

SUSTAINABILITY REPORT

2023





Every factory is a castle.

H. Oetters



CONTENTS

1

HABAŞ: The
Brand of Steel

About the Report	04
Our Message to Stakeholders	05
Corporate Profile	08
Our Corporate Values	10
Milestones: The Journey of HABAŞ	11
Our Areas of Activity	12
HABAŞ Group Affiliates	14

2

Sustainability
Governance

Our Sustainability Strategy Approach	25
HABAŞ Sustainability Committee	26
Management of Corporate Risks and Opportunities	29
Stakeholder Management	30
Prioritization Analysis	34
Our Strategic Goals and Alignment with SDGs	38

3

Corporate
Governance

Management Systems and Compliance	42
Ethical Principles and Compliance	44
Customer Relations and Complaint Management	46
Digitalization	51

4

Financial
Development

Financial Contribution & Value Creation	56
Operational Efficiency	60
Sustainable Supply Chain Management	63

5

Environment
and Climate

Environmental Management	70
Carbon and Energy Management & Climate Crisis Mitigation	71
Water and Wastewater Management	77
Circular Economy and Waste Management	80

6

Our Employees and
Society

Employee Health and Safety	85
Diversity, Equity, and Inclusion	89
Training, Talent, and Compensation Management	91
Social Investments and Contribution to Development	93
Corporate Memberships and Partnerships	95

7

Performance
Indicators

Financial Performance Indicators	97
Environmental Performance Indicators	98
Social Performance Indicators	99
GRI Index	104

ABOUT THE REPORT

This report aims to transparently share the sustainability performance of HABAŞ Industrial and Medical Gases Production Industry Inc. for the period between January 1, 2023, and December 31, 2023, with its stakeholders. By presenting our company's environmental, social, and governance impacts, the report reflects our commitment to long-term value creation and our dedication to the journey of sustainability.

As HABAŞ Iron and Steel's we continue our mission of ensuring efficient resource utilization, developing innovative solutions, and creating social benefits while adapting to the dynamics of our industry. Our approach to sustainability is not limited to operational successes; it also emphasizes our responsibility towards the environment and society. In this context, we have prepared our second sustainability report, following the first published in 2022, in line with the Global Reporting Initiative (GRI) 2021 Standards. This ensures compliance with international transparency and accountability standards. Moving forward, we aim to report our sustainability efforts regularly on an annual basis.

The fundamental principles shaping HABAŞ's business approach—**Service, Quality, Reliability**—along with core values such as continuous improvement, quality, and responsibility, serve as the cornerstone of our sustainability strategy. To address the future of our industry and the world's needs, we not only provide value-added products, services, and investments but also set goals to increase employment. Additionally, we steer our efforts through projects focusing on the circular economy, energy efficiency, and carbon footprint reduction, ultimately aiming to highlight these initiatives in our report.

This report not only presents our past achievements but also outlines our vision for the future. Our company is committed to continuously doing more to maintain stakeholder reliability and contribute to building a more sustainable world.

We hope that this report allows our valued stakeholders to gain deeper insights into HABAŞ Iron and Steel's sustainability approach and initiatives. We believe that your feedback will further strengthen our sustainability journey. For any questions or suggestions regarding the report content and our sustainability efforts, please contact us at

surdurulebilirlik@habas.com.tr



OUR MESSAGE TO STAKEHOLDERS

Dear Stakeholders,

The year 2023 was a challenging period for the global economy. Factors such as climate change, the energy crisis, digitalization, and geopolitical tensions have reshaped global dynamics. During this time, the iron and steel industry faced difficulties, including high costs, carbon footprint regulations, and demand fluctuations.

As HABAŞ, with our half-century-long history, we have responded to these challenges with strength, embracing a culture of sustainability guided by our principles of "service, quality, and reliability." Our goal is to create long-term value for our stakeholders. As one of Turkey's leading industrial enterprises, we take strategic steps to contribute to the national economy and strengthen our international competitiveness.

Production and investment are crucial for economic growth and social prosperity. Through our value-added manufacturing, HABAŞ contributes to the balance of foreign trade by reducing imports and increasing exports, while also supporting social development by generating employment. Additionally, to comply with the European Union's Carbon Border Adjustment Mechanism (CBAM), we are actively working to reduce our carbon footprint and improve energy efficiency.

The year 2023 once again demonstrated HABAŞ's success in export performance. As a company operating with 100% domestic capital, we have maintained our leadership in long and flat steel exports for the past 15 years, achieving an export volume of \$804 million. This success not only highlights HABAŞ's strength but also underscores the global competitiveness of the Turkish industry. Our commitment to sustaining this leadership will continue, further reinforced by our focus on innovation and sustainable production.

HABAŞ adopts a sustainability-driven approach across its supply chain and production processes, with a strong focus on improving environmental and social impacts. We take determined steps in the fight against climate change by investing in projects that support the circular economy. Additionally, we continue investing in reducing greenhouse gas emissions resulting from our logistics operations.

We have prepared our 2023 Sustainability Report in accordance with international GRI (Global Reporting Initiative) standards. As HABAŞ, we act in alignment with the principles of the Paris Climate Agreement and continue our efforts with the goal of contributing to the United Nations Sustainable Development Goals.

At HABAŞ, we look to the future with hope, and once again express our belief that our collective efforts, with gratitude to all our stakeholders, will yield tangible results for a sustainable world.

Sincerely,

HABAŞ Board of Directors







*Our Founding Philosophy;
HABAŞ Group is built upon the principles of "Service, Quality, Reliability," which were embraced throughout the lifetime of its founder, Hamdi Bařaran.*

In the words of Hamdi Bařaran, "We can achieve success through hard work. To make our success permanent, we will never compromise on the service and quality we provide and will continue our investments without interruption. We will remain aware of our responsibility to ensure that the reliability placed in us continues to grow." This philosophy continues to shape HABAŞ's operations today.

CORPORATE PROFILE

HABAŞ: A Diversified Industrial Giant Built on Strong Foundations

Founded in 1956 with industrial gas production, HABAŞ has pioneered numerous innovations in the sector, securing its position among Turkey's leading industrial enterprises.

HABAŞ operates in key business areas, including industrial and medical gases, steel production, electricity generation, heavy machinery manufacturing, cylinder and cryogenic tank production, liquefied natural gas (LNG), compressed natural gas (CNG), and liquefied petroleum gas (LPG) distribution, as well as port and maritime transportation services.

Today, HABAŞ stands as Turkey's largest producer of industrial and medical gases and a leader in LNG and CNG distribution. With its marine terminals, storage and filling facilities, LPG vessels, and an extensive dealer network, the company has reinforced its strength in the sector.

In steel production, HABAŞ is one of the country's leading companies, with an annual capacity of 4,500,000 tons. The company exports to five continents and continues to expand its capacity and diversify its product range through new investments.

In the energy sector, HABAŞ ranks among the top private sector players with a generation capacity of 871.435 MW and aims to further increase its capacity with new power plant investments.

Additionally, HABAŞ offers a broad manufacturing portfolio, including storage tanks, vaporizers, steam boilers, heat exchangers, high-pressure gas cylinders, spiral pipes, and light and heavy machinery production.

The company provides comprehensive services in turnkey process plant design and installation, covering all project phases.

Entering the finance sector in 1997 with the acquisition of Anadolubank from the Privatization Administration, HABAŞ expanded its banking operations from an initial three branches to 97 branches today. Moreover, it strengthens its presence in various industries through investments in the automotive and shipbuilding sectors.

Operating with 100% domestic capital, HABAŞ Group is committed to delivering quality, reliability, and service through its customer-centric approach. With its diversified operations, innovative investments, and global achievements, HABAŞ continues to be a pioneering brand representing Turkey's industrial strength.



CORPORATE PROFILE

HABAŞ Iron & Steel was established in 1987 in Izmir Aliağa and has rapidly become one of the key players shaping Turkey's leading iron and steel industry.

As one of the country's most established and powerful industrial enterprises, HABAŞ produces 4.5 million tons of liquid steel annually, supplying high-quality steel products to both domestic and international markets. With its state-of-the-art facilities in Izmir and strategically located production sites, HABAŞ is committed to delivering innovative, high-quality, and sustainable solutions to its customers.

Despite global trade slowdowns, geopolitical risks, and significant increases in production costs, HABAŞ Iron & Steel successfully exported long and flat steel products to 40 countries across five continents in 2023, reaching a total export value of \$804 million.



OUR VISION

At HABAŞ, our goal is to produce the highest-quality steel through a sustainable manufacturing approach. With our continuously evolving production philosophy and innovative technologies that optimize energy resources, we not only manufacture steel but also prioritize environmental sustainability at every stage of production. Through this approach, we support local employment, create economic and social value, and remain committed to generating added value for our country.



OUR MISSION

At HABAŞ, we take pride in producing essential steel for all aspects of life in line with circular economy principles, creating both economic and social value in the process.

OUR CORPORATE VALUES

The guiding values that serve the founding philosophy of HABAŞ Group in all business processes;

Our customers' customers are also our customers.

We are committed to delivering high-quality and reliable services by also considering the expectations of our customers' clients. Our responsibility extends beyond sales, ensuring continued support and reliability in our relationships.

Our people are the owners of our business.

We strive to create a work environment where our employees continuously develop and take ownership of their roles, fostering a sense of responsibility and commitment.

We embrace participatory.

We are dedicated to fostering a culture of teamwork and collaboration between management and employees, as well as among

We are environmentally conscious.

While conducting our business, we take maximum precautions to protect and preserve nature, ensuring a cleaner and more sustainable environment.

We uphold integrity in our work.

We conduct our business relationships with good faith, fairness, and ethical principles, following the "Win & Let Win" philosophy to ensure mutual success.

We grow ahead of demand.

We anticipate future customer demands and commit to producing today what will be needed tomorrow.

We never compromise on safety.

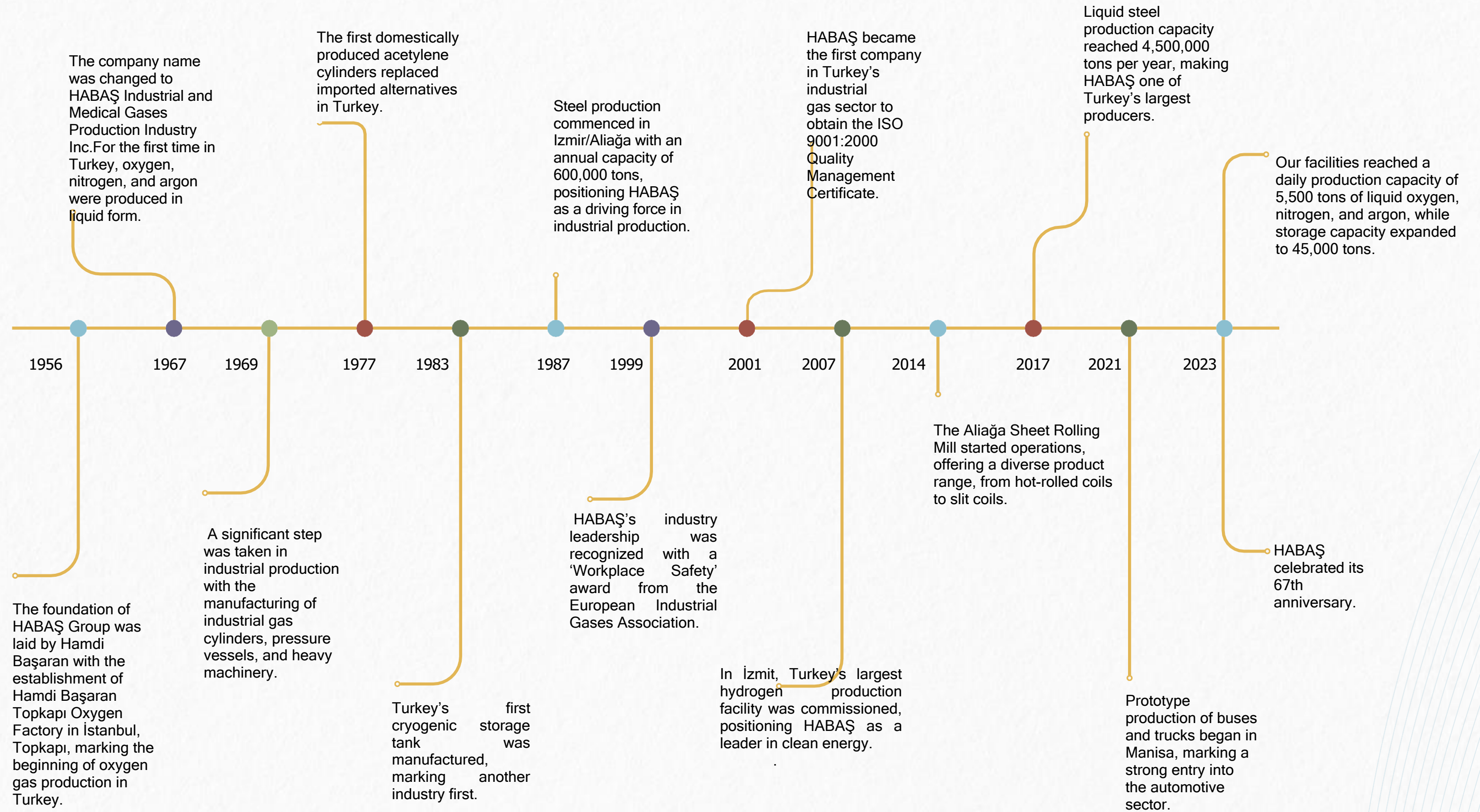
We take proactive measures to eliminate workplace accidents, ensuring a safe working environment for both our employees and our customers' employees through continuous training and awareness programs.



MILESTONES: HABAŞ' JOURNEY

Each milestone reflects HABAŞ's commitment to innovation, sustainability, and people.

While shaping today by building on the past, HABAŞ continues to be an architect of the future.



We are moving towards the future with sustainable success.

OUR BUSINESS OPERATIONS

HABAŞ's steel production activities encompass liquid steel, flat steel, and long steel products, setting industry standards through integrated production facilities equipped with cutting-edge technology, product diversity, and superior quality.

The HABAŞ Steel Plant has been continuously modernized with state-of-the-art steel production technologies. The facility includes a steel mill, a wire rod rolling mill, and two bar rolling mills. In 2014, the sheet rolling mill (HSM) began operations, producing hot-rolled coils (HBR), slit coils (HBRD), and plates, along with pickled coils (HBRPD) and pickled plates (HBPLR).

With an annual steel production capacity of 4.5 million tons, the facility integrates advanced dust collection systems, ensuring environmentally responsible production. Its strategic structure, proximity to the port, and on-site industrial gas production plants, pipe and cylinder manufacturing facilities, and a natural gas combined-cycle power plant contribute to logistical efficiency and a sustainable value chain positioning.

As a 100% domestically funded company, HABAŞ has maintained its leadership in long and flat steel exports for the past 15 years. In 2023, HABAŞ achieved an export volume of USD 804 million, solidifying its position at the forefront of the sector.



OUR BUSINESS OPERATIONS

HABAŞ continues to diversify the markets it operates in, increasing the variety of customer sectors it serves in response to growing demand. By focusing on sustainability, HABAŞ consistently enhances both the quantity and quality of its customer base. The company continues to produce rebar, wire rod, hot-rolled flat steel, tempered, pickled, and oiled flat steel, patterned steel, slit flat steel coils, and steel plates. In 2023, HABAŞ strengthened its competitive edge with the addition of new markets and products.

In the coming years, HABAŞ plans to introduce plate rolling mills, cold and galvanized production facilities, and tinplate lines. These investments aim to meet the increasing demand for heavy plates in shipbuilding, machinery, and construction sectors, as well as for large-sized coated steel in the automotive and packaging industries. With these developments, HABAŞ plans to increase its production capacity to 7.5 million tons by 2024.

At HABAŞ, our success lies in our ability to quickly adapt to market dynamics and our capacity to rapidly analyze changing market conditions to develop effective strategies.

This competency is supported by our strong industry experience and deep expertise.



HABAŞ GROUP AFFILIATES

Our strong presence in the steel industry extends beyond production processes. We reinforce our sustainability goals by integrating them into every stage of the value chain through our affiliates.

HABAŞ affiliates play a strategic role in various sectors related to steel production. Operating in industrial and medical gases, energy management, and heavy machinery manufacturing, our affiliates develop environmentally and economically sustainable solutions.

Additionally, with our investments in LPG, natural gas, automotive, shipbuilding, and banking sectors, we ensure innovation and efficiency at every link of our value chain.

HABAŞ GROUP AFFILIATES

Industrial and Medical Gases

Since 1956, HABAŞ has been a pioneer in industrial and medical gases, equipment, and technology production, setting numerous industry-firsts and establishing itself as a leading and long-standing player in the sector.

Embracing its leadership responsibility, HABAŞ goes beyond market demand, aiming to meet Turkey's gas needs for the 2030s today. As of 2023, HABAŞ has reached a daily production capacity of 5,500 tons of liquid oxygen, nitrogen, and argon, ensuring readiness for future demands.

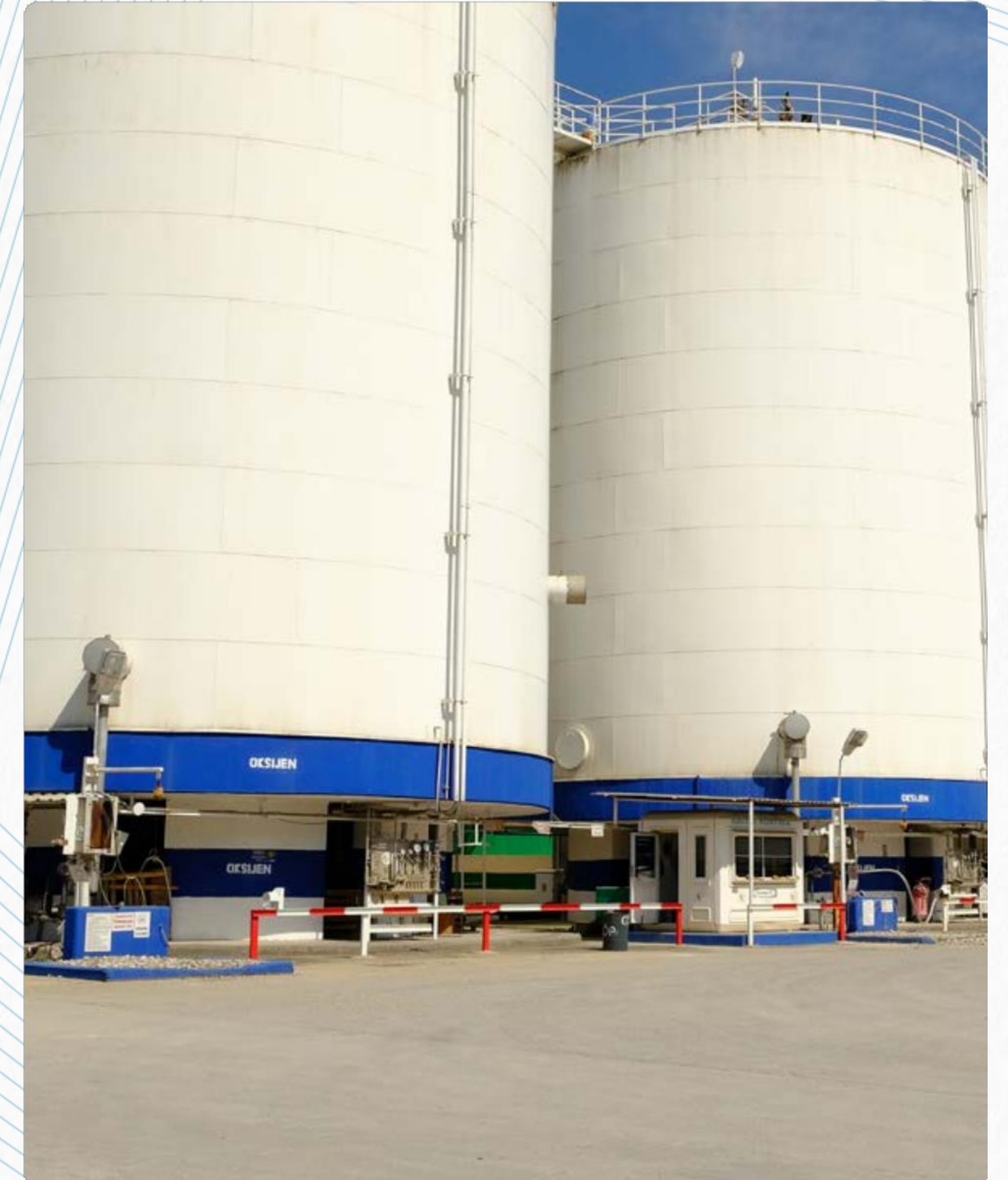
In addition, HABAŞ operates production and filling facilities for liquid carbon dioxide, liquid helium, hydrogen, nitrous oxide, and acetylene, as well as ethylene oxide, ammonia, and propylene, serving a wide range of industrial and medical applications.

With its robust logistics fleet, HABAŞ distributes both liquid and gaseous products nationwide, ensuring seamless supply to hundreds of customers and distributors.

The distribution network continues to expand, aligning with the country's growing demands and delivering increasing efficiency every day.

HABAŞ also expands its export diversity by directly and indirectly supplying medical oxygen to neighboring international markets, including the Balkans, Greece, Bulgaria, Serbia, and North Macedonia.

To provide its customers with the highest quality at the most competitive costs, HABAŞ is continuously developing new applications and services. By offering premium products and solutions, the company contributes to high-quality production in both the industrial and healthcare sectors, ensuring a sustainable competitive advantage.



HABAŞ GROUP AFFILIATES

Firm

Anadolubank: Acquired by HABAŞ Group in 1997 as part of the privatization process, AnadoluBank has rapidly secured a strong and reputable position in the Turkish banking sector through its sustainable and profitable growth strategy.

With a 100% domestic capital structure and an experienced team, the bank remains committed to risk management principles, delivering tailored financial solutions that set it apart in the industry.

Anadolubank provides banking services across multiple segments, including Corporate, Commercial, SME, Business, Agricultural, Retail, and Digital Banking. Operating with approximately 1,660 employees across 116 branches nationwide, the bank also offers factoring and investment services through its financial subsidiaries and has an international presence in the Netherlands.

Continuously innovating its business model to meet evolving customer needs, AnadoluBank is enhancing its products and services while investing in modern digital and technological infrastructures.

