



TOSYALI
HOLDING



TOSYALI HOLDING
SUSTAINABILITY
REPORT 2021

TOSYALI
FOR A
SUSTAINABLE LIFE...





Tosyalı for a Sustainable Life

The pioneer of green steel production in our country and in the world. Steel is everywhere. In our buildings, our cars, the products we use, our roads, infrastructure and superstructure.

In the center of life, in the center of the future.

Green steel, which we produce with new generation technologies, clean energy sources such as solar and hydrogen, and sustainability-oriented R&D projects and innovations, will be one of the leading players in the construction of a more carbon-free world and will inspire other sectors for a more sustainable life.

Steel is in life today, will be at the forefront of change and transformation tomorrow and will be at the center of life in the future.

With the green steel we produce by bringing the technologies and innovations of the future to the present, we will continue to work for a more livable world by saying **Tosyalı for a Sustainable Life.**

Steel is everywhere in life...

Throughout this report, we have tried to show you with remarkable information how important steel is in our daily lives.

If green transformation is inevitable for a sustainable and more livable world, steel should be our starting point...

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

Because when steel transforms, life transforms.

STEEL IS EVERYWHERE IN LIFE
WHEN STEEL TRANSFORMS,
LIFE TRANSFORMS



57,000

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

Over **57,000 tonnes** of steel were used in the skeleton frame of the **Empire State Building** alone.



ABOUT THE REPORT > 5

MESSAGES FROM SENIOR MANAGEMENT > 6

- Message from the Board of Directors
- Message from the CEO

CORPORATE PROFILE > 10

- Structure of the Board of Directors
- Compliance with Ethical Principles
- Internal Audit System
- Risk Management

DEVELOPMENTS IN 2021 > 30

SUSTAINABILITY APPROACH > 33

- Sustainability Framework
- Our Sustainability Goals
- Sustainability Priorities
- Prioritization Analysis
- Prioritization Matrix

CARBONLESS STEEL > 42

- Green Hydrogen
- Energy Efficiency
- Renewable Energy
- Sustainability-Focused Innovation Management

RESPONSIBLE ECOSYSTEM MANAGEMENT > 54

- Supply Chain
- Water Risks and Management
- Circular Production
- Responsible Investments

FUTURE OF THE BUSINESS > 62

- Talent Management
- Inclusion and Diversity
- Occupational Health and Safety

ANNEXES > 72

- Stakeholder Relations
- Corporate Memberships
- Social Performance Indicators
- Environmental Performance Indicators

GRI CONTENT INDEX > 80

> ABOUT THE REPORT

As Tosyalı Holding, we present our environmental, social and governance performance to the attention of all our stakeholders with the **Sustainability Report** we have prepared under the guidance of the **Global Reporting Initiative (GRI)**.

The Report, prepared in accordance with the GRI Standards "Core" option, includes our sustainability strategy for 2021, our goals prepared in light of the sustainability priorities of the sectors in which we operate, our performance and progress in these areas, as well as our contribution to the United Nations Sustainable Development Goals.

In the report, Tosyalı Demir Çelik Sanayi A.Ş. is referred to as Tosyalı Demir Çelik, Tosyalı Dış Ticaret A.Ş. is referred to as Tosyalı Dış Ticaret, Tosyalı Iron Steel Industry Algeria SPA is referred as Tosyalı Cezayir, Tosyalı Toyo Çelik A.Ş. is referred to as Tosyalı Toyo, Tosyalı Harsco Geri Dönüşüm Tesisleri A.Ş. is referred to as Tosyalı Harsco,

Toşçelik Profil ve Sac Endüstrisi A.Ş. is referred to as Toşçelik Profil, Toşçelik Granül Sanayi A.Ş. is referred to as Toşçelik Granül, Toşçelik Spiral Boru Üretim A.Ş. is referred to as Toşçelik Spiral Boru, Tosyalı Elektrik Enerjisi Toptan Satış İthalat ve İhracat A.Ş. is referred to as Tosyalı Elektrik, Tosyalı Denizcilik ve Liman İşletmeciliği A.Ş. is referred to as Tosyalı Denizcilik ve Liman, Toşçelik Niksic Special Steel A.D. is referred to as Toşçelik Niksic, Tosyalı Filmaşın ve İnşaat Demiri Üretim A.Ş. is referred to as Tosyalı Filmaşın. The report includes consolidated data of Tosyalı Holding, Toşçelik, Toşçelik Granül, Toşçelik Yassı Yapısal, Tosyalı Cezayir, Tosyalı Çelik Servis Merkezi, Tosyalı Demir Çelik, Tosyalı Filmaşın, Tosyalı Harsco and Tosyalı Toyo for the operating year January 1, 2021 - December 31, 2021.

You can send any questions and suggestions regarding the content of the report and our sustainability efforts to our e-mail address below. kurumsal@tosyaliholding.com.tr

➤ Message from the Chairman of the Board of Directors

Dear Stakeholders,



FUAT TOSYALI
CHAIRMAN
OF THE BOARD
OF DIRECTORS

As you know, our world is going through a very turbulent and difficult period. In 2020, the COVID-19 pandemic revealed the fragility and vulnerability of humanity and the systems we have built. As of 2021, economies, companies and organizations have sought and continue to seek ways to adapt to the new order throughout the pandemic, the effects of which we continue to experience.

The risk of a global pandemic, which has ranked high in the World Economic Forum's risk list for many years, has finally become a reality and posed a challenge to humanity. Humanity, which has survived through adaptation skills, continues to try to adapt to this situation. When we take a step back from the pandemic, we see that it is high time we reviewed our relationship with the planet as humanity.

This is precisely why we are proud to publish our sustainability

report, which we share with you, our valuable stakeholders, for the first time. We can say that the steel sector in which we operate is an environmentally and socially challenging sector. Energy-intensive production processes inevitably increase our environmental impact and especially our carbon footprint. As Tosyali Holding and our Group companies, we started to develop our sustainability strategy as of 2021 in order to manage environmental and social issues in production and other points of our value chain. Although our sector is an energy-intensive industry, we use scrap steel as raw material with our transformed business model, thus limiting the use of virgin raw materials and resources. As Turkey's largest buyer of scrap steel, the impact we prevent with this method reaches significant amounts.

We have also turned to alternative energy sources to reduce the carbon intensity of

steel. We have positioned the use of hydrogen as an energy source as one of our main strategic goals. Since the production of hydrogen from clean sources is also a critical issue, we continue to generate electricity from renewable sources without slowing down.

Our environmental and social impact is not limited to our production. We aim to create value with an ecosystem approach in cooperation with other players in our value chain. We touch our suppliers through responsible supply chain management and different segments of society through our social investments and contribution to local development.

As a company operating in heavy industry, we are aware of the importance of investing in the future of the business. One of our main goals is to become a production company preferred especially by young people and

talents. We continue to invest in bringing talented young people and competent work force into society and the economy.

We aim to make occupational health and safety an inclusive culture and become a more diverse organization.

Sustainability is a long journey. As a company that has set its heart and soul on this journey, we have no doubt that our Holding and Group companies will achieve their goals in line with our sustainability strategy.

We start walking on the sustainability journey with the participation of you, our valuable stakeholders.

I hope it will benefit our country and society.

Yours sincerely,

➤ Message from the CEO



DR. SUHAT KORKMAZ
CEO and BOARD MEMBER

Dear Stakeholders,

As Tosyalı Holding and Group companies, we are very pleased to present our first sustainability report to your attention.

We are one of the country's leading companies in the steel industry and we are aware of the strategic importance of the investments we make and the steps we take. Therefore, we launched our sustainability strategy in 2021 to bring together our sustainability-oriented transformation efforts that we have been conducting for a long time under one roof.

To form the basis of our strategy, we conducted a prioritization study with stakeholder participation. Thus, we identified material sustainability issues by drawing on external trends and stakeholder views and identified the three key areas where Tosyalı Holding and Group companies will add value in the future as carbon-free steel, responsible ecosystem management and the future of the business.

We have defined our long-term goals in each area and aligned our work to date in the three impact areas with these goals.

As we share information in our report, we are working to transform the industry, especially in the field of carbon-free steel. By 2026, we aim to use hydrogen as the main energy input in all our facilities. In order to realize this with green hydrogen, we will provide half of the electricity we use from our own renewable generation. In line with this goal, we have started our investment in the world's largest rooftop SPP (Solar Power Plant), which will have an annual power of 140 MW on an area of 632 thousand m².

Since steel is a product that can be recycled at high rates due to its structure, we aim to produce in a closed-loop system by taking all inputs into account in the coming years. By 2025, we will recycle 60% of the water we use back into the ecosystem.

Our investments in vocational education, which are part of our social investments, will continue in the coming period. Under the roof of Tosyalı Academy, we both provide competence to our employees and continue to develop vocational training skills throughout the society. Our contribution to local development and the employment we create in Osmaniye and Iskenderun region is increasing day by day. We will ensure that our impact increases exponentially with our new investments.

Supporting the development of the world, our region and our country in line with sustainability is one of our primary duties as a company operating in this country. We aim to be both a good practitioner and a leading company that sets the rules by closely following new developments and the direction of the sector.

We are determined to be a pioneering company on the road to sustainability with our human

resource, our contribution to local development and our investment power. In the light of the information in our report, we share with you the first steps of this journey.

We reiterate our desire to continue to work together with you, our valued stakeholders, for a sustainable future and thank you for the value you have added to Tosyalı Holding so far.

Yours sincerely,

STEEL IS EVERYWHERE IN LIFE
WHEN STEEL TRANSFORMS,
LIFE TRANSFORMS



75%

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

On average, **75%** of
the **weight** of a typical
household appliance
comes from **steel**.



As of 2021, we are the **second fastest growing steel producer in Europe** with a business volume of **USD 4.9 billion**.
Tosyalı Holding is also the **83rd largest steel producer in the world**.

➤ Tosalı Holding



TOSYALI HOLDING

As a holding company operating in Turkey and on three continents, **we have become an important actor in the iron and steel industry by producing value-added products for 70 years with the principle of continuous development.** We carry out our production activities in a total of nine different product groups: flat structural steel, ERW pipe and profile, rolling section, rebar and wire rod, spiral pipe, steel granules, alloy forged steel, steel services and cold rolling.

We are Turkey's first and largest private sector investor in the iron and steel sector. With our 20 companies, nearly 30 production facilities, two joint ventures and two subsidiaries abroad, we employ approximately 15 thousand people in Asia, Europe and Africa.

Our Group's domestic companies include Tosalı Demir Çelik, which operates in İskenderun and produces steel; Tosçelik Profil, which produces

hot rolled steel, billets, ERW pipes and profiles at facilities in İskenderun, Osmaniye and Gebze; Tosçelik Granül, which continues its activities at facilities in İskenderun in order to meet the need for steel balls in the sector; Tosçelik Spiral Pipe, which produces spiral welded pipes and is located in Osmaniye; and Tosalı Filmaşın, which produces wire rod and rebar in Osmaniye. In addition, the Group has two overseas investments, Tosalı Algeria, which produces wire rod and rebar in Oran, Algeria, and Tosçelik Niksic, which produces qualified alloy steel in Niksic, Montenegro. Apart from the Group companies, we also have two joint ventures: Tosalı Toyo, a joint venture with Japan-based Toyo Kohan, which produces high value-added flat steel in Osmaniye, and Tosalı Harsco, a joint venture with global industrial company Harsco Corporation, which focuses on metal recovery services and slag sales in Osmaniye. Our companies operating in

other sectors include Tosalı Elektrik Enerji, which operates in electricity trade, Tosalı Denizcilik ve Liman, which is working to realize the Tosalı Erzin Port Project in the Erzin region, and Tosçelik Dış Ticaret, which was established to utilize the Group's rapidly increasing foreign trade capacity in the world market.

As of 2021, we are the second fastest growing steel producer in Europe with a business volume of USD 4.9 billion. Tosalı Holding is also the 83rd largest steel producer in the world. Thanks to our vision, we have realized many firsts by becoming one of the few actors in our country in the sectors we operate in. Tosalı Group is the first global steel producer in the Turkish private sector with investments on three continents. In addition, as Turkey's largest and Europe's second largest pipe producer, the Holding is a price determinant in the international market. **Tosalı Osmaniye flat structural steel**

production complex is the first and only integrated facility in Turkey where more than a thousand types of steel are produced in the same location.

By adopting a sustainability-oriented growth strategy, we have become one of the world's greenest and most environmentally friendly steel production facilities thanks to our technology and innovation. **In the last 3 years, we have carried out more than 100 R&D projects** focused on sustainability and whose intellectual and industrial rights are fully owned by the Holding. The rooftop solar power plant installed at Tosçelik Profil's production facilities in Osmaniye is among the top five largest rooftop solar power plants in the world. **Thanks to this solar power plant, Tosçelik Profil has become the ERW pipe manufacturer with the lowest carbon footprint in the world.**

ERW: Electric Resistance Welding

TOSYALI FOR A SUSTAINABLE LIFE...

> Tosyali Holding in Numbers



30
Production Facility

20
Companies

15
Thousand
+
Employment

World's
83rd
Biggest
Steel
Producer

Operating in
3
Continents

In the Last
3 Years
Over **100**
R&D
Projects

4.9
Billion USD
TOTAL
ACTIVE

> Tosyalı Holding Companies**Tosyalı Demir Çelik**

Founded in 1994 in the İskenderun Organized Industrial Zone, Tosyalı Demir Çelik started its production activities one year after its establishment. For 26 years, Tosyalı Demir Çelik has been contributing to Turkey's steel production volume and exports. As the leader of quality-oriented production and the sector since its establishment, Tosyalı Demir Çelik produces fast and flexible solutions for the needs of its domestic and international customers.

> Tosyalı Holding Companies



TOSYALI Dış Ticaret

Tosçelik Foreign Trade

Established in 1996 to utilize the rapidly increasing foreign trade capacity of the Tosyalı Group in world markets. It ensures that the import and export operations of Group companies are carried out under a single roof and carries out activities to explore new markets.


> Tosyalı Holding Companies



TOSYALI Elektrik Ticaret

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

Established in 2010 under the license obtained from EMRA to operate in electricity trading, the Company continues its operations.

