



## **EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş.**

For the Period 1 January – 31 December 2022  
Board of Directors' Activity Report

**(CONVENIENCE TRANSLATION OF  
INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT  
ORIGINALLY ISSUED IN TURKISH)**

**INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT**

To the General Assembly of Ereğli Demir ve Çelik Fabrikaları T.A.Ş.

**1) Opinion**

As we have audited the full set consolidated financial statements of Ereğli Demir ve Çelik Fabrikaları T.A.Ş. ("the Company") and its subsidiaries ("the Group") for the period between 01/01/2022–31/12/2022, we have also audited the annual report for the same period.

In our opinion, the consolidated financial information provided in the Management's annual report and the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated financial statements and the information obtained from our audit.

**2) Basis for Opinion**

We conducted our audit in accordance with the standards on auditing issued by Capital Markets Board and the Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibility is disclosed under *Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report* in detail. We declare that we are independent from the Group in accordance with the *Code of Ethics for Independent Auditors* ("Code of Ethics") issued by POA and ethical provisions stated in the regulation of audit. We have fulfilled other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **3) Auditor's Opinion for the Full Set Consolidated Financial Statements**

We have presented unqualified opinion for the Group's full set consolidated financial statements for the period between 01/01/2022–31/12/2022 in our Auditor's Report dated 3 March 2023.

### **4) Management's Responsibility for the Annual Report**

The Group's Management is responsible for the following in accordance with Article 514 and 516 of the Turkish Commercial Code No. 6102 ("TCC") and "Communiqué on Principles of Financial Reporting in Capital Markets" with No.14.1 of the Capital Markets Board ("the Communiqué"):

- a) Preparing the annual report within the three months following the reporting date and presenting it to the General Assembly,
- b) Preparing the annual report with the all respects of the Group's flow of operations for that year and the Group's consolidated financial performance accurately, completely, directly and fairly. In this report, the consolidated financial position is assessed in accordance with the consolidated financial statements. The Group's development and risks that the Group may probably face are also pointed out in this report. The Board of Director's evaluation on those matters are also stated in this report.
- c) The annual report also includes the matters stated below:
  - The significant events occurred in the Group's activities subsequent to the financial year ends,
  - The Group's research and development activities,
  - The compensation paid to key management personnel and members of Board of Directors including financial benefits such as salaries, bonuses and premiums, allowances, travelling, accommodation and representation expenses, in cash and kind facilities, insurances and other similar guarantees.

The Board of Directors also considers the secondary regulations prepared by the Ministry of Trade and related institutions while preparing the annual report.

## 5) Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report

Our aim is to express an opinion and prepare a report about whether the Management's discussions and consolidated financial information in the annual report within the scope of the provisions of the TCC and the Communiqué are fairly presented and consistent with the information obtained from our audit.

We conducted our audit in accordance with the standards on auditing issued by Capital Markets Board and the SIA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated financial statements and the information obtained from our audit.

The engagement partner on the audit resulting in this independent auditor's report is Volkan Becerik.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.  
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Volkan Becerik  
Partner

İstanbul, 3 March 2023

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUÉ SERIAL:II, NO:14.1**

**A – General Information**

**1. Period of the Report**

01.01.2022 - 31.12.2022

**2. Information About the Association**

- **Title:** EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş.

- **Trade Registry Number:** 863637

- **Address:** Barbaros Mah. Ardiç Sok. No: 6 Ataşehir/ İSTANBUL

- **Website:** [www.erdemir.com.tr](http://www.erdemir.com.tr)

**3. Shareholding and Capital Structure**

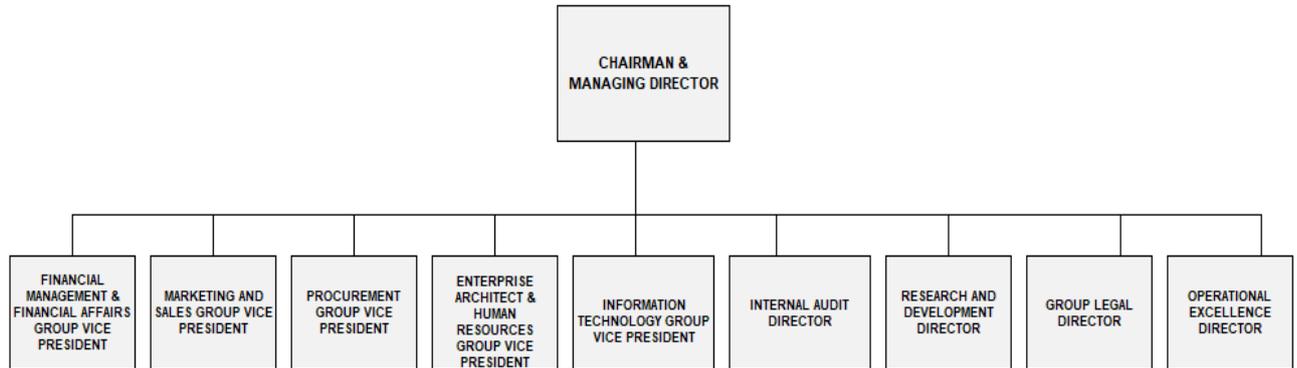
Authorized Capital : TRY 7.000.000 thousand