Driven by an efficient and sustainable growth strategy, the bank follows a customer-centric approach, adding value to its clients, employees, and society, and contributing to Turkey's economic growth.

For individual clients, AnadoluBank provides personalized financial services through its expert customer representatives, upholding a business philosophy centered on reliability, transparency, and ethical values. This approach strengthens its reputation and ensures its long-term sustainability in the national banking sector.

As HABAŞ Group's financial subsidiary, AnadoluBank not only engages in banking operations but also delivers a wide range of financial solutions through its subsidiaries, including factoring, investment, and leasing services. This comprehensive service network reinforces AnadoluBank's strong position in the industry and enables it to offer diverse, customer-focused financial solutions.



HABAŞ GROUP AFFILIATES

AUTOMOTIVE

HABAŞ conducts its automotive operations through its Heavy/Light Commercial Vehicle and Bus Factory located in the Manisa Organized Industrial Zone. This facility contributes to Turkish industry by manufacturing vehicles that prioritize top-tier customer satisfaction, featuring cutting-edge design concepts and state-of-the-art technology. With its diverse vehicle portfolio, HABAŞ stands out in the sector.

HABAŞ's strong R&D and product development centers utilize advanced design technologies to serve the industry. These centers operate with an environmentally friendly, flexible production infrastructure, manufacturing durable, cost-efficient, and technologically advanced vehicles for practical everyday use. As key pillars of HABAŞ's "Global Brand" vision, these facilities drive innovation and excellence.

Further expanding its presence in the automotive sector, HABAŞ acquired the Honda Turkey passenger car factory, where it continues its automobile production activities.

Recognizing the growing traffic challenges caused by rapid urbanization, HABAŞ also provides alternative mobility solutions. The company is the official distributor in Turkey for some of the world's leading motorcycle brands, including Kawasaki, Harley-Davidson, and Sym. HABAŞ manages sales and after-sales services for these brands, prioritizing customer satisfaction at every stage.

With its strong subsidiary network and solution-oriented approach, HABAŞ continues to meet the needs of motorcycle enthusiasts and individuals seeking alternative transportation options.



HABAŞ GROUP AFFILIATES

ENERGY

Recognizing the critical role of energy in production processes at an early stage, HABAŞ has been a key player in the electricity generation sector since 2002.

With its 871.435 MW capacity, high-efficiency, and environmentally friendly Natural Gas Combined Cycle Power Plant, HABAŞ meets more than 2% of Turkey's electricity demand.

HABAŞ is known for its environmentally conscious and efficiency-focused facility investments and applies this principle to all its projects. It utilizes state-of-the-art Turbine-Generator groups for production. Additionally, HABAŞ continues its green energy investments and has initiated a Solar Power Plant (SPP) project in Polatlı, covering 250 hectares with an installed capacity of 200 MWp.

With its strong technical team and flexible service solutions, HABAŞ operates as a major supplier in the electricity market, serving free consumers efficiently.



HABAŞ GROUP AFFILIATES

LPG

HABAŞ Group entered the liquefied petroleum gas (LPG) sector in 1972 by establishing ASGAZ Anatolian Industrial Gases Inc., initiating the supply and distribution of bottled LPG. Aiming to expand its market presence and service network, HABAŞ founded HABAŞ Petroleum Products Inc. in 1992, broadening its operations to include nationwide bottled and bulk LPG supply and distribution. Additionally, it introduced LPG as an alternative fuel for gas stations under the "HABAŞ Autogas LPG" brand.

In 1993, PEGAGAZ Inc., one of the leading companies in the sector, joined HABAŞ Group, further enhancing its capabilities in bottled LPG supply and distribution. Together, ASGAZ, HABAŞ Petroleum Products, and PEGAGAZ Inc. formed the LPG Division of HABAŞ Group.



HABAŞ GROUP AFFILIATES

Heavy Machinery Manufacturing

HABAŞ Industrial Plants Inc. was established in 1969 and has secured its position among the leading companies in the industry.

Operating in factories with 11,000 m² of enclosed and 22,000 m² of open production areas, the company utilizes its extensive machinery and equipment park alongside a highly experienced workforce. It specializes in the manufacturing of cryogenic LOX, LIN, LAR, and LNG storage tanks, transport tanks, cryogenic evaporators, LPG storage tanks, and spherical LPG tanks. Additionally, it produces steel structures, as well as light and heavy machinery required for steelmaking plants, rolling mills, and energy facilities.

HABAŞ role in the design, manufacturing, and assembly of machinery for the industrial gas production plants, cylinder filling facilities, steel plants, rolling mills, and power plants of the HABAŞ Group.

The company also engages in turnkey plant manufacturing, modernization, and refurbishment projects both domestically and internationally. These projects are carried out in collaboration with globally recognized companies through joint ventures and consortiums, covering engineering, fabrication, quality control, and commissioning phases.

In line with the group's growth strategy, the heavy machinery factory relocated from Istanbul Kartal to Gebze Organized Industrial Zone (GOIZ) in 2008, enhancing its manufacturing capacity with modernization efforts. Additionally, to meet growing demands, a new factory covering 32,000 m² of enclosed space was constructed in Gebze Gebkim OSB. All manufacturing and customer-oriented activities are driven by HABAŞ's core principles: Service, Quality, and Reliability.



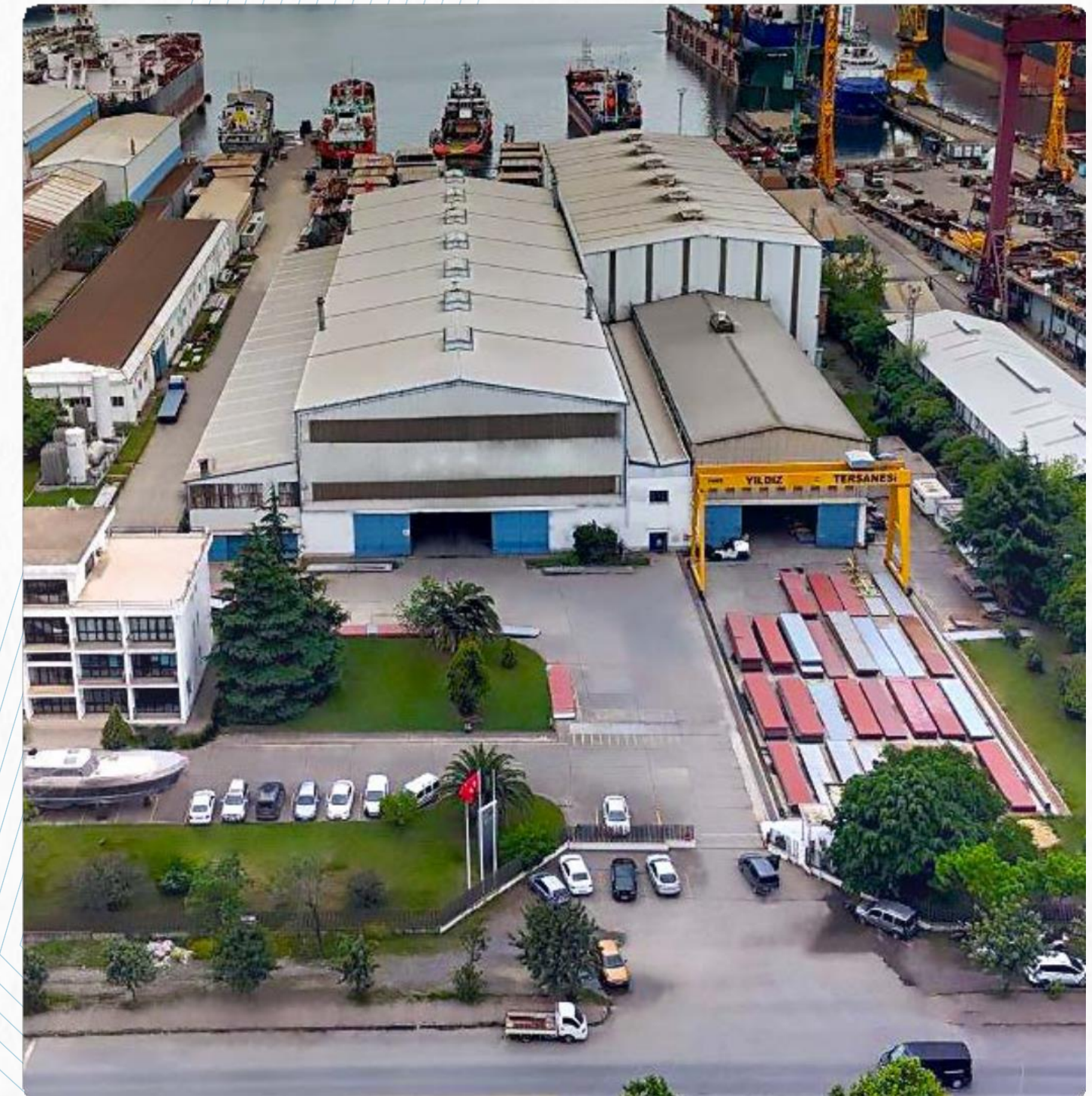
HABAŞ GROUP AFFILIATES

SHIPBUILDING

As one of the most established names in Turkish industry, HABAŞ made a significant investment in the shipbuilding sector in 2021 by acquiring Yıldız Shipyard, located in Tuzla, Istanbul. Yıldız Shipyard offers a wide range of services, including new shipbuilding, yacht construction, ship maintenance and repair, and yacht refit operations. The facility spans 41,000 m², with an additional 3,100 m² of pier and reclaimed land, bringing the total production area to 44,100 m².

With an annual shipbuilding capacity of 100,000 DWT, Yıldız Shipyard is Turkey's first and only private shipyard that manufactures and utilizes its own ship plates. Supported by HABAŞ Holding's ship plate production, industrial gases, and power plants, the shipyard holds a competitive position in the global shipbuilding market. Thanks to HABAŞ's investments, the shipyard has reached an annual steel processing capacity of 15,000 tons.

Yıldız Shipyard specializes in military and commercial shipbuilding, ship conversion projects, mega yachts, specialized steel structures, and industrial projects. In addition to its technological advancements, it is recognized as a benchmark company in the sector for its commitment to occupational safety and human-centered approach. The shipyard holds ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 certifications, adhering to the highest standards of quality and safety in its operations.



HABAŞ GROUP AFFILIATES

HABAŞ Port

HABAŞ Port is located near the southern entrance of the Nemrut Bay, just 7 km away from the HABAŞ Steelworks

Primarily used for unloading scrap steel and loading finished steel products, the port plays a strategic role in logistics and value chain optimization due to its connection to HABAŞ's steel production. The port also provides services to other organizations, highlighting its importance within the broader industrial and logistical ecosystem.



Steel;

In the advancement and transformation of modern societies, steel is not just a building block but a symbol of sustainability and societal well-being.

From homes and hospitals to bridges and transportation infrastructure, steel plays a vital role in every aspect of our daily lives.

Thanks to its durability, recyclability, and versatility, steel is one of the most important elements of sustainable development.

The unique properties of steel not only meet the needs of today but also support our goal of leaving a more livable world for future generations.

Giving Scrap Steel a New Life:

At the Heart of the Circular Economy

Electric Arc Furnaces

Once a steel beam holding up a skyscraper's roof or a sturdy piece forming the chassis of a car...

After completing its mission, this scrap steel finds new life in electric arc furnace facilities. These facilities take scrap steel, carrying the burdens of the past, and transform it into a new form. In this way, steel that was once waste is reintegrated into the production cycle to meet the new needs of modern societies.

This production model is one of the most concrete examples of the circular economy. Instead of depleting natural resources, we reuse existing materials, thereby reducing our global environmental footprint and optimizing energy consumption. The transformation of scrap steel reduces dependence on natural ores and minimizes carbon emissions, creating an environmentally responsible production process.

As HABAŞ, while giving steel a new life in our iron and steel plant, we take pride in contributing to the construction of a sustainable world. This process is not only about the efficient use of resources but also a reflection of the responsibility to shape the future.



OUR APPROACH TO SUSTAINABILITY STRATEGY

By establishing and implementing quality, environmental, and occupational health and safety management systems, we have long experienced how systematic and continuous improvement plays a crucial role in shaping a company's management and future.

The realities of global warming and climate change, the limitations of natural resources, the creation of social value, and the continuity of economic stability have made it imperative to integrate sustainability into the management systems we apply, transforming it into a systematic structure.

In this regard, we have developed our sustainability strategy within the framework of the founding principles of our company.



HABAŞ SUSTAINABILITY COMMITTEE

With the sustainability approach we have adopted and the strategies we have developed, our goal is to both enhance our competitive strength in the current business environment and to ensure the long-term sustainability of our social and economic productivity by fulfilling our environmental responsibilities.

To ensure that our company progresses toward a more resilient, environmentally conscious, and value-creating structure, we have revised our Sustainability Committee, established in 2022 under the leadership of our Factory Manager, to align with new needs and goals. We continue our work with this updated structure.

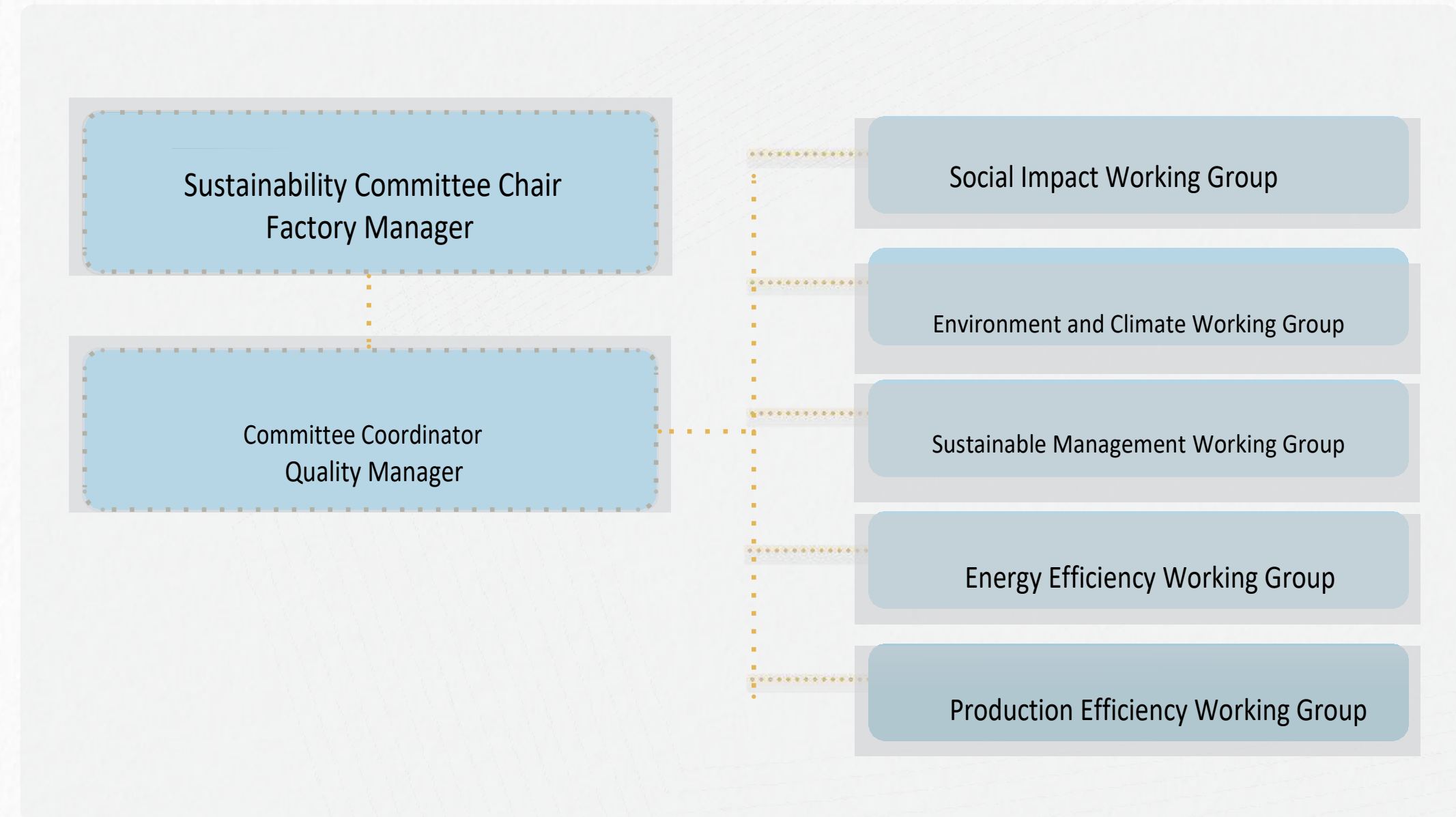
The HABAŞ Sustainability Committee is responsible for carrying out processes, projects, and activities to support sustainable development goals across the company's value chain. The committee provides guidance on topics such as technological advancements, energy and resource efficiency, and sustainable supply chain management. When setting

sustainability strategies, policies, and targets, the committee focuses on reducing carbon emissions, promoting the circular economy, and minimizing environmental impacts,

Additionally, the committee develops effective communication strategies with stakeholders, conducts awareness-raising activities, evaluates performance criteria, and updates targets as needed.

While integrating sustainability into the business model in line with global trends and sectoral changes, the committee also closely monitors national and international regulations.

In this context, the committee contributes to the preparation of annual sustainability reports, supporting the company's sustainability goals.



HABAŞ SUSTAINABILITY COMMITTEE

The HABAŞ Sustainability Committee has taken on a strategic role in transforming the company into a more resilient and value-creating structure as it moves toward the future. It is positioned as a leading entity in the processes of defining, implementing, and improving sustainability strategies.

Aligned with the company's business strategies and the Integrated Management System (IMS) Policy, the committee aims to systematically anchor sustainability-focused value creation activities.

The foundation of our sustainability strategy is built upon identifying the company's priority focus areas and creating business plans accordingly. These plans not only cover current business processes but also support continuous improvement by encompassing our long-term corporate development goals. Additionally, our committee, which adheres to the United Nations Sustainable Development Goals, aims to use the company's and the country's resources more efficiently, thereby contributing to sustainable.

The committee evaluates corporate risks and opportunities from a sustainability perspective, sets the roadmap for HABAŞ Steel, and monitors and assesses environmental, social, and governance (ESG) performance indicators. Furthermore, it leads the necessary steps to ensure compliance with sustainability-related regulations, ensuring that the company meets its obligations in this area.

The Sustainability Committee is responsible for providing transparent and accountable communication and organization with stakeholders regarding the company's goals to improve its environmental, governance, and social impacts.

[Integrated Management System \(IMS\) Policy](#)



HABAŞ SUSTAINABILITY COMMITTEE



Foundations of the Sustainability Strategy and the Role of the Committee

With the establishment of the Sustainability Committee, we incorporated our sustainability approach into our integrated policy and shaped our sustainability strategy in line with our company principles. In implementing this strategy, we aimed to create a roadmap that supports the long-term vision of our company.

In this context, we deemed it necessary to address our corporate risks and opportunities from environmental, social, governance, and financial perspectives.

MANAGEMENT OF CORPORATE RISKS AND OPPORTUNITIES

Analysis of Risks and Opportunities: A Strategic Step

To analyze our corporate risks and opportunities, we comprehensively evaluated internal and external factors, national and international regulations, sector dynamics, barriers, global trends, and directions. These analyses were addressed as one of the key agendas of our Factory Manager, who leads the HABAŞ Sustainability Committee. This process has established a strong foundation that will guide the sustainability strategy of our company.

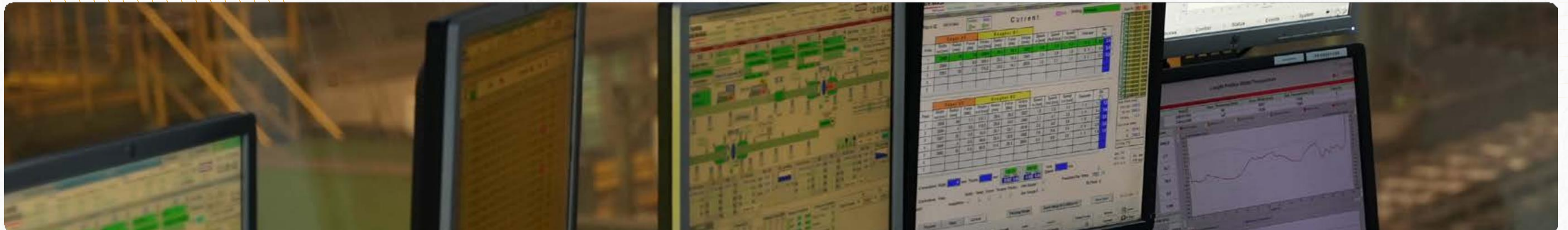
Corporate risk and opportunity management is not limited to maintaining our company's current operational success; it also serves as a cornerstone in shaping our vision, mission, and long-term strategic goals. HABAŞ approaches this process dynamically, analyzing economic, environmental, and social impacts with a holistic perspective.

When identifying risks and opportunities, impact categories are considered across environmental, social, economic/governance categories, ensuring that all processes and functions are included.

In evaluating corporate risks and opportunities, the primary goal is not to eliminate risks and opportunities but to understand, recognize, and manage them.

This includes addressing a wide range of factors such as the climate crisis, raw material supply, competition conditions, compliance with national and international regulations, global supply chain trends, digital transformation, natural disasters, and exchange rate fluctuations, with short-, medium-, and long-term impacts being evaluated.

In light of these assessments, HABAŞ develops solutions, sets goals, and plans actions for situations where its environmental, social, and economic sustainability is impacted, especially by global and national crises, including the climate crisis. In this way, HABAŞ ensures that it acts with the goal of creating long-term value for society, the environment, its employees, and all stakeholders—not only to generate profit but also to fulfill its purpose of existence.



STAKEHOLDER MANAGEMENT

Sustainability Processes Shaped by Stakeholder Needs

Sustainability is a process that is shaped not only by the company's strategic objectives and values but also by considering the expectations and needs of all stakeholders.

This approach lies at the heart of our sustainability vision at HABAŞ. The company maintains an open and continuous communication with critical stakeholders, ensuring a thorough process to understand their expectations accurately and take action accordingly.