 **Tosyalı Holding Companies**TOSYALI FOR A **SUSTAINABLE LIFE...****Tosçelik Profil**

Tosçelik Profil, the flagship company of Tosyalı Holding, was established in 1997 in Iskenderun Industrial Zone to produce industrial pipes and box profiles. Continuing its investments, the company realized its first special hot rolled flat product production at the Osmaniye Flat Structural Steel Production Facilities in 2009. This plant is the first flat steel production facility in Turkey. In 2012, the plant started production of pipe and profile facilities in Osmaniye Organized Industrial Zone. The plant is the largest ERW pipe producer in Turkey and the second largest in Europe, and has the largest closed area under one roof in Europe. The ERW pipe and profile plant in Kocaeli Dilovası was commissioned in 2016. Tosçelik Profil, which aims to produce value-added products with a sustainability-oriented approach that makes a difference in the sector since its establishment, opened its R&D Center in Osmaniye in 2017. The R&D Center, the first of its kind in the region, is also the center of research and development activities in all production facilities of Tosyalı Holding. The rooftop solar power plant installed at Tosçelik Profil's production facilities in Osmaniye is among the top five largest rooftop solar power plants in the world. Tosçelik Profil, which transforms the energy it receives from the sun into steel, is the ERW pipe manufacturer with the lowest carbon footprint in the world. Exporting its products to nearly 100 countries on 6 continents, Tosçelik Profil continues its investments that will contribute to human and nature and its sector-leading activities both at home and abroad.

> Tosyalı Holding Companies**Tosçelik Granül**

Established in 2006 with a production capacity of 25 thousand tons of steel balls, Tosçelik Granül doubled its production capacity with the investment made in 2010. KOTAR brand products, which are patented by Tosçelik Granül, reduce natural resource consumption and carbon emission and are environmentally friendly, are produced in production facilities that have the capacity to meet the need for steel balls on a global scale and where the latest technologies are used. Tosçelik Granül ranks first in the world in the production of low carbon steel balls.

> Tosyalı Holding Companies**TOSYALI Hat Boruları Sanayi****Tosçelik Spiral Boru**

Tosçelik Spiral Boru is a global spiral welded steel pipe manufacturer with high experience in oil, natural gas and water pipelines, supplying products to prestigious pipeline projects around the world. Tosçelik Spiral Boru operates with qualified human resource and the highest technology in its production facilities in Algeria and Turkey. Both plants have a production capacity of 400 thousand tons/year. Tosçelik Spiral Boru stands out with its spiral welded steel pipe supply to major international projects such as TANAP (Trans Anatolian Natural Gas Pipeline) and BRUA (Bulgaria-Romania-Hungary-Austria) Gas Pipeline.

➤ **Tosyalı Holding Companies**




TOSYALI Denizcilik

Tosyalı Denizcilik ve Liman

Established in 2011, the company is working to realize the Tosyalı Erzin Port Project in the Erzin region.

> Tosyalı Holding Companies

12

 **TOSYALI** Filmaşın ve İnşaat Demiri

Tosyalı Filmaşın

Established in 2012 on an area of 90 thousand m² in Osmaniye Organized Industrial Zone, Tosyalı Filmaşın started production in 2014. Offering affordable and quality services to companies operating in the construction sector with its wide product range, Tosyalı Filmaşın leads the sector with its dynamic production infrastructure, sales network consisting of experienced and solution-oriented teams and quality products.

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

> Tosyali Holding Companies



TOSYALI ALGERIE

Tosyali Algeria

Established in 2012 in Oran, Algeria with 80% participation of the Tosyali Family, Tosyali Algeria has become the most important steel producer in Algeria with its rebar and wire rod production facilities with a total capacity of 1.8 million tons, which became operational in 2013 and 2015. With a capacity of 2.5 million tons, the pellet plant, DRI plant, steel mill and two rolling mill investments within the scope of the ore-based "Mega Project" were completed last year; thus, Tosyali Algeria's spiral pipe plant, which has an annual production capacity of 240 thousand tons, started production in November 2019, increasing its total capacity to 4.3 million tons.

➤ **Tosyalı Holding Companies**



TOSÇELİK NIKSIĆ

Tosçelik Niksic

Tosçelik Niksic, which produces special quality steel for the defense industry, machinery, automotive, energy, oil-gas, mining and shipbuilding industries, joined the Tosyalı Group in Montenegro in 2012 with 100% participation of Tosçelik Profil. Tosçelik Niksic reinforces the recognition of the "Tosyalı" brand in Europe with its position in the Balkans.

> Tosyalı Holding Companies



Tosyalı Toyo

Founded in 2015 as a 51% and 49% joint venture between Tosyalı Holding and Japan-based Toyo Kohan, respectively, Tosyalı Toyo has an annual rolling capacity of 1 million at its production facilities, which started operations in Osmaniye Organized Industrial Zone in 2017. Tosyalı Toyo serves many different industries ranging from the packaging industry to electrical household appliances, IT products to the construction sector, white goods to the automotive sector.


Tosyalı Holding Companies

Tosyalı Harsco

Tosyalı Harsco is a joint venture between Tosyalı Holding, Turkey's global iron and steel leader, and Harsco Corporation, another global industrial company specializing in metal recovery services and slag sales. Tosyalı Harsco has two plants in Turkey. The first of these has been operating in Osmaniye on an area of 7,700 m² since 2017. The second facility, located in Dilovası in the Marmara Region, started operations in 2021 on an area of 8,857 m². The plant processes the process wastes (slag) generated during iron and steel production to both recover metal and turn them into by-products to be used in different sectors. The total slag processing capacity of the plants is 1,200,000 tons/year. The amount of metal recycled is approximately 18 thousand tons/year. The company supplies 350 thousand tons of raw materials to the construction and cement industry annually. Tosyalı Harsco differentiates itself with the quality service it provides to the entire steel industry in Turkey and stands out with its sectoral practices towards the goal of "zero waste".

> Tosyalı Holding Structure of the Board of Directors



As the extended Tosyalı family, we **continue to** raise the bar of our Holding with the **confidence and determination** that comes with **maintaining our vision and mission since day one.**

The Board of Directors, the highest management body of our Company, consists of five members with different knowledge, experience and competencies.



FUAT TOSYALI
CHAIRMAN OF THE BOARD
OF DIRECTORS



E. AYHAN TOSYALI
BOARD MEMBER



ŞERİF YAVUZ TOSYALI
BOARD MEMBER



DR. SUHAT KORKMAZ
CEO and BOARD MEMBER



HAKAN EMİNSÖY
BOARD MEMBER

> Tosyalı Holding Compliance with Ethical Principles



As Tosyalı Holding and Group companies, our way of doing business is based on fundamental principles that guide our relationship with all stakeholders. We observe a corporate governance approach and maintain our positive relationship with all stakeholders in our ecosystem by utilizing their feedback and suggestions.

We see it as the primary responsibility of all our employees to ensure that Tosyalı Holding and our Group companies are known for trust, honesty and professionalism, and that our achievements in this field are carried forward. Within this framework, we have determined the ethical rules that our employees at Tosyalı Holding and Group companies must comply with.

As Tosyalı Holding and Group companies, we attach importance to open and transparent communication. Accordingly, we have determined the Code of Ethical Conduct Implementation Principles. Our employees can report transactions and behaviors that they believe violate Tosyalı Holding policies and procedures to the Ethics Committee, the authorized unit of the Holding, via e-mail via the Ethics Line.

All our employees and all third parties acting on behalf of our company are obliged to comply with anti-corruption rules and relevant legislation. There were no cases of corruption and bribery that we detected in our activity year. Being a reliable company is among our values. Tosyalı Holding and Group companies do not tolerate any form of bribery and corruption. We strictly comply with anti-bribery and anti-corruption laws and regulations wherever we do business and expect the same rigor from our employees.

> Tosyalı Holding Internal Audit System



We conducted audits and reviews in high-risk sub-processes prioritized by the Tosyalı Holding Board of Directors and the Audit and Risk Committee.



In line with the objectives of our Group, Tosyalı Holding Internal Audit Unit evaluates the compliance of all activities carried out at Tosyalı Holding and its subsidiaries with the relevant legislation and the decisions and directives of the Board of Directors, and the effectiveness of all workflows and systems in interaction, including the internal control environment and processes.

The Internal Audit Unit carries out control activities for the continuous improvement and development of processes in Group companies. With these control activities, recommendations are made that proactively draw attention to potential risks, educate and guide, save money, increase effectiveness, efficiency and service quality. As in the previous period, we conducted routine audits covering all operational processes and the internal control environment of our Group companies in 2021. We conducted audits and reviews in high-risk sub-processes prioritized by the Tosyalı Holding Board of Directors and the Audit and Risk Committee. We prepared action plans for the risks identified as a result of audit and review activities, taking into account the opinions of the relevant process owners. Approved action plans are periodically monitored in line with the instructions of the Board of Directors.

> Tosyalı Holding Risk Management

The risks that our Group companies face while carrying out their activities include regulatory compliance risk, operational risk, environmental risks, occupational health and safety risk, financial and strategic risks, currency risk and raw material supply risk. In terms of raw material supply risk, we address scrap dependency, energy prices and dependency on energy resources.

Environmental uncertainty poses a growing number of financial risks to society, with global costs approaching \$500 billion a year from droughts, floods, extreme temperatures and severe storms. The steel sector has a high environmental impact due to carbon emissions. This situation also poses financial risks for the future of the sector. Therefore, we consider climate-related risks and related actions as our top priority in operational investments.

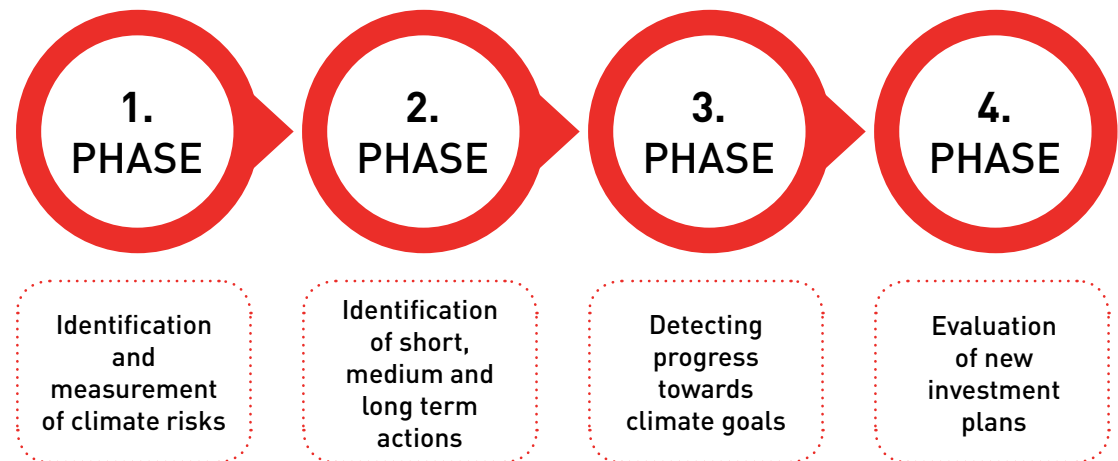
1. In the first phase, we identify and quantify climate risks,

2. In the second phase, we determine the actions to be taken in the short, medium and long term after the measurements, and make the necessary investment and financing plans,

3. In the third phase, we record our progress towards the climate targets set through regular measurement and analysis,

4. In the fourth phase, we evaluate new investment plans based on measurement and analysis outputs.

We are conducting a 4-phase process within Tosyalı Holding:



All of the business and transactions in the above-mentioned risk groups are closely monitored by the relevant units, measurement methods are improved and actively managed by following current

developments. In addition to all these, we make investments in our impact areas by evaluating opportunities in the field of sustainability along with risks.

STEEL IS EVERYWHERE IN LIFE
WHEN STEEL TRANSFORMS,
LIFE TRANSFORMS



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

Structural steelwork
accounts for around **70% of**
multi-story building skeleton
frames across the UK.



2021



In 2021, we continued our investments at full speed and continued our work in line with our growth targets.

➤ **Tosyalı Holding 2021 Developments**



As Tosyalı Group, we produce nine different product groups in nearly 30 production facilities on three continents. Our Group, which also provides steel services, is taking firm steps towards becoming a global steel brand.

In 2021, we continued our investments at full speed and continued our work in line with our growth targets. We achieved successful financial and operational results by effectively managing production and sales processes.

In 2021, the **Flat Structural Steel Group** maintained its weight in the Tosyalı Group product range with a **52% share**, while the share of the **Rebar and Wire Rod Group** was **21%**.

In 2021, our **Flat Structural Steel Group's** total production **increased by 6% compared to the previous year, reaching 6.3 million tons**. With a capacity

of 2 million tons, the steel mill produced a **total of 1,900,000 tons, 359,000 tons of billet and 1,541,000 tons of slab, with a capacity utilization rate of 95%**.

We produce high frequency resistance welded pipes and profiles using hot sheet metal in Osmaniye, Iskenderun and Gebze ERW plants. **ERW Pipe and Profile Group's** annual production capacity reached **1.7 million tons by the end of 2021**. **The Osmaniye ERW steel pipe production facility, the largest pipe factory established at one time in Europe, contributes 62% to the total ERW Pipe and Profile Group production volume**.

In addition to pipes and box profiles in different sizes, ERW Pipe and Profile Group, which continuously develops its product range with the production of internal epoxy, polyethylene and galvanized coated pipes, tested pipes, painted pipes and profiles, had

a total production volume of 1.5 million tons in 2021.

Tosyalı Algeria DRI Plant is the world's largest and most advanced Direct Reduced Iron (DRI) production facility, built under license from Midrex Technologies of the USA. Commissioned in 2018, the plant set a new world record by reaching a production of 2.28 million tons/year with a single DRI module in 2021 as in 2020.

Tosyalı Algeria Iron and Steel Integrated Plants, Turkey's largest investment abroad, continues to add value to the national economy and make a difference. In 2021, the company exported primarily to Canada and the USA, as well as to the UK, Senegal, Benin, Romania, Singapore and Angola. Therefore, as Tosyalı Group, we became one of the biggest players in the Algerian economy with Tosyalı Algeria.

We accelerated our **investments in the region to operate iron ore mines in the Kassinga Region**, which has an important place in **Angola's history**. As Tosyalı Holding, we started the necessary work to convert iron ore into steel in January 2020. In addition, Tosyalı Holding was granted the right to use the mining port under construction in Namibe Region and the 500 km² railway between the mining site and the port. With 2 billion tons of iron ore reserves, this project will start with 4-5 million tons per year and we aim to reach 10 million tons of iron ore processing capacity in a short time.