Paid-in Capital : TRY 3.500.000 thousand

Shareholders	Shares ( Thousand TRY)	%
Ataer Holding A.Ş.	1.724.982	49,29
Publicly Held	1.667.181	47,63
Erdemir's Own Shares	107.837	3,08
<b>Total</b>	<b>3.500.000</b>	<b>100,00</b>

No change in shareholding and capital structure during the period.

**4. Organization Chart**



**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUE SERIAL:II, NO:14.1****5. Preferred Stocks and information about the voting rights of the stocks**

In the 8<sup>th</sup> Item of 7<sup>th</sup> Article of Articles of Association stated as *“This capital is divided into shares Group A and Group B. 1 (one) share of registered certificate issued to the bearer, amounting to 1 Kr (one Kuruş) is A group and 349.999.999.999 (three hundred forty nine billion nine hundred ninety nine million nine hundred ninety nine thousand nine hundred ninety nine) share of certificates amounting to 3.499.999.999,99 (three billion four hundred ninety nine million nine hundred ninety nine thousand nine hundred ninety nine Turkish Liras, ninety nine Kuruş) is B Group.”* the capital is divided into shares Group A and Group B.

In the 9<sup>th</sup> Item of 7<sup>th</sup> Article of Articles of Association stated as *“The right of usufruct shall be established in favor of and to the name of Privatization Administration on the shares of A Group with all rights appertaining thereto unless otherwise decided by Supreme Board of Privatization.”* All voting rights on the shares of A Group shall be exercised by the holder of usufruct. (“usufruct”) the right of usufruct is established.

Within the frame of the right of usufruct, the rights and powers entitled to Privatization Administration in Articles of Association are as follows:

- In 3<sup>rd</sup> Item of 10<sup>th</sup> Article of Articles of Association stated as *“One of the Board members is elected by the General Assembly from among the candidates to be shown by the Directorate of Privatization Administration, which has the right of usufruct in representation of Group A shares.”*
- In 3<sup>rd</sup> Item of 11<sup>th</sup> Article of Articles of Association stated as *“In case the duty of the member of Board of Directors representing the Group A shares expires in any way within the term he has been elected for, the substitute member must also be elected among the candidates to be offered by the Privatization Administration as the usufructuary to represent the Group A shares.”*
- In 2<sup>nd</sup> Item of 12<sup>th</sup> Article of Articles of Association stated as *“Board of Directors shall have to discuss on a detailed report issued by the General Directorate showing the quarterly progress of investment projects, and to pass a resolution upon the suggestions made by the member of Board of Directors as the usufructuary to represent the Group A shares. The development of investment projects is reflected on the annual report of Board of Directors in detail. Furthermore, no resolution can be passed by Board of Directors on the issues mentioned in articles 22 and 37 of the present Articles of Association without the affirmative vote of the member of Board of Directors as the usufructuary to represent the Group A shares.”*
- In 3<sup>rd</sup> Item of 12<sup>th</sup> Article of Articles of Association stated as *“The member of Board of Directors in the capacity of usufructuary or a person to be addressed by him shall participate in the General Assemblies of Shareholders of Subsidiaries to represent the Group A shares of the Company in Subsidiaries. One of the members of Board of Directors of the Subsidiary shall be elected among the candidates to be shown by that representative or the member of the Board of Directors.”*
- In 4<sup>th</sup> Item of 12<sup>th</sup> Article of Articles of Association stated as *“In the event that a resolution is to be passed in General Assemblies of the Subsidiary on issues concerning the rights granted to the Group A shares in the Subsidiary, the affirmative vote of the said representative or the member of the Board of Directors shall be sought.”*

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
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- In 5<sup>th</sup> Item of 12<sup>th</sup> Article of Articles of Association stated as “Resolutions to be passed by the Company’s Board of Directors on any rights and obligations regarding the Group A shares in the Subsidiaries shall be passed upon the affirmative vote of the member of Board of Directors in the capacity of the usufructuary.”
- In 6<sup>th</sup> Item of 12<sup>th</sup> Article of Articles of Association stated as “For the purposes of the present Articles of Association, “Subsidiary” refers to İskenderun Demir ve Çelik Anonim Şirketi and Erdemir Madencilik Sanayi ve Ticaret Anonim Şirketi.”
- In 7<sup>th</sup> Item of 12<sup>th</sup> Article of Articles of Association stated as “It’s mandatory that the member of Board of Directors in the capacity of usufructuary also casts an affirmative vote on resolutions to be passed concerning the rights granted to the Group A shares.”
- In 22<sup>th</sup> Article stated as “Resolutions regarding any amendment in the Articles of Association which are likely to affect, directly or indirectly, the obligations in the Share Sale Agreement in respect of investment and employment, and, the rights granted to the Group A shares in connection with those obligations as well as the amendments which are to affect the quorum for meeting and resolution of Board of Directors and the rights belonging to the Group A shares,
  - Resolutions regarding closedown or sales of or an encumbrance upon the integrated steel production facilities and mining facilities owned by the Company and/or its subsidiaries or a resolution on reduction in capacity of such facilities,
  - Resolutions regarding closedown, sales, demerger or merger or liquidation of the Company and / or its subsidiaries owning the integrated steel production facilities and mining facilities,

