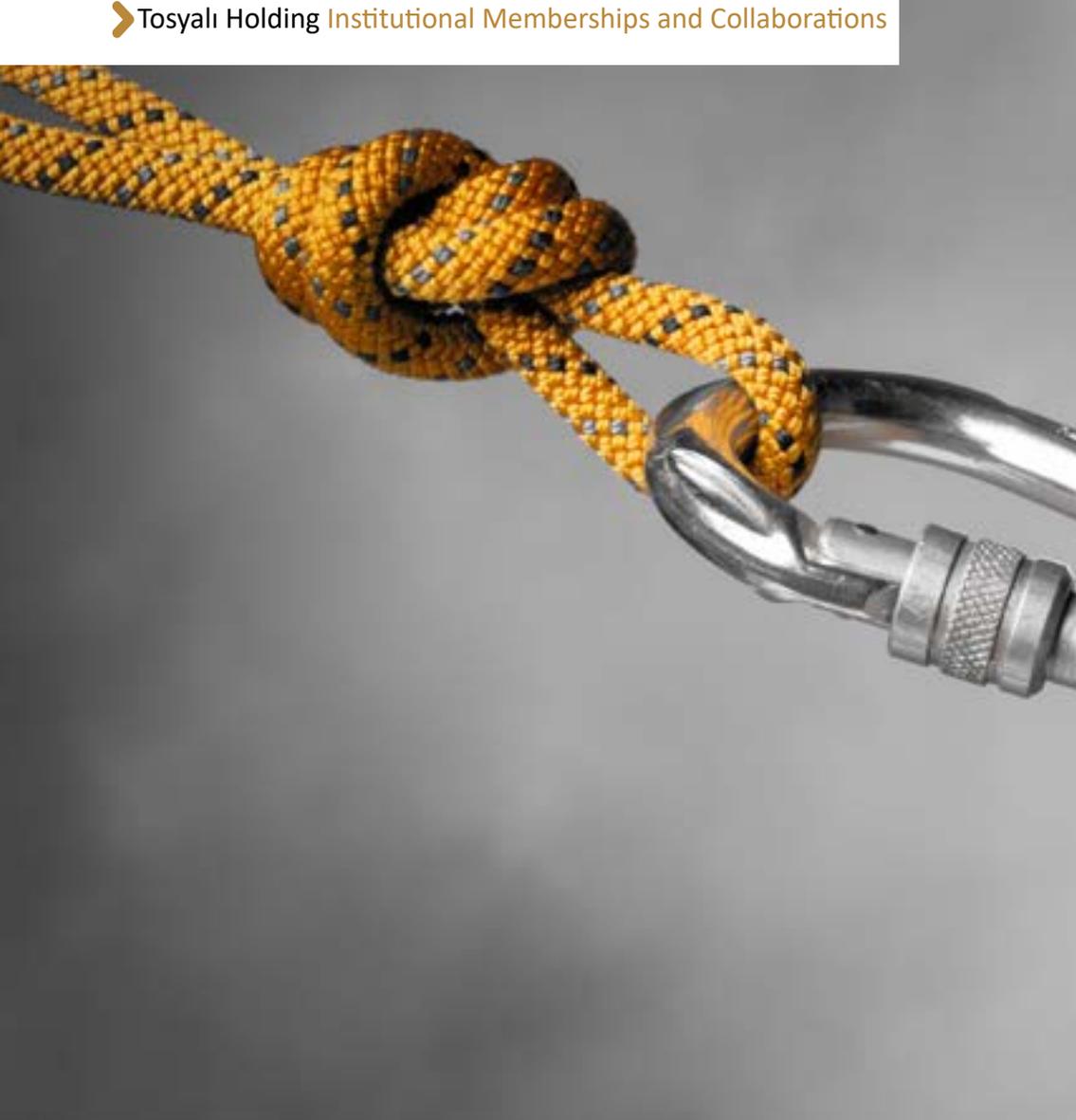
We care about **cultivating common quality awareness** in our stakeholder relations and **raising brand reputation** in the eyes of all stakeholders.