TOSYALI
HOLDING

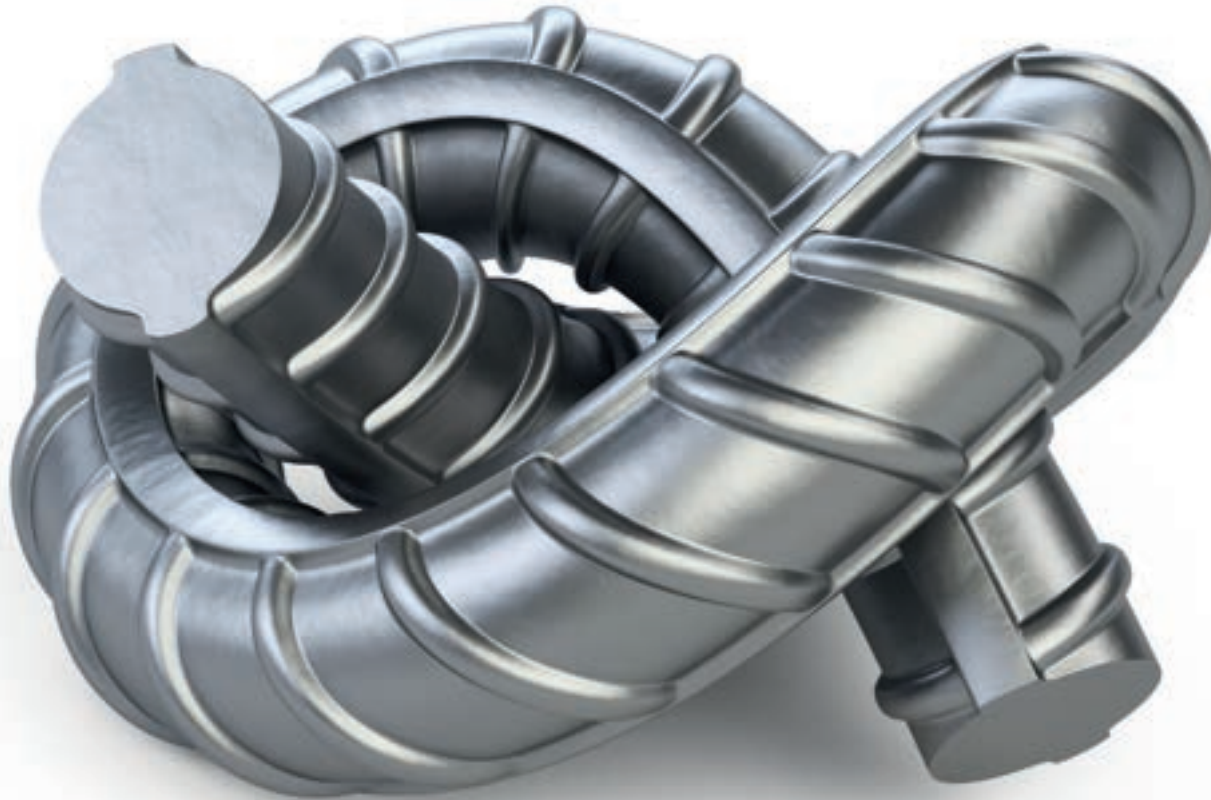
STEEL IS EVERYWHERE IN LIFE
WHEN STEEL TRANSFORMS,
LIFE TRANSFORMS



42000

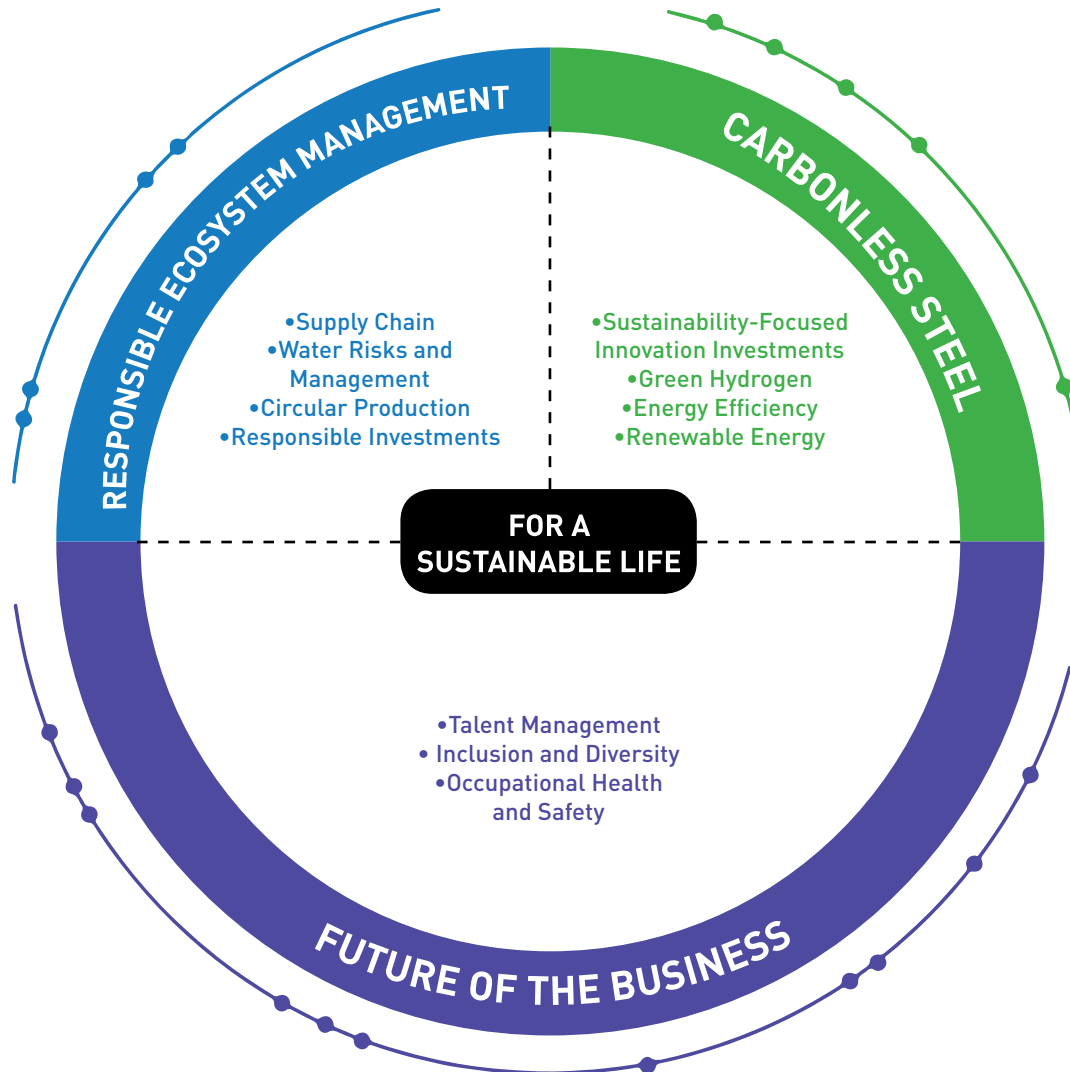
TOSYALI FOR A **SUSTAINABLE LIFE...**

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



Sustainability is an integral part of our business for Tosyali Holding and our Group companies. Working in an energy and resource-intensive sector inevitably imposes duties on us in terms of sustainability.

➤ Tosyali Holding Sustainability Framework



With our efforts in the areas of Responsible Ecosystem Management, Carbon-Free Steel and the Future of the Business, we are moving relentlessly towards becoming an innovative, preferred and exemplary global company that shapes the steel industry.

As Tosyali Holding, we developed our sustainability strategy in 2021 with the participation of our stakeholders, taking into account international standards and global indices.

We put our vision of contributing to a carbon-free economy at the center of our strategy and grouped our material issues under three different impact areas.

With our efforts in the areas of Responsible Ecosystem Management, Carbon-Free Steel and the Future of the Business, we are moving relentlessly towards becoming an innovative, preferred and exemplary global company that shapes the steel industry.

We invest in innovative and original projects in order to have a say in the future. We see it as our responsibility to help build a zero-carbon society.

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

➤ **Tosyalı Holding Our Sustainability Goals**

In 2021, within the scope of the Sustainability Strategy study we launched, we set targets for the areas we identified within the framework of sustainability. We started our work by assessing our current situation. We then set our goals and created our roadmap under the three impact areas we identified in our sustainability strategy.



2023

we will start using hydrogen as a fuel in some stages of our production.

2023

we aim to increase our employee engagement rate from 71% to 80%.

2025

we will recycle 60% of the water we use.

2025

the electricity we procure from our own generation through our planned SPP investments will account for 50% of our total electricity use.

2026

we aim to have the infrastructure in place for 100% hydrogen use in all our facilities.

2030

we aim to reduce our employee turnover rate of 5.47% and our talent pool turnover rate of 10.90% to 3.5%.

2030

we want to increase our female employee ratio from 3.77% to 7%.

➤ Tosyalı Holding Our Sustainability Goals



TOSYALI FOR A SUSTAINABLE LIFE...

We are committed to monitor our performance in the management of reclaimed or reused water for our Responsible Ecosystem Management impact area. After determining our water footprint, we will initiate projects for the efficient use of resources and the recovery of used water. **Within 2 years, we will ensure sustainable water use by recovering 60% of the water we use by ensuring resource efficiency.**

When the ongoing Solar Power Plant (SPP) investments are completed, within 6 months at the latest, we will meet 19% of the electricity consumed by our facilities in Turkey through self-generation. With the planned new investments, this ratio will reach 50% by 2025.

By 2025 at the latest, we aim to generate 50% of our electricity from self-generation and the rest from renewable sources.

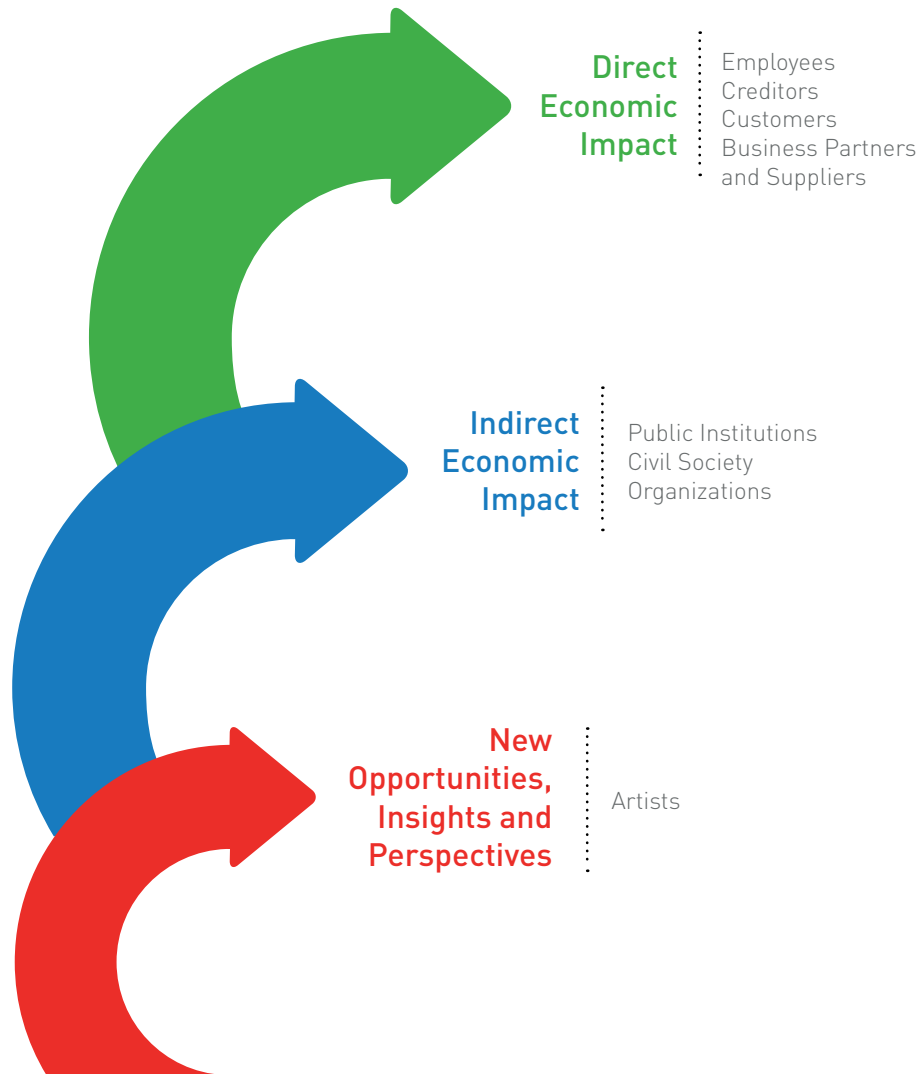
The ratio of the amount of production using hydrogen to all production; **We aim to start using hydrogen as a fuel by 2023.** In the first stage, when we evaluate on a facility basis, we plan to start with 22% in a medium-sized facility and increase to 80% within 2 years. **By 2026, we aim to use 100% hydrogen in all our facilities.** We will start the first hydrogen production in November 2022 and will continue to expand.

In addition to our goals in the areas of Responsible Ecosystem Management and Carbon Free Steel, we have also made various commitments under the Future of the Business. **First of all, we aim to increase the number of female employees by 86% by 2030 compared to 2019, which is one of the challenging issues in our sector.** We are aware that women can take part in the steel industry and we continue to work on this issue.

We have also set targets for our most important asset, our employees. **We aim to increase our employee loyalty to 80% by 2023.** We know that employees who love and are committed to their jobs will support us in achieving the other goals we want to realize more easily.

We have also revealed our goals for our employees and especially for talent management, which is one of today's hot topics. **In this context, we aim to reduce our employee turnover rate from 5.7% to 3.5% and our talent pool turnover rate from 10.9% to 3.5% by 2030.**

➤ Tosyalı Holding Sustainability Priorities



Prioritization Analysis

As Tosyalı Holding, in order to approach sustainability management more systematically, we first conducted a current situation and benchmarking analysis to reveal our current situation.

With this study, we have identified areas that will enable us to move our sustainability performance forward. With this assessment made within the scope of sustainability leadership, we followed an approach to increase Tosyalı Holding's intangible assets and brand value in the eyes of reputable global sustainability indices and responsible investors. This study enabled us to take a strategic perspective on the most material social, environmental and economic issues that will create value for stakeholders.

We then conducted a participatory and inclusive stakeholder process in line with the **AA1000 Stakeholder Engagement Standard** to identify the material issues we need to focus on in the area of sustainability.