can be passed only through affirmative votes of the usufructuary in representation of Group A shares. Otherwise, the resolutions passed shall be invalid.”

- In 37. Article stated as “Provided that it will be effective from the signature date of the Share Sale Agreement to be signed following the realization of the privatization transaction concerning the shares pertaining to the Republic of Turkey Prime Ministry Privatization Administration as per the Law no 4046, the fulfillment of commitments contemplated in the Share Sale Agreement concerning investment and employment shall be under the responsibility of the Company’s Board of Directors. This present Article 37 may be amended with the affirmative vote of the usufructuary representing Group A shares.”
- In Temporary Article 1. “The provisions of the Articles of Association concerning the right of usufruct, other than the amendments made in the clause 9 of the Article 7 of the Articles of Association of the Company, shall be eliminated when the usufruct established on Group A shares are removed.

Usufruct established in favor of the Republic of Turkey Prime Ministry Privatization Administration comes to an end through a resolution to be taken by the Privatization High Council concerning this subject. This circumstance shall be reflected to the Company’s Articles of Association.

The present Temporary Article 1, may be changed with the affirmative vote of the usufructuary representing Group A shares.”

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
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In Article 21, headed Voting Right and Form of Representation stated as:

The shareholders or their proxies who present in the Ordinary and Extraordinary General Assembly meetings shall exercise their voting rights pro rata to the total nominal value of the shares. Each share has only one voting right. In the meetings of General Assembly, shareholders may cause to represent themselves through other shareholders or proxies assigned from outside of the Company. Proxies who are also company shareholders have the authority to cast the votes of shareholders to whom they represent, in addition to their own votes.

Capital Market Board's regulations on voting by proxy shall be reserved.

The functioning manner of the general assembly meeting is regulated through an internal directive. The general assembly meeting is conducted in accordance with the provisions of TCC, capital market legislation and internal directive.

Participating in general assembly meetings via electronic means:

Shareholders may participate in General Assembly meetings via electronic environment pursuant to Article 1527 of Turkish Commercial Code. Company may setup an electronic general assembly system which will enable Shareholders to participate in the General Assembly meetings, to communicate their opinions, to furnish suggestions and to cast their votes or may purchase service of systems set up for such purposes pursuant to the provisions of Regulation on General Assembly meetings of Joint-Stock Companies to be held via Electronic Environment.

Pursuant to present article of Articles of Association, at all general assembly meetings, shareholders and their proxies shall be allowed to exercise their rights provided in the provisions of said Regulation over such a system set up.

**6. Board of Directors, Executive Management and Number of Personnel**

According to the Turkish Commercial Code and related regulations, the election of the Board of Directors is executed by the General Assembly within the framework of the Articles of Association. Should there be a vacant position in the Board of Directors Membership within the respective period; an election for the available positions is made according to the provisions of Turkish Commercial Code and Company's Articles of Association and the results are submitted to the next regular general assembly to be approved. The Company's 2021 Regular General Assembly has been executed on March 17, 2022.

Within the frame of Turkish Commercial Code and Capital Market Law, at the Ordinary General Assembly held on March 17, 2022, election was made for Independent Board members due to the expiration of their terms of duty and 3 Independent Board members were selected for 1 year, pursuant to the 10th and 11th Articles of Article of Association by the General Assembly.

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
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The active members of the Board of Directors as of reporting date:

<b>Board of Directors</b>	<b>Title</b>	<b>Effective from</b>
OYTAŞ İç ve Dış Ticaret A.Ş. (Represented by: Süleyman Savaş ERDEM)	Chairman	27.05.2013 (*)
OMSAN Lojistik A.Ş. (Represented by Baran ÇELİK)	Deputy Chairman and Executive Director	11.09.2012 (*)
OYAK Pazarlama Hizmet ve Turizm A.Ş. (Represented by: Gürtan DAMAR)	Board Member and Executive Director	13.09.2012 (*)
Republic of Turkey Ministry of Treasury and Finance Privatization Administration (Represented by: Bekir Emre HAYKIR)	Board Member	20.09.2012 (*)
OYKA Kağıt Ambalaj Sanayi ve Ticaret A.Ş. (Represented by: Volkan ÜNLÜEL)	Board Member	12.09.2012 (*)
OYAK Denizcilik ve Liman İşletmeleri A.Ş. (Represented by: Güliz KAYA)	Board Member	12.09.2012 (*)
Ali FİDAN	Independent Board Member	31.03.2017
Kurtuluş Bedri VAROĞLU	Independent Board Member	31.03.2017
Emre GÖLTEPE	Independent Board Member	17.03.2022

(\*) Legal entity's duty starting dates were considered.