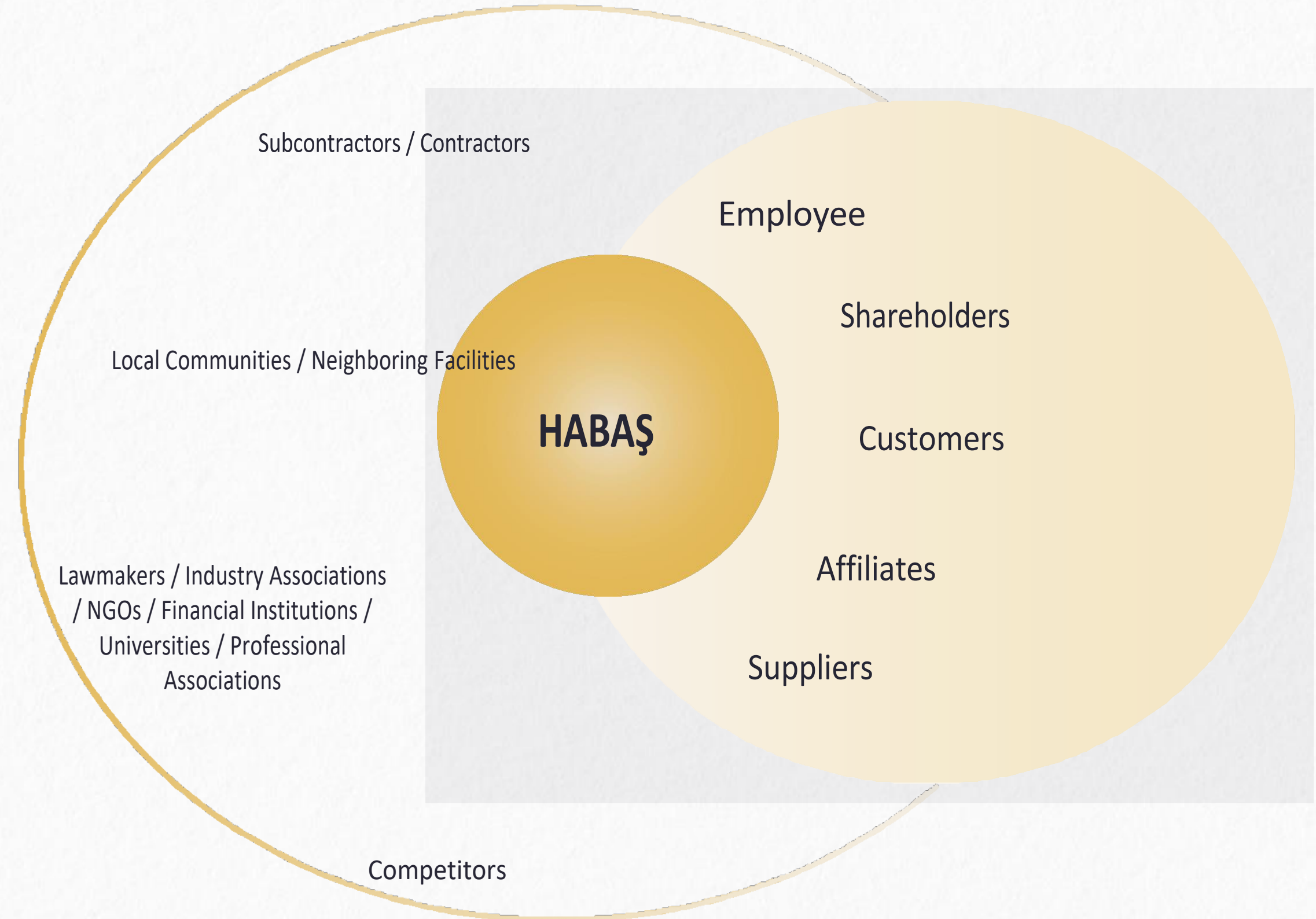


STAKEHOLDER MANAGEMENT

Identification of Critical Stakeholders

Our stakeholders consist of all individuals, groups, and organizations that affect or are affected by HABAŞ's operations. Groups such as employees, customers, suppliers, shareholders, affiliates, local communities, neighboring facilities, institutions, lawmakers, and non-governmental organizations play significant roles in our company's value chain.

In the process of identifying critical stakeholders, criteria such as the impact stakeholders have on the company (e.g., lawmakers), the degree to which stakeholders are affected by the company's operations (e.g., neighboring facilities), and their mutual dependencies with the company (e.g., affiliates) are assessed.



STAKEHOLDER MANAGEMENT

At HABAŞ, we aim to understand the needs, expectations, and priorities of different groups through stakeholder analysis. In this process, we identified and classified all stakeholder groups, determined their priorities through surveys, focus group meetings, and one-on-one interviews, and analyzed the relationship between their expectations and their impact on our company.

The results of this analysis enabled us to prioritize our stakeholders based on the magnitude of their impact and the urgency of their needs.

At HABAŞ, we view stakeholder analysis not only as a management tool but also as a guide for building long-term relationships and achieving our sustainability goals. Feedback from our stakeholders strengthens our company's strategies and guides our reporting processes.

In this context, establishing an open dialogue with our stakeholders and integrating their needs into our sustainability strategies is one of the cornerstones of HABAŞ's environmental, social, governance, and economic value creation goals.

The findings from our stakeholder prioritization process are concretized and transparently presented in our report using tools such as the materiality matrix, which forms the foundation of our sustainability report.

With this approach, we not only aim to ensure stakeholder satisfaction but also strive to create meaningful change within a broader impact area.





STAKEHOLDER MANAGEMENT

HABAŞ Stakeholder Analysis

Topics / Stakeholders	Employees Trade Unions Interns Visitors	Customers	Shareholders	Suppliers Distributors	Subcontractors Contractors Service Providers	Affiliates	Local Communities Neighboring Facilities	Institutions and Organizations Industry Associations Non-Governmental Organizations Financial Institutions Universities Lawmakers	Competitors
Key Issues of Interest to Our Stakeholders	Employee Health and Safety Training and Career Development Working Conditions and Job Security	Product Quality Customer Services Environmentally Friendly Products	Return on Investment Sustainable Company Performance Minimizing Climate Impact Minimizing Vulnerability to Climate Change	Occupational Safety Wages and Payment Terms Business Processes and Operational Efficiency	Occupational Safety Wages and Payment Terms Business Processes and Operational Efficiency	Return on Investment Strategic Guidance Quality Collaboration	Environmental Impacts Health and Safety Social and Community Responsibility	Sectoral Collaborations Education and Research Partnerships Regulatory Compliance	Competitive Conditions Innovation Market Share
Ways We Engage with Our Stakeholders	Training Programs Performance Evaluations Occupational Health and Safety Meetings	Customer Surveys Factory Visits Product Launches / Trade Fairs / Event Participation	Shareholder Meetings Reports and Announcements Conferences	Supplier Meetings Performance Evaluations Business Visits	Contract Negotiations Business Visits Training and Safety Seminars	Joint Project Performance Reports Social Events	Public Meetings Environmental Reports (EIA Meetings) Social Events	Joint Projects Seminars and Conferences Audit Reports	Industry Meetings Trade Fairs Market Research
Why Are Our Stakeholders Important to Us?	Business Continuity Productivity Innovation	Providing Feedback for Growth and Development Brand Loyalty	Financial Support Strategic Guidance Sustainable Growth	Supply Chain Continuity Ensuring Quality Standards	Operational Support Increase in Production Quality Providing Expertise	Financial Support Company Growth Strategic Orientation	Building a Strong Reputation in the Community Social License (Approval Built Through Reliability)	Regulatory Compliance Public Reliability Innovation	Market Trends Understanding Creating Competitive Differentiation
Why Are We Important to Our Stakeholders?	Providing a Healthy and Safe Work Environment Career Development Opportunities	Providing High-Quality Products and Services Innovation	Profitability and Return on Investment Company Growth	Business Continuity and Growth Fair Trade Terms	Continuous Employment Opportunities Safe and Transparent Working Conditions	Profitability and Return on Investment Providing Economic and Social Contribution	Environmental Sensitivity and Social Responsibility Projects Safety	Regulatory Compliance Public Reliability Innovation	Providing Competitive Business Models and Innovation

PRIORITIZATION ANALYSIS

Sustainability is a multidimensional management approach that shapes both a company's priorities and the expectations of its stakeholders. In this context, prioritization analysis plays a vital role in the effective creation, management, and reporting of sustainability strategies. At HABAŞ, we have placed the identification and prioritization of critical issues at the core of our sustainability process based on this understanding.

Prioritization analysis is a strategic tool used to identify the most important environmental, social, and economic/governance issues related to the company's activities. This analysis ensures that our sustainability strategies are goal-oriented and implemented efficiently, while also enabling the company to operate in alignment with its stakeholders.

In setting our sustainability goals, we focus on understanding the priorities of all stakeholders who are impacted by and have an impact on our activities. Our aim is to concentrate on the most critical issues to ensure effective use of resources and create meaningful impact. Through prioritization analysis, we aim to enhance transparency and accountability by explaining why certain issues are prioritized.



PRIORITIZATION ANALYSIS

HABAŞ, we conducted the prioritization analysis in alignment with the internationally recognized AA1000 Accountability Standard, specifically complementing the AA1000 Stakeholder Engagement Standard (AA1000SES). In this process, we thoroughly assessed both our stakeholders' expectations and our company's strategic priorities.

To understand the expectations of our stakeholders, we conducted an extensive survey. This survey identified the key areas that our stakeholders prioritize in environmental, social, and economic/governance issues. In this process, we consulted with our most important stakeholder group, our employees, as well as customers, suppliers, shareholders, and other stakeholders.

In the process of determining our strategic priorities, HABAŞ's Corporate Sustainability Committee and senior management evaluated our strategic goals, risks, and opportunities to establish our corporate priorities. Inputs from our corporate risk and opportunity analysis, along with our business areas, market dynamics, and industry trends, were taken into account.

By combining the priorities of our stakeholders with our corporate strategic priorities, we created a customized prioritization matrix for HABAŞ. This matrix serves as a roadmap for the issues that need to be addressed in our sustainability journey.

At HABAŞ, we view the prioritization analysis not only as a reporting tool but also as a guide that enhances our business processes and supports our strategic decision-making.

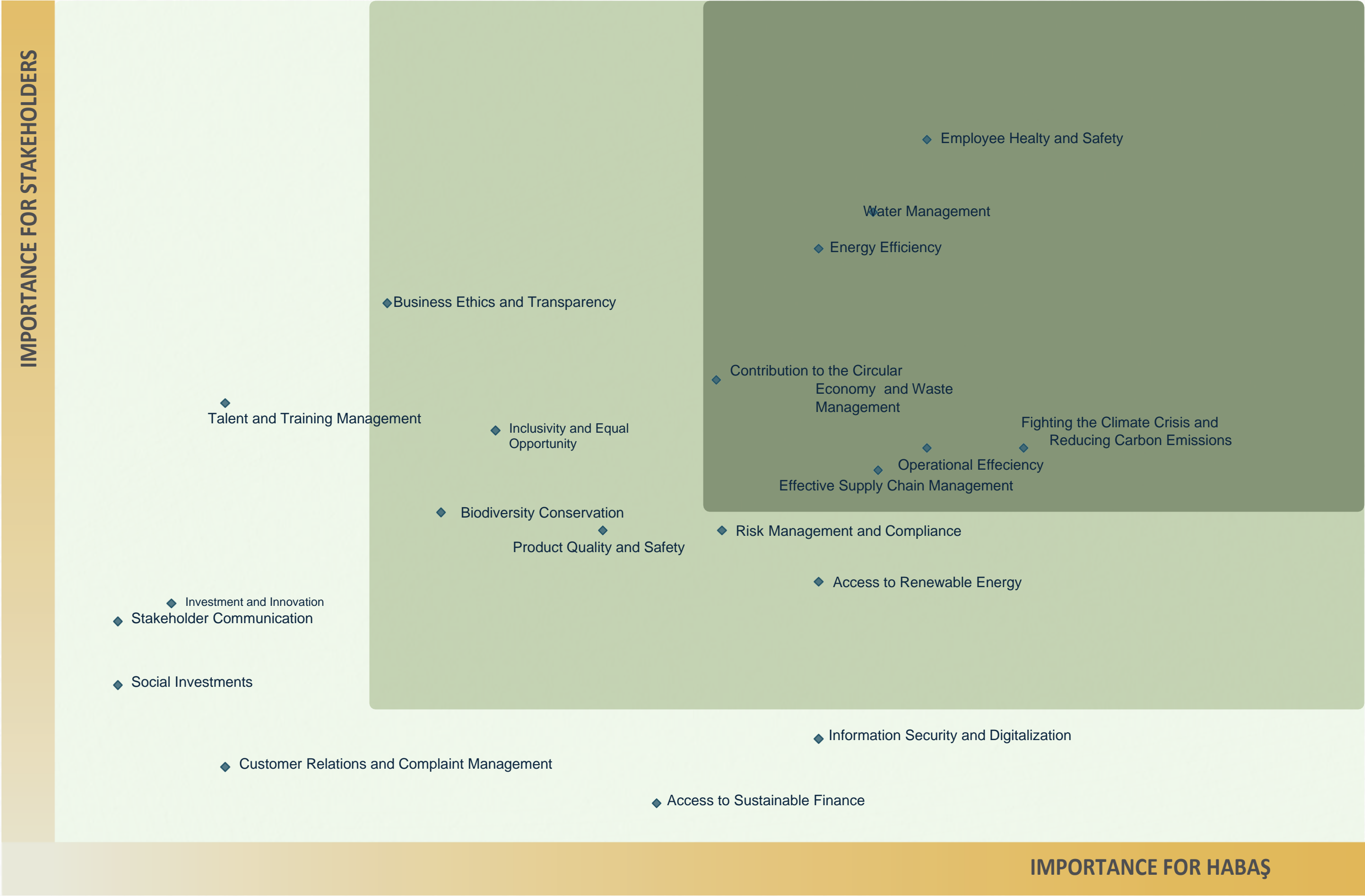
We consider this analysis as a tool that enables us to build strong communication and collaboration with our stakeholders, direct our resources (both financial and natural) to the most critical issues, and achieve our long-term sustainability goals..

This approach, we are not only meeting current sustainability expectations, but also continuously taking strong steps towards achieving leadership goals within the industry.

We know that the prioritization analysis serves as a cornerstone in shaping the company's strategic game plan, acting as a strategic tool that enables the creation of sustainable value for the future.



PRIORITIZATION ANALYSIS



PRIORITIZATION ANALYSIS

Priority Matrix and HABAŞ's Priority Issues

At HABAŞ, we have solidified the results of our comprehensive prioritization analysis through a Priority Matrix.

In the matrix, we classified issues into three priority levels. The issues that require the highest level of focus in our sustainability strategies, which are both of strategic importance to HABAŞ and areas of great concern to our stakeholders, are classified as Very High Priority Issues. These are followed by High Priority Issues, which contribute to HABAŞ's long-term sustainability goals and require continuous improvement. Finally, there are Priority Issues, which, while still important, are less critical in terms of time and resource allocation compared to the others but still hold significance. This approach ensures that we align our resources effectively to address the most critical sustainability challenges, maximizing both internal progress and stakeholder satisfaction.

Very High Priority Issues	High Priority Issues	Priority Issues
Employee Health and Safety	Access to Renewable	Stakeholder Communication
Combatting the Climate Crisis and Reducing Carbon Emissions	Risk Management and Compliance	Information Security and Digitalization
Energy Efficiency	Product Quality and Safety	Talent and Education Management
Water Management	Inclusivity and Equal Opportunity	Investment and Innovation
Contribution to the Circular Economy and Waste Management	Biodiversity Protection	Societal Investments
Effective Supply Chain Management	Business Ethics and Transparency	Access to Sustainable Finance
Operational Efficiency		Customer Relations and Complaint Management

STRATEGIC GOALS & ALIGNMENT WITH SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Relationship between Priority Issues, Strategic Goals, and SDGs

At HABAŞ, we are fully aware of our collective responsibility to ensure that the strategic goals we set for implementing our sustainability strategies contribute to the achievement of the Sustainable Development Goals (SDGs).

We recognize that aligning our strategic goals with global sustainability efforts is not just a social responsibility but also a necessity for securing long-term success, gaining a competitive advantage, and building a sustainable future. Therefore, we treat the SDGs as an integral part of our strategic planning and decision-making processes.

The Sustainable Development Goals (SDGs) are a global framework adopted by the United Nations in 2015, aimed at increasing global well-being and ensuring environmental sustainability. These goals focus on critical areas such as eradicating poverty, reducing inequalities, conserving natural resources, and combating climate change, providing a guide for the business world.

At HABAŞ, we shape our sustainability strategies based on the high-priority issues identified in our prioritization analyses. In this process, we have established long-term strategic goals focusing on critical issues such as combating the climate crisis, reducing carbon emissions, improving energy efficiency, advancing the circular economy, and ensuring employee health and safety. To achieve these strategic goals, we set annual sub-goals and rigorously assess our performance against these targets. In line with our commitment to continuous improvement, we share this progress transparently in our sustainability reports.

These goals are also planned in alignment with the United Nations Sustainable Development Goals (SDGs), aiming to create both environmental and social value. HABAŞ's sustainability strategy is an integral part of the company's operational excellence and long-term value creation vision. In this context, monitoring and reporting our sustainability performance not only serves as a tool for fulfilling our responsibilities but also provides an opportunity to build strong and reliable relationships with our stakeholders.

STRATEGIC GOALS & ALIGNMENT WITH SUSTAINABLE DEVELOPMENT GOALS (SDGS)

HABAŞ Strategic Sustainability Goals

Very High Priority Topics			High Priority Topics		
Combating the Climate Crisis and Reducing Carbon Emissions <p>By 2030, reduce carbon emissions per ton of product by 48% and achieve carbon neutrality by 2050 (with 2022 as the baseline year).</p>		Contribution to the Circular Economy and Waste Management <p>By 2030, achieve at least one industrial symbiosis project through collaborations.</p>	Access to Renewable Energy <p>By 2030, source 50% of the energy consumed from renewable energy sources.</p>		Risk Management and Compliance <p>Achieve 100% compliance with legal and other requirements (all applicable standards and quality certifications).</p>
Employee Health and Safety <p>Establish a culture of employee health and safety, and reduce the accident frequency rate by 100% by 2030.</p>		Energy Efficiency <p>By 2030, reduce energy consumption per ton of product by 20%.</p>	Product Quality and Safety <p>Minimize the risk of defective products during production by reducing process control errors by 50%, ensuring quality consistency.</p>		Inclusion and Equal Opportunity <p>By 2030, increase the percentage of female employees by 100% and implement equal opportunity policies.</p>
Effective Supply Chain Management <p>Implement the supplier development program by 2030 and ensure that 60% of suppliers comply with sustainability criteria.</p>		Water Management <p>By 2030, reduce groundwater usage by 50%</p>	Biodiversity Conservation <p>By 2030, launch biodiversity projects to improve local ecosystems in operational areas.</p>		Business Ethics and Transparency <p>By 2050, achieve 100% compliance with "Supplier Code of Ethics" for suppliers.</p>
		Operational Efficiency <p>By 2030, increase operational efficiency through energy optimization and reduce energy consumption by 15%.</p>			



Corporate Governance: Shaping the Future with Our Values

As HABAŞ, we have always operated with a management approach based on reliability and quality. By building a solid foundation rooted in transparency and ethical values, we are committed to a journey that considers not only today's needs but also those of the future. On this journey, we prioritize aligning our management systems with global standards while fostering strong relationships with our customers and turning their feedback into opportunities for continuous improvement.

The iron and steel industry serves as the backbone of the global economy, adding value to various sectors, from industry and construction to transportation and energy. In this critical production process, we embrace a sustainability-focused governance approach, ensuring that we fulfill both our environmental and social responsibilities with great care.

By leveraging the opportunities offered by digitalization, we modernize our processes while delivering faster, more efficient, and sustainable solutions. We view our ethical values and compliance approach not merely as obligations but as fundamental pillars of our corporate culture. Because we believe that a governance approach built on reliability is always the key to sustainable success.



MANAGEMENT SYSTEMS AND COMPLIANCE

Since 2012, as HABAŞ, we have adopted management systems based on international standards, guiding an approach that ensures organizational efficiency and sustainability.

With the integration of the Annex SL (High-Level Structure) framework into the management systems we have implemented, we manage processes with a risk-based approach at the core. This method allows us to track and manage environmental, social, and governance criteria within our management systems. Implementing management systems based on the Annex SL structure has enabled us to proactively establish the foundation for our sustainability processes by providing assessments in areas such as planning and leadership, stakeholder management, customer and supplier management, and environmental, social, and governance aspects.

At this point, the disciplined approach provided by the management systems based on the Annex SL structure in achieving sustainability strategies allows our company to effectively reduce its environmental impact while fulfilling its social responsibilities. It also provides the knowledge and cultural foundation for managing our value chain. This structure not only supports the improvement of our current sustainability performance but also plays a crucial role in the successful implementation of our future strategic goals.

Our company prioritizes customer satisfaction and maintains a strong reputation among all our stakeholders by exporting to over 40 countries across 5 continents. In line with this, we place great importance on the steps we take both in our corporate governance principles and in our sustainability processes.

We enhance the management systems we have been implementing for many years by certifying them with internationally recognized certifications, and we continuously improve through periodic third-party audit services. With these certification processes, we not only meet the quality standards specific to certain sectors but also ensure compliance with environmental, social, and economic sustainability criteria.

The acquisition of these certifications through independent evaluation processes reinforces the reliability of our products and services as HABAŞ, while also strengthening our competitive position in the global market. In this way, our company not only manages quality but also takes concrete steps to reduce our environmental and social impacts.

MANAGEMENT SYSTEMS AND COMPLIANCE

As HABAŞ, we are proud to have received the UK CARES certification, one of the most prestigious certifications in the global steel industry, as a testament to our commitment to sustainability and quality management.

UK CARES provides a certification system that ensures compliance with environmental, social, and governance criteria, as well as product quality. This certification validates HABAŞ's efforts to reduce its carbon footprint, increase energy efficiency, and structure its supply chain processes according to sustainability principles in line with international standards.

The UK CARES certification not only supports a quality-focused approach but also helps minimize our environmental impact, ensures alignment with circular economy principles, and fosters the effective implementation of our social responsibility projects.

Through these certifications, we not only enhance our competitive advantage in global markets but also demonstrate our commitment to sustainable production to our customers and stakeholders. As HABAŞ, we aim to strengthen our value chain with the assurance of UK CARES and leave a more sustainable legacy for the future.