> Tosyalı Holding Stakeholder Relations

As a company that serves many different sectors both at home and abroad, we are aware that transparent relations and collaboration with our stakeholders are critical for our activities. We care about cultivating common quality awareness in our stakeholder relations and raising brand reputation in the eyes of all stakeholders.

Stakeholder Group	Communication Management	Communication Frequency
Employees	Mailing, Announcements, Social Media, Events, Training, Messages from the Leader	Weekly
Customers	Conferences and Summits	Regularly
Business Partners and Suppliers	Customer Visits, Telephone, E-mail, Social Media, Tosyalı Magazine	Quarterly
Analysts and Creditors	Business Partner Meetings, Social Media, Telephone, Visits, Mailing,	Quarterly
International Organizations and Initiatives	Tosyalı Magazine	Quarterly
NGOs	Telephone, E-mail, Meetings, Tosyalı Magazine	Weekly
Government Agencies and Regulatory Authorities	Expos, Visits, Events, Social Media	Regular
Media (Local and National)	Meetings, Events, Social Media, Visits, Tosyalı Magazine	Quarterly
Universities	Meetings, Events, Social Media, Visits, Tosyalı Magazine	Quarterly
Artists	Press releases, Interviews, Launches, Expos, Events, Social Media	Daily

Tosyalı Holding Institutional Memberships and Collaborations



Organization

Mediterranean Exporters Associations
 Istanbul Minerals and Metals Exporters Associations (İMMİB)
 Istanbul Ferrous and Non-Ferrous Metals Exports Association (İDDMİB)
 Istanbul Minerals and Metals Exporters Associations (İMMİB)
 Steel Exporters Association (ÇİB)
 Turkish Constructional Steelwork Association – TUCSA
 Constructional Steel Training and Research Center Financial Enterprise
 Mediterranean Exporters Associations
 Iskenderun Chamber of Commerce
 East Anatolia Exporters Association (DAİB)-Erzurum
 DEİK (Foreign Economic Relations Council)
 Iskenderun Maritime Chamber of Commerce
 Gebze Chamber of Commerce
 Karabük Chamber of Commerce
 Steel Pipe Manufacturers Association (ÇEBİD)
 Iskenderun Chamber of Commerce and Industry
 S.S İMES Collective Workplace Building Cooperative
 Turkish Steel Producers Association
 Osmaniye Chamber of Commerce
 Ankara Chamber of Commerce
 Energy Efficiency Association
 Mediterranean Exporters Associations
 TOBB Global Standards Center
 Turkish Foundry Manufacturers Association
 İMEAK (Istanbul and Marmara, Aegean, Mediterranean, Black Sea Regions) Maritime
 Chamber of Commerce
 Kocaeli Chamber of Industry
 Aliağa Chamber of Commerce
 Dörtyol Chamber of Commerce
 Mediterranean Cereals, Pulses, Oil Seeds and Products Exporters' Association (AHBİB)
 Istanbul Chamber of Commerce
 Osmaniye Chamber of Commerce and Industry
 Gebze Chamber of Industry and Commerce
 International Fertilizer Association – IFA

➤ Tosyali Holding Performance Indicators

Social Performance Indicators

Employees by Gender	2020	2021	2022
Number of Female Employees	257	273	251
Number of Male Employees	7,857	8,315	6,476

Employees by Category	2020	2021	2022
Number of White-Collar Female Employees	162	176	232
Number of White-Collar Male Employees	1,164	1,285	1,760
Number of Blue-Collar Female Employees	95	97	19
Number of Blue-Collar Male Employees	6,693	7,030	4,716

Employees (%)	2020	2021	2022
Proportion of Female Employees	%3.82	3.77%	3.73%
Employee Engagement Rate	72.07%	71.09%	74%
Employee Turnover Rate	4.89%	5.47%	7.50%
Talent Pool Turnover Rate	9.2%	10.9%	9.46%

➤ Tosyali Holding Performance Indicators

Training	2020	2021	2022
Total Training Hours	59,756	77,651	94,130
Training Hours Per Employee	7.4	9.0	13.99