Information about Board Members' titles out of the company is given in App.1.

**Changes in the Executive Board within the Year**

- At the Ordinary General Assembly Meeting held on March 17, 2022, Emre GÖLTEPE, Ali FİDAN and Kurtuluş Bedri VAROĞLU have been reelected as independent board members for serving 1 year period.
- With the decision of the Board of Directors numbered 9832, the election of the Board Member OYTAŞ İç ve Dış Ticaret A.Ş. (represented by Süleyman Savaş ERDEM) as Chairman and the election of the Board Member OMSAN Lojistik A.Ş. (represented by Aslıhan DÖĞER) as Deputy Chairman , the authorizations of the Deputy Chairman OMSAN Lojistik A.Ş. (represented by Aslıhan DÖĞER) and the Board Member OYAK Pazarlama Hizmet ve Turizm A.Ş. (represented by Gürtan DAMAR) as "Executive Director" for serving 1 year period, and the registration of these in the trade registry and the announcement in the Turkish Trade Registry Gazette of these have been resolved.

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
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- With the decision of the Board of Directors numbered 9866, due to the expiration of Aslıhan DÖĞER's duty who was the real person representative acting on behalf of the Company's Deputy Chairman and Executive Director OMSAN Lojistik A.Ş., Baran ÇELİK was appointed as the real person representative acting on behalf of the Company's Deputy Chairman and Executive Director OMSAN Lojistik A.Ş.; due to the expiration of Baran ÇELİK's duty who was the real person representative acting on behalf of the Company's Board Member OYKA Kağıt Ambalaj Sanayii ve Ticaret A.Ş., Volkan ÜNLÜEL was appointed as the real person representative acting on behalf of the Company's Board Member OYKA Kağıt Ambalaj Sanayii ve Ticaret A.Ş. and the registration in the trade registry and the announcement in the Turkish Trade Registry Gazette of these have been resolved.

**Powers and Duties of the Members of the Board of Directors'**

The Chairman and the members of the Board of Directors possess duties and authorities set out in the Turkish Trade Act's relevant clauses and in the Articles of Association.

Duties and Responsibilities of Audit Committee, Early Detection of Risk Committee and Corporate Governance Committee created on the Board of Directors are indicated in App. 3.

**Information About Board Members' and Executive Management's Titles out of the Company and The Declarations of Independent Board Members**

Information about Board Members' and executive management's titles out of the Company is given in App.1, the declarations of Independent Board Members are given in App. 2.

**Members of Board Committees, Frequency of Meetings, Operating Principals also Including Activities Performed and Evaluation of the Board on the Effectiveness of the Committees**

Audit Committee, Early Detection of Risk Committee and Corporate Governance Committee was established for the Board of Directors. Board of Auditors held 4 meetings in 2022 and continued its activities in accordance with CMB Principles. Board Members participated in the meetings regularly.

Early Detection of Risk Committee held 6 meetings and Corporate Governance Committee 6 meetings in 2022. The Committees have continued to performed their works in accordance with CMB regulations. The working instructions relating to the Committees take place on "[www.erdemir.com.tr](http://www.erdemir.com.tr)" website. No outside consultancy service procured by the Committees during the year.

**Number of Meetings of the Board of Directors and Attendance of the Board Members**

Board of Directors held 6 meetings in 2022. Board Members participated in the meetings regularly.

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
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**Executive Management as of Reporting Date**

<b>Executive Management</b>	<b>Title</b>	<b>Effective from</b>	<b>Education</b>	<b>Experience</b>
Baran ÇELİK	Deputy Chairman and Executive Director	14.02.2023	Boğaziçi University – International Trade	19 Years
Gürtan DAMAR	Executive Director	23.02.2021	Yıldız Technical University – Mechanical Engineering	27 Years
Niyazi Aşkın PEKER	General Manager	12.09.2022	Yıldız Technical University – Metallurgy Engineering	29 Years
İsmail Kürşad KORKMAZ	Procurement Group Vice President	21.02.2017	Middle East Technical University – Political Science and Public Administration	27 Years
Mustafa Serdar BAŞOĞLU	Financial Management and Financial Affairs Group Vice President	24.09.2020	Bülent Ecevit University – MBA Karadeniz Technical University – Public Finance (Bachelor's Degree)	19 Years
Fatih ÇITAK	Marketing and Sales Group Vice President	18.01.2020	İstanbul Technical University – Industrial Engineering	24 Years
Ercan KAYA	Enterprise Architecture and Human Resources Group Vice President	21.07.2020	Selçuk University – PhD in Economics Hacettepe University – Master of Economics	35 Years
Sinan BOZKURT	Operations Deputy General Manager	27.09.2021	Middle East Technical University – Metallurgy and Materials Engineering	26 Years

- Baran ÇELİK carried out the duty of the real person representative of Board Member OYKA Kağıt Ambalaj Sanayii ve Ticaret A.Ş. between 18.02.2019-13.02.2023.
- Can ÖRÜNG carried out the duty of Information Technologies Group Vice President between 21.02.2017-31.01.2023.
- Information Technologies Group Vice President is vacant as of reporting date.