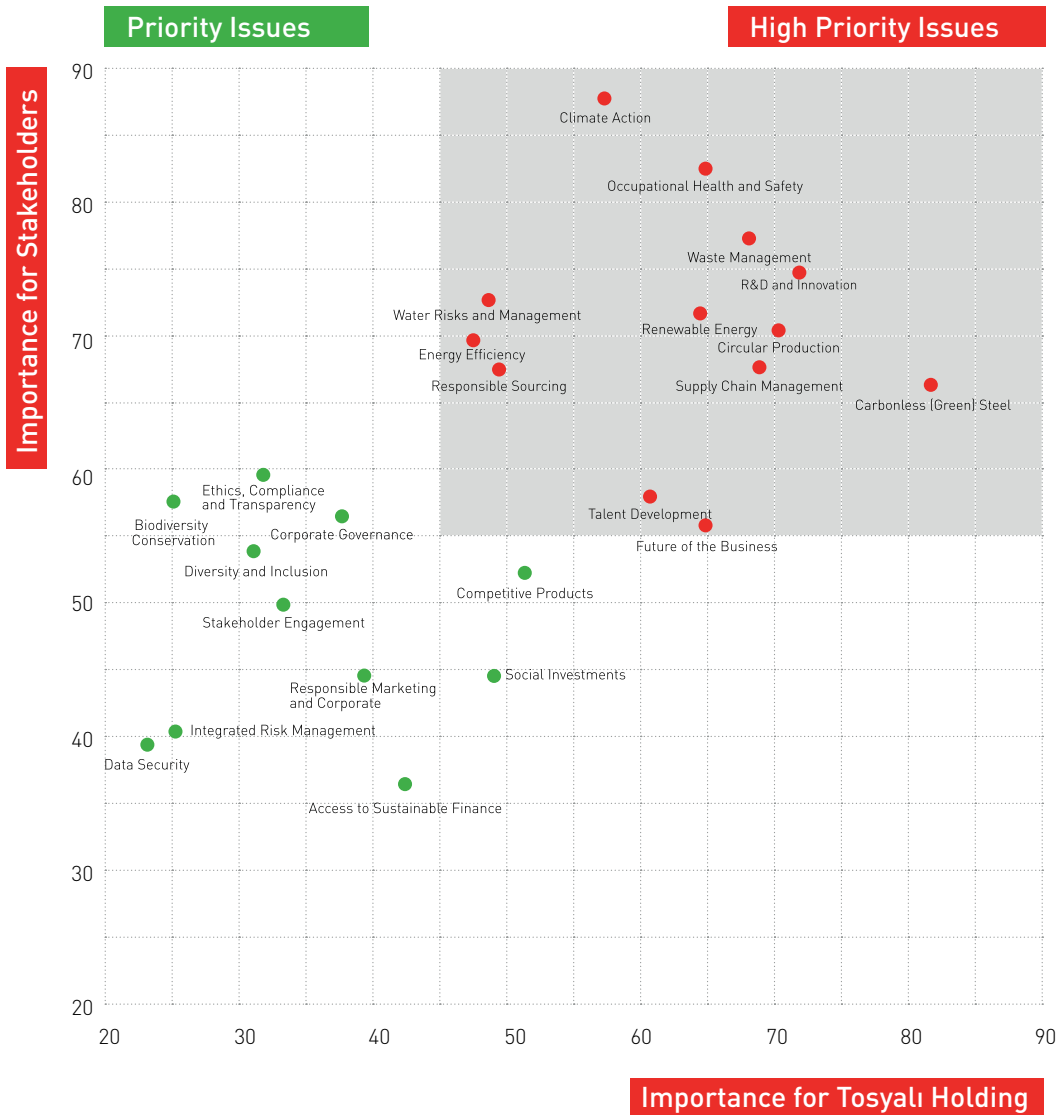
While creating our materiality matrix, we benefited from international literature on sustainability and the views of our stakeholders. We evaluated the integration of the topics with the business strategy.

When determining our material issues, we have categorized our strategic external stakeholders - business partners, suppliers, creditors, customers - and our internal stakeholders - colleagues - as stakeholders with direct economic impact.

In addition, while we identified public institutions and civil society organizations as stakeholders that create indirect economic impact, we included artists in the group of stakeholders that provide new opportunities, insights and perspectives.

As part of the prioritization study, we collected the views of seven stakeholder groups through a survey and integrated them into the prioritization matrix.

Tosyalı Holding Sustainability Priorities













Prioritization Matrix









As a result of our materiality analysis, we identified 13 very high priority issues that we need to focus on and 11 priority issues that we need to closely monitor and proactively manage. As Tosyalı Holding, we are aware of our responsibilities in all areas of sustainability, and we aim to make significant contributions to a sustainable world while growing our business by focusing on the most material issues we identified as a result of the analysis.

High Priority Issues	Priority Issues
R&D and Innovation	Competitive Products
Carbonless (Green) Steel	Social Investments
Occupational Health and Safety	Ethics, Compliance and Transparency
Waste Management	Corporate Governance
Circular Production	Responsible Marketing and Corporate Communications
Supply Chain Management	Stakeholder Engagement
Climate Action	Diversity and Inclusion
Renewable Energy	Access to Sustainable Finance
Talent Development	Biodiversity Conservation
Future of the Business	Integrated Risk Management
Responsible Sourcing	Data Security
Energy Efficiency	Social Investments
Water Risks and Management	

➤ Tosyalı Holding Sustainability Priorities

Degree of Importance	Priority Issue	Issue Management	Related SDG
Very High Prioritized	R&D and Innovation	We invest in original and innovative projects by improving our sectoral activities with the power of technology and innovation. In this way, we support the creation of a zero-carbon society.	
	Carbonless (Green) Steel	Today, Tosyalı Holding produces steel with the lowest carbon footprint in the sector. With the contribution of DRI (Direct Reduced Iron) technology, we produce the world's greenest and most environmentally friendly steel.	
	Occupational Health and Safety	With our "people first" principle, we provide a safe and healthy working environment for our employees with the highest level of occupational health and safety sensitivity in all our processes.	 
	Waste Management	Our investments to prevent pollution at the source include projects to reduce the generation of hazardous waste and increase the amount of recyclable waste by raising employee awareness on waste separation, and to prevent waste water from harming nature.	
	Circular Production	We carry out waste utilization projects. We produce asphalt, road construction, cement additives, aggregate (a mixture of sand and gravel that forms the raw materials of concrete) and railway ballast from the slag waste that is recycled into the economy.	
	Supply Chain Management	We closely monitor the supplier portfolio consisting of many companies that provide products and services to Tosyalı Group companies and periodically evaluate suppliers on the basis of performance criteria.	 
	Climate Action	We continue our efforts to minimize carbon emissions in steel production and to switch to completely green steel production.	 

➤ Tosyalı Holding Sustainability Priorities

Degree of Importance	Priority Issue	Issue Management	Related SDG
Very High Prioritized	Renewable Energy	We generate our own electricity with the solar energy panels we place on the roofs of our companies within Tosyalı Holding, and we are realizing the world's largest rooftop solar power plant investment.	
	Talent Development	We are aware that our constantly evolving and changing competitive advantage is achieved through the power and difference of our human resource. With a proactive perspective, we realize practices such as Tosyalı Academy that will ensure the continuous development of our employees.	
	Future of the Business	We are working to attract talents that will lead the transformation of our Group, to create a structure that can respond to the needs of Tosyalı Holding and is suitable for the development of our employees' internal competencies.	
	Responsible Sourcing	The companies in our supplier portfolio are evaluated through the SAP system twice a year and when deemed necessary.	 
	Energy Efficiency	In addition to process improvements and capital investments, we aim to reduce our energy consumption through efficiency-oriented initiatives.	 
	Water Risks and Management	We aim to use water resources minimally and recycle 100%.	

STEEL IS EVERYWHERE IN LIFE
WHEN STEEL TRANSFORMS,
LIFE TRANSFORMS



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

The average amount
of steel used per
vehicle is 900 kg.



*As Tosyali, we will continue our investments in **green technology and decarbonization.***

➤ Tosyalı Holding Carbonless Steel



*We avoided approximately **161 thousand tons** of greenhouse gas emissions, corresponding to **17% of our greenhouse gas emissions** from operations in Turkey.*

The climate crisis is having an increasing impact on both the planet and the global economy. In response, both governments and companies continue to announce their decarbonization targets. In particular, the European Green Deal is expected to introduce the **Carbon Regulation Mechanism at the Border**, both to maintain the European Union (EU) Emissions Trading System and to increase the enforceability of other targets. One of the sectors that will be subject to a carbon tax under the Border Carbon Regulation Mechanism will be the iron and steel sector. In this context, the main goal for the steel industry is to completely get rid of fossil energy sources, which account for the majority of carbon emissions, and to expand the use of electricity generated from renewable sources

is one of the foreseeable solutions. There is also a serious need to increase the resources allocated to R&D activities in the iron and steel industry to research and incorporate practices, technologies and inputs that will make production processes more sustainable.

As Tosyalı Group, we will continue our investments in green technologies and decarbonization to add value to the future. As a result of our renewable energy and efficiency investments, we prevented approximately 161 thousand tons of greenhouse gas emissions, which corresponds to 17% of our greenhouse gas emissions from our operations in Turkey. We also saved 17.5 million 3 of natural gas and 52,200 MWh of electricity.

➤ Tosyali Holding Green Hydrogen



We aim to be the first steel company in our geographies of operation to produce with green hydrogen.

Green hydrogen is both a cheap and clean energy source alternative for the iron and steel sector in managing the externalities of the Border Carbon Mechanism. Based on this potential, green hydrogen is projected to cover 31% of production in the iron and steel sector by 2050.

Considering the rich solar and wind energy resources in Turkey, the use of green hydrogen in the iron and steel sector will play a key role in the green transformation process. Efforts to produce green hydrogen and incorporate it into production processes can make the Turkish iron and steel industry more sustainable and competitive compared to its global competitors. In this context, we recognize the

importance of transformative technologies such as green hydrogen for our business. Our efforts to use green hydrogen as a primary energy source to transition the economy and industry away from fossil fuels continue unabated.

Thanks to our R&D studies and pilot trials, we aim to use hydrogen as the main fuel in 2026, thereby eliminating fossil fuel-using equipment and significantly reducing our greenhouse gas emissions. Together with our renewable electricity generation target, the clean electricity we will produce ourselves will be complementary in realizing our goal of using green hydrogen. We aim to be the first steel company in the region to produce with green hydrogen.

➤ Tosyali Holding Energy Efficiency



*We are aware that investments are one of the most important steps that can be taken to minimize fossil fuel use, **decarbonization and energy efficiency.***

The iron and steel sector are one of the largest energy consumers among all industrial sectors. It is an energy-intensive industry and the main energy carriers are coal, liquid and gaseous fuels and electricity. The benefits of energy efficiency in an energy-intensive industry are therefore widely recognized. This is because, beyond cost savings, the increased efficiency and competitiveness associated with improved energy management encourages investments in energy efficiency in many cases. We are aware that minimizing the use

of fossil fuels is one of the most important steps that can be taken towards decarbonization and energy efficiency. As Tosyali Holding, we have been investing in savings projects for years. With these projects, we observe a significant reduction in the use of raw materials and energy while increasing production quantities.

We managed to prevent 154 thousand tons of greenhouse gas emissions in 2021 with the long-term efficiency investments we made at various points of the production lines.

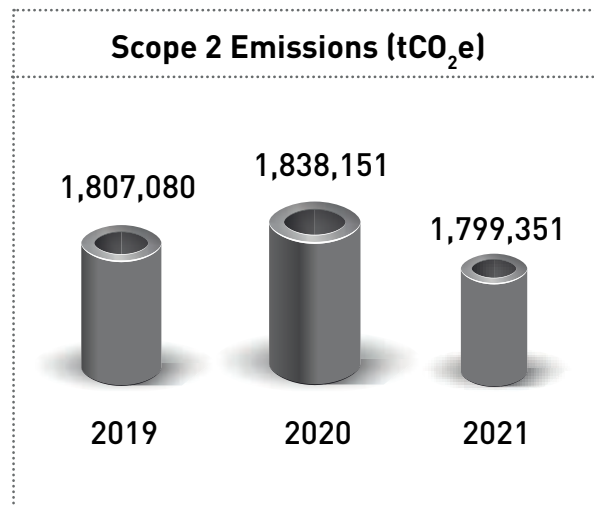
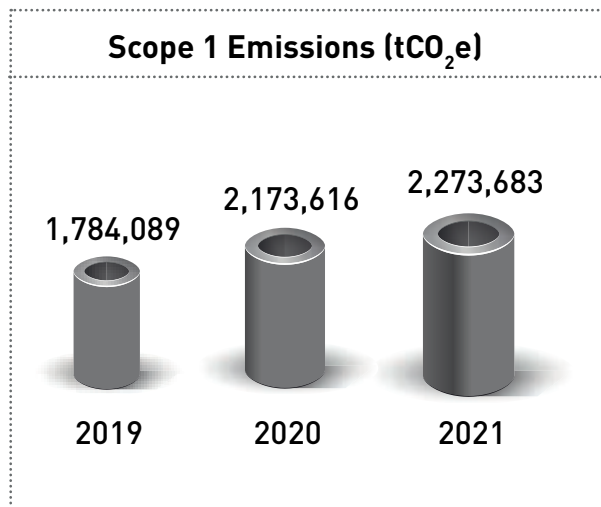
➤ Tosyalı Holding Energy Efficiency

Greenhouse Gas Emissions *	Unit	2019	2020	2021
Scope 1 Sales	tCO ₂ e	1,784,089	2,173,616	2,273,683
Scope 2 Sales	tCO ₂ e	1,807,080	1,838,151	1,799,351
Total Emissions (Scope 1+2)	tCO ₂ e	3,591,170	4,011,767	4,073,034

* Consolidated results include Turkey and Africa operators

As a return on our efforts in energy efficiency, we see a decrease of approximately 2% in our Scope 2 emissions compared to 2020.

In addition, we can say that we have reduced our greenhouse gas intensity by approximately 19% compared to the base year of 2019, according to the emission intensity analysis we conducted over consolidated production volumes in order to see the impact of our investments in energy efficiency and renewable energy in our Turkey operations.