As HABAŞ, another indication of our commitment to complying with high standards in quality, environment, and occupational health and safety is our possession of the ISO 9001 Quality Management System, ISO 14001 Environmental Management System, and ISO 45001 Occupational Health and Safety Management System certifications, awarded by TSE. These certifications, obtained with the assurance of TSE, not only reinforce our leadership in the industry but also contribute to adopting sustainability principles in our business processes.



 [You can click on our certifications to review them in detail.](#)

ETHICAL PRINCIPLES AND COMPLIANCE

As HABAŞ, we base our business processes on the principles of integrity, transparency, and accountability, committing to conduct our activities in accordance with ethical standards. Our ethical principles serve as a guide for our relationships with all stakeholders, from our employees and business partners to our suppliers and customers. These principles not only support our corporate values but also align with and reinforce our sustainability goals.



The Cornerstones of Our Ethical Principles

The principles that form the foundation of our company culture are outlined in the "Code of Business Ethics and Work Principles Policy." In all our business processes, we act with the principles of accuracy and integrity, ensuring open communication with our stakeholders. It is essential to maintain the confidentiality of our employees, customers, and the company's information. We prioritize building relationships based on avoiding conflicts of interest and strengthen our systems, such as the Ethics Hotline and Ethics Committee, to address potential conflicts of interest.

In addition to our legal responsibilities, we are fully aware of our obligations towards our customers, employees, partners, suppliers, competitors, society, and humanity. Most importantly, we recognize the magnitude of our responsibility on behalf of HABAŞ to all our stakeholders, and we act with full awareness of our commitments.

[Business Ethics Rules and Working Principles Policy](#)

Ethical Compliance and Implementation Mechanisms

As HABAŞ, we implement a comprehensive compliance management system to ensure the effective implementation and enforcement of ethical principles. Within the company, we have an independent Ethics Committee to address ethical issues, evaluate conflicts of interest, and investigate potential violations. Through a secure Ethics Hotline, our employees and other stakeholders can report any ethical violations or concerns. These reports are evaluated under the principle of confidentiality, and necessary actions are taken. We regularly plan training for our employees on ethical compliance and ethical behavior in business processes, supporting these trainings with orientation programs and case studies. We also regularly audit the company's ethical compliance processes and take corrective measures when necessary.

Ethics Hotline Contact Information: AAetikhbar@habas.com.tr

ETHICAL PRINCIPLES AND COMPLIANCE

Combating Corruption and Bribery

As HABAŞ, we implement a zero-tolerance policy against corruption and bribery. We make it clear that such behaviors are absolutely unacceptable within our company and expect the same level of sensitivity from all our stakeholders.

In this regard, we ensure full compliance with anti-corruption and anti-bribery laws in every country where we operate commercially. We include compliance with ethical standards in our contracts and terminate relationships with business partners where violations are detected.

Compliance with Sustainability and Ethical Principles

Our ethical principles are a key pillar in HABAŞ's efforts to achieve its environmental, social, and governance goals. Elements such as respect for human rights, prevention of discrimination, and contributing to society form the foundation of our sustainable business model. This approach not only strengthens the corporate culture within the company but also enhances HABAŞ's reputation in both national and international markets.

As HABAŞ, we are committed to acting with determination in upholding ethical values and compliance, and we pledge to remain a reliable, transparent, and sustainable business partner for all our stakeholders.



CUSTOMER RELATIONS & COMPLAINT MANAGEMENT

HABAŞ: Customer Satisfaction-Centered Approach

At HABAŞ, we recognize that one of the key elements for achieving long-term success is building strong communication and solid business relationships. We place our customers at the center of our operations and develop comprehensive processes to ensure the highest level of customer satisfaction.

In this context, we regularly conduct customer satisfaction surveys and evaluate the results within the framework of our quality management systems. Through customer feedback, we guide HABAŞ's continuous improvement goals and ensure the optimization of our processes.



The key focus areas for improving customer experience are:

Product Quality and Reliability: We prioritize conducting Ur-Ge (International Cooperation Project) studies to continuously improve the quality of our products and ensure their reliability.

Customer Relations and Communication: We establish teams to manage processes that ensure healthy communication with customers, responding quickly and effectively to inquiries and feedback. To make customer relationships more efficient, we actively maintain information sharing with our customers through our sales and quality departments.

Service Quality and Delivery Processes: To maintain high-quality services and ensure timely delivery to our customers, we professionally manage production and inventory through our ERP system.

Solution-Oriented Approach: We aim to provide quick and effective solutions to customer complaints, and in cases of dissatisfaction, we collaborate with the customer to find a resolution. When necessary, we conduct customer visits and, through joint efforts, strive to achieve the desired final product.

As HABAŞ, with our strong focus on customer satisfaction, we aim not only to maintain our strong position in the industry but also to contribute to sustainable growth objectives, continuously creating value for our stakeholders.

CUSTOMER RELATIONS & COMPLAINT MANAGEMENT

As HABAŞ, we have adopted a comprehensive complaint evaluation system aimed at effectively addressing and resolving customer complaints to continuously improve the quality of our products and services, which are fundamental to our customer satisfaction processes. Structured with a focus on quality, environment, and occupational health and safety (OHS), our Complaint Evaluation Procedure systematically manages all types of complaints.

Environmental and OHS Complaints

As HABAŞ, we carefully consider feedback from both employees and external stakeholders in managing environmental and OHS-related complaints.

We establish teams to manage the complaint processes and carefully review the content of each complaint. Necessary improvement actions are systematically recorded and brought up for discussion in meetings, with a focus on management review and, under the leadership of the OHS Committee and senior management, are addressed accordingly.



Management of Customer Complaints

As HABAŞ, we systematically implement the relevant procedures to quickly and effectively resolve quality complaints from our customers, continuously improving them within the framework of continuous improvement.

Evaluation and Resolution Process of Complaints:

Customer complaints are recorded using the Customer Complaint Evaluation Form and are subjected to a detailed review process by the Quality Control Department. The review includes laboratory testing of samples provided by the customer.

Proactive Approach:

In the case of non-compliance, alternative solutions are offered to the customer, and continuous communication is maintained throughout the process. When no non-compliance is found in the complaints, the customer is provided with information on the correct usage methods.

Follow-up and Improvement:

All processes related to customer complaints are carefully monitored, and corrective and preventive actions are planned based on the findings.

CUSTOMER RELATIONS & COMPLAINT MANAGEMENT

Customer Relations in the Context of Sustainability

We view the effective management of customer complaints not only as an operational necessity but also as part of our sustainability strategies.

We prioritize transparent and reliable communication in customer relations. All processes are documented and reported, and we provide regular feedback to our customers.

Our company addresses complaints related to special product categories, such as nuclear structural steel, in compliance with international standards and regularly submits necessary reports to certification bodies.

As HABAŞ, with the systematic approach we have established for resolving customer complaints, we aim to continuously improve business processes and create a business model that adds value to our stakeholders.



CERTIFIED COUNTRIES IN 2023



- GERMANY
- AUSTRALIA
- UNITED KINGDOM
- BRAZIL
- BULGARIA
- DENMARK
- FINLAND
- FRANCE

- SPAIN
- ISRAEL
- SWEDEN
- ITALY
- COLOMBIA
- COSTA RICA
- LITHUANIA
- MALAYSIA

- NORWAY
- POLAND
- PORTUGAL
- ROMANIA
- RUSSIA
- SERBIA

COUNTRIES WE SOLD TO IN 2023



- GERMANY
- AUSTRALIA
- UNITED KINGDOM
- BRAZIL
- BURUNDI
- BULGARIA
- ALGERIA
- ETHIOPIA
- MOROCCO
- FRANCE
- SPAIN
- ISRAEL
- ITALY
- JAMAICA
- COLOMBIA
- COSTARICA
- ROMANIA
- RUSSIA
- CHILE
- TURKEY (DOMESTIC MARKET)

DIGITALIZATION

Digitalization and Sustainability: HABAŞ's Innovative Approach

As HABAŞ, by embracing the strategic importance of digitalization in optimizing our business processes, we are developing innovative solutions in line with our sustainability goals. With this approach, we aim to both increase our operational efficiency and contribute to the long-term sustainability objectives of our company.

Digitalization and Transforming Business Processes

We view digitalization not just as a tool but as a strategic priority that transforms the way we conduct business. Digital solutions ranging from smart manufacturing systems to digital supply chain management enhance efficiency in business processes while supporting our goals of minimizing environmental impacts.

Technological Investments for a Sustainable Future

At HABAŞ, we view our digitalization investments as a strategic leverage in achieving long-term sustainability goals. Continuously improving our technological infrastructure enables us to minimize both our environmental and social impacts, while fostering stronger relationships with our stakeholders.

HABAŞ's visionary approach strengthens its industry leadership at the intersection of sustainability and technology, while also enhancing its global competitive advantage.

DIGITALIZATION

HABAŞ Next Level Program in Digitalization

At HABAŞ, we adopted an innovative approach to process management with the launch of our custom-designed Next Level Program in 2013 as part of our digitalization journey. Developed in collaboration with CTS Software Company, this program maximizes transparency and traceability in HABAŞ's steel production and shipment processes.

Digital Guide to the Journey of Steel

The HABAŞ Next Level Program offers the ability to monitor every stage of steel's journey from production to shipment in real-time. From casting times to chemical analyses, from mechanical test results to inventory management, every detail is made accessible to users. This digital tool not only ensures product traceability but also optimizes quality management, playing a critical role in achieving sustainability goals.

Transparency and Data-Driven Decision

The Next Level Program enables transparent monitoring of data related to production and shipment processes. This allows units to set more specific and measurable targets, evaluate their performance, and identify continuous improvement opportunities more clearly. Managing product traceability with such precision not only enhances operational excellence but also helps HABAŞ optimize its environmental and social impact.



The Intersection of Digitalization and Sustainability

The Next Level Program operates in perfect harmony with HABAŞ's sustainability goals. The traceability ensured at all stages of the product lifecycle enhances resource efficiency and minimizes waste generation. This system also serves as a crucial tool for managing carbon footprint and achieving circular economy objectives.

Future Factory Vision

HABAŞ Next Level not only improves existing processes but also opens doors to new opportunities offered by digitalization. Smart data management enables the company to strengthen its business units while providing more innovative and sustainable solutions to its stakeholders.

This significant part of HABAŞ's digitalization journey reflects the company's forward-looking vision. The Next Level Program continues to make a difference in the industry as an innovative model that enhances the impact of sustainability strategies through digital tools.

DIGITALIZATION



Sheet Rolling Mill Automation System: The Digital Transformation of Quality

At HABAŞ, with our investments focused on digitalization, we are redefining industry standards by combining technology and engineering expertise in our production processes. An essential part of this transformation, the Sheet Rolling Mill Automation System, offers a groundbreaking approach in production processes, aiming for high precision and efficiency.

A System That Integrates Technology with Processes

The automation system used in the sheet rolling mill not only optimizes production processes but also makes a strategic contribution to quality control procedures. By meticulously monitoring every stage of the hot rolling process, the system ensures that products meet precise dimensions and possess excellent material properties.

Advanced automation mechanisms such as Automatic Gauge Control and Automatic Flatness Control instantly detect tolerance deviations, allowing rolling mills to be automatically readjusted. This innovative approach not only minimizes production deviations but also establishes a reliable quality standard throughout the process.



DIGITALIZATION

Processes Enhanced with Precision Measurement Technologies

The automation system is equipped with integrated IMS measurement technologies. Through this system, critical variables in the hot rolling process—such as sheet size, width, thickness, temperature, and surface quality—are precisely measured and monitored. Thickness and temperature tolerances are maintained across the entire length of the strip, ensuring compliance with the strictest geometric standards.

Investing in the Future with Sustainability and Digitalization

The Hot Rolling Mill Automation System demonstrates how digitalization provides an advantage in sustainability strategies. Through precise control mechanisms and measurement systems, resource efficiency is maximized while waste in production is minimized. This system contributes to reducing the carbon footprint by optimizing energy consumption and directly supports sustainable production goals.

The Hot Rolling Mill Automation System, a part of HABAŞ's digitalization strategy, is an innovative model that strengthens the company's commitment to quality and sustainability. This system not only meets today's production standards but also incorporates the flexibility and power to respond to future needs. As HABAŞ, through such technological investments, we aim to solidify our leadership role in the industry while making a significant contribution to environmental and social sustainability goals.





Financial Contributions and Value Creation

Financial growth, operational efficiency, and sustainable supply chain management are the key pillars that shape not only the current success of our company but also its future resilience.

From our production processes to our supply chain, we aim to create value and build a shared future with our stakeholders at every step we take.

This approach, which supports the efficient use of resources and the alignment of the supply chain with sustainability strategies, not only strengthens our financial performance but also enhances our environmental and social contributions.

We are advancing with our commitment to build a sustainable financial structure to responsibly shape the future.

FINANCIAL CONTRIBUTIONS & VALUE CREATION

Our Journey of Creating Sustainable Value

In 2023, global inflationary pressures, fluctuations in commodity prices, high energy costs, and ongoing regional conflicts have significantly slowed down the growth rate of the world economy. In addition to these challenges, the implementation of the Carbon Border Adjustment Mechanism (CBAM) and other environmental regulations has led to additional cost increases in our sector, while China's aggressive export moves have reshaped the competitive landscape in the iron and steel industry. Moreover, difficulties in raw material procurement, rising energy and logistics costs, and the necessary investments for digital transformation have further contributed to dynamic processes that directly impact our future operational strategies and sustainability goals.

Despite all these challenges, as HABAŞ, we maintained our industry leadership in 2023 by demonstrating strong performance through our strategic management and efficient operational processes. In line with our goal of continuous improvement, we have continued to take the necessary steps to increase our production capacity, enhance our energy efficiency, and fulfill our environmental responsibilities. We believe that the contributions of our employees and our strong collaborations with stakeholders have played a crucial role in this success.

In 2023, our company strengthened its economic growth and increased its contribution to society by prioritizing sustainability and value creation goals. During this period, we achieved export revenues of 804 million USD by exporting to a total of 68 countries, and a cumulative revenue of 3.538 billion USD, successfully advancing our goal of making solid progress in both local and global markets. This success is not solely defined by financial results. At the core of our operations lie the contributions of our employees, strong collaborations with our suppliers, and the support we provide to the local community.

FINANCIAL CONTRIBUTIONS & VALUE CREATION

As of 2023, we recognize the significant role that our collaborations with local suppliers play in our efforts to achieve our sustainability goals at HABAŞ.

The fact that our local suppliers make up 30% of our total supplier base presents a significant opportunity to contribute to economic development and create value. In particular, agreements with local suppliers for the procurement of critical raw materials such as scrap and ferroalloys not only strengthen the resilience of our supply chain but also support regional economic growth.

Throughout 2023, we sourced 64% of our strategic resources, including scrap and ferroalloys, from local suppliers. This not only directly contributes to the local economy but also enhances the sustainability of our supply chain by reducing environmental impacts. Additionally, our collaborations with foreign suppliers have been crucial in ensuring compliance with international standards and maintaining supply chain diversity.

Our local procurement strategies serve not only economic goals but also support our environmental sustainability objectives. Working with local suppliers reduces carbon emissions by shortening logistics distances while also fostering social value through increased local employment. This process simultaneously strengthens the local economy and contributes to fulfilling our environmental responsibilities.

At HABAŞ, we believe that strengthening the local supply chain is crucial for both enhancing our operational efficiency and creating value for society. Our collaboration with local suppliers in 2023 represents a significant step toward sustainability and financial success.



FINANCIAL CONTRIBUTIONS & VALUE CREATION

Throughout 2023, HABAŞ made strategic investments in line with its goals of sustainable growth and long-term value creation. The primary budgeted and completed investments for 2023 are presented in the table. The absence of budget information for some investments in the table is mainly due to ongoing financial planning evaluations or the budgets not yet being finalized for various reasons. In future reporting processes, updates will be made, and the relevant information will be shared with our stakeholders.

Investment Projects Ongoing or Initiated in 2023	Ongoing or Newly Started Investment Projects in 2023
Zinc Enrichment Facility Investment Project	14.784.345,00
Steel Mill Investment Project	94.772.502,00
Hot Strip Mill Capacity Expansion Project	5.940.640,00
Cold Rolling Mill Investment Project	62.534.015,00
Port Investment Project	5.460.013,00
Hydrogen Production and Filling Stations Investment Project	23.573.256,00
Wire Rod Rolling Mill Investment Project	13.301.933,00
Shipyard Investment Project	15.778.905,00
TOTAL	236.145.609,00
Other Investment Projects	
Desalination Unit Capacity Expansion Project	
HABAŞ Nemrut Port Pier Extension Project	
New Rolling Mill Investment (İskenderun) Project	

HABAŞ approaches environmental, social, and economic sustainability in an integrated manner through its investments aimed at long-term value creation. Throughout 2023, the projects undertaken have formed the cornerstone of our sustainability strategy by aligning with circular economy principles, ensuring efficient resource utilization, reducing emissions, and contributing to local development.

Within the framework of the circular economy, we have aimed to reevaluate waste and minimize raw material losses. In particular, the Zinc Enrichment Facility Investment Project makes a tangible contribution to the circular economy by enabling the reuse of waste materials. This investment represents a critical step toward minimizing environmental impacts by reducing natural resource consumption. Additionally, due to its proximity to the waste source, it is expected to create significant added value by reducing logistics-related emissions.

The Port Investment Project and the Rolling Mill Investment Project in İskenderun are planned to contribute to optimizing logistics processes within the value chain and reducing emissions.

These investments not only help lower the carbon footprint of production processes but also create opportunities to minimize the environmental impact of logistics activities.

The Rolling Mill Investment Project in İskenderun not only aims to increase regional production capacity but also carries the mission of strengthening local employment. This investment seeks to directly contribute to socioeconomic development by creating new job opportunities for the local community. Additionally, increasing employment opportunities is considered a key factor in ensuring social welfare and economic sustainability.

The Desalination Unit Capacity Expansion Project stands out as a significant step toward reducing dependence on groundwater, preserving water resources, and mitigating water stress. This investment not only contributes to the sustainable management of water in industrial production but also helps maintain the ecological balance in the region.

Integrated and Strategic Approach

At HABAŞ, we plan and implement our investments by holistically considering environmental, social, and economic dimensions.

These investments are a tangible reflection of our company's sustainability commitments. The achievements in areas such as circular economy practices, low-carbon production models, water resource conservation, and support for local development create value not only for our company but also for the community we are part of and our planet as a whole.

OPERATIONAL EFFICIENCY

The iron and steel industry is an energy-intensive sector that requires significant raw material consumption. Therefore, operational efficiency is crucial for sustainability. Enhancing operational efficiency provides numerous benefits, both environmentally and economically.

Operational efficiency offers the potential to reduce resource consumption. Achieving the same production volume with less raw material and energy in iron and steel manufacturing helps preserve natural resources and minimize environmental impact. This contributes to sustainability by ensuring the more efficient use of limited resources.



Energy efficiency is one of the most critical components of operational efficiency in the iron and steel industry. As efficiency increases, more products can be produced with less energy, leading to reduced energy consumption and lower carbon emissions. This not only enhances environmental sustainability in the sector but also ensures compliance with the Green Deal and other environmental regulations.

Operational efficiency also improves waste management. More efficient handling and recycling of waste not only reduce environmental impact but also contribute to the circular economy model. In the iron and steel industry, recovering waste and reusing materials in production can significantly minimize environmental footprint.

OPERATIONAL EFFICIENCY

From a cost perspective, operational efficiency provides a significant advantage. A more efficient production process enables the optimal use of resources such as raw materials, energy, and labor. This not only reduces operational costs but also helps businesses remain competitive and achieve sustainable long-term growth.

Reducing carbon footprint and emissions is made possible through operational efficiency. While iron and steel production is a sector with high carbon emissions, efficient production processes can significantly lower these emissions. This helps the industry meet environmental goals and take steps toward a carbon-neutral future.

Workforce efficiency is also directly linked to operational efficiency. More efficient processes enable better utilization of labor, enhancing occupational health and safety as well as employee satisfaction. These factors play a crucial role in ensuring the long-term sustainability of the industry.

In summary, enhancing operational efficiency in the iron and steel industry is a critical step toward ensuring environmental and economic sustainability. Factors such as more efficient resource use, reduced energy consumption, improved waste management, and lower emissions enable the industry to progress toward a sustainable future.



OPERATIONAL EFFICIENCY

Alignment of Operational Efficiency with Sustainability Strategy

Workforce efficiency is directly linked to operational efficiency. More efficient processes enable the optimal use of labor, which in turn enhances occupational health and safety as well as employee satisfaction. These elements contribute significantly to the sustainability of the industry.



Risks and opportunities associated with climate change hold strategic importance for us. To mitigate these risks and capitalize on opportunities, we strive to take timely precautions against all financial risks by ensuring interdepartmental coordination and consistently implementing our decisions. This process is reinforced through briefings with senior management and periodic reporting, contributing to the enhancement of operational efficiency.

By considering the financial impacts of risks and opportunities, we closely monitor changes in our annual monetary position. These changes provide critical data to support the management of climate-related risks. We take proactive steps such as hedging against currency risks, making strategic purchases at the right time, and efficiently allocating our existing resources. Through these measures, we safeguard our operational efficiency and financial health, ensuring the sustainability of our business.

As HABAŞ Inc., we continue to effectively manage climate change-related risks and opportunities to enhance our operational efficiency and achieve our sustainability goals. This approach strongly supports our financial management and strategic decision-making processes, ensuring resilience and long-term success.

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

Sustainability Supply Chain Approach

HABAŞ is a leading steel manufacturer in the international market, operating with ethical values, full compliance with legal regulations, and a strong sense of social responsibility. Our company not only upholds these principles within its own operations but also encourages all stakeholders in its commercial relationships to adopt the same values.

In line with our sustainability approach, while aiming for continuous improvement in our operations and products, we adopt an encouraging approach to ensure that our suppliers also implement sustainability principles. This approach aims to enhance

the environmental, social, and governance performance of our supply chain.

HABAŞ's supplier code of ethics includes strict adherence to anti-corruption and anti-bribery principles, compliance with international standards for social and working conditions, the complete prevention of child labor, and full adherence to all environmental laws and regulations. These principles are not limited to our suppliers' operations but must also be embraced by their employees, subcontractors, and business partners.