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
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**7. The Transactions of Board Members made on its behalf or on behalf of other and the activities as part of prohibition of competition**

At the Ordinary General Assembly held on 17 March 2022, it is consented to give the authority for transactions for 2022 according to article 395 and 396 of Turkish Commercial Code (TCC) to the Members of the Board. No transaction had been realized in this context.

**8. Collective Labor Agreement Applications and the Benefits**

29th Period Collective Labor Agreement, which will be valid between 01.09.2022-31.08.2024, has been signed on January 06, 2023 between Turkish Employers' Association of Metal Industries (MESS) on behalf of our company and Turkish Metal Union as the collective bargaining agency.

27th Period Collective Labor Agreement, which will be valid between January 1, 2021 and December 31, 2022 has been signed on May 24, 2021 between Özçelik-İş Union and İskenderun Demir ve Çelik A.Ş . 28th Period Collective Labor Agreement negotiations started on January 17, 2023.

In the scope of collective agreement applications, the rights and benefits of the employees are classified under bonuses, social benefits, and vacations. Bonuses and social benefits are; bonuses, holy day allowance, heating allowance, paid annual leave allowance, marriage allowance, birth allowance, bereavement allowance, military service allowance, children allowance, educational allowance, meal allowance and transportation.

Vacations are; paid annual leaves, accompaniment leaves for medical purposes, accompaniment leaves excused absences, unpaid leaves, and other paid leaves consisting marital leaves, bereavement leaves, pregnancy leaves, maternity leaves, nursing leaves, adoption leaves, public action leaves, part-time work leaves, transport leaves and leaves in case of a natural catastrophe.

Bereavement allowance, transportation and meal allowance, derived from the social benefits, are given to all employees; the rest is given only to paid hourly personnel. Paid annual leaves, leaves of absence with excuse, marital leaves, bereavement leaves, maternity leaves, and pregnancy leave, accompaniment leaves, adoption leaves, part-time work leaves, transport leaves, unpaid leaves and nursing leaves can be taken by all employees; the rest is taken only by blue-collar workers.

The number of the personnel on as of reporting period are as follows:

	<b>31 December 2022</b>	<b>31 December 2021</b>
	<b>Personnel</b>	<b>Personnel</b>
Hourly paid	8.464	8.585
Monthly paid	4.195	4.203
	<b>12.659</b>	<b>12.788</b>

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Group's short-term payables and long-term provisions for employee benefits as of the reporting period disclosed in the "Note 19 - Employee Benefits" of the consolidated independent auditor's report for the accounting period 1 January - 31 December 2022.

**9. Compliance with The Corporate Governance Principles**

The "Corporate Governance Principles" published by the Capital Markets Board (CMB) which were declared in our Annual Activity Report for the year ending 2021 were met during the period 01.01.2022–31.12.2022. The Company issued "Statement of Compliance with Corporate Governance", "Corporate Governance Compliance Report" and "Corporate Governance Information Form", which are prepared in accordance with Capital Markets Board decision dated 10.01.2019 and numbered 2/49 and the II-17.1 Corporate Governance Communiqué, are given in App.3.

**10. Amendments in The Articles of Association**

At the Ordinary General Assembly Meeting held on 17.03.2022, Article 7 of the Company's Articles of Association titled "Capital" was amended as follows;

Article 7- Company accepted the registered capital system according to provisions of Capital Market Law and began to implement this system with permission No İDİD/150/2416 dated August 15, 1983 of Capital Market Board.

The registered capital ceiling of the company is TRY 7,000,000,000.00 (seven billion Turkish Liras). When deems it necessary, Board of Directors may increase its capital by issuing share certificates each with a par value of 1 Kr (one Kuruş) and all issued to their bearers up to the amount of registered capital between 2022 and 2026, provided that the terms of this Article are complied with.

The permission of registered capital ceiling given by Capital Market Board is valid for 5 years between the years 2022 and 2026. Even if permitted registered capital ceiling would have not been reached at the end of 2026, in order for a decision on capital increase to be able to be taken by Board of Directors, Board of Directors must be empowered by General Assembly on a new period for the ceiling permitted before or a new ceiling after obtaining the permission of Capital Market Board. Should such an empowerment cannot be obtained, capital increase shall not be made by Board of Directors decision.