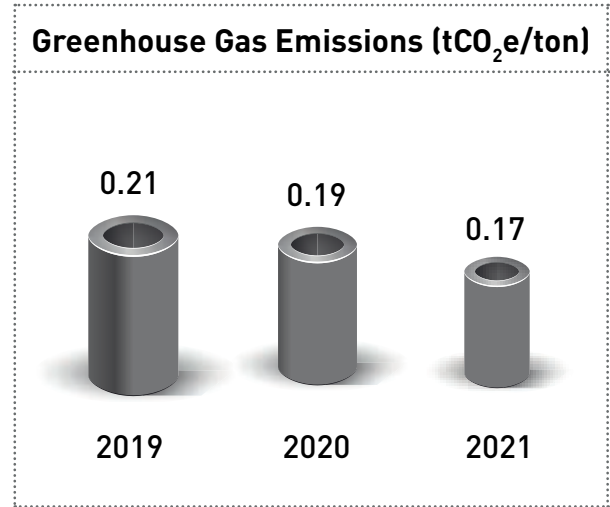


We utilize the energy in waste heat stacks that create greenhouse gas effect in our facilities. We are implementing more than 100 sustainability projects to reduce steam, electricity and natural gas consumption.

➤ **Tosyalı Holding Energy Efficiency**

Emissions Intensity *	Unit	2019	2020	2021
Total Emissions	tCO ₂ e	1,349,758	1,341,731	1,329,847
Production Quantity	thousand tons	6,382,000	7,237,000	7,632,000
Greenhouse Gas Intensity	tCO ₂ e/ thousand tons	0.21	0.19	0.17

* The intensity calculation is based on the emissions and production amounts of Turkey operations.



Steam Generation from Waste Heat of Tosyalı Filmaşın Annealing Furnace

We aimed to produce steam from all the waste gases from the annealing furnace of our wire rod plant through a specially designed waste heat boiler and to use the steam we produce in the Tosyalı Toyo plant. By automating the system, we were able to control and monitor steam consumption through the system. Natural gas consumption was reduced with the new system designed. By passing all the waste gases coming from

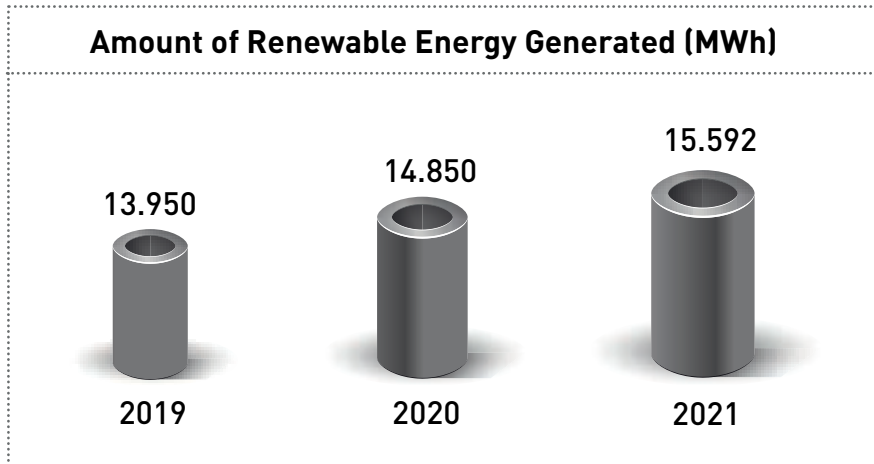
the wire rod furnace through the waste heat boiler, we obtained an average of 9 tons/hour of steam at 7 Barg and 177 °C, and the steam we produced was transported to the Toyo plant through a DN200 heat insulated steel pipeline built between the point where the boiler was installed in the wire rod plant and the Toyo plant and connected to the usage collector. With this method, we can reduce the amount of natural gas consumed

in steam production. In addition, we completed this project with academic consultancy from Gazi University professors within the framework of University Industry Cooperation. We can list the environmental benefits of the project as the utilization of the waste heat we release into the atmosphere, ensuring energy efficiency in our processes and reducing our carbon footprint by reducing fossil fuel consumption.



We managed to prevent 154 thousand tons of CO₂ emissions in 2021 with the long-term efficiency investments we made at various points of the production lines.

➤ **Tosyalı Holding Renewable Energy**



Establishment of 140 MW Solar Power Plant

One of our main goals is to reduce fossil fuel consumption in our facilities and increase renewable energy sources. In this way, we will contribute to green steel production. Accordingly, we have initiated efforts to increase our use of renewable energy by installing Solar Power Plants on the roofs of our facilities. We make designs suitable for all roofs in a way to make maximum use of the sun's rays. In addition, we cooperate with JINKO SOLAR, HUAWAI,

SOLAR APEX companies. As a result of this work, we will build one of the largest rooftop solar power plants in the world. Generating electricity by using a bidirectional surface and reducing the static load of the system on roofs with panel holders designed by the R&D Center constitute the innovative aspect of the project. The SPP is targeted to have an installed capacity of 140 MW.



In 2021, we started the world's largest rooftop power plant investment. With this investment, we will generate 140 MW of electricity.



By ensuring the traceability of the energy we produce, we have certified that our electricity is generated from renewable sources by obtaining the International Green Energy Certificate (I-REC).

In the medium to long term, renewable energy production needs to double to achieve net zero targets, combat energy price volatility and become more resilient to the energy crisis. To this end, there are calls to significantly increase investments in renewable energy around the world. Renewable energy investments, which have seen a significant increase especially with the implementation of the European Green Deal, are expected to total 650 billion euros by 2030. In parallel with the developments in Europe, renewable energy investments are increasing in Turkey. **According to the International Energy Agency's report*, the energy capacity**

commissioned in Turkey in 2020 doubled the previous year. It is projected that wind and solar energy will constitute the majority of the renewable energy capacity to be commissioned in this process.

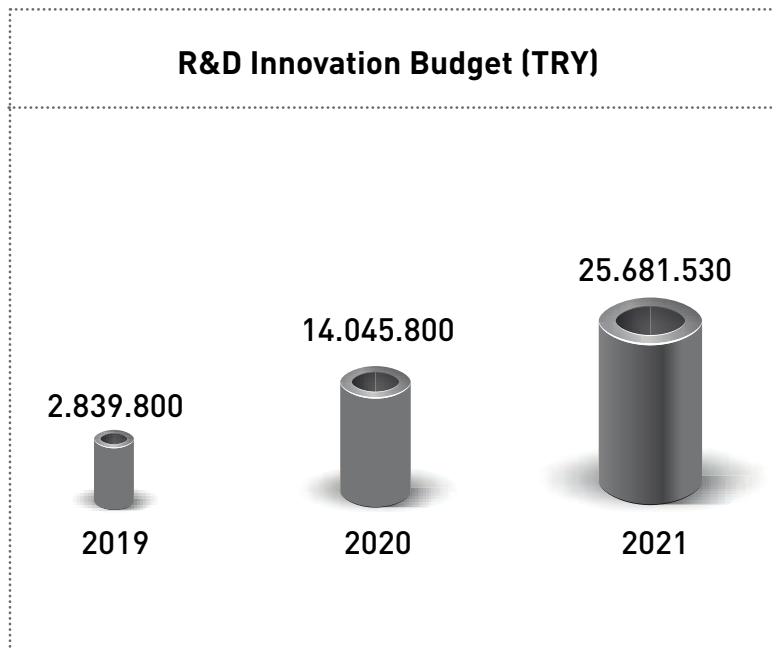
As Tosyalı Group, we commissioned the Solar Power Plant (SPP) with an area of 250 thousand m² on the roof of the Osmaniye ERW pipe and profile production facility in 2017 with our environmentally friendly technological investments. The SPP, where the world's largest thin-film solar panel products are used, has a total installed capacity of 10 MW and leads the region and the sector in the use of SPP.

Osmaniye SPP, one of the top five largest rooftop solar power plants in the world, meets a significant portion of the electrical energy of the Osmaniye ERW pipe and profile production facility, the largest steel pipe factory in Europe installed at one time. Thanks to the renewable, clean energy produced by Osmaniye SPP, 10 thousand tons of greenhouse gas emissions are prevented and steel pipes and profiles with the world's smallest carbon footprint are produced. In addition, this year we started the world's largest rooftop power plant investment, which will generate 140 MW of electricity.

*www.iea.org/reports/renewables-2021

➤ Tosyalı Holding Sustainability-Focused Innovation Management

➤➤ *In 2021, we invested TRY 25 million in sustainability-focused R&D and Innovation activities.*



As Tosyalı Holding, producing innovative technology and high value-added products are among our basic principles. We invest in innovative and original projects to have a say in the future and help build a zero-carbon society. We have started the necessary infrastructure work to be prepared for the challenges that all sectors will face with the carbon regulation at the border. With the researches and projects to be developed, we aim to investigate fuels that will be used as an alternative to fossil fuels and use them in our processes and contribute to green steel production. In this direction, we also planned to receive consultancy services to develop projects by utilizing international funds. The most important of these studies is the utilization of waste heat with the most appropriate process and thus the use of renewable energy in our facilities. By increasing our new product studies, we will also ensure the use of national products instead of imported products.

In addition, we aim to produce high value-added products and develop processes in order to maintain our leadership in the competitive

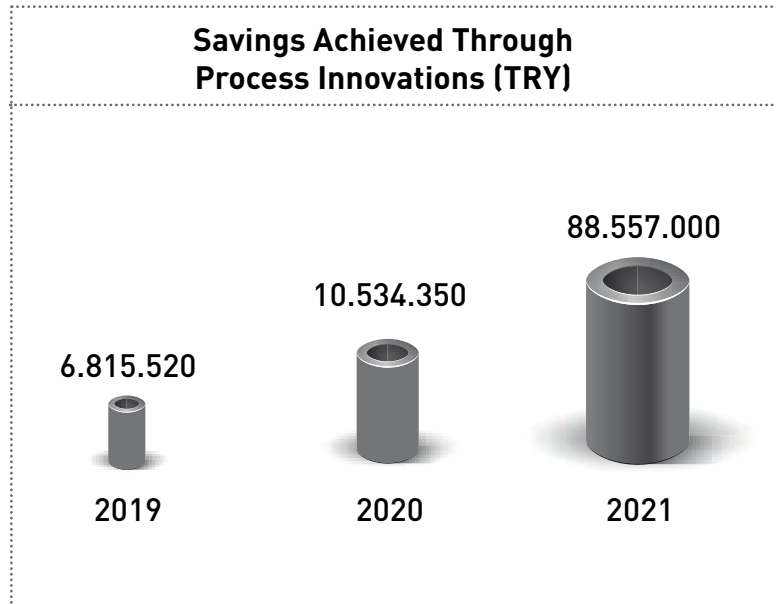
environment by closely following the technology and anticipating the developments in the production processes that the steel industry will need in the next 5-10 years.

We have built our R&D development strategy implemented by Tosyalı Holding in 2021 on the following foundations:

- To eliminate human factor risks and minimize human-induced time losses by using developing technology, and to give more space to artificial intelligence, image processing and deep learning in projects,
- To carry out 6 Sigma projects to maximize efficiency in processes,
- Focusing on green steel production, sustainability and projects to reduce carbon footprint.

As Tosyalı Holding, we have made great progress in projects on the utilization of waste and waste heat. In 2025, we are also continuing to work on creating infrastructure in line with the legislation on measuring carbon footprint.

➤ **Tosyalı Holding Sustainability-Focused Innovation Management**



As of 2021, we have received the return of the R&D efforts we have carried out in the last few years as savings from process innovations. Our process innovation savings, which amounted to approximately TL 10 million in 2020, reached TL 88 million by 2021. We aim to increase this figure exponentially in the coming years.

Reducing Carbon Footprint of Annealing Furnaces by Using Alternative Fuel by Mixing Hydrogen and Natural Gas

The use of natural gas in industry is widespread. In order to prevent the increasing air pollution worldwide, awareness raising efforts are being carried out, especially in the industry. Green hydrogen energy is being discussed around the world and has come to the forefront in terms of reducing carbon emissions. We selected a pilot burner in the wire rod plant annealing furnace and conducted studies on the use of alternative fuels at different mixing ratios and the effect of hydrogen on the furnace. We aimed to minimize fossil fuel

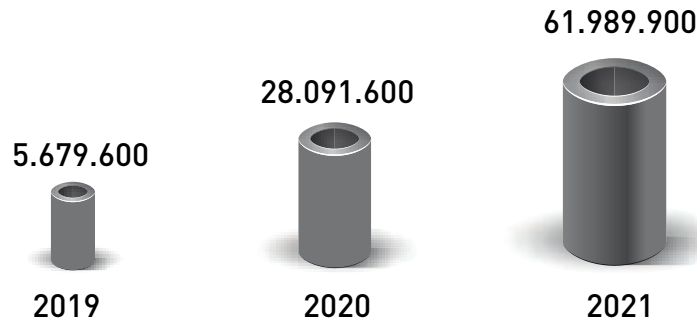
consumption and contribute to green steel production by using hydrogen as an alternative to natural gas as fuel in annealing furnaces. We completed our trials in the range of 100%-0% hydrogen. We observed the superiority of hydrogen over natural gas in mixing ratios. With our project, we have seen that 100% hydrogen gives higher heat at furnace temperatures than 100% natural gas as a result of combustion. We use these outputs to improve our processes and continue to reduce our carbon footprint.



Our process innovation savings, which amounted to approximately TL 10 million in 2020, reached TL 88 million by 2021.

➤ Tosyalı Holding Sustainability-Focused Innovation Management

R&D Innovation Budget (TRY)



By determining our corporate carbon footprint, we obtained product-based EPD certificates in ERW and Spiral plant.

Tosçelik Osmaniye R&D Center

Tosçelik, which has been aiming to produce value-added products with strong innovative aspects that make a difference in the sector since its establishment, opened its R&D Center in Osmaniye in 2017. The R&D Center, the first of its kind in its region, is also the center of research and development activities in all production facilities of the Group.

Aware of its responsibilities in sustainability and energy efficiency, Tosçelik installed a solar power plant on the roof of Tosçelik Pipe Profile facility in Osmaniye Organized Region in 2017. With the investment made, it has the potential to become the ERW pipe manufacturer with the lowest carbon footprint in the world. With a 250,000 m² roof area, the plant is the largest rooftop solar power plant in Europe and one of the top 5 largest rooftop solar power plants in the world.

As Tosyalı Holding, we continue all our R&D studies for a sustainable future with a focus on zero waste and recycling. For 2021, our R&D and Innovation expenditures reached 61 million TRY. In 2021, we implemented around 30 sustainability projects.