Our goal is to encourage our suppliers to fully comply with these ethical and sustainability requirements and to support all suppliers providing goods or services to HABAŞ in integrating these principles into their business processes.



SUSTAINABLE SUPPLY CHAIN MANAGEMENT

HABAŞ INC. Supplier Compliance Expectations

As HABAŞ INC., we expect our suppliers to fully comply with national and international laws, regulations, and all industrial standards. In this context, we recognize the International Labour Organization (ILO) conventions, the Universal Declaration of Human Rights, and other relevant international standards as our guiding principles.

We expect our suppliers to adhere to ethical principles in their activities and to strictly avoid corruption, bribery, fraud, and unfair business practices.

Respecting employee rights is a top priority for us. Our suppliers must treat their employees with dignity and respect, based on fundamental human rights and internationally recognized principles. Forced labor, child labor, or any form of involuntary employment is strictly prohibited. We believe that employees' wages and benefits should be at least at the minimum wage level and sufficient to meet their and their families' basic needs. Working hours must be regulated in compliance

with applicable laws, with overtime being voluntary, and every employee must have the right to weekly rest. We strongly oppose all forms of discrimination and emphasize that our suppliers must not engage in discrimination based on ethnicity, religion, age, gender, sexual orientation, physical disability, health condition, or political opinion in hiring or working conditions.

Furthermore, we respect our employees' rights to join unions and engage in collective bargaining, emphasizing that harassment or mistreatment in the workplace will not be tolerated under any circumstances.

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

HABAŞ INC. Supplier Compliance Expectations

We prioritize that our suppliers provide their employees with essential working conditions such as access to potable water, healthcare facilities, emergency medical support, proper lighting, and ventilation.

Environmental responsibility is another crucial expectation we have from our suppliers. We require full compliance with applicable environmental laws in areas such as industrial water usage, air emission control, sustainable waste management, promotion of recycling, and chemical management. Obtaining necessary environmental permits, reporting environmental performance, and adopting sustainability-focused practices are of critical importance to us. Additionally, we expect our suppliers to develop product designs, services, and practices that comply with the

environmental requirements outlined in our contracts and align with our company's sustainability goals. Our collaboration with suppliers is based on adherence to these requirements, ensuring the protection and enhancement of our sustainability and business ethics standards. Working together with compliant suppliers, our primary goal is to build a responsible and sustainable business environment with strong commitment.



SUSTAINABLE SUPPLY CHAIN MANAGEMENT

Supplier Code of Conduct

As HABAŞ, we expect all our suppliers and business partners to adhere to high ethical standards and demonstrate responsible and sustainable business practices. In this regard, we emphasize the importance of suppliers effectively communicating their code of conduct to their employees and taking the necessary steps to ensure its implementation. Furthermore, we expect our suppliers to establish the necessary documentation and practices to ensure that their subcontractors and other partners within the supply chain comply with these rules.

We emphasize the importance of having access to all records related to our suppliers' operations and supply chains. We expect our suppliers to conduct periodic internal assessments to ensure compliance with the rules we have established. Additionally, we reserve the right to conduct unannounced audits to verify compliance with these standards. In cases of non-compliance, we highlight our right to terminate business relationships with suppliers. Our goal is to foster an environment where responsible business conduct is strictly upheld.

Each of our suppliers, upon accepting a purchase order from us, commits to complying with the principles and requirements outlined in the most recent version of the Supplier Code of Conduct Declaration. This commitment reflects our suppliers' dedication to implementing ethical and sustainable business practices.

[Supplier Code of
Conduct Declaration](#)

In line with our sustainability goals, we regularly review and, when necessary, update our Supplier Code of Conduct. We inform our suppliers about these changes and expect the updated guidelines to be integrated into their business processes.

By working in collaboration and mutual understanding with our suppliers, we aim to promote sustainability principles throughout the business ecosystem and foster a more responsible approach to doing business.

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

BES 6001: Our Responsible Sourcing Certification and Sustainability Commitment

As HABAŞ, we ensure responsible sourcing of construction products by complying with the BES 6001 standard and certifying our practices. Since receiving our initial certification in 2016, we have successfully maintained it in line with our principles of continuous improvement and development. Following the evaluation conducted in 2022, our responsible sourcing practices were reaffirmed, and our certification was renewed, remaining valid until 2025.

Scope of Certification and Evaluation Process

The BES 6001 certification ensures the management of responsible sourcing processes in the production of construction products. As HABAŞ, we have obtained this certification to cover the production processes of our continuously cast steel billets and slabs, hot-rolled steel bars and coils, hot-rolled steel wire used as reinforcement in concrete, and hot-rolled flat steel products. These processes are certified by BRE Global and are conducted in compliance with the highest industry standards of responsibility.

Our Responsible Sourcing Policy and Practices

Our responsible sourcing approach is based on minimizing our environmental impact, fulfilling our social responsibilities, and adhering to business ethics. Throughout the certification process, our compliance and improvements in the following areas stand out:

Environmental Responsibility: We continuously monitor our sustainability performance in key environmental areas such as greenhouse gas emissions, energy management, waste management, and water consumption. The processes we have developed within our supply chain aim to reduce environmental impacts by promoting eco-friendly and energy-efficient practices.

Social and Ethical Responsibility: We demonstrate strong performance in areas such as community relations, occupational health and safety, and investment in education. We continuously provide training and development opportunities to enhance the skills of our employees. Additionally, we work closely with our suppliers to elevate ethical business practice standards.

Supply Chain Management: Our supplier management system covers a wide range of aspects, from material traceability to supplier evaluations. We not only comply with legal requirements but also strive to ensure that all stakeholders in our supply chain operate in a responsible and sustainable manner.

The Future Implications of Our Certification

The BES 6001 certification not only ensures that we fulfill our international responsibilities but also serves as one of the key pillars of our sustainability strategy, providing a competitive advantage in the green construction and sustainable building materials market. Obtaining this certification strengthens HABAŞ's leading position in the industry and contributes to our future sustainable growth objectives.

In line with our responsible sourcing principles, our BES 6001 certification not only aims to improve the quality and environmental impact of our products but also commits to adopting an ethical and responsible approach towards all our stakeholders.

[Responsible Sourcing Certification for Construction Products](#)





Minimizing our impact on the environment and climate is not just a responsibility but also a guarantee for our future.

With the awareness of giving back to nature what we take from it, we are committed to developing sustainable solutions in every aspect—from carbon and energy management to water resource conservation, from circular economy-based waste management to responsible steel production.

The steps we take in the fight against the climate crisis align with our goal of preserving natural resources, creating both environmental and social value.

We are taking action today for the future of our planet, building a greener future at every stage of our production.



ENVIRONMENTAL MANAGEMENT

HABAŞ: Managing the Environment, Strengthening the Future

Since 2010, HABAŞ has been shaping the course of environmentally conscious production by enhancing its environmental management processes through third-party audits. In this process, with the development of environmental management systems on an international scale, we not only refer to environmental, waste management, and pollution reduction criteria but also take our sustainability journey beyond a mere commitment. We make it governable, measurable, and continuously improvable.

In the implementation of environmental management, we integrate the identification, reduction, and prevention of environmental risks into everyday operations. Energy efficiency, waste management, water consumption, and emission control form the cornerstone of this system.

With a proactive approach to environmental management across all processes, we aim to increase recycling

rates through waste reduction programs, minimize our carbon footprint with energy efficiency projects, and reduce environmental impact by supporting a sustainable supply chain through resource management.

At HABAŞ, we embed environmental awareness at the core of our business. The steel we produce forms not only the foundation of structures but also the basis of a sustainable future. With each product, we systematically enhance harmony with nature, striving to leave a livable world for future generations.

Because at HABAŞ, "Managing the environment means empowering the future."

[ISO 14001:2015 Sertifikası](#)



HABAŞ prioritizes not only its production power but also its responsibility to nature.



CARBON AND ENERGY MANAGEMENT & COMBATING THE CLIMATE CRISIS

As part of the fight against global climate change, the European Green Deal, along with the Fit for 55 Package and the Carbon Border Adjustment Mechanism (CBAM), are among the key policy instruments accelerating the transformation of the iron and steel sector. These regulations have made the transition to low-carbon production models mandatory in the industry, bringing carbon emissions reduction to the forefront not only as an environmental goal but also as a commercial necessity.

The policies established in line with the European Union's carbon neutrality goal have increased

the need for transformation in the iron and steel sector. As one of Europe's largest steel suppliers, Turkey is deeply affected by these regulations. In particular, reducing carbon intensity and ensuring supply chain transparency are of critical importance for the future of the sector.

On the other hand, the iron and steel sector is a crucial industry, accounting for approximately 7% of global carbon emissions. Among different steel production technologies, electric arc furnace (EAF) facilities offer a significant advantage in terms of low carbon footprint and energy efficiency.

As HABAŞ, we see this transformation process not only as a compliance requirement but also as an opportunity to enhance our competitiveness. Through low-carbon production, energy efficiency, and carbon monitoring processes, we aim to contribute to the sustainable future of our industry.



CARBON AND ENERGY MANAGEMENT & COMBATING THE CLIMATE CRISIS

As HABAŞ, we have been reporting greenhouse gas emissions in accordance with the Greenhouse Gas Monitoring and Reporting Regulation since 2015. In addition, to enable sectoral benchmarking, we collect and analyze data by making calculations according to the ISO 14064-1: 2018 Standard, contributing to sectoral alignment.

In the Steel Mill and Bar Rolling Mill, total emissions were 1,459,849.53 tons of CO₂e in 2022. In 2023, this amount decreased by 8.6%, reducing to 1,334,301.51 tons of CO₂e.

Despite the increased production capacity in the Plate Rolling Mill, emissions have been controlled through carbon management strategies. In 2023, total emissions amounted to 328,011.08 tons of CO₂e.

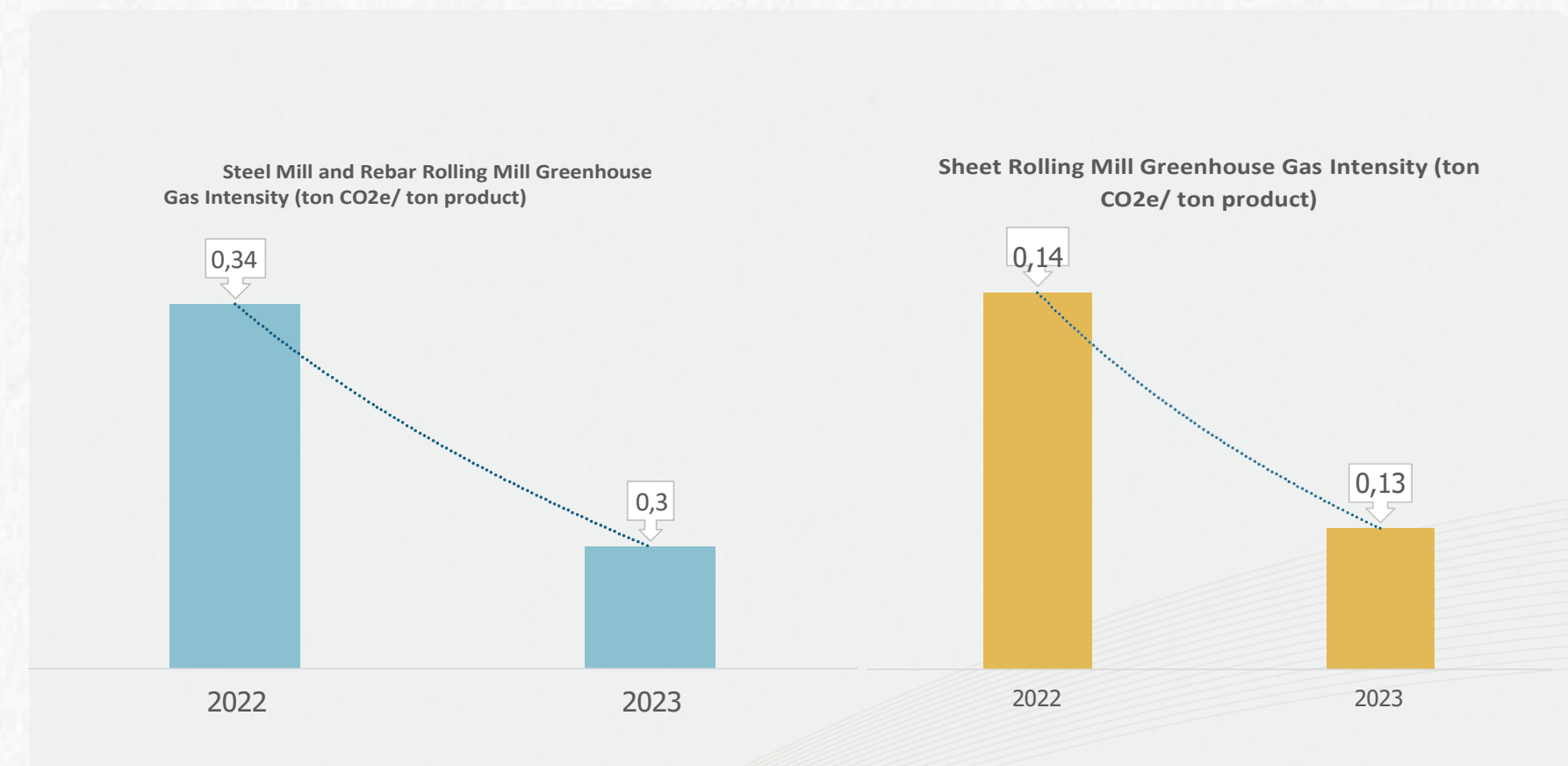
Vision for Sustainability in the Fight Against the Climate Crisis

As HABAŞ, we are leading the transformation in the steel industry by basing our processes on sustainability principles. By optimizing scrap usage and natural resource consumption in our electric arc furnace facilities, we adopt a more sustainable production model both economically and environmentally.

Our carbon and energy management strategies are shaped by the adaptation of low-carbon technologies, energy efficiency, and investments in renewable energy. Our goal is to take on greater responsibilities in the fight against the climate crisis, creating production systems that not only protect today but also safeguard the future.

Greenhouse Gas Emissions			
Steel Mill and Rebar Rolling Mill		2022	2023
Scope 1*	ton CO ₂ e/year	684.836,21	529.597,94
Scope 2	ton CO ₂ e/year	775.013,33	804.703,57
Total Emissions	ton CO ₂ e/year	1.459.849,53	1.334.301,51
Greenhouse Gas Intensity	ton CO ₂ e/ ton ürün	0,34	0,30
Hot Strip Mill		2022	2023
Scope 1	ton CO ₂ e/ yıl	173.969,50	201.438,99
Scope 2	ton CO ₂ e/ yıl	96.567,38	126.572,09
Total Emissions	ton CO ₂ e/ yıl	270.536,89	328.011,08
Greenhouse Gas Intensity	ton CO ₂ e/ton product	0,14	0,13

* It represents the value calculated solely for steel mill and rebar rolling mill operations.



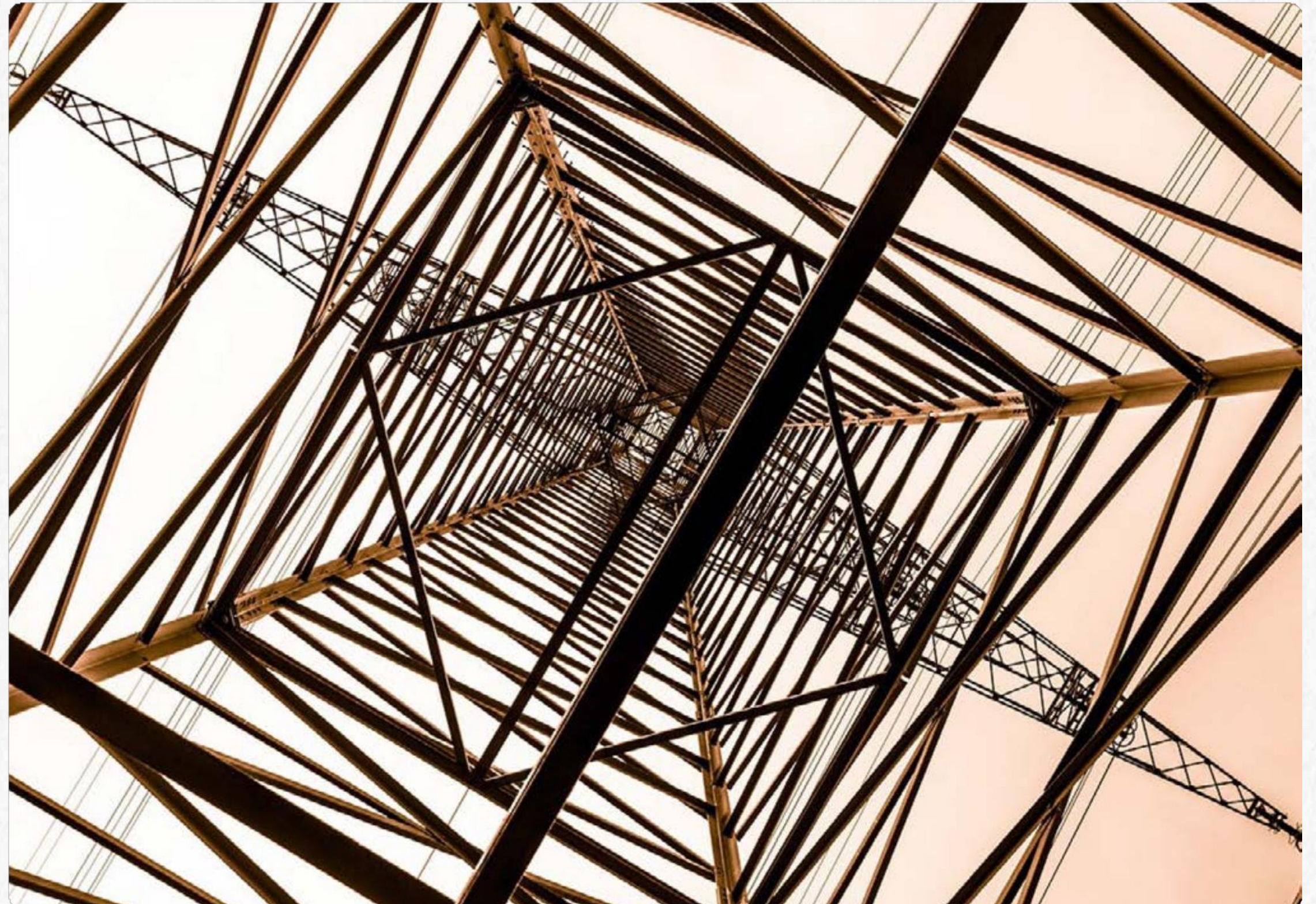
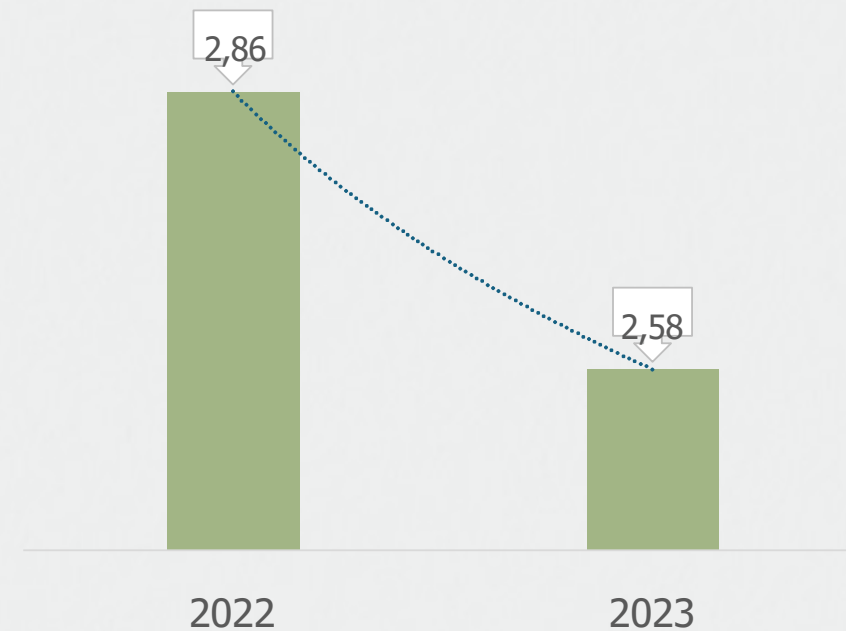
CARBON AND ENERGY MANAGEMENT & COMBATING THE CLIMATE CRISIS

Energy Efficiency and Resource Management

Increasing energy efficiency is a fundamental part of HABAŞ's carbon management strategy. In this context, high energy performance equipment is preferred in our new investments. Devices that minimize energy consumption, such as pumps and motors, are used, thus taking steps to reduce energy intensity.

In energy management, we optimize the amount of anthracite used in the production processes to control carbon emissions. Feasibility studies for integrating renewable energy sources into the system are ongoing, and the goal is to increase the share of renewable energy in the medium term.

Energy Consumption
Energy Consumption per Ton of Product (GJ/ ton)



CARBON AND ENERGY MANAGEMENT & COMBATING THE CLIMATE CRISIS

At HABAŞ, we are taking concrete steps to reduce carbon emissions by placing environmental sustainability at the core of our business strategies. To evaluate and improve the environmental impacts of our production processes, we prepare Environmental Product Declarations (EPD) for our products. These reports showcase the performance of our production processes in environmental parameters such as carbon footprint and energy consumption, offering a transparent approach to the industry.

Hot Strip Mill Product

HABAŞ's hot rolled products are primarily produced from scrap, with the process taking place using an electric arc furnace (EAF). The EPD report reveals that these products have a recyclability rate of 92% throughout their lifecycle, and 79.4% of the raw material sources used in production consist of recycled content. Additionally, energy efficiency has been increased in this process, significantly reducing carbon emissions.

[Hot Rolled Flat Steel Product EPD Report](#)



Rebar Product

HABAŞ's rebar products are high-strength carbon steel bars used in reinforced concrete structures. According to the EPD report, the production of these products is carried out using a scrap-based production model, with 89.1% of recycled material used. Rebar products contribute significantly to reducing the environmental burden due to their high recycling potential at the end of their lifecycle, with a 92% recycling rate.

EPD reports serve as a testament to our commitment to energy management and combating climate change. These efforts, providing a transparent roadmap to achieve our sustainability goals, demonstrate that HABAŞ aims not only to minimize current environmental impacts but also to reduce future environmental effects.