Board of Directors is authorized to limit rights of shareholder to acquire new share certificates and issue share certificates above their nominal values, provided that it is not contrary to the provisions of Turkish Commercial Code and Capital Market Law.

Each share certificate has a 1 voting right.

The issued capital of the company is TRY 3,500,000,000.00 (three billion five hundred million Turkish Liras) and all paid-in. This capital consists of 350,000,000,000 (three hundred fifty billion) share certificates, each with a par value of 1 Kr (one Kuruş).

Shares representing the capital are monitored on records within the framework of registration principles.

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This capital is divided into shares Group A and Group B. 1 (one) share of registered certificate amounting to 1 Kr (one kuruş) is A group and 349,999,999,999 (three hundred forty-nine billion nine hundred ninety-nine million nine hundred ninety-nine thousand nine hundred ninety-nine) share of certificates amounting to 3,499,999,999.99 (three billion four hundred ninety-nine million nine hundred ninety-nine thousand nine hundred ninety-nine Turkish Liras, ninety-nine Kuruş) is B Group.

The right of usufruct shall be established in favor of and to the name of Privatization Administration on the shares of A Group with all rights appertaining thereto unless otherwise decided by Supreme Board of Privatization. All voting rights on the shares of A Group shall be exercised by the holder of usufruct ("usufruct").

**B – Financial Rights Given to Board Members and Executive Management****1. Total amount of financial rights like attendance fee, wages, bonus, premium and dividend payments**

The relevant section of the minutes of the General Assembly dated March 17, 2022 is as follows:

In the 9<sup>th</sup> article of the agenda related to the Rate Setting of the Board Members', the proposal was read by the representative of ATAER Holding A.Ş. Feyza DEMETGÜL AKKOYUNLU, and with no other comment, it was submitted to the General Assembly's approval and in accordance with the proposal;

It was decided by the majority of votes that no wages will be paid to the Board members representing Group B shares, the monthly net wage that will be paid to the members representing Group A shares will be TRY 9.000 (monthly, in cash), the wages of independent Board members will be TRY 15.700 (monthly, in cash) and the new wages will be valid from the date of April 1, 2022.

No payment of performance was made to Board Members.

No payables were given, no loans were issued directly or through a third party and no indemnity was given (like sureties) to Board Members or Executive Management during the period.

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
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The key management of the Group consists of the Board of Directors, the Group President and Vice Presidents the General Manager and Assistant General Managers. For the year ended 31 December 2022, the total compensation consisting of short term benefits such as salaries, bonuses and other benefits of the key management of the Group is TRY 71.965 thousand (31 December 2021: TRY 36.605 thousand).

**C – Research and Development Studies**

OYAK Mining Metallurgy carries out its research and development activities at "Erdemir R&D Center" which was certified by the Republic of Turkey Ministry of Industry and Technology in 2014. Erdemir R&D Center performs activities in four main areas: raw materials and iron making, steel making and casting technologies, hot rolled products and process, and cold rolled products and process.

Erdemir R&D Center serving OYAK Mining Metallurgy has well-equipped laboratory facilities, such as material characterization, thermomechanical simulation, metal forming, welding, corrosion, fatigue, enameling, spectral analysis, and X-ray diffraction, etc., and also simulators for pilot scale trials on raw material and new product development, such as agglomeration systems, coking, sintering, melting, rolling and coating processes.

The number of flat products has reached 564 with the addition of 28 new flat steel grades that were developed in 2022.

As being in the scope of R&D activities 44 projects have been completed and 51 projects have been still ongoing.

Erdemir's R&D team has contributed to the intellectual capital of our company by presenting 80 papers and posters at various national/international iron and steel conferences to date.

In the year 2022, 6 patent/utility model applications were filed. 5 of these applications are patents, and 1 of them is a utility model. With 2022 applications, Erdemir has reached 45 patent/utility model applications in total and 8 patent and 6 utility model applications have been granted among the 45 patent/utility model applications.

**D – Activities and Important Developments Regarding the Activities****1. Investment Activities**

Operating within the modern plants and by modern production technology, OYAK Mining Metallurgy produces competitive products globally and continues its investments aligned for continuous development strategy. In this scope;

**In Erdemir Plants:**

The No.6 Steam Boiler Project, The Raw Material Stocking and Blending Yard Modernization and The New Wide Inspection and Recoiling Line Project has been commissioned. The field studies continue in the 2. Blast Furnace Renovation Project. Converters have been prepared for installation in the Steel Shop BOF Converters Modernization Project. Site works are ongoing in the Steel Shop Secondary Dust

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Collection System Capacity Improvement Project, Various Fire Detection and Extinguishing Systems Project, Structural Improvement of Erdemir Port Docks Project, 60 MW Turbo Generator Project and the Project of Slitting Line Transfer to ERSEM. The second phase studies continue in the Surface Inspection Systems Project. Engineering studies continue in the Steelshop Charging Hall New Charging Cranes Investment Project, the No.5 Coke Oven Battery Project and the Energy Distribution System Additional Investments Project. Detailed engineering works, equipment supply, transportation and 1st Phase construction works are ongoing in the 4. Coke Oven Battery Project. Equipment manufacturing, supply and field assembly works continue in the 1. Slab Furnace Modernization Project. Equipment manufacturing, shipment and site works continue in the and No.6 Turbo Blower Project. Equipment procurement and site studies continue in the Plate Mill Housing System Renewal Investment Project.