Our aim is to minimize carbon emissions in steel production and to move to completely green steel production. With our projects, we aim to minimize heat emission to the atmosphere, to use water resources efficiently and recycle 100%, to

increase the highest level of efficiency in energy use and to generate electricity from natural resources and use it in processes.

We determined Tosyalı Holding's corporate carbon footprint and obtained product-based EPD (Environmental Product Declaration) certificates at the ERW and Spiral plants. Carbon emissions documented with EPDs are well below the sector average values. We continue our efforts to further reduce these values.

➤ Tosyalı Holding Sustainability-Focused Innovation Management



The Quantum Furnace technology we use allows for low electricity consumption compared to conventional EAFs (Electric Arc Furnaces) and reduces CO2 emissions by 30%.

Suggestion System Platform

We have established a Suggestion System platform in all our facilities, where our employees can submit their ideas to improve their work and make it more efficient. The system starts with the employee who makes a suggestion entering the system and progresses when managers approve the suggestion. A certain percentage of the returns of the projects whose approval processes are completed and implemented in the field are financially rewarded to the employee who made the suggestion. We have also placed suggestion boxes in designated areas of the work sites. In this way, we aim to encourage employees to participate more effectively in R&D and innovation processes.

In 2021, with our R&D projects, we are working on increasing production, reducing production costs and waste, utilizing waste, using alternative energy, and performing dangerous operations based on manpower with robotic systems.



STEEL IS EVERYWHERE IN LIFE
WHEN STEEL TRANSFORMS,
LIFE TRANSFORMS



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

An average of **83,000 tonnes of steel** was used for the **Golden Gate Bridge**.



We do not only produce steel. At the same time, we touch a large ecosystem and work for the sustainability transformation of this ecosystem. The first area of our sustainability strategy is Responsible Ecosystem Management. In this field, we prioritize supply chain, water risks and management, circular production and responsible investments.

➤ Tosyalı Holding Supply Chain

We interact with our suppliers on a regular basis and we have some audit mechanisms in place for our suppliers. We conduct a Supplier Evaluation Form, Commercial and Quality Document review

and sample product review for each new supplier. We evaluate the production result through the sample product. We subject our existing suppliers to current quality document reviews and on-

site visits with the Supplier On-Site Inspection Form. **Our local suppliers account for 93.6% of our total number of suppliers.**

	2019	2020	2021
Total Number of Suppliers	9.742	10.178	11.390
Number of New Suppliers	348	436	1.212
Number of Local Suppliers	9.180	9.590	10.662
Payments to Suppliers (TRY)	834.507.492	1.162.253.039	2.795.813.832
Payments to Local Suppliers (TRY)	619.615.855	843.076.533	1.794.486.438
Number of Critical Suppliers	134	134	134

We expect our suppliers to have;

- ISO 9001 Quality Management System
- ISO 14001 Environmental Management System
- ISO 45001 Occupational Health and Safety Management System certificates.

According to our THG.PRO.022 Supplier Evaluation procedure, Quality Management System documents are one of the evaluation parameters for candidate suppliers.

In addition to closely monitoring our supplier portfolio, which consists of many companies providing products and services to Tosyalı Group companies, we also continued to periodically evaluate them on the basis of performance criteria.

We apply the Tosyalı Holding Supplier Evaluation Procedure to identify suppliers, evaluate their competencies and measure their demand fulfillment efficiency in all procurement transactions carried out within the Group. In this context, under the supervision of the Central Procurement Directorate, we carry out the review of the suitability of new suppliers to provide products

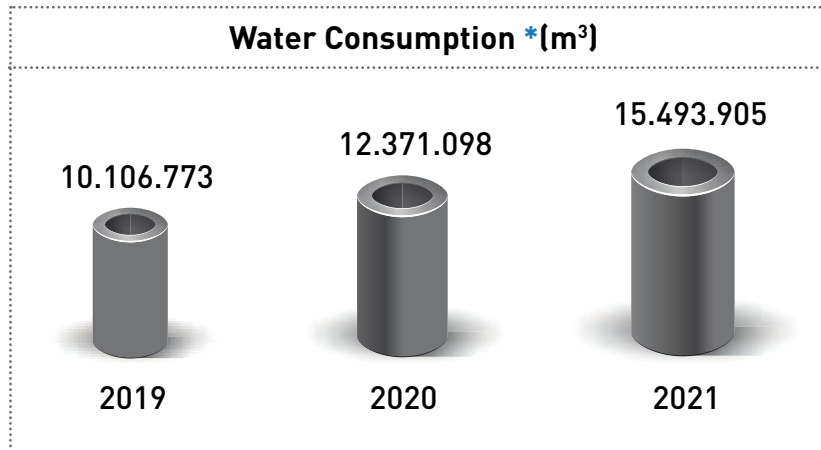
to Group businesses, as well as the audit and follow-up of existing ones. Business Units evaluate the quality of the supplied product on the SAP system, conduct trial productions for newly supplied products and communicate their evaluations to the Central Purchasing Directorate.

Within the scope of the procedure, potential suppliers are examined by taking into account quality suitability, price advantage, deadline and evaluated according to ISO 9001, ISO 45001, ISO 14001 management system and CE conformity certificates.

The supplier companies that are deemed suitable by the Group enterprises according to the criteria in the written procedures are finally approved by the Central Purchasing Directorate and then registered in the SAP ERP system and included in the Tosyalı Group supplier portfolio. We also make visits to the companies whose preliminary information we have received and make trial purchases.

The companies in Tosyalı Group's supplier portfolio are evaluated through the SAP system twice a year and when deemed necessary, and these evaluations are supported by on-site visits to the companies.

➤ Tosyalı Holding Water Risks and Management



* Turkey and Africa operations include consolidated results.

➤➤ ***We observed an increase in our water consumption in 2021 due to the increase in production in the facilities with the highest water consumption (sheet, slab, cold rolling mill).***

Recovery of 90% of WWTP Discharge Water

In 2022, as Toyo, we started working to recover and reuse the discharge water in our Wastewater Treatment Plant within the scope of zero waste projects. We analyzed the chemical analysis of the water and decided that it might be suitable for recovery. As a result of the extra chemical analysis of the discharge water, we predicted that we could realize the recycling project with “Fe and Organic Matter Removal” and designed the Pilot Plant.

Although this facility is currently in the installation phase, according to the results of the chemical analyzes to be carried out in the water samples to be taken from the Pilot Plant application, the “recovery rate of the discharge water” will be determined. We aim to recover at least 90% of the Wastewater Discharge Water and we estimate that we will save USD 97,352 annually.

Although the iron and steel industry use large quantities of water throughout its processes, very little of this water is consumed because most water is reused or returned to the source without being consumed. For example, as Tosyalı Holding, we use water for cooling in our processes and prevent losses with closed circuit systems. Water is therefore one of the most important resources for iron and steel production, even if it is not

consumed, and water management is a critical part of a sustainable iron and steel industry.

In addition, we also made investments in wastewater in 2021. By reusing the amount of process-generated wastewater through filtration and recooling, we both reduced the use of natural resources and prevented wastewater from harming nature.

➤ **Tosyalı Holding Circular Production**

Waste Amount * (ton)	2019	2020	2021
Total Quantity of Waste	9,742	10,178	11,390
Hazardous Waste and Non-Hazardous Waste	512,003	606,256	634,506
Amount of Hazardous Waste	25,054	37,357	3,797
Amount of Hazardous Waste Recycled	23,298	35,756	2,442
Amount of Non-Hazardous Waste	486,949	568,899	630,709
Amount of Non-Hazardous Waste Recycled	463,452	549,870	595,531

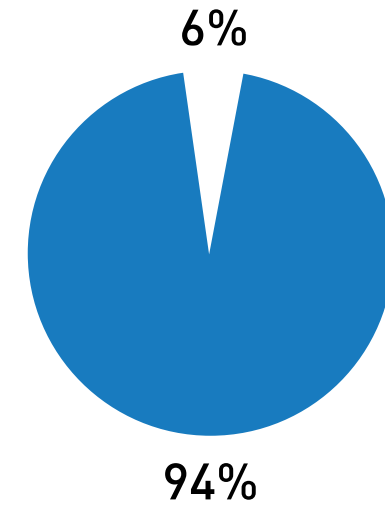
* Covers our Turkey and Africa operations.

One of the most important tools for ensuring sustainability is circular production. With the advantages of the steel industry, we are creating an infrastructure in line with the carbon footprint legislation to be implemented in 2025 by implementing projects on the utilization of waste and waste heat. Our goal in this area is to ensure that all the steel we produce goes through fully circular

processes by adopting a zero-waste production process. We integrate circularity at the heart of our business strategy to contribute to protecting the environment and nature, preventing pollution and tackling the climate crisis. In this context, we recycle steel scrap from our companies, ensure the continuity of the life cycle by sending the process-generated dust to licensed companies, and

carry out waste separation at the source and transform the non-hazardous wastes generated in the field by sending them to licensed companies. In 2021, we determined that our total amount of waste is approximately 634 thousand tons. Within this amount, the amount of non-hazardous waste constitutes 99% of our total waste. We recycle 63% of our 3.7 thousand tons of hazardous waste.

2021 Non-Hazardous Waste Breakdown



■ Amount of Non-Hazardous Waste Recycled
□ Amount of Non-Hazardous Waste Disposed

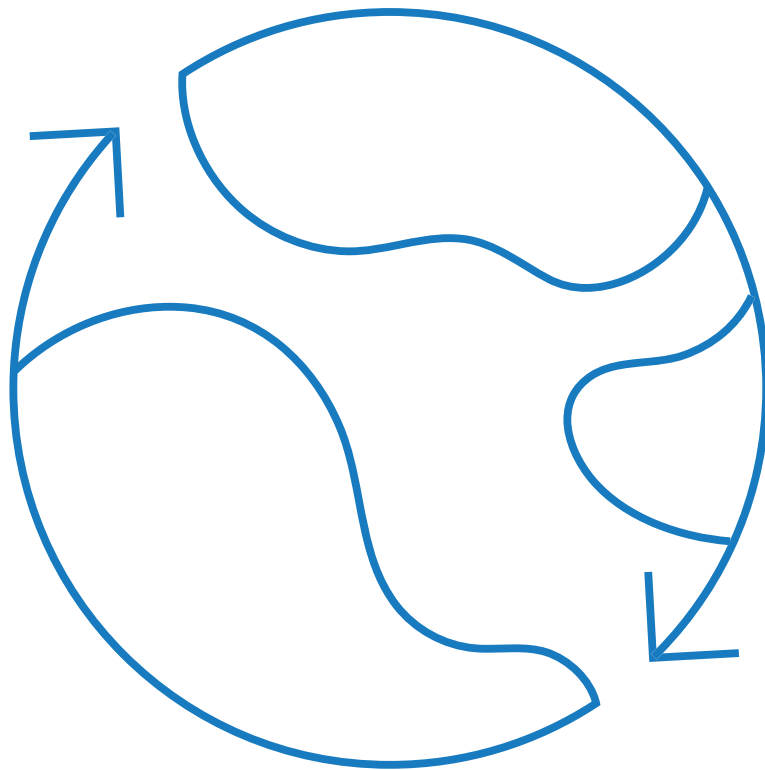


In 2021, the amount of non-hazardous waste we recycled reached 94%.

➤ Tosyalı Holding Circular Production



At Tosyalı Harsco Recycling Facilities, 1.2 million tons of slag waste is brought into the economy and the environmental damage caused by quarries is reduced.



As mentioned earlier in this report, Tosyalı Harsco, which was established in 2017 as a joint venture between Tosyalı Holding and the US-based Harsco Corporation, started production in 2018. Serving iron and steel, aluminum, copper nickel, ferro chrome and cement factories in Turkey, the plant produces asphalt, road construction, cement additives, aggregates and railway ballast from the slag wastes recovered to the economy.

With the success of Tosyalı Harsco, which was established on an area of 7,700 m² within the facility, which started production in 2018, we aimed to increase the number of slag disposal facilities in other regions. We built a second recycling facility of 8,857 m² in Kocaeli Dilovası. Thanks to these facilities, we bring 1.2 million tons of slag waste into the economy annually and reduce the need for slag storage areas through both metal recovery and the use of aggregate that will be raw material for sectors such as road construction, cement production and fertilizer production. Tosyalı Harsco utilizes the slag waste of not only our group but also the whole sector. The metal is recovered and turned into by-products that can be used in other sectors.

Recycled slag becomes a far superior material to aggregate due to the penetration of cement slurry into its pores and its high abrasion resistance. In addition, asphalt made with slag improves vehicle safety in the rain due to its water permeability, and it is also a safe material against earthquakes as it has better tensile and compression resistance than concrete.

Thanks to the machines designed according to the zero-waste principle as a result of R&D studies and the software developed in-house, metallic iron in the slag can be monitored online and the metal content in the slag is minimized. The aim of Tosyalı Harsco, which currently recycles the slag heaps in its region, is to expand its activities and provide services to other regions in Turkey.

As Tosyalı Group, we build our environmental approach on the rule of establishing and implementing a zero-waste management system, and strive to develop environmentally friendly products and services. Our priorities include preventing pollution at source, creating zero waste, using natural resources and increasing energy efficiency in the provision of products and services.

We implement the ISO 14001 Environmental Management System, which aims to reduce the use of natural resources and minimize environmental damage. We also follow national and international legal obligations to protect the environment and human health.

We make sure that clean energy applications are renewable and sustainable, and we research methods to eliminate all kinds of waste without harming the environment. In our production facilities, ambient measurements in criteria such as noise, lighting, dust, etc., chimney emission measurements are carried out periodically, and industrial wastes are disposed of. We report greenhouse gases to the Turkish Ministry of Environment and Urbanization.

In the processes carried out in iron and steel plants, a process-specific waste called scale is generated as the material is cooled. An annual average of 80,000 tons of scaling waste is converted into pellet cakes with the technology we have developed ourselves, and we meet some of our import-substituted pellet needs at our facility in Algeria.

➤ Tosyalı Holding Circular Production



In collaboration with Contemporary Istanbul Foundation, we started to produce projects on the theme of upcycling in art in order to contribute to the development of sustainable art.



Forward Transformation in Art

While Tosyalı Holding implements sustainability in all its operations, it also implements different projects in order for our country to develop in every field and compete with the world. In this context, we collaborated with Contemporary Istanbul to support the exhibition of sculptor İlhan Koman, considered the "Turkish Leonardo da Vinci", who celebrates his 100th birthday in 2021.