[Steel Bar Product EPD Report](#)



CARBON AND ENERGY MANAGEMENT & COMBATING THE CLIMATE CRISIS

Net Zero Emissions Journey

Base Year

The year 2022 has served as the starting point for our sustainability goals by measuring our carbon emissions and defining reduction strategies. This year is considered the baseline year, where comprehensive assessments and analyses of the current situation were conducted.

At HABAŞ, we are committed to working towards a sustainable future and taking concrete steps towards our net-zero emissions goal. With 2022 as our baseline year, we aim to reduce our carbon footprint through short, medium, and long-term targets, with the goal of achieving net-zero emissions by 2050. Our roadmap towards net-zero emissions consists of four phases:

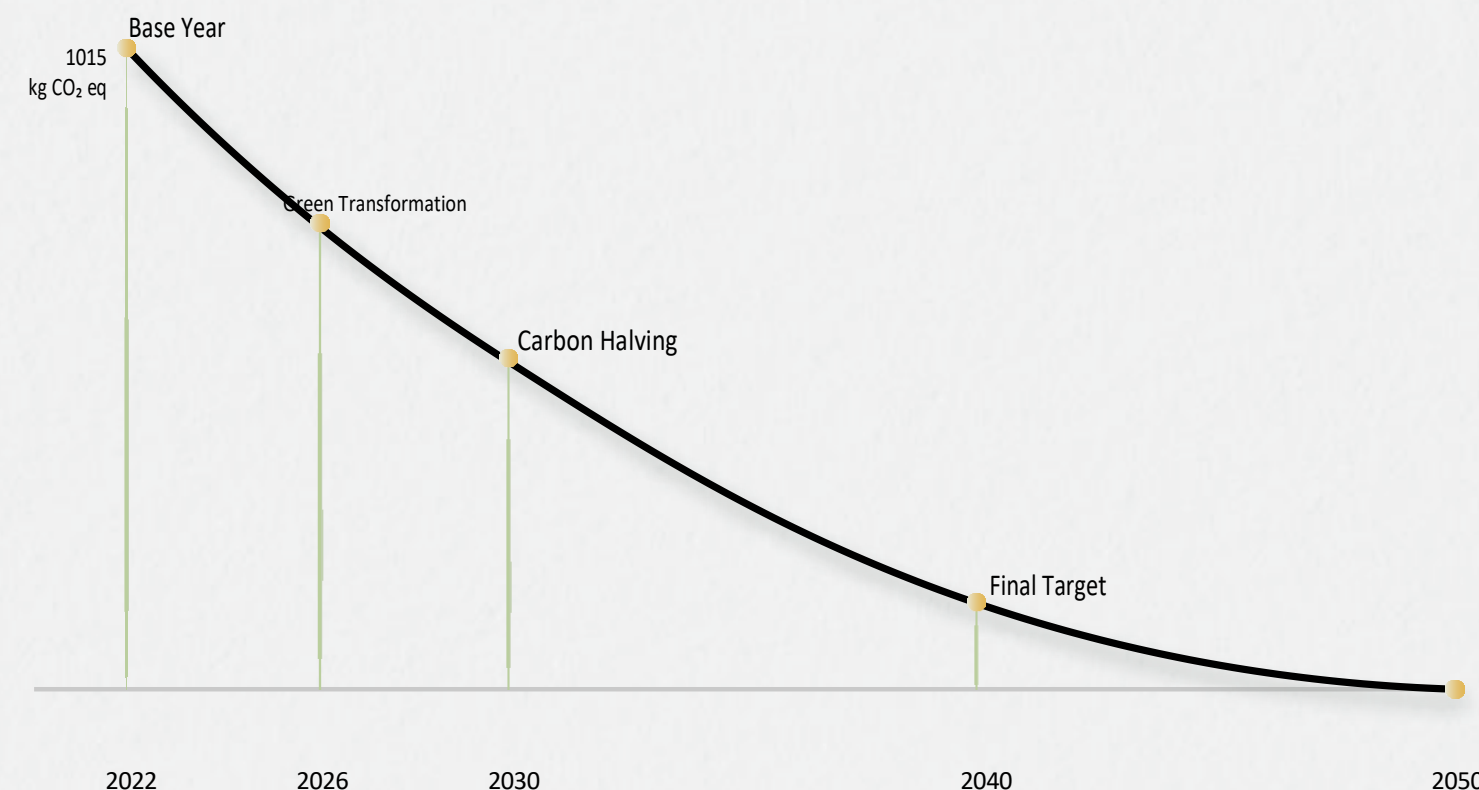
Carbon Halving

By 2030, we aim to achieve a gradual reduction of 48%. This critical milestone will be supported by increasing the use of sustainable energy sources, implementing carbon management practices in the supply chain, and leveraging innovative solutions.

Green Transformation

By 2026, we aim to achieve a 26% reduction in our emissions compared to the 2022 baseline. This phase will be made possible through enhancing operational efficiency, implementing energy efficiency projects, transitioning to low-carbon production processes, and evaluating our supply chain.

HABAŞ NET ZERO EMISSION ROADMAP



Final Goal

By 2040, we are committed to reducing our carbon emissions by 86%, and by 2050, achieving the net-zero target. This phase will be supported by the implementation of carbon removal technologies and circular economy practices.

CARBON AND ENERGY MANAGEMENT & COMBATING THE CLIMATE CRISIS

Net Zero Emissions Journey

Our Strategic Approach

To achieve our goals:

- We are investing in renewable energy sources.
- We are transforming our production processes with low-carbon technologies,
- We are adopting sustainability-focused approaches throughout our supply chain.

Our journey to net zero not only transforms our operational processes but also demonstrates our commitment to contributing to a sustainable future by taking a leading role in our industry.

At HABAŞ, we follow a roadmap based on scientific approaches to reduce our emissions and achieve the net-zero target. With this determination, we will continue to work towards a more sustainable world, delivering environmental, economic, and social benefits.



WATER and WASTEWATER MANAGEMENT

Performance Monitoring and Measurement Indicators

Water and wastewater performance is monitored by measuring water consumption and wastewater volumes. In this regard, our water consumption data is closely tracked. Additionally, monthly analyses are conducted to continuously monitor the quality of water discharge, and the results are entered into the ministry's system and reported.

Process Water Management: Reuse and Improvement Initiatives

In our production processes, the reuse of process water is a cornerstone of our strategy to reduce wastewater volumes. With the technical suitability reports obtained from universities and the contributions of expert consultants, we ensure that process water is reused in compliance with the highest quality standards. Specifically, in order to reduce the consumption of well water sourced from underground water wells, the use of desalinated seawater treated at our desalination facility has brought about a significant transformation in our water management. This approach has aimed at preserving underground water resources, while increasing the use of seawater to reduce the pressure on natural freshwater sources.

As HABAŞ, the efficient use of water resources, wastewater management, and environmental sustainability are integral parts of our operational processes.

Our company's water management approach is shaped in line with the Integrated Management Systems Policy, which aims to both conserve current resources and leave a livable environment for future generations.



WATER AND WASTEWATER MANAGEMENT

Success Story:

Continuous Improvement in Resource Management

One of the standout success stories in HABAŞ's water management strategies is the increased recycling rate of process water and the reduction of losses and leaks. These improvements have minimized water discharge while significantly enhancing operational efficiency. Additionally, increasing the capacity for seawater usage has made a substantial contribution to sourcing our total water consumption from sustainable resources, as reflected in the 2023 data.



With an 11.2% increase in seawater usage, groundwater resources were utilized 8% less in 2023 compared to 2022, reducing the consumption of natural resources. Additionally, the amount of groundwater used per unit of product decreased by 17% compared to the previous year, achieving a significant reduction.



WATER AND WASTEWATER MANAGEMENT

Water Discharge Management and Reduction of Environmental Impacts

As HABAŞ, our water discharge processes are maintained below the regulatory threshold values in accordance with legal regulations. In line with our philosophy of continuous improvement, we are committed to minimizing wastewater generation and implementing process improvements.

Collaboration with Stakeholders: Effective Management and Responsibility

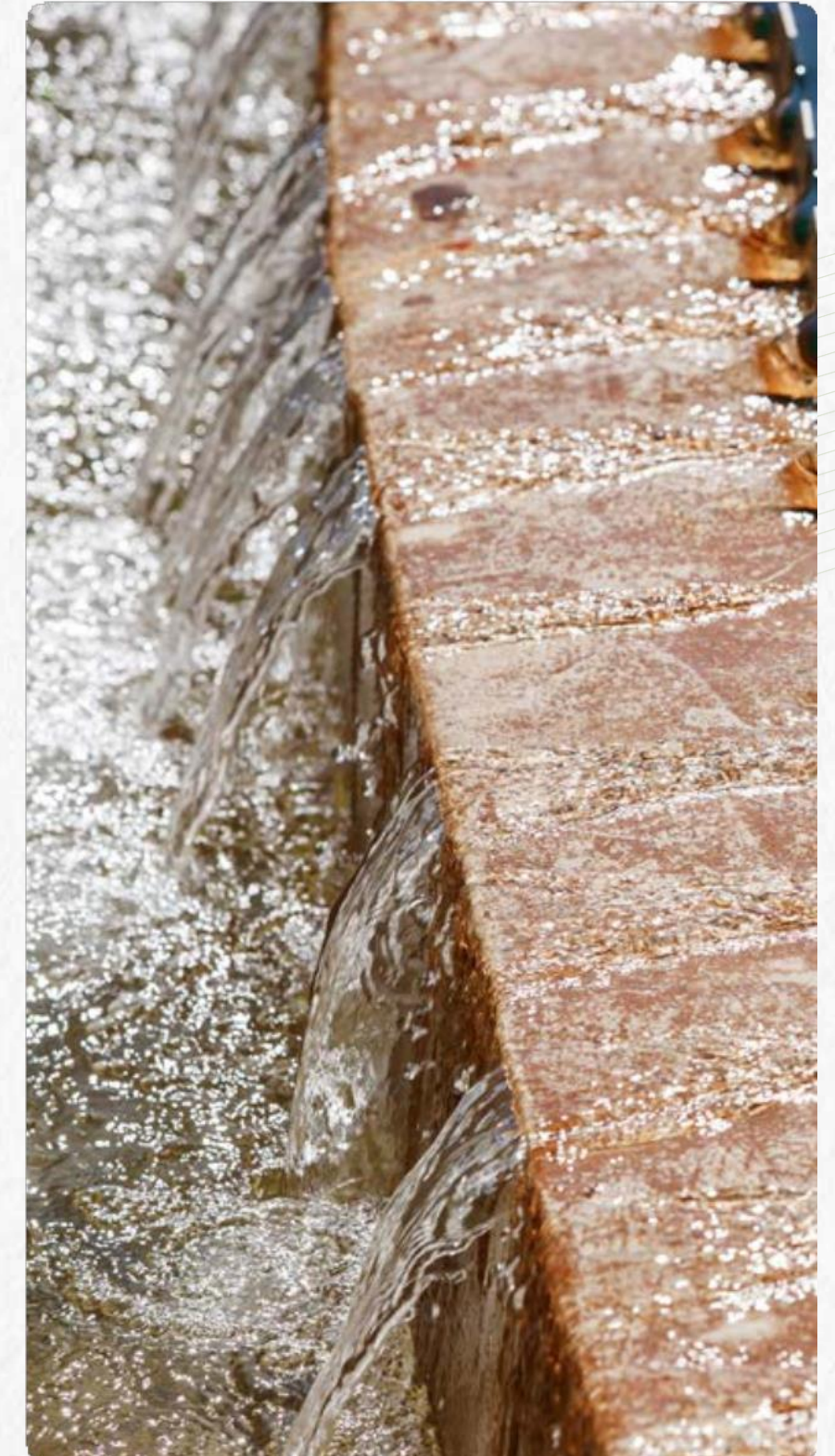
We work closely with all our stakeholders, particularly production and operations personnel, in developing our water management strategy. This inclusive approach ensures the protection of water resources and the achievement of our sustainability goals.

Alignment with Sustainability Goals

HABAŞ's water management strategy is fully aligned with the goals of reducing wastewater volume, optimizing resource efficiency, and improving environmental performance. In this context, we plan to take concrete steps by increasing our desalination capacity and implementing other planned development projects.

Investment in the Future

HABAŞ aims to achieve operational excellence while contributing to the sustainability of natural resources through innovative solutions and continuous improvement-focused projects in water and wastewater management. A water management policy that adds value to the future has been implemented through strategies such as increased use of seawater, process water recycling, and reduction of losses and leaks.



CIRCULAR ECONOMY AND WASTE MANAGEMENT

As HABAŞ, within the scope of environmental management, we implement effective strategies in our waste management processes based on the principles of the circular economy. Our priority in waste management is to minimize waste generation and reintegrate produced waste into the economy through recycling processes.

Priority Areas in Waste Management

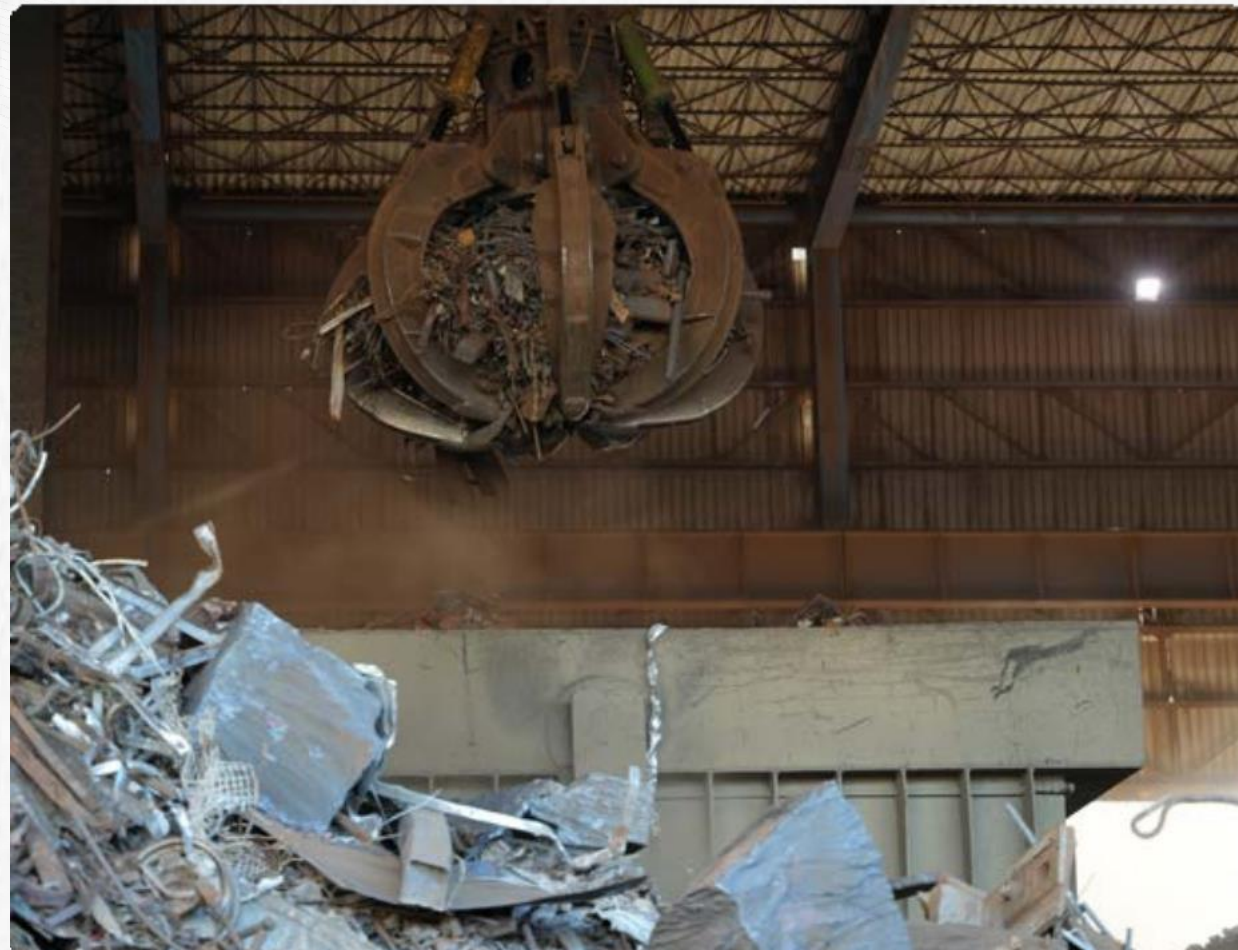
We, at HABAŞ, prioritize the proper segregation and management of waste, reducing waste generation, and reintegrating recyclable waste into the economy.

In line with these priorities, we set waste reduction targets every six months and provide regular training sessions for all employees. Additionally, we continuously improve our processes in accordance with our integrated management system, policies, and procedures.

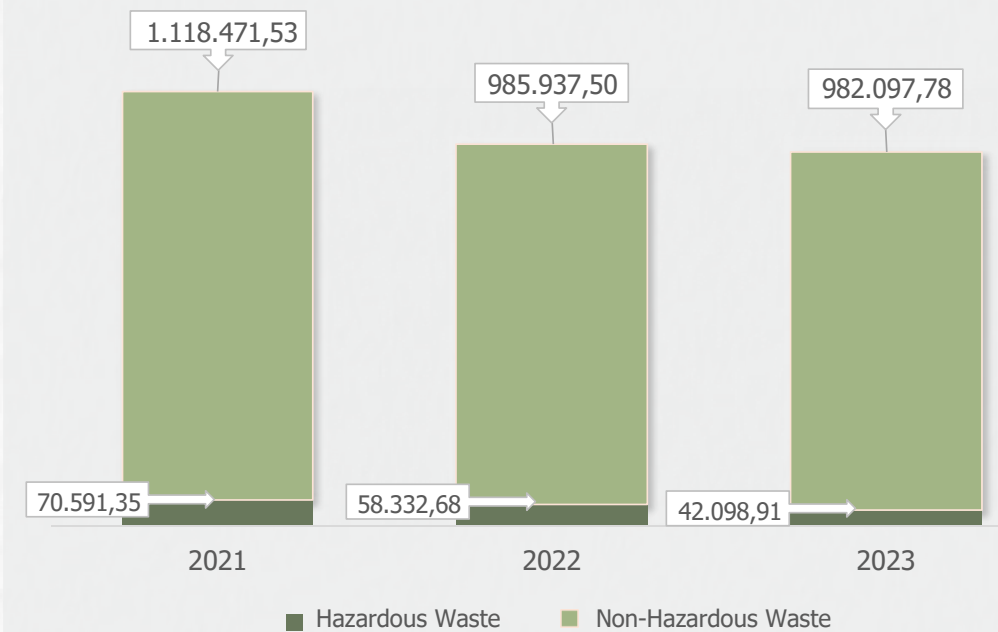
Environmental and Social Impacts of Waste Flow

We carry out initiatives to reduce the environmental and social impacts of waste, prioritizing the use of waste as raw material through a circular economy approach while minimizing natural resource consumption.

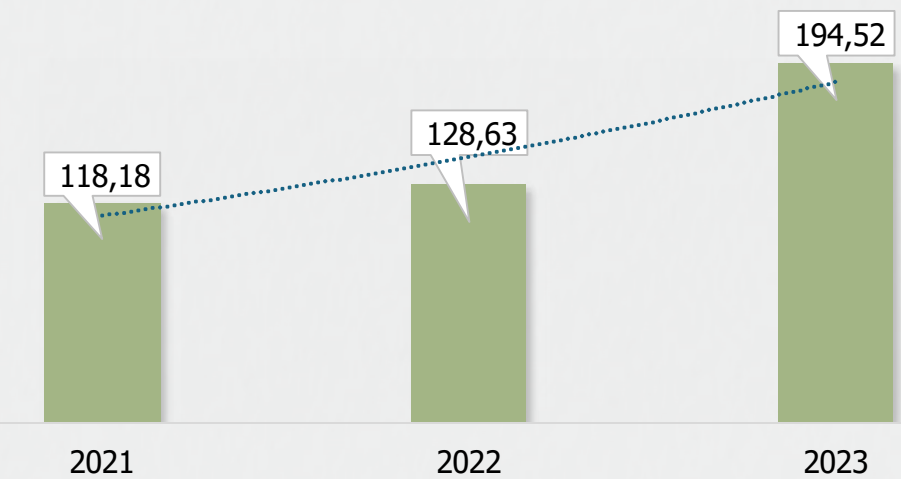
We recycle scale and metal waste from the sheet rolling mill at our main plant, thereby shortening waste logistics and contributing to the preservation of natural resources. Under our environmental permit and license, we send non-recyclable but still economically viable recyclable waste to recycling facilities, ensuring their reintegration into the economy.