Occupational Health and Safety (OHS)	2020	2021	2022
Fatal Accidents	2	3	0
Number of Accidents	817	763	226
Number of Lost Days	7,819	8,249	9,674
Occupational Accidents Counting as Lost Days	500	485	421
Accident Frequency Rate*	34.04	19.89	5.98
OHS Training Hours Per Employee	10	14.	22.1

* Accident Frequency Rate = Total number of accidents / Total hours worked x 1,000,000

> Tosyali Holding Performance Indicators

Supply Chain	2020	2021	2022
Total Number of Suppliers	10,178	11,390	16,626
Number of New Suppliers	436	1,212	1,527
Number of Domestic Suppliers	9,590	10,662	14,946
Payments Made to Suppliers (TRY)	1,162,253,039	2,795,813,832	13,137,453,663
Payment Made to Indigenous Suppliers (TRY)	843,076,533	1,794,486,438	6,108,456,470
Number of Critical Suppliers	134	134	234

Customers	2020	2021	2022
Number of Customers	2,288	2,278	4,083
Total Number of Products	315	338	1,222
Number of Complaints Forwarded	385	339	916
Number of Complaints Resolved	385	339	912

➤ Tosyalı Holding Performance Indicators

Environmental Performance Indicators

GHG Emissions	Unit	2020	2021	2022
Scope 1 Emissions	tCO ₂ e	2,173,616	2,273,683	424,901
Scope 2 Emissions	tCO ₂ e	1,838,151	1,799,351	623,838
Scope 3 Emissions	tCO ₂ e	-	-	5,738,258
Total Emissions (Scopes 1+2+3)	tCO ₂ e	4,011,767	4,073,034	6,786,997

Emission Density	Unit	2020	2021	2022
Total Emissions	tCO ₂ e	1,341,731	1,329,847	1,048,738
Production Amount	tonnes	7,237,000	7,632,000	7,250,521
GHG Density	tCO ₂ e/tonne	0.19	0.17	0.14

Energy Consumption	Unit	2020	2021	2022
Electricity Consumption	MWh	3,859,454	3,834,728	4,374,768.24
Natural Gas Consumption	MWh	9,006,869	9,022,294	9,818,958.76
Renewable Energy Generated	MWh	14,850	15,592	61,151
Total Energy Consumption	MWh	12,918,583	13,141,382	14,282,417.54

➤ Tosyalı Holding Performance Indicators

Water Consumption	Unit	2020	2021	2022
Water Consumption	m ³	12,371,098	15,493,905	13,869,964

Waste	Unit	2020	2021	2022
Hazardous Waste	tonnes	37,357	3,797	885,744
Recycled Hazardous Waste	tonnes	35,756	2,442	30,538
Non-Hazardous Waste	tonnes	568,899	630,709	2,919,528
Recycled Non-Hazardous Waste	tonnes	549,870	595,531	2,229,660
Hazardous and Non-Hazardous Waste	tonnes	606,256	634,506	3,805,272

STEEL IS EVERYWHERE IN LIFE
IF STEEL TRANSFORMS, LIFE WILL TRANSFORM



TOSYALI FOR A **SUSTAINABLE** LIFE...

Sydney Harbour Bridge, this bridge in Australia is
The world's largest steel arch bridge. Made with 52,800
tonnes of steel.



GRI Standart	Disclosure	Location
GRI 1: Foundation 2021		
GRI 2: General Disclosures 2021		
GRI 2: General Disclosures 2021	2-1 Organizational details	Tosyalı Holding, 14-27
	2-2 Entities included in the organization's sustainability reporting	About the Report, 5
	2-3 Reporting period, frequency and contact point	About the Report, 5
	2-4 Restatements of information	None
	2-5 External assurance	None
	2-6 Activities, value chain and other business relationships	Tosyalı Holding, 14-27, Tosyalı in Numbers, Supply Chain Management, 57-58
	2-7 Employees	Tosyalı Holding Inclusion and Diversity, 72
	2-8 Workers who are not employees	All the employees reported by Tosyalı Holding in this report are its employees
	2-9 Governance structure and composition	Tosyalı Holding Board of Directors, 28
	2-10 Nomination and selection of the highest governance body	Per its privacy policies, Tosyalı Holding does not make this information publicly available
	2-11 Chair of the highest governance body	Tosyalı Holding Board of Directors, 28
	2-12 Role of the highest governance body in overseeing the management of impacts	Message from the Chair of the Board of Directors, 6-8
	2-13 Delegation of responsibility for managing impacts	Message from the Chair of the Board of Directors, 6-8
	2-14 Role of the highest governance body in sustainability reporting	Message from the Chair of the Board of Directors, 6-8