With this collaboration, we emphasize the importance of sustainability in every field by supporting sustainable art. By setting out to support all artists who produce works with this understanding, we also draw attention to the fact that sustainability through art is an

integral part of our lives. In the 16th Contemporary Istanbul, exhibition by İlhan Koman, we presented four sculptures made of iron, steel and wood, including Infinite Column 1975, Walking Dervish and two untitled works. Within the scope of the exhibition, we also organized a panel on "Upcycling and Sustainability in Art". Fuat Tosyalı, Chairman of the Board of Directors of Tosyalı Holding, Ali Güreli, Chairman of the Board of Directors of Contemporary Istanbul, academician Levent Erden and interior designer Ali Semiz were among the speakers, while Özgül Özkan Yavuz, Deputy Minister of Culture and Tourism of the Republic of Turkey, and many famous figures from the business and art world also took part in the panel.

Commissioning of CGL Furnace Waste Heat Boiler

By commissioning the waste heat boiler in the galvanizing line, we started to generate steam from the waste heat of the annealing furnaces and feed the system. In this way, we both reduced our current natural gas cost and became able to produce 2.5 tons of steam per hour.

➤ Tosyalı Holding Responsible Investments



Our 2021 social responsibility activities and projects:

- We donated 100 thousand saplings on behalf of all employees due to forest fires in different regions of our country.
- As Tosyalı Holding, we donated 5 million TL out of the 7 million TL collected in Hatay as part of the "I'm in" campaign launched to help the citizens affected by the fire and flood disasters.
- On November 11, 2021, we supported the National Reforestation Day held with the slogan "We Will Change Faster than the Climate" by planting saplings in Akarca, Hatay and Osmaniye.



In 2021, our social capital expenditure reached TL 248 million.

With our mission to add value to our stakeholders and improve people's quality of life, we make our existing and new investments in the light of responsible investment principles. Reaching TL 248 million in 2021, we plan to increase our social investment expenditures every year. We also aim to accelerate our local investments, as supporting local and regional development is one of the primary objectives of our sustainability agenda.

As Tosyalı Group, we aim to meet the needs of the people of the region, provide equal opportunities, and encourage individual and social development through corporate social responsibility projects in Turkey and abroad, especially in the regions where our production facilities are located.

In order to improve the living conditions of people of different age groups in education, health, worship, art-culture, environmental protection and sports, and to increase solidarity, we continue to work on projects in line with the demands of ministries, administrations and local governments. Instead of "build it and leave it" approach, we transfer our works created with social responsibility projects to relevant institutions such as the Ministry of Health, the Ministry of National Education, the Ministry of Youth and

Sports, the Ministry of Family, Labor and Social Policies, the Presidency of the Republic of Turkey, the Presidency of Religious Affairs and the Turkish Red Crescent. One of our missions is to meet the new needs of the project in the following processes with a follow-up approach after this transfer.

As Tosyalı Group, we have brought many buildings to our country from schools for the disabled to vocational high schools, from religious vocational high schools to practice schools and job training centers, from social sciences high schools to science high schools, from Sevgi Houses serving orphaned children to dormitories for girls and boys, from libraries to sports fields and halls, from Red Crescent Houses to family health centers, from mosques to the restoration of historical monuments. When necessary, we respond to calls for support from public institutions and support research and application projects of universities and non-governmental organizations through direct sponsorship or donations.

Moreover, we are one of the rare companies in Turkey that funds measures against national disasters in its budget and activates this disaster budget on behalf of our country in emergencies.

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WHEN STEEL TRANSFORMS,
LIFE TRANSFORMS



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

The Eiffel Tower in Paris contains 18,038 forged iron bars and 2.5 million rivets.



*We want to create a structure that will lead the transformation of our Group, in line with our needs and the development of our internal competencies. In line with this vision, we will shape the future of our business with our actions in the areas of **Talent Management, Inclusion and Diversity, and Occupational Health and Safety.***

➤ Tosyalı Holding Talent Management

Realizations and Targets	2019	2020	2021	2023	2025	2030
Employee Loyalty Rate	73%	72%	71%	80%	82%	85%
Employee Turnover Rate	5.13%	4.89%	5.47%	5.00%	4.50%	3,50%
Talent Pool Turnover Rate	7.80%	9.20%	10.90%	7.00%	5.00%	3,50%



*As Tosyalı Group, we aim to be one of the three companies most preferred by **talents in the sector.***

As Tosyalı Group, we strive for the goal of achieving a solution-oriented human resource, friendly to nature and people, conscious of occupational health and safety, highly engaged, open to continuous change and development, and actively using technology. We are aware that we achieve our competitive advantage with the power and difference of our constantly developing and changing human resource. With this awareness, we have set ourselves the goal of becoming one of the three

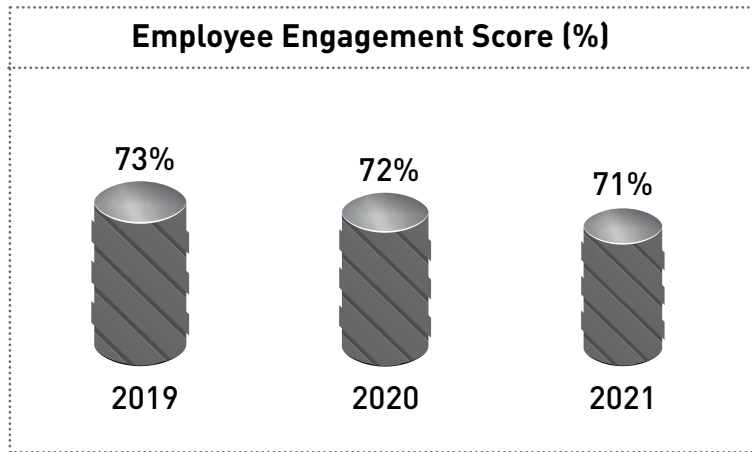
most preferred companies by talents in the sector.

With a proactive perspective, we will continue to design and implement applications such as Tosyalı Academy for our employees to ensure their continuous development.

As part of our talent management efforts, we launched the Executive Development Program in 2021 and aim to increase the competencies of our employees in managerial positions with this program.



> Tosyalı Holding Talent Management



>> We aim to reduce the *Employee Turnover Rate and Talent Pool Turnover Rate to 3.5% by 2030.*

We are determined to bring our employee engagement score, which fell to 71% due to the effects of the global pandemic, to 80% in 2023. This year, as every year, we carried out different activities to maximize employee satisfaction.

Some of our 2021 employee satisfaction projects and activities are as follows:

- On March 8, International Women’s Day, April 23rd National Sovereignty and Children’s Day, Mother’s Day, and New Year’s Day, we organized events to increase employee satisfaction.
- We made improvements to the health insurance scheme provided to all employees.
- We have worked to make the dining halls in our facilities more modern, hygienic and useful.
- We have made improvements and renewal works on the shuttle buses used by employees for transportation to the facility.
- In line with the decisions taken by the Board of Directors, we provided financial support to our employees four times to alleviate the impact of the pandemic and the economic difficulties on our employees.
- We continued the production and sales bonus system implemented to increase employee motivation and productivity.
- We organized many social activities within the Group, such as the Tosyalı Nature Trekking Event, Tosyalı Culinary Workshop, and dinner organizations for the departments.

➤ Tosyalı Holding Talent Management

Employee Trainings	2019	2020	2021
Total Training Hours	72,725	59,756	77,651
Training Hours per Employee	9.3	7.4	9.0

2021 Employee Trainings

- Occupational health and safety training via LMS system for white-collar and blue-collar employees
- Technical training programs by in-house trainers
- E-training programs on basic, functional and managerial competencies for white-collar employees
- Sales e-training programs for sales teams
- Foreign language training for white-collar employees
- Quality management systems trainings in accordance with facility needs
- 6 sigma training and project work for identified teams in all facilities
- Orientation with 360-degree virtual reality glasses
- First aid trainings in line with facility needs
- Vocational qualification certification studies



➤ **Tosyalı Holding Talent Management**



TOSYALI

ACADEMY

As Tosyalı Holding, in 2022, we aim to implement Career Management System-Talent Management, Onboarding practices, VR Virtual Training, Holistic Leadership Training programs, and expand Executive Development and Training Programs. In addition, we have started new VR application projects with the aim of

developing virtual applied training and projects. After the completion of the relevant project, we aim to provide the trainings of overhead cranes, machines, equipment repair, maintenance, dismantling and installation with VR virtual reality applications in 2022.



*Tosyalı Academy contributes to the training of **qualified and talented work force in 3 different continents.***

TOSYALI ACADEMY

Tosyalı Academy contributes to the training of qualified and talented work force in 3 different continents. As a group that believes in value-added production with high technology, we established the Tosyalı Academy to improve the quality of our human resource and to train young talents for the sector. We aim for our employees to adapt to the organization and their duties from the day they start working. Accordingly, at Tosyalı Academy, we plan trainings and methods to improve the knowledge and competencies that our employees need for their current jobs, and we evaluate their development processes.

We organize technical and vocational trainings within the Academy. By making participation in our vocational training's compulsory, we aim for all employees to complete these trainings within 2 years. In addition, we improve the equipment

of our employees by organizing orientation trainings, competency trainings and project trainings at our Basic Training School, also within the Academy. We also have an Online Campus portal to create an educational environment that supports all Academy processes. We organize leader trainings and leader candidate trainings that offer processes and programs to improve the leadership competencies of our employees and train managers for the facility and Holding units.

In addition to all these, we launched the Tosyalı VR virtual reality application to be used in training, orientation and design processes within Tosyalı Academy. We also introduce our facilities to newly recruited white-collar or blue-collar staff, students on technical tours and guests we cooperate with the help of the virtual reality application.

➤ Tosyalı Holding Inclusion and Diversity

Employee Profile	2019	2020	2021
Number of Female Employees	261	257	273
Number of Male Employees	7,544	7,857	8,315
Number of White Collar Female Employees	151	162	176
Number of White Collar Male Employees	1,119	1,164	1,285
Number of Blue Collar Female Employees	110	95	97
Number of Blue Collar Male Employees	6,425	6,693	7,030

As Tosyalı Group, we have determined our human resources policy as designing and implementing practices that are open to continuous development and innovation with a proactive perspective while adhering to our values. In our Group, we provide equal working opportunities regardless of age, gender, nationality, race, ethnic origin, religion and political opinion.

We apply this approach in all areas of recruitment, compensation, performance evaluation, career management, talent management and training management. We have been striving for the goal of achieving a solution-oriented

human resource, friendly to nature and people, conscious of occupational health and safety, highly engaged, open to continuous change and development, creative, and actively using technology.

The realities of our sector result in a low percentage of female employees. In this regard, it is important that national policies are changed to increase the proportion of female employees and that women are encouraged to work in heavy industry. In this context, we set ourselves the goal of increasing the number of female employees and accelerated our efforts in this regard.



We aim to increase our female employee ratio by 86% by 2030.

Realizations and Targets	2019	2020	2021	2023	2025	2030
Female Employee Ratio	3,68%	3,82%	3,77%	4,00%	5,00%	7,00%

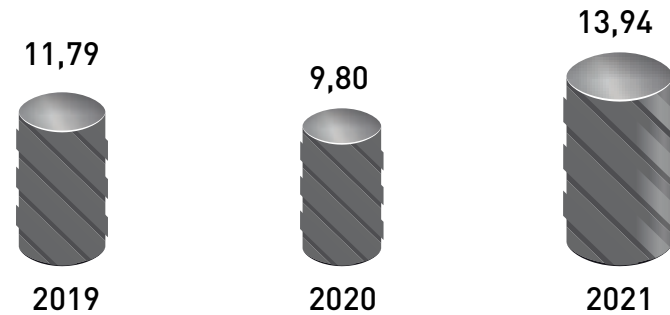
> Tosyali Holding Occupational Health and Safety



We increased OHS training hours per employee by **18% compared to 2019**.



OHS Training Hours per Employee *



* Includes our data from Turkey operations.

With our “People First” principle, we provide a safe and healthy working environment for our employees by observing occupational health and safety (OHS) in all our processes. Within the scope of digital transformation efforts, we have realized projects in which robots are used at production points where the human factor is risky, thus preventing factors that pose risks in terms of occupational health and safety, and we have commissioned automation-oriented systems required by Industry 4.0. We aim to produce with a zero-loss day rate.

In addition, we pay attention to the compliance of our quality policy with changing conditions and ensure that it is understood by employees. We assure

our quality policy through review meetings held by senior management. We improve our processes through the suggestion system and teamwork, and we aim to continuously develop in a way that will provide a competitive advantage at the international level.

In addition, we organize monthly Foremen-Management-OHS Board meetings to ensure the participation of all our employees in OHS processes and to inform them. Through these meetings, all employees are included in OHS processes and their ideas, suggestions, requests and complaints are received; information on Board decisions and other practices is conveyed to all employees through these meetings.

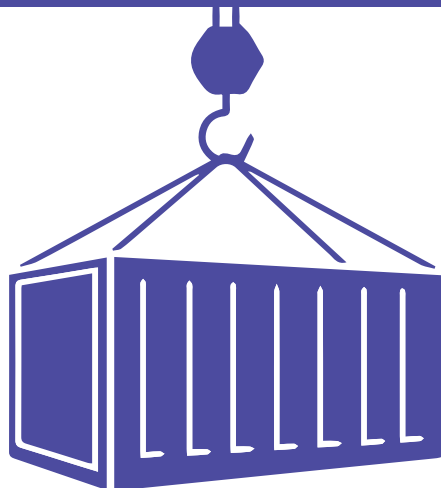
➤ **Tosyalı Holding Occupational Health and Safety**

Container Loading Apparatus Design

The pipes and profiles produced in our ERW pipe profile company are loaded into containers in ports and open areas. Since our employees enter the containers during loading, these loads cause risks in terms of OHS and quality problems for our products. We designed a container loading apparatus to solve this OHS and quality problem. Container loading processes have been improved, reducing in-plant loading and material handling and preventing potential quality

defects (stripping, crushing, package disintegration, etc.). Container loading at ports takes an average of 3 hours, while containers can be loaded in the facility in an average of 1 hour.

With the container loading system, in addition to efficiency, our employees no longer enter the container and loading is automatic. Therefore, the risks that may arise in this regard for our employees have been eliminated.