Procurement activities continue for the New Sinter Plant Project, 1. Galvanizing Line Level-1 Automation System Modernization, Erdemir Domestic Waste Water Treatment Plant Modernization and 2. Hot Strip Mill Investment Projects. Technical specification studies continue in the Continuous Annealing Line (CAL) Drives System and Level 2 Automation Modernization Project.

**In Isdemir Plants:**

Within the scope of the 3rd Coke Battery Modernization Project, the facility was commissioned and coke production continues. The North Side Land Reclamation Project has been completed. Supply, manufacturing and site activities continue within the scope of Vacuum Degassing Plant Project. Equipment procurement, manufacturing and site activities continue in the 1. New Blast Furnace Project. The procurement process for the disassembly-assembly works continues within the scope of the Boiler No.3 Retubing and Burner Modification Project. Equipment supply and manufacturing continues, and construction and assembly will begin in the 1. Blast Furnace Top Recovery Turbine (TRT) Project. Engineering and supply works continue, and site activities continue within the scope of the Port-1 New Grab Ship Unloader Cranes Project. Engineering studies are ongoing within the scope of the Upgrade of HSM Level 1 System Project and the Isdemir Port Capacity Increase Investment Project.

Procurement activities continue for the New Sinter Plant, the Modernization of Turbo Generator No.1 & No.2 and the Electricity Generation from The Steam Produced in Coke Dry Quenching Projects.

As of 31 December 2022, the Group's total investment expenditures amount to USD 723 million (31 December 2021: USD 434 million).

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**2. Internal Control System and Internal Auditing Activities**

Group Internal Audit Department carries out activities in order to evaluate and improve the effectiveness of risk management, control and governance processes of Group companies and reports directly to Executive Director of the Board. In accordance with Capital Markets Board regulations, the effectiveness of internal control system is evaluated by the Board of Directors at least once in a year. In this context, the Internal Audit Department regularly reports to Audit Committee, which consists of Independent Members of the Board of Directors, and provides information on internal audit activities as requested. For this purpose, 5 meetings were held in 2022 with the participation of the Audit Committee members and Internal Audit Director.

Besides periodic audit activities, continuous audits are performed with the Integrated Audit System. Critical controls, master data and transaction data in the SAP system are continuously evaluated by the automatic controls and business rules installed in the system.

**3. Direct and Indirect Subsidiaries**

**The Information about Affiliates Subject to Consolidation**

The main scope of business and the participation in their shareholding of the affiliates subject to consolidation are as follows:

Name of the Company	Country of Operation	Operation	2022 Effective Share %	2021 Effective Share %
İskenderun Demir ve Çelik A.Ş.	Turkey	Integrated Iron and Steel Manufacturing	94,87	94,87
Erdemir Madencilik San. ve Tic. A.Ş.	Turkey	Iron Ore and Pellet	90	90
Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş.	Turkey	Steel Service Center	100	100
Erdemir Müh. Yön. ve Dan. Hiz. A.Ş.	Turkey	Management and Consultancy	100	100
Erdemir Romania S.R.L.	Romania	Silica Steel Production	100	100
Erdemir Asia Pacific Private Limited	Singapore	Trading	100	100
Erdemir Enerji Üretim A.Ş.	Turkey	Renewable Energy Production	100	100
İsdemir Linde Gaz Ortaklığı A.Ş.	Turkey	Industrial Gas Production and Sales	47	47
Kümaş Manyezit Sanayi A.Ş.	Turkey	Magnesite Ore, Refractor	100	100
Odak Refrakter ve Madencilik San. Tic. A.Ş.	Turkey	Recycling	-	100
Yenilikçi Yapı Malz ve Üretim San. Tic. A.Ş.	Turkey	Special Purpose Entity	100	100

Odak Refrakter ve Madencilik San. Tic. A.Ş., the subsidiary of Kümaş Manyezit Sanayi A.Ş. merged with Yenilikçi Yapı ve Malzemeleri ve Üretim San. Tic. A.Ş. as of May 10, 2022.

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Subsidiaries

Subsidiaries are the Companies controlled by Erdemir when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Subsidiaries are consolidated from the date on which the control is transferred to the Group and are no longer consolidated from the date that the control ceases.