Tosyalı Holding has reported the period January 1-December 31, 2022, in compliance with GRI Standards. We in Tosyalı Holding bring our environmental, social, and governance performance to the attention of all our stakeholders in our Sustainability Report prepared with the guidance of the Global Reporting Initiative (GRI) for the attention of all our stakeholders with Global Reporting Initiative (GRI) guidance.



GRI Standard	Disclosure	Location
GRI 1: Foundation 2021		
GRI 2: General Disclosures 2021		
GRI 2: General Disclosures 2021	2-15 Conflicts of interest	Tosyalı Holding Code of Conduct, 29
	2-16 Communication of critical concerns	Tosyalı Holding Risk Management, 31
	2-17 Collective knowledge of the highest governance body	Per its privacy policies, Tosyalı Holding does not make this information publicly available.
	2-18 Evaluation of the performance of the highest governance body	Per its privacy policies, Tosyalı Holding does not make this information publicly available.
	2-19 Remuneration policies	Tosyalı Holding Inclusion and Diversity, 72
	2-20 Process to determine remuneration	Tosyalı Holding Inclusion and Diversity, 72
	2-21 Annual total compensation ratio	Per its privacy policies, Tosyalı Holding does not make this information publicly available.
	2-22 Statement on sustainable development strategy	Tosyalı Holding Sustainability Framework, 37
	2-23 Policy commitments	Tosyalı Holding Management Systems, 59 www.tosyaliholding.com.tr/surdurulebilirlik/cevre-ve-isg www.tosyaliholding.com.tr/surdurulebilirlik/bilgi-guvenligi
	2-24 Embedding policy commitments	Tosyalı Holding Management Systems, 59
	2-25 Processes to remediate negative impacts	Tosyalı Holding Code of Conduct, 29 Tosyalı Holding Risk Management, 31
	2-26 Mechanisms for seeking advice and raising concerns	Tosyalı Holding Code of Conduct, 29
	2-27 Compliance with laws and regulations	Tosyalı Holding Code of Conduct, 29
	2-28 Membership associations	Tosyalı Holding Institutional Memberships and Collaborations, 79
	2-29 Approach to stakeholder engagement	Tosyalı Holding Stakeholder Relations, 78
2-30 Collective bargaining agreements	“There is no work force in Tosyalı Holding employed under a collective bargaining agreement.”	



GRI Standard	Disclosure	Location
GRI 3: Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Tosyali Holding Sustainability Priorities, 40-41
	3-3 List of material topics	Tosyali Holding Sustainability Priorities, 41-43
	3-3 Management of material topics	Tosyali Holding Sustainability Framework, 37 Tosyali Holding Our Sustainability Goals, 38-39 Tosyali Holding Sustainability Priorities, 40-43
Economic Performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Corporate Profile, Tosyali Holding in Numbers, 14-15
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Corporate Profile, Tosyali Holding in Numbers, 14-15
Customer Satisfaction		
GRI 3: Material Topics 2021	3-3 Management of material topics	Tosyali Holding Management Systems, 59
Supply Chain		
GRI 3: Material Topics 2021	3-3 Management of material topics	Tosyali Holding Supply Chain, 57-58
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Tosyali Holding Supply Chain, 58
Code of Conduct		
GRI 3: Material Topics 2021	3-3 Management of material topics	Tosyali Holding Code of Conduct, 29
GRI 205: Anti-Corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Tosyali Holding Code of Conduct, 29
R&D and Innovation		
GRI 3: Material Topics 2021	3-3 Management of material topics	Tosyali Holding Sustainability-Focused Innovation Management, 52-54