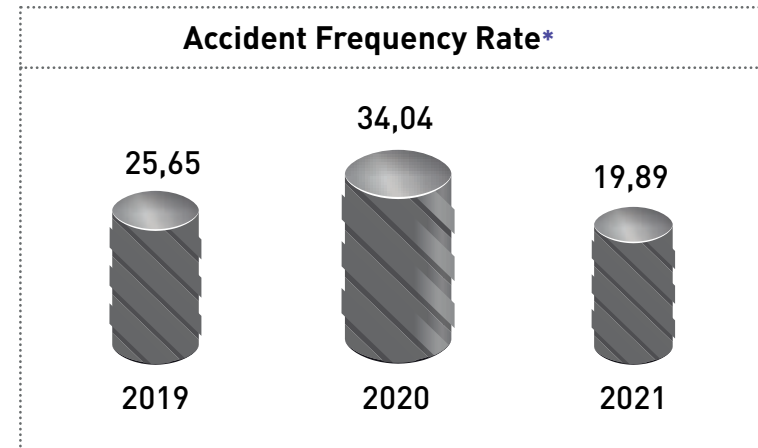
In the field of occupational health and safety in 2021:

- We updated the risk assessment by taking into account records such as accidents, near misses and hazard notifications that occurred during the year;
- We revised the emergency action plan according to the situations seen during the year. We also conducted emergency drills throughout the year;
- We have made regular checks of lifting and conveying equipment, benches, electrical installations, pressure vessels, elevators, etc. in the enterprise and made them in compliance with the legislation and occupational safety rules;
- Through announced and unannounced safety tours, we identified nonconformities in the business and ensured that these nonconformities were eliminated as soon as possible;
- We revised the work and task instructions in accordance with OHS rules and with the opinions of our employees;
- We installed a roof lifeline and roof ladder to ensure the safety of working at height.

As Tosyalı Group, which approaches occupational health and safety practices with the principle of full compliance with the legislation, we work within the framework of international standards; we conduct risk assessments in Group enterprises within the scope of ISO 45001 standards and legislation.

We take measures to minimize risks and raise awareness of our employees against possible risks through periodic trainings.

> Tosyalı Holding Occupational Health and Safety



* Includes our data from Turkey operations.



In the long term, we have a “zero work accidents” target and we aim to reduce the accident frequency rate by 25% each year compared to the previous year.

We aim to spread the zero-work accident culture in Tosyalı Group. We provide our employees with the necessary trainings to establish a culture in this regard. Among the projects planned for 2022 are the installation of a de-dusting system at work sites, the introduction of an award system for occupational safety issues and the provision of a mechanical slag removal system to prevent health problems caused by slag removal.

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LIFE TRANSFORMS



31400

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

31,400 tonnes
of rebar was used in
Burj Khalifa.



*In our relations with our stakeholders, we attach importance **to establishing a common quality awareness and enhancing brand reputation** in the eyes of all stakeholders.*

➤ Tosyalı Holding Stakeholder Relations

As a company that serves many different sectors both at home and abroad, we are aware of the critical importance of transparent relations and cooperation with our stakeholders for our operations. In our relations with our stakeholders, we attach importance to establishing a common quality awareness and raising brand reputation in the eyes of all stakeholders.

Stakeholder Group	Communication Method	Communication Frequency
Employees	Mailing, Announcement, Social Media, Events, Trainings, Leader Messages	Weekly
Customers	Conferences and Summits	Regular
Business Partners and Suppliers	Customer Visits, Phone, E-mail, Social Media, Tosyalı Magazine	Quarterly
Analysts and Creditors	Business Partner Meetings, Social Media, Phone, Visits, Mailing,	Quarterly
International Organizations and Initiatives	Tosyalı Magazine	Quarterly
Civil Society Organizations	Phone, E-mail, Meeting, Tosyalı Magazine	Weekly
Public Institutions and Regulatory Authorities	Fairs, Visits, Events, Social Media	Regular
Media (Local and National)	Meetings, Events, Social Media, Visits, Tosyalı Magazine	Quarterly
Universities	Meetings, Events, Social Media, Visits, Tosyalı Magazine	Quarterly
Artists	Press releases, Interviews, Launches, Fairs, Events, Social Media	Daily

➤ Tosyali Holding Corporate Memberships and Collaborations



Corporate Names

Mediterranean Exporters' Associations
 Istanbul Mineral and Metals Exporters' Associations (IMMIB)
 Istanbul Ferrous and Non-Ferrous Metals Exporters' Association (İDDMİB)
 Istanbul Mineral and Metals Exporters' Associations (IMMIB)
 Steel Exporters Association (ÇİB)
 Turkish Constructional Steelwork Association (TUCSA)
 Structural Steel Education and Research Center Economic Enterprise
 Mediterranean Exporters' Associations
 Iskenderun Chamber of Commerce
 Eastern Anatolia Exporters Association (DAİB)-Erzurum
 DEİK - Foreign Economic Relations Board
 Iskenderun Maritime Chamber of Commerce
 Gebze Chamber of Commerce
 Karabuk Chamber of Commerce
 Steel Pipe Manufacturers Association (ÇEBİD)
 Iskenderun Chamber of Commerce and Industry
 S.S İMES Mass Workplace Construction Cooperative
 Turkish Steel Producers Association
 Osmaniye Chamber of Commerce
 Ankara Chamber of Commerce
 Energy Efficiency Association
 Mediterranean Exporters' Associations
 TOBB Global Standards Center
 Turkish Foundry Manufacturers Association
 İMEAK (Istanbul and Marmara, Aegean, Mediterranean, Black Sea Regions) Chamber of Shipping
 Kocaeli Chamber of Industry
 Aliaga Chamber of Commerce
 Dört Yol Chamber of Commerce
 Mediterranean Cereals, Pulses, Oil Seeds and Products Exporters' Association (AHBİB)
 Istanbul Chamber of Commerce
 Osmaniye Chamber of Commerce and Industry
 Gebze Chamber of Industry and Commerce
 International Fertilizer Association (IFA)

> Tosyalı Holding Performance Indicators

Social Performance Indicators

Employees by Gender	2019	2020	2021
Number of Female Employees	261	257	273
Number of Male Employees	7,544	7,857	8,315

Employees by Categories	2019	2020	2021
Number of White Collar Female Employees	151	162	176
Number of White Collar Male Employees	1,119	1,164	1,285
Number of Blue Collar Female Employees	110	95	97
Number of Blue Collar Male Employees	6,425	6,693	7,030

Employees (%)	2019	2020	2021
Female Employee Ratio	3.68%	3.82%	3.77%
Employee Loyalty Ratio	72,75%	72,07%	71,09%
Employee Turnover Ratio	5.13%	4.89%	5.47%
Talent Pool Turnover Ratio	7.8%	9.2%	10.9%

> Tosyalı Holding Performance Indicators

Trainings	2019	2020	2021
Total Training Hours	72,725	59,756	77,651
Training Hours per Employee	9.3	7.4	9.0

Occupational Health and Safety (OHS)	2019	2020	2021
Number of Fatal Accidents	2	2	3
Number of Accidents	743	817	763
Number of Lost Days	7,449	7,819	8,249
Lost Time Work Accident	385	500	485
Accident Frequency Rate*	25.65	34.04	19.89
Accident Severity Rate**	0.06	0.04	0.07
OHS Training Hours per Employee	12	10	14

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

** Accident Severity Ratio = Total days lost due to work accidents / Total hours worked x 1,000,000

> Tosyalı Holding Performance Indicators

Supply Chain	2019	2020	2021
Total Number of Suppliers	9.742	10.178	11.390
Number of New Suppliers	348	436	1.212
Number of Local Suppliers	9.180	9.590	10.662
Payments to Suppliers (TRY)	834.507.492	1.162.253.039	2.795.813.832
Payments to Local Suppliers (TRY)	619.615.855	843.076.533	1.794.486.438
Number of Critical Suppliers	134	134	134

Customers	2019	2020	2021
Number of Customers	2.366	2.288	2.278
Total Number of Products	336	315	338
Number of Complaints Submitted	429	385	339
Number of Resolved Resolved	429	385	339
Customer Relations Training Hour	1.138	1.104	418
Number of Employees Attending Customer Relations Training	67	103	72

➤ Tosyalı Holding Performance Indicators

Environmental Performance Indicators

Greenhouse Gas Emissions	Unit	2019	2020	2021
Scope 1 Emissions	tCO ₂ e	1,784,089	2,173,616	2,273,683
Scope 2 Emissions	tCO ₂ e	1,807,080	1,838,151	1,799,351
Total Emissions (Scope 1+2)	tCO ₂ e	3,591,170	4,011,767	4,073,034

Energy Consumption	Unit	2019	2020	2021
Electricity Consumption	MWh	3,681,849	3,859,454	3,834,728
Natural Gas Consumption	MWh	6,986,507	9,006,869	9,022,294
Amount of Renewable Energy Generated	MWh	13,950	14,850	15,592
Total Energy Consumption	MWh	10,723,057	12,918,583	13,141,382

➤ Tosyalı Holding Performance Indicators

Water Consumption	Unit	2019	2020	2021
Water Consumption	m ³	10,106,773	12,371,098	15,493,905

Waste Amount	Unit	2019	2020	2021
Amount of Hazardous Waste	ton	25,054	37,357	3,797
Amount of Hazardous Waste Recycled	ton	23,298	35,756	2,442
Amount of Non-Hazardous Waste	ton	486,949	568,899	630,709
Amount of Non-Hazardous Waste Recycled	ton	463,452	549,870	595,531
Amount of Non-Hazardous Waste Disposed	ton	512,003	606,256	634,506
Total Waste Amount	ton	25,054	37,357	3,797

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WHEN STEEL TRANSFORMS,
LIFE TRANSFORMS



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

Sydney Harbor Bridge in Australia is the largest steel arch bridge in the world. It was **made with 52,800 tonnes of steel.**



GRI Standard	Notifications	References	Explanation of Untransmitted Information
GRI 101: Basic Principles 2016			
General Notifications			
Corporate Profile			
GRI 102: General Notifications 2016	102-1	1	—
	102-2	10 - 23	—
	102-3	www.tosyaliholding.com.tr/iletisim/iletisim-bilgilerimiz	—
	102-4	10,11	—
	102-5	10	—
	102-6	10,11	—
	102-7	11	—
	102-8	66,74	—
	102-9	38,54	—
	102-10	54	—
	102-11	26,27	—
	102-12	72	—
	102-13	73	—

As Tosyalı Holding, we present our environmental, social and governance performance in our Sustainability Report to the attention of all our stakeholders with the guidance of the Global Reporting Initiative (GRI).



GRI Standard	Notifications	References	Explanation of Untransmitted Information	
GRI 101: Basic Principles 2016				
General Notifications				
Strategy				
	102-14	24	—	
	102-15	27	—	
Ethics and Integrity				
	102-16	25,26	—	
	102-17	25,26	—	
Governance				
GRI 102: General Notifications 2016	102-18	24	—	
	102-19	24	—	
	Stakeholder Analysis			
	102-40	72	—	
	102-42	72	—	
	102-43	72	—	
	102-44	36	—	



GRI Standard	Notifications	References	Explanation of Untransmitted Information
GRI 101: Basic Principles 2016			
General Notifications			
Report Profile			
GRI 102: General Notifications 2016	102-45	10,11	—
	102-46	5	—
	102-47	37,38,39	—
	102-48	This is the first sustainability report. of Tosyalı Holding	—
	102-49	This is the first sustainability report. of Tosyalı Holding	—
	102-50	January 2021-December 2021	—
	102-51	This is the first sustainability report. of Tosyalı Holding	—
	102-52	Annual	—
	102-53	kurumsal@tosyaliholding.com.tr	—
	102-54	Basic	—
	102-55	80	—
102-56	No external audit received	—	



GRI Standard	Notifications	References	Explanation of Untransmitted Information
GRI 200: Economic Standard Series			
Economic Performance			
GRI 103: Management Approach 2016	103-1	10,11	—
	103-2	10,11	—
	103-3	10,11	—
GRI 201: Economic Performance 2016	201-1	10,11	—
GRI 300: Environmental Standard Series			
Energy			
GRI 103: Management Approach 2016	103-1	35,44,47	—
	103-2	35,44,47	—
	103-3	35,44,47	—
GRI 302: Energy 2016	302-1	47,77	—
	302-4	45,47	—
Water			
GRI 303: Water and Wastewater 2018	303-1	55	—
	303-5	55,78	—



GRI Standard	Notifications	References	Explanation of Untransmitted Information
GRI 300: Environmental Standard Series			
Emissions			
GRI 103: Management Approach 2016	103-1	42,43	—
	103-2	42,43	—
	103-3	42,43	—
GRI 305: Emissions 2016	305-1	45,77	—
	305-2	45,77	—
	305-4	45,46	—
Waste			
GRI 306: Waste 2020	306-1	56, 57	—
	306-2	56,57,58	—
	306-3	56,78	—
	306-4	56,57,58	—



GRI Standard	Notifications	References	Explanation of Untransmitted Information
GRI 400: Social Standard Series			
Employment			
GRI 103: Management Approach 2016	103-1	62,66	—
	103-2	62,66	—
	103-3	62,66	—
GRI 401: Employment 2016	401-1	62,74	—
Occupational Health and Safety			
GRI 403: Occupational Health and Safety 2018	403-1	67	—
	403-2	67,68	—
	403-3	67,68	—
	403-4	67,68	—
	403-5	67	—
	403-7	67	—
	403-9	69,75	—



GRI Standard	Notifications	References	Explanation of Untransmitted Information
GRI 400: Social Standard Series			
Education and Training			
GRI 103: Management Approach 2016	103-1	64	–
	103-2	64	–
	103-3	64	–
GRI 404: Education and Training 2016	404-1	64,75	–
	404-2	64,65	–
GRI 403: Occupational Health and Safety 2018			
Diversity and Equal Opportunity			
GRI 103: Management Approach 2016	103-1	66	–
	103-2	66	–
	103-3	66	–
GRI 405: Diversity and Equal Opportunity 2016	405-1	66,74	–
Society			
GRI 103: Management Approach 2016	103-1	59	–
	103-2	59	–
	103-3	59	–
GRI 413: Society 2016	413-1	59	–



GRI Standard	Notifications	References	Explanation of Untransmitted Information
Priority Issues Not Covered in Special Notices			
Supply Chain Management			
GRI 103: Management Approach 2016	103-1	54	—
	103-2	54	—
	103-3	54	—
Sustainability-Focused Innovation Management			
GRI 103: Management Approach 2016	103-1	48-49-50	—
	103-2	48-49-50	—
	103-3	48-49-50	—



TOSYALI
HOLDING



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

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