Waste by Type



Energy Recovery



CIRCULAR ECONOMY AND WASTE MANAGEMENT

Strategies for Reducing Waste Generation and Flow

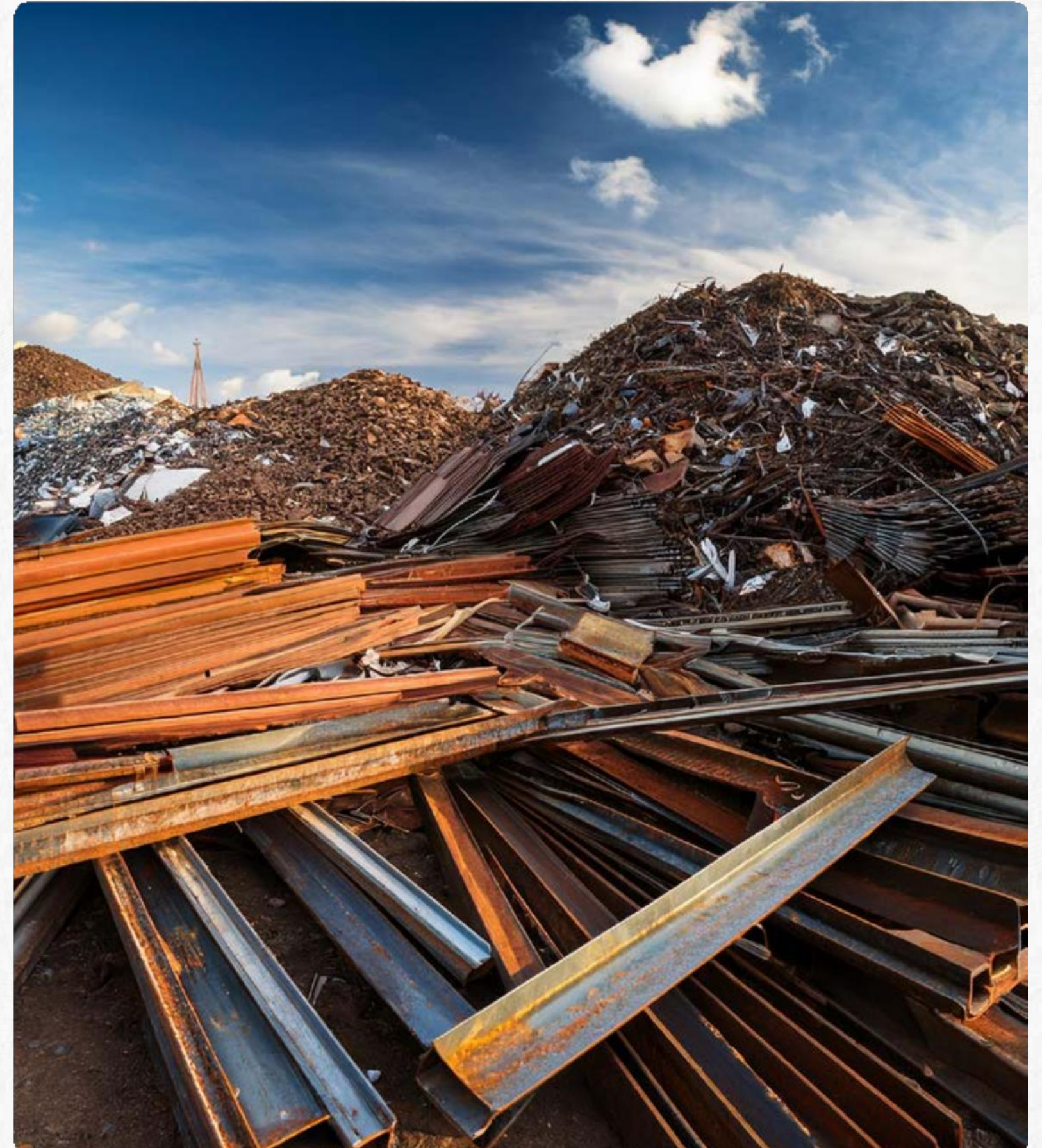
Some of our waste generation and reduction strategies include minimizing waste generation by using higher-quality scrap in our production processes, ensuring proper segregation of waste for recycling, and focusing on recovery instead of disposal. For example, instead of sending hydraulic oil to a co-incineration facility, we direct it to a refining facility for recovery.

Waste Management Performance and Improvement Efforts

Between 2021 and 2023, there has been a significant reduction in both hazardous and non-hazardous waste volumes. The total amount of hazardous waste decreased from 70,591 tons in 2021 to 42,099 tons in 2023, achieving a 40% reduction since 2021 and a 28% decrease compared to the previous year. Similarly, the amount of non-hazardous waste dropped from 1,118,471,534 kg to 982,097,780 kg, marking a 21% reduction since 2021.

On the other hand, the amount of waste recovered for energy purposes as a disposal method increased from 118 tons in 2021 to 195 tons in 2023, achieving a 51% increase in waste recovery.

Waste Management			
By Waste Type	2021	2022	2023
Hazardous Waste (tons)	70.591,35	58.332,68	42.098,91
Non-Hazardous Waste (tons)	1.118.471,53	985.937,50	982.097,78
By Disposal Method	2021	2022	2023
Energy Recovery (tons)	118,18	128,63	194,52
Recovery (tons)	1.188.283,46	1.043.375,05	1.023.301,46
Disposed Waste (tons)	779,43	895,12	895,23



CIRCULAR ECONOMY AND WASTE MANAGEMENT

At HABAŞ, we are advancing our sustainability goals through production processes and waste management policies based on the principles of a circular economy. The primary process wastes generated from our operations include slag from our electric arc furnace facilities and mill scale from our rolling mills, which constitute our main non-hazardous waste streams.

Slag and mill scale have the potential to be transformed into valuable raw materials within the circular economy due to their varying iron content. To maximize this potential, waste materials are stored under appropriate conditions, and meticulous sorting processes are applied to effectively manage recycling operations.

As of 2023, 96% of our total waste consists of non-hazardous materials. This figure highlights that a significant portion of our production processes results in recyclable and economically valuable waste. HABAŞ remains committed to taking firm steps toward resource reutilization, one of the core principles of the circular economy.

Among the company's hazardous wastes, process-related flue dust and contaminated waste from human activities stand out. Flue dust, in particular, is classified as a high-value waste due to its zinc content.

In 2023, an assessment of all waste generated by HABAŞ revealed that 99.89% of waste was recovered, 0.02% was utilized for energy recovery, and only 0.09% was disposed of. These figures clearly demonstrate HABAŞ's high performance in waste management and its significant contribution to the circular economy.

Maximizing waste recycling is at the core of our sustainability policies, with a focus on proper storage, effective sorting, and appropriate recovery processes. Process wastes such as slag and mill scale are transformed into valuable raw materials for other industries, reintegrating them into the economy. Similarly, hazardous wastes like flue dust are separated into high-value components while minimizing environmental risks.

At HABAŞ, we are committed to managing production waste in an environmentally responsible manner, ensuring its maximum possible recovery. By doing so, we not only minimize environmental impacts but also strive to set a leading model in the circular economy. Our dedication in this field reflects not only effective resource management for today but also a concrete vision for a sustainable world for future generations.



HABAŞ acts with an approach that prioritizes not only environmental responsibilities but also social responsibilities on its sustainability journey.

The health and safety of our employees, as well as values such as diversity, equity, and inclusion, form the foundation of our corporate culture.

We support the development of every individual's potential through the training and development opportunities we offer, combined with a fair and competitive wage policy.

With this understanding, as HABAŞ, we continue to fulfill our responsibilities towards both our employees and society, contributing to a sustainable future.



EMPLOYEE HEALTH AND SAFETY

At HABAŞ, we consider employee health and safety as an integral part of all our operations. We prioritize human life above all else and remain firmly committed to our goal of zero accidents. To achieve this target, we adopt a proactive, innovative, and systematic management approach.

We manage our Occupational Health and Safety (OHS) Management System, which we first certified in 2011, by continuously evaluating both the evolution of the standard and the current national and global requirements.

The OHS Management System aims to protect the health and safety of our employees at the highest level, while also ensuring compliance with legal obligations and alignment with international standards, which are among our top priorities.

The Occupational Health and Safety Management System is structured within the framework of the ISO 45001 standard and implemented as an ever-evolving process. The flexibility and scope provided by this standard allow for the identification of all potential risks that may arise in the workplace and the effective management of these risks. HABAŞ not only complies with current national regulations but also aims to take further precautions by keeping track of global developments.



[ISO 45001:2018 Certification](#)



EMPLOYEE HEALTH AND SAFETY

Risk Management and Safety Culture

We conduct comprehensive risk assessments at all stages of our operations and take necessary measures to prevent hazards at the source. We regularly review our work environments for the safety of our employees and continuously improve occupational safety standards. In the employee health and safety management processes, we encourage the participation of our employees, integrating their views and suggestions into our policies. We believe that this approach is one of the key elements in strengthening the safety culture in the workplace.

Training and Awareness Activities

We conduct regular training sessions to raise awareness among our employees about safety and encourage them to adopt safe working habits. We offer various practices and awareness programs to help our employees recognize potential hazards and enhance their occupational safety awareness. In this context, we contribute to the development of a safety culture in the workplace by ensuring that our employees understand their individual responsibilities.

Continuous Improvement and Monitoring

We regularly monitor, analyze, and identify improvement opportunities for our employee health and safety performance. This process is an important step towards ensuring the sustainability of our occupational health and safety management standards. We take necessary measures to support both the physical and psychological health of our employees, aiming to ensure that they feel safe in the workplace.

Safe Steel Approach for a Sustainable Future

At HABAŞ, we aim to take a pioneering role in employee health and safety. We believe that safety is not a result, but an ongoing process, and throughout this process, we always prioritize the well-being of our employees. In the coming years, we will continue to develop our approach to employee health and safety, striving to become a role model employer in the industry.



EMPLOYEE HEALTH AND SAFETY

Occupational Health and Safety Services and Employee Participation



HABAŞ places a strong emphasis on the health of its employees and rigorously implements occupational health services. Every year, periodic health check-ups are conducted for employees, and medical tests are regularly repeated. Additionally, two ambulances and a professional health team, ready for intervention, are always on standby to handle emergencies. Furthermore, regular health and hygiene training sessions are held to promote a culture of hygiene.

We continuously monitor the impact of occupational health services on the health status of our employees. Periodic medical exams enable early detection of potential health risks, improving the overall quality of life for our employees.

In addition to occupational health and safety (OHS) orientation and refresher training, all employees receive regular training on topics such as working at heights, confined space work, fire safety, and lockout/tagout procedures. The effectiveness of these training programs is measured through pre-tests and post-tests, allowing us to assess success rates. At the end of the training, we encourage participants to provide feedback on the trainer, helping us to continually improve the quality of our training programs.

EMPLOYEE HEALTH AND SAFETY



In line with our sustainability goals, at HABAŞ, we consider our employees and stakeholders as members of our family. With this understanding, we aim to maintain a safe working environment inclusively by organizing monthly Occupational Health and Safety (OHS) contractor committee meetings and factory committee meetings with our factory board members and all stakeholders. To enhance interdepartmental support and communication, we hold consultation meetings and ensure that suggestions, requests, and complaints from all our employees are communicated to upper management. This process enables immediate actions to be taken and effective planning to be carried out.

To monitor our company's OHS performance, we regularly present accident frequency and severity rate statistics, unsafe conditions and behavior charts during committee meetings to inform our departments and managers. Additionally, we manage processes initiated through the QDMS system and address current situations to track performance criteria. This method not only helps instill a culture of continuous improvement but also facilitates the achievement of our OHS goals.

Before entering our factory site, all visitors, interns, and subcontractors who come for work, visits, or inspections must obtain entry approval from the Technical Safety Unit and pass through security checkpoints in a controlled manner. This process, accompanied by the work permit system and visitor information booklet, contributes to creating a safe working environment. All of our employees are informed during OHS training sessions to ensure the necessary awareness for achieving behavior-based safety.

We continue our efforts with the awareness that OHS management is not just about tracking accident statistics, but about the presence and development of proactive processes. We believe that this proactive approach will play a crucial role in achieving HABAŞ's sustainability goals.

The safety of our employees is not only a legal requirement but also a part of our sustainability strategy. The measures we take to create a safe and healthy working environment contribute to our company's long-term success by fostering a stronger OHS culture every day.



DIVERSITY, EQUALITY, AND INCLUSION

Diversity and Inclusion

At HABAŞ, we consider human resources as our most valuable asset and view diversity, inclusivity, and equal opportunity as fundamental elements of our company culture. In line with our Human Resources and Human Rights Policies, we are committed to creating a work environment that values each individual's differences and ensures that everyone feels included.

Diversity Policy

HABAŞ believes that a workforce made up of individuals with diverse backgrounds, skills, and experiences can offer innovative and value-creating solutions. As part of our diversity policy, we are taking steps to increase the participation of female employees in our workforce and prioritize employment resources from various regions. HABAŞ views employees' cultural differences as a source of wealth, believing that these differences contribute to organizational success.

Equal Opportunity and Prevention of Discrimination

HABAŞ does not tolerate any form of discrimination based on gender, age, ethnicity, disability, sexual orientation, political views, or any other factor in recruitment, placement, training, compensation, and promotion decisions. We ensure that employees are evaluated based on their performance, skills, and experience. With this approach, we strive to provide a fair and inclusive work environment by preventing any form of harassment, bullying, or discrimination within the company.

Inclusive Work Culture

Creating a work environment where our employees can freely express their ideas, feel valued, and develop professionally is one of our top priorities. We aim to build a culture that fosters leadership, collaboration, quality orientation, continuous learning, and adaptability. Our policies are regularly reviewed to ensure a secure and equal opportunity environment for our employees, where they can work confidently.

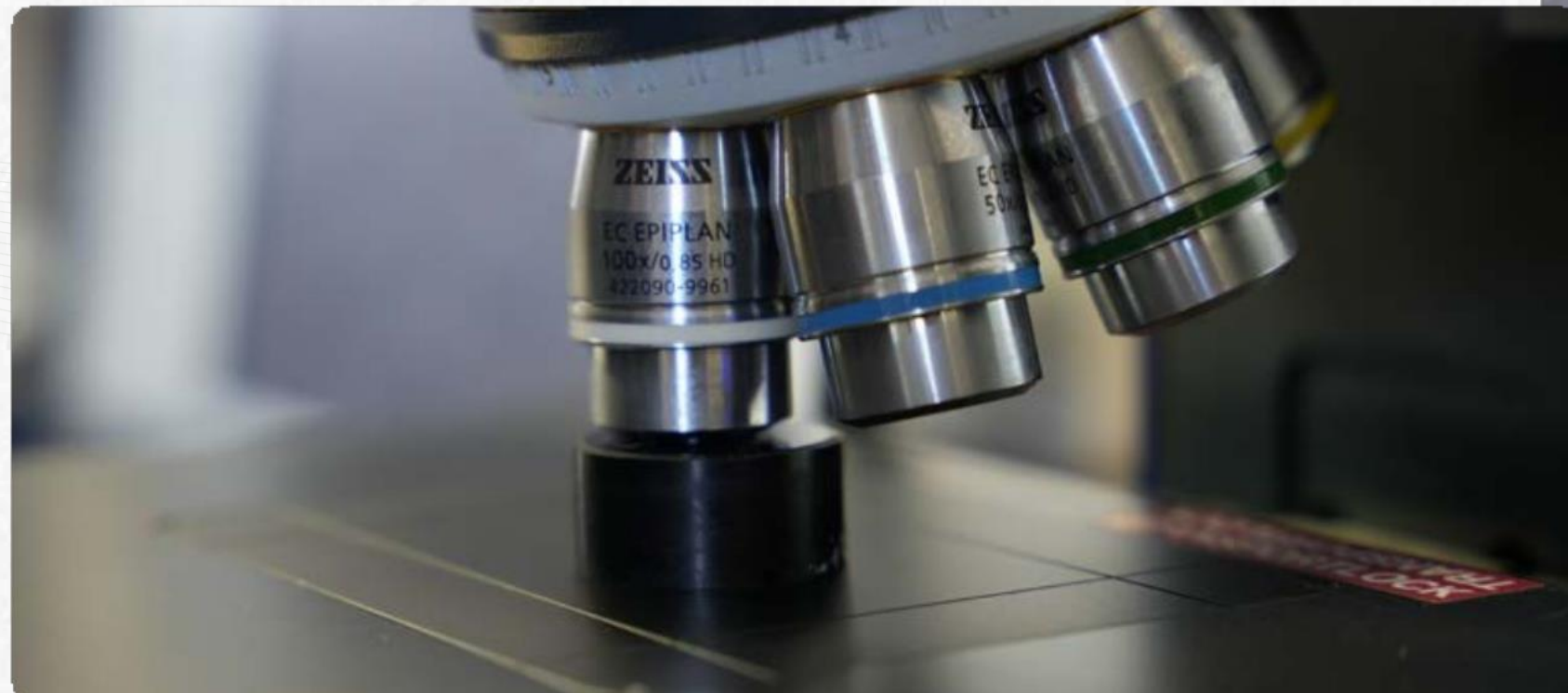


DIVERSITY, EQUALITY, AND INCLUSIVITY

Women's Participation in the Workforce

Increasing female employment is an important part of our diversity strategy. As of 2023, the number of female employees has increased by 57% compared to the previous year. This development reflects HABAŞ's inclusive policies, and we are determined to continue our efforts to maintain this growth in a sustainable manner.

At HABAŞ, we are aware that every step we take in the areas of diversity and inclusion directly contributes to our sustainability goals. In this context, we adopt a strategy of offering an inclusive working environment and continuing to grow with our employees by ensuring diversity in our workforce, as a sustainable success strategy.



Working Conditions and Respect for Human Rights

HABAŞ adopts respect for fundamental human rights in the workplace as a corporate obligation. In this context, we ensure that our employees have a respectful work-life balance, providing safe and healthy working environments in line with the International Labour Organization (ILO) standards. We have implemented a zero-tolerance policy against all practices that violate human rights, including child labor, forced labor, and human trafficking.

[Human Resources Policy](#)

[Human Rights Policy](#)

TRAINING, TALENT, AND COMPENSATION MANAGEMENT

Compensation Policy

At HABAŞ, we adopt a fair and competitive compensation policy that aligns with our business volume, aiming to best utilize the knowledge, skills, and competencies of our employees. In line with the principle of "equal pay for equal work," we have created a clear and manageable pay structure that ensures internal balance without making any distinctions based on gender, disability status, or contract type.

In 2023, in order to increase employee satisfaction and support motivation, two salary adjustments were made. Wages for blue-collar employees were adjusted according to the Collective Bargaining Agreement, while white-collar employees' wages were determined based on the company's established scale. Compensation for senior executives was set fairly and competitively, considering their roles and areas of responsibility. Employee benefits include car allocation, fuel assistance, and communication cost support.

HABAŞ aims to continuously review its compensation policy and adapt it to industry trends and economic conditions. Despite economic fluctuations throughout 2023, the company successfully implemented this policy.

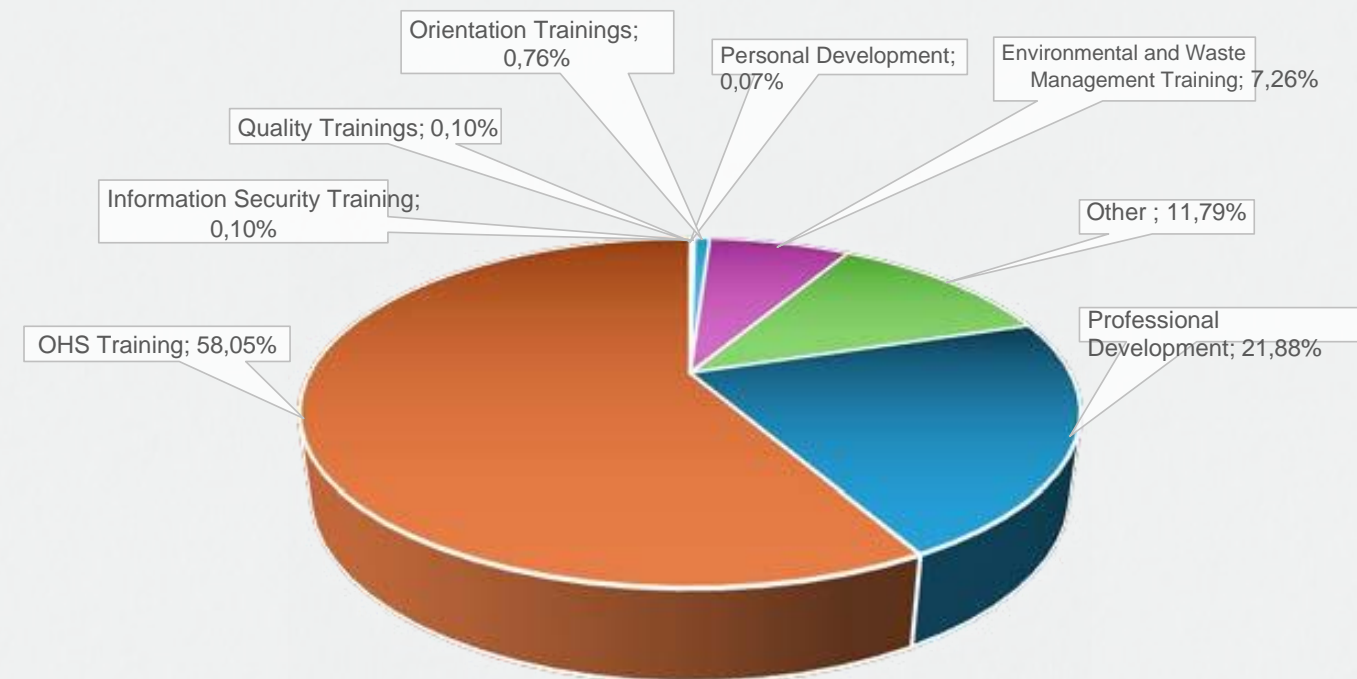
[Compensation Policy](#)

[Personnel Severance Policy](#)



TRAINING, TALENT, AND COMPENSATION MANAGEMENT

Training and Development Activities



As HABAŞ, we are increasing and implementing comprehensive training programs to support the professional and personal development of our employees. The trainings are designed to focus on both professional development and personal growth, with training in areas such as teamwork, leadership, and tasks specific to the roles of our employees. As a requirement of our operational and managerial perspective, we aim to continuously raise awareness and maintain the level of consciousness of our employees through periodic trainings on integrated management systems, occupational health and safety, environmental and waste management, and other areas. In 2023, we conducted an average of 30 hours of training per employee to enhance their competencies, skills, and awareness while contributing to their personal development.

Our training activities are evaluated through our training effectiveness measurement processes, and improvements are defined based on the feedback received. Short-term training feedback is gathered through post-training surveys, while for long-term training, the impact of the programs

on employees is analyzed through evaluations conducted two months after the training. The training programs aim to enhance employees' knowledge and competency levels, contributing to both individual and organizational sustainability goals.

The training investments made throughout 2023 demonstrate HABAŞ's determination to strengthen its human resources in line with its sustainable growth goals. In 2023, training programs aimed at employee development were increased, showing a 67% increase compared to the previous year, resulting in a total of 69,069 hours of training conducted.

In 2023, HABAŞ focused on creating a fair and inclusive work environment while supporting the development of its employees through both its compensation policy and training activities. Training and talent management processes that enhance employees' knowledge and skills have contributed to HABAŞ's environmental, social, and economic sustainability goals.

SOCIAL INVESTMENTS AND CONTRIBUTION TO DEVELOPMENT

HABAŞ does not limit its understanding of sustainability to environmental and economic areas alone but also values its social responsibilities, taking steps to contribute to social development.

As HABAŞ, we prioritize supporting social development by increasing local employment. At our factory located in Aliağa, as of 2024, recruitment from neighboring villages and towns accounts for 69% of the total workforce. By focusing on the needs of the local community, we aim to increase this percentage through vocational training programs and internship opportunities for young people, while also aiming to transfer sectoral experience to the younger generation.