GRI Standard	Disclosure	Location
GRI 3: Material Topics		
Combating Climate Change		
GRI 3: Material Topics 2021	3-3 Management of material topics	Tosyali Holding Carbon-Free Steel 46, Tosyali Holding Energy Efficiency 47-49, Tosyali Holding Renewable Energy 50, Tosyali Holding Green Hydrogen 51, Tosyali Holding Water Risks and Management 60, Tosyali Holding Circular Production, 61-62
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Tosyali Holding Performance Indicators, 83
	302-4 Reduction of energy consumption	Tosyali Holding Energy Efficiency, 49, Tosyali Holding Renewable Energy 50
	302-5 Reductions in energy requirements of products and services	Tosyali Holding Energy Efficiency, 49, Tosyali Holding Renewable Energy 50
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Tosyali Holding Water Risks and Management , 60
	303-3 Water withdrawal	Tosyali Holding Water Risks and Management , 60
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Tosyali Holding Energy Efficiency, 48
	305-2 Energy indirect (Scope 2) GHG emissions	Tosyali Holding Energy Efficiency, 48
	305-3 Other Indirect (Scope 3) GHG emissions	Tosyali Holding Energy Efficiency, 48
	305-4 GHG emissions intensity	Tosyali Holding Energy Efficiency, 49
	305-5 Reduction of GHG emissions	Tosyali Holding Energy Efficiency, 49
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Tosyali Holding Circular Production, 61-62
	306-2 Management of significant waste-related impacts	Tosyali Holding Circular Production, 61-62
	306-3 Waste generated	Tosyali Holding Circular Production, 61



GRI Standard	Disclosure	Location
GRI 3: Material Topics		
Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Tosyalı Holding Talent Management, Tosyalı Holding Inclusion and Diversity, 67-72
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Tosyalı Holding Talent Management, Tosyalı Holding Inclusion and Diversity, 67, 68, 72
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Tosyalı Holding Occupational Health and Safety, 73-75
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Tosyalı Holding Occupational Health and Safety, 73-74
	403-2 Hazard identification, risk assessment, and incident investigation	Tosyalı Holding Occupational Health and Safety, 75 Tosyalı Holding Performance Indicators, 81
	403-3 Occupational health services	Tosyalı Holding Occupational Health and Safety, 75
	403-4 Worker participation, consultation, and communication on occupational health and safety	Tosyalı Holding Occupational Health and Safety, 73-74
	403-5 Worker training on occupational health and safety	Tosyalı Holding Occupational Health and Safety, 73-74
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Tosyalı Holding Occupational Health and Safety, 73-75
Training		
GRI 3: Material Topics 2021	3-3 Management of material topics	Tosyalı Holding Talent Management, 69-71
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Tosyalı Holding Talent Management, 70
	404-2 Programs for upgrading employee skills and transition assistance programs	Tosyalı Holding Talent Management, 69-71



GRI Standard	Disclosure	Location
GRI 3: Material Topics		
Equality and Inclusion		
GRI 3: Material Topics 2021	3-3 Management of material topics	Tosyalı Holding Inclusion and Diversity, 72
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Tosyalı Holding Inclusion and Diversity, 72
	406-1 Incidents of discrimination and corrective actions taken	No cases of discrimination were encountered in the reporting period.
Society		
GRI 3: Material Topics 2021	3-3 Management of material topics	Tosyalı Holding Responsible Investments, 63-64
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Tosyalı Holding Responsible Investments, 63-64



TOSYALI
HOLDİNG



TOSYALI FOR A **SUSTAINABLE** LIFE...

TOSYALI HOLDİNG / İSTANBUL OFFICE

Address: Barbaros Mahallesi Sütçü Yolu Caddesi No:72 Ataşehir, İstanbul

Phone: (0) 216 544 36 00 / **Fax:** (0) 216 544 36 06

E-mail: web@tosyaliholding.com.tr / www.tosyaliholding.com.tr

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