With our investments, we prioritize increasing employment and contributing to the local economy. Our company aims to systematically and strategically enhance its local and regional contributions, as well as its support for social development through societal investments, in the coming years. In line with this, as part of our sustainability vision, we are making plans to create new opportunities in areas such as community responsibility projects and educational support.



SOCIAL INVESTMENTS AND CONTRIBUTION TO DEVELOPMENT

Hamdi Başaran Vocational and Technical Training Center

One of the key examples of HABAŞ's local and regional contribution approach is the Hamdi Başaran Vocational and Technical Training Center, established with the vision of Hamdi Başaran. During his lifetime, Hamdi Başaran aspired to contribute to the education system of our country by establishing an educational structure that started as an art school and evolved into vocational technical training centers. Although he could not see this dream come to fruition, it was realized by the HABAŞ group of companies, marking an important step toward addressing the deficiencies in vocational education in our country. Hamdi Başaran's role in the development of the national economy ensures that every student and educator looks to the future with hope.

The Hamdi Başaran Vocational and Technical Training Center is built on a 30,000 m² plot of land, with a closed area of 14,400 m² and a capacity to train 2,400 students. With its modern educational infrastructure and well-equipped laboratories, it serves as a model for vocational and technical education across the country. The center includes 40 classrooms, 8 laboratories, and 26 workshops. The fields selected for training have been carefully chosen in line with Hamdi Başaran's belief in producing qualified intermediate personnel and developing national production.

The school is also designed to be disability-friendly, providing vocational training opportunities for students with disabilities. Students benefit from the strategic opportunities offered by the HABAŞ Group of Companies, allowing them to put their knowledge into practice. In this way, young people are not only equipped with vocational skills but are also given the necessary opportunities to take an active role in various industries.

The structure of the Hamdi Başaran Vocational and Technical Training Center takes energy efficiency into account, with its unique architecture and environmental arrangements setting it apart from other educational institutions in the sector. Additionally, the school's sports and social activity areas contribute to the physical development of students. Hamdi Başaran's foresight and significant role in the country's economic development continue to live on through the values he left behind, and he is remembered with respect and admiration by all students and educators.

As HABAŞ, inspired by Hamdi Başaran's legacy, we aim to continuously increase the importance we place on education and provide opportunities for young generations to develop their vocational skills. In this context, we plan to work on long-term projects to ensure that

different segments of society have equal opportunities in education. Additionally, we will continue to create social responsibility projects tailored to the needs of society and contribute to these projects as a company.

To increase our local and societal contributions, our future goals include developing projects not only in vocational education but also in environmental sustainability and social equality. HABAŞ aims to adopt responsibility for local and societal development as a business model and to work together with all stakeholders to achieve sustainable success.



CORPORATE MEMBERSHIPS AND PARTNERSHIPS



Istanbul Mining and
Metallurgy Exporters
Association



İstanbul
Chamber of Industry



Turkish Metal
Industrialists' Union



Istanbul Chamber of
Shipping



İstanbul
Chamber
of Commerce



Turkish Steel Producers
Association





FINANCIAL PERFORMANCE INDICATORS

	2021 (million TL)	2022 (million TL)	2023 (million TL)
Created Economic Value	38.275,00	69.631,00	83.850,60
Operating Expenses	33.550,00	61.496,00	66.525,90
Financial Contributions to Employment	-	-	2.417,40
Public Contributions	-	-	1.042,80
Capital Investments	-	-	11.328,60
Total Steel Exports	-	-	21.045,60
Ongoing or Newly Started Investment Projects in 2023			Amount Paid for the Project in 2023 (USD)
Zinc Enrichment Facility Investment Project			14.784.345,00
Steel Plant Investment Project			94.772.502,00
Hot Rolling Mill Capacity Expansion Project			5.940.640,00
Cold Rolling Mill Investment Project			62.534.015,00
Port Investment Project			5.460.013,00
Hydrogen Production and Filling Facilities Investment Project			23.573.256,00
Wire Rod Rolling Mill Investment Project			13.301.933,00
Shipyards Investment Project			15.778.905,00
Total Investment			236.145.609,00

ENVIRONMENTAL PERFORMANCE INDICATORS

Greenhouse Gas Emissions			
Steel Mill and Rebar Rolling Mill		2022	2023
Scope 1*	tons of CO2e/year	684.836,21	529.597,94
Scope 2	tons of CO2e/year	775.013,33	804.703,57
Total Emissions	tons of CO2e/year	1.459.849,53	1.334.301,51
Greenhouse Gas Intensity	tons of CO2e/ton of product	0,34	0,30
Sac Haddehanesi		2022	2023
Scope 1	tons of CO2e/year	173.969,50	201.438,99
Scope 2	tons of CO2e/year	96.567,38	126.572,09
Total Emissions	tons of CO2e/year	270.536,89	328.011,08
Greenhouse Gas Intensity	tons of CO2e/ton of product	0,14	0,13

* This value represents the calculation based solely on the operations of the steel mill and the bar mill.

Energy Consumption		
Energy Consumption Per Ton of Product (GJ/ton)	2,86	2,58

Water Consumption		
Water Consumption Per Ton of Product	2022	2023
Groundwater (m³/ton of product)	0,40	0,33
Seawater (m³/ton of product)	0,27	0,27

Waste Management			
By Waste Type	2021	2022	2023
Hazardous Waste (tons)	70.591,35	58.332,68	42.098,91
Non-Hazardous Waste (tons)	1.118.471,53	985.937,50	982.097,78
By Disposal Method	2021	2022	2023
Energy Recovery (tons)	118,18	128,63	194,52
Recycling (tons)	1.188.283,46	1.043.375,05	1.023.301,46
Waste Disposed (tons)	779,43	895,12	895,23

SOCIAL PERFORMANCE INDICATORS

Number of Employees by Gender	2021	2022	2023
Number of Female Employees	9	14	22
Number of Male Employees	1.954	2.074	2.082
	1.963	2.088	2.104

By Employment Type, Working Hours, and Gender		2021	2022	2023
White Collar - Female Employees	Full-time	9	14	21
	Part-time	-	-	-
White Collar - Male Employees	Full-time	737	752	738
	Part-time	-	-	-
Blue Collar - Female Employees	Full-time	-	-	1
	Part-time	-	-	-
Blue Collar - Male Employees	Full-time	1.217	1.322	1.344
	Part-time	-	-	-
		1.963	2.088	2.104

By Contract Type and Gender	2021	2022	2023
Indefinite-term - Female	9	14	22
Indefinite-term - Male	1.945	2.066	2.072
Fixed-term - Female	-	-	-
Fixed-term - Male	9	8	10
	1.963	2.088	2.104

Employees Covered by Collective Bargaining Agreement	2021	2022	2023
Number of Female Employees	-	-	1
Number of Male Employees	1.217	1.322	1.344
	1.217	1.322	1.345
Ratio to Total Number of Employees	62%	63%	64%



SOCIAL PERFORMANCE INDICATORS

By Age and Gender		2021	2022	2023
Under 30 Years Old	Female	5	7	16
	Male	496	505	436
Between 30-50 Years Old	Female	4	7	6
	Male	1.258	1.318	1.341
50 Years and Over	Female	-	-	-
	Male	200	251	305
		1.963	2.088	2.104

By Duration and Gender		2021	2022	2023
0-5 Years of Service	Female	8	12	18
	Male	1.298	1.367	1.289
5-10 Years of Service	Female	1	2	4
	Male	359	402	571
10 Years and Above of Service	Female	-	-	-
	Male	297	305	222
		1.963	2.088	2.104

By Management Category and Gender		2021	2022	2023
Top Management	Kadın	1	1	1
	Erkek	44	43	39
Middle Management	Kadın	8	12	18
	Erkek	610	627	618
Other	Kadın	-	1	3
	Erkek	1.300	1.404	1.425
		1.963	2.088	2.104

Managers by Age and Gender		2021	2022	2023
Under 30 Years Old	Female	-	-	-
	Male	2	-	-
Between 30-50 Years Old	Female	-	1	1
	Male	22	21	20
Over 50 Years Old	Female	-	-	-
	Male	20	22	19
		44	44	40

SOCIAL PERFORMANCE INDICATORS

Employees Who Took Parental Leave		2021	2022	2023
Number of Employees Who Took Parental Leave	Kadın	1	-	-
	Erkek	99	88	101
Number of Employees Who Returned to Work After Parental Leave	Kadın	1	-	-
	Erkek	99	88	101
Employees Who Returned to Work After Parental Leave and Worked for at Least 12 Months	Kadın	1	-	-
	Erkek	99	88	101
		100	88	101

Employment and Turnover		2021	2022	2023
New Hires	White Collar	66	77	181
	Blue Collar	198	266	509
		264	343	690
Employees Leaving	White Collar	38	51	96
	Blue Collar	137	144	259
		175	195	355
New Hires	Female	2	3	11
	Male	261	340	498
		263	343	509
Employees Leaving	Female	-	2	2
	Male	175	195	353
		175	197	355

SOCIAL PERFORMANCE INDICATORS

Number of Subcontractor Employees		2021	2022	2023
Number of Full-Time Employees		13.555	14.688	13.723
Number of Part-Time Employees		-	-	-
		13.555	14.688	13.723

Training Investments		2021	2022	2023
Number of Employees Trained		3.698	4.597	10.097
Total Training Expenses (Including Payments to Subcontractors)	TL	64.674,78	248.634,40	164.014,44

Training Hours		2021	2022	2023
Professional Development	saat	-	1.795	15.110
Personal Development	saat	-	-	47
Orientation Trainings	saat	-	-	528
Quality Trainings	saat	-	-	66
Information Security Trainings	saat	-	-	66
Environmental and Waste Management Trainings	saat	3.698	4.402	5.012
Occupational Health and Safety Trainings	saat	29.584	35.216	40.096
Other	saat	-	-	8.144
		33.282	41.413	69.069



SOCIAL PERFORMANCE INDICATORS

Occupational Health and Safety Trainings		Unit	2021	2022	2023
Basic Occupational Health and Safety Training	Company employee	person/year	1.055	1.284	1.110
	Subcontractor employee	person/year	264	373	248
On-the-Job Training	Company employee	person/year	569	741	948
	Subcontractor employee	person/year	653	850	971
Working at Heights Training	Company employee	person/year	176	328	365
	Subcontractor employee	person/year	31	134	83
Confined Space Work Training	Company employee	person/year	154	189	199
	Subcontractor employee	person/year	19	17	19
Screen-based Equipment Work Training	Company employee	person/year	1.624	2.025	2.058
	Subcontractor employee	person/year	917	1.223	1.219
Other	Company employee	person/year	225	493	454
	Subcontractor employee	person/year	110	403	69

Occupational Health and Safety Records		Unit	2021	2022	2023
Number of Fatal Work Accidents	Company employee	incident/year	-	-	-
	Subcontractor employee	incident/year	-	-	-
Number of Lost Time Accidents*	Company employee	incident/year	109	81	121
	Subcontractor employee	incident/year	33	48	44
Occupational Disease	Company employee	incident/year	-	-	-
	Subcontractor employee	incident/year	1	-	-

* Lost Time Injury (LTI): Work accidents that result in injury, where the injured employee is unable to return to work on the first working day following the day of the injury.

Occupational Health and Safety Statistics		Unit	2021	2022	2023
Working Hours	Company employee	hours/year	6.692.397	6.782.769	6.798.909
	Subcontractor employee	hours/year			
Lost Time Injury Frequency Rate (LTIFR))*	Company employee	rate	21	19	25
	Subcontractor employee	rate			
Occupational Disease Rate	Company employee	rate	-	-	-
	Subcontractor	rate	1	-	-

* Lost Time Injury Frequency Rate (LTIFR): ([Number of recorded lost time injuries during the reporting period] x 1,000,000) / (Total working hours during the reporting period)



GRI CONTENT INDEX

Usage Statement	HABAŞ Iron and Steel has reported in accordance with the GRI Standards for the period from 01.01.2023 to 31.12.2023.		<div><div><div>GRI</div></div><div>CONTENT INDEX ESSENTIALS SERVICE</div></div> <div>2024</div>
Used GRI 1	GRI 1: Foundation 2021		
General Disclosures			
GRI 2: General Disclosures 2021	2-1 Organizational Profile	Corporate Profile, 8; Corporate Values, 10	
	2-2 Organizations included in the sustainability reporting	About the Report, 4	
	2-3 Reporting period, frequency, and contact information	About the Report, 4	
	2-4 Information revised compared to previous reports	Carbon and Energy Management - Fighting the Climate Crisis, 71	
	2-5 External Audit	No external audit has been conducted for the report.	
	2-6 Activities, value chain, and other business relationships	Our Activities, 12; HABAŞ Group Subsidiaries, 14; Sustainable Supply Chain Management, 63	
	2-7 Employees	Diversity, Equality, and Inclusion, 86; Social Performance Indicators, 66	
	2-8 Employees of subcontractor firms	Sustainable Supply Chain Management, 63	
	2-6 Governance structure	HABAŞ Sustainability Committee, 26	
	2-10 The process for determining the competencies and qualifications of the highest governance body members	The company reserves the right to withhold sharing this information in accordance with its confidentiality policies.	
	2-11 The Chair of the Highest Governance Body	Our Message to Stakeholder, 5; Sürdürülebilirlik Our Approach to Sustainability Strategy, 25	
	2-12 The role of the highest governance body in managing the impacts generated by the organization's activities	Management of Corporate Risks and Opportunities, 26	
	2-13 Responsibility and accountability in managing the impacts generated by the organization's activities	Management of Corporate Risks and Opportunities, 26	
	2-14 The role of the highest governance body in sustainability reporting	Management of Corporate Risks and Opportunities, 26	
	2-15 Processes to prevent conflicts of interest	Ethical Principles and Compliance, 44	
	2-16 The process of reporting critical issues to the highest governance body	Corporate Risk and Opportunity Management, 26	
	2-17 The competencies of the highest governance body	The company reserves the right not to share this information in accordance with its confidentiality policies.	
	2-18 The evaluation of the performance of the highest governance body	The company reserves the right not to share this information in accordance with its confidentiality policies.	
	2-16 Compensation policies	Training, Talent, and Compensation Management, 61	



GRI Standard	Indicator	Explanation and Page Numbers
General Disclosures		
GRI 2: General Disclosures 2021	2-20 The process for determining salaries	Training, Talent, and Compensation Management, 61
	2-21 Annual total compensation rate	The institution reserves the right not to disclose this information in accordance with its privacy policies.
	2-22 Explanation of the sustainable development strategy	Our Sustainability Strategy Approach, 25
	2-23 Policy commitments	HABAŞ Sustainability Committee, 26
	2-24 Implementation of policy commitments	HABAŞ Sustainability Committee, 26
	2-25 Processes for mitigating negative impacts	Corporate Risk and Opportunity Management, 26
	2-26 Mechanisms for obtaining suggestions and raising concerns regarding ethical and legal conduct issues	Ethical Principles and Compliance, 44
	2-27 Compliance with legal regulations	HABAŞ Sustainability Committee, 26; Management Systems and Compliance, 42
	2-28 Corporate memberships	Corporate Memberships and Collaborations, 65
	2-26 Stakeholder engagement	Stakeholder Management, 30
	2-30 The percentage of employees subject to collective labor agreements	Social Performance Indicators, 66
GRI 3: Priority Topics		
GRI 3: Priority Topics 2021	3-1 Process for determining material topics	Corporate Risk and Opportunity Management, 26; Prioritization Analysis, 34
	3-2 List of material topics	Prioritization Analysis, 34
	3-3 Management of priority topics	Prioritization Analysis, 34; Our Strategic Goals Alignment with SDGs, 38
Financial Performance (Sustainable Growth)		
GRI 3: Priority Topics 2021	3-3 Management of priority topics	Financial Contributions and Value Creation, 57
GRI 201: Financial Performance 2016	201-1 Direct economic value generated and distributed	Financial Contributions and Value Creation, 57; Financial Performance Indicators, 68
	201-2 Financial results and risks and opportunities related to climate change	Corporate Risk and Opportunity Management, 26; Operational Efficiency, 60
Sustainability in the Supply Chain		
GRI 3: Priority Topics 2021	3-3 Management of priority topics	Sustainable Supply Chain Management, 63
GRI 204: Procurement Practices 2016	204-1 The percentage of purchases made from local suppliers	Financial Contributions and Value Creation, 57



GRI Standard	Indicator	Explanation and Page Numbers
Business Ethics and Compliance		
GRI 3: Priority Topics 2021	3-3 Management of the Priority Topic	Ethical Principles and Compliance, 44
GRI 205: Anti-Corruption 2016	205-2 Communication and Training on Anti-Corruption Policies and Procedures	Ethical Principles and Compliance, 44
Energy Management		
GRI 3: Priority Topics 2021	3-3 Management of the Priority Topic	Carbon and Energy Management & Climate Crisis Mitigation, 71
GRI 302: Energy 2016	302-1 Internal Energy Consumption	Environmental Performance Indicators, 68
	302-4 Reduction of Energy Consumption	Carbon and Energy Management & Combating Climate Crisis, 71
Water and Wastewater Management		
GRI 3: Priority Topics 2021	3-3 Management of the Priority Topic	Water and Wastewater Management, 77
GRI 303: Water and Effluents 2018	303-1 The Institution's Water Policy and Management Approach	Water and Wastewater Management, 77
	303-2 Management of Impacts Related to Water Discharge	Water and Wastewater Management, 77
	303-3 Water Usage by Source	Water and Wastewater Management, 77
	303-4 Water Discharge	Water and Wastewater Management, 77
	303-5 Total Water Consumption	Water and Wastewater Management, 77; Environmental Performance Indicators, 68
Carbon Management		
GRI 3: Priority Topics 2021	3-3 Management of the Priority Topic	Carbon and Energy Management & Combating the Climate Crisis, 71
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG Emissions	Environmental Performance Indicators, 68
	305-2 Indirect (Scope 2) GHG Emissions	Environmental Performance Indicators,68
	305-4 GHG Emission Intensity	Environmental Performance Indicators, 68
	305-5 GHG Emission Reductions	Environmental Performance Indicators, 68



GRI Standard	Indicator	Explanation and Page Numbers
GRI 3: Priority Topics 2021	3-3 Management of the Priority Topic	Circular Economy & Waste Management, 80; Environmental Management, 70
GRI 301: Materials 2016	301-2 Used Recycled Input Materials	Circular Economy & Waste Management, 80
	301-3 Recovered Products and Their Packaging Materials	Circular Economy & Waste Management, 80
	306-1 Waste Generation and Significant Impacts Related to Waste	Circular Economy & Waste Management, 80
GRI 306: Waste 2020	306-2 Management of Significant Impacts Related to Waste	Circular Economy & Waste Management, 80
	306-3 Generated Waste	Circular Economy & Waste Management, 80; Environmental Performance Indicators, 68
	306-4 Disposed Waste	Circular Economy & Waste Management, 80; Environmental Performance Indicators, 68
	306-5 Waste Directed to Disposal	Circular Economy & Waste Management, 80; Environmental Performance Indicators, 68
Employment and Workforce		
GRI 3: Priority Topics 2021	3-3 Management of the Priority Issue	Our Employees and Society, 83
GRI 401: Employment 2016	401-1 New Employee Hires and Employee Turnover	Social Performance Indicators, 66
	401-3 Maternity and Paternity Leave	Social Performance Indicators, 66
Occupational Health and Safety		
GRI 3: Priority Topics 2021	3-3 Management of the Priority Topic	Employee Healty and Safety, 85
GRI 403: Occupational Health and Safety 2018	403-1 Occupational Health and Safety Management System	Employee Health and Safety, 85
	403-2 Types of Injuries and Accident Frequency Rates, Occupational Diseases, Lost Days and Absenteeism, and Total Work-Related Fatalities	Social Performance Indicators, 66
	403-3 Occupational Health Services	Employee Health and Safety, 85
	403-4 Worker Participation, Consultation, and Communication on Occupational Health and Safety	Employee Health and Safety, 85
	403-5 Worker Training on Occupational Health and Safety	Employee Health and Safety, 85
	403-8 Workers Covered by the Occupational Health and Safety Management System	Employee Health and Safety, 85
	403-6 Work-Related Injuries	Social Performance Indicators, 66
	403-10 Work-Related Illnesses	Social Performance Indicators, 66



GRI Standard	Indicator	Explanation and Page Numbers
Employee Satisfaction/Training/Eğitim/Equality and Inclusion/Human Rights		
GRI 3: Priority Topics 2021	3-3 Management of the Priority Topic	Diversity, Equity, and Inclusion, 86
GRI 404: Training and Education 2016	404-1 Average Training Hours Per Employee	Social Performance Indicators, 66
	404-2 Career, Talent Management, and Lifelong Learning Programs	Training, Talent, and Compensation Management, 61
GRI 404: Training and Education 2016	406-1 Discrimination Incidents and Corrective Actions Taken	No discrimination cases occurred during the reporting period.
Social Development		
GRI 3: Priority Topics 2021	3-3 Management of the Priority Topic	Social Investments & Contribution to Development, 63
GRI 413: Local Communities 2016	413-1 Local community engagement, impact assessments, and development programs related to operations	Stakeholder Management, 30
Customer Satisfaction		
GRI 3: Priority Topics 2021	3-3 Management of the Priority Topic	Customer Relations and Complaint Management, 46
Corporate Governance		
GRI 3: Priority Topics 2021	3-3 Management of the Priority Topic	Sustainability Governance, 23; Corporate Risk and Opportunity Management, 26
Complaint Management		
GRI 3: Priority Topics 2021	3-3 Management of the Priority Topic	Customer Relations and Complaint Management, 46
Digital Transformation		
GRI 3: Priority Topics 2021	3-3 Management of the Priority Topic	Digitalization, 51



Reporting Consultant
S4S Solutions for sustainability



Photo Support
Muhammet Girgin

Legal Disclaimer

The HABAŞ 2023 Sustainability Report has been prepared for informational purposes only, utilizing information and sources believed to be accurate and reliable for the period covered by the Report. The content of this Report cannot be interpreted as any statement, guarantee, or commitment, nor is it guaranteed to be complete and unchangeable. All rights to this Report belong to HABAŞ Iron and Steel Industry and Trade Inc.

This report's original language is Turkish. The English version has been prepared with artificial intelligence support for informational purposes.