The statement of financial position and statements profit or loss of the Subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by Erdemir and its Subsidiaries is eliminated against the related shareholders' equity. Intercompany transactions and balances between Erdemir and its Subsidiaries are eliminated on consolidation. The cost of, and the dividends arising from, shares held by Erdemir in its Subsidiaries are eliminated from shareholders' equity and income for the year, respectively. The table below sets out all Subsidiaries included in the scope of consolidation and discloses their direct and indirect ownership, which are identical to their economic interests, as of reporting period (%) and their functional currencies:

	31 December 2022		31 December 2021	
	Functional Currency	Ownership Interest	Functional Currency	Ownership Interest
İsdemir	US Dollars	94,87	US Dollars	94,87
Ersem	US Dollars	100	US Dollars	100
Ermaden	Turkish Lira	90	Turkish Lira	90
Erdemir Mühendislik	Turkish Lira	100	Turkish Lira	100
Erdemir Romania	Euro	100	Euro	100
Erdemir Asia Pasific	US Dollars	100	US Dollars	100
Erdemir Enerji	Turkish Lira	100	Turkish Lira	100
İsdemir Linde Gaz	US Dollars	50	US Dollars	50
Kümaş Manyezit	US Dollars	100	US Dollars	100
Odak	Turkish Lira	-	Turkish Lira	100
Yenilikçi	Turkish Lira	100	Turkish Lira	100

The non-controlling share in the net assets and results of Subsidiaries for the year are separately classified as non-controlling interest in the consolidated statements of financial position and consolidated statements of profit or loss.

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Article IV-K of Articles of Association "According to Turkish Commercial Code Article 329, transactions of an entity's own shares" Erdemir, as of 31 December 2022, holds its own shares with a nominal value of TRY 107.837 thousand (31 December 2021: TRY 107.837 thousand). Erdemir's own shares have been reclassified with its inflation adjusted value in the reporting period as a deduction under equity.

**5. Information about public and private audits**

It is decided to make one-year agreement with "DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A member firm of Deloitte Touche Tohmatsu)" for our company's and its subsidiaries' Independent External Audit for the year of 2022.

**6. Subjects Related to Law****a) Lawsuits**

The Group reliably determines the probability of losing the lawsuits and the liabilities that will arise in case of loss, based on the possible cash outflows based on the best estimation of the Management, taking into account the opinions of the Group Legal Consultancy and external expert lawyers for ongoing lawsuits.

Lawsuits filed by and against the Group as of the Group's reporting period disclosed in "Note 20 – Short-Term Provisions" of the consolidated independent auditor's report for the period 1 January - 31 December 2022.

**b) Other issues**

None.

**c) Penal Sanctions**

None.

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**7. General Assemblies**

The company had achieved the aims stated in past terms. It has been decided to be registered adopted at the Ordinary General Assembly held on March 17, 2022 had been implemented.

**8. Donations Made and Social Responsibility Projects**

Donations of the Group's companies are as follows:

(thousand TRY)	1 January- 31 December 2022	1 January- 31 December 2021
Cooperative Activities with Public Institutions and Organizations	15.701	8.346
Education and Training Activities	19.388	2.209
Volunteer Studies and Cooperative Activities for Charities	31.912	6.340
Cooperative Activities with Foundations, Associations, Organizations, Institutes	26.263	2.241
Cultural and Artistic Activities	113	54
Sportive Activities	109	222
Health-Benefit and Financial Support Activities	1	1
<b>Total</b>	<b>93.487</b>	<b>19.413</b>

**9. Group Companies**

**a) Transactions**

There is no act of law conducted beneficial to Ordu Yardımlaşma Kurumu (OYAK) or/and its subsidiaries or there is no measure taken beneficial to Ordu Yardımlaşma Kurumu (OYAK) or/and its subsidiaries in business year 2022. In year 2022, all commercial transactions between our Company and our Controlling Shareholder and its subsidiaries are executed according to market conditions.

In 2022, the common and continuous commercial purchase-related commercial activity and slab purchasing between the the subsidiary İskenderun Demir ve Çelik A.Ş. and, the Company, within the framework of CMB's II-17.1 Corporate Governance Communiqué, exceeding 10% of the total sales cost, common and continuous commercial activity on the sale of goods between the subsidiary Erdemir Çelik Servis Merkezi San. ve Tic. A.S. and the Company within the framework of CMB's II-17.1 Corporate Governance Communiqué; it is predicted to continue in 2023. These transactions are considered to be in line with previous years and are reasonable when compared to market conditions.

**b) Information about Transactions**

None.

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**E - Financial Position**

**1. Summary of Financial Statements**

Financial statements are prepared in accordance with the CMB's Communiqué Serial:II, 14.1 and have been audited as of December 31, 2022 and December 31, 2021.

**Statement of Financial Position**

	<b>(Audited)</b>	<b>(Audited)</b>
	<b>Current Period</b>	<b>Previous Period</b>
<b>(Thousand TRY)</b>	<b>31 December 2022</b>	<b>31 December 2021</b>
Current Assets	80.656.225	65.693.526
Non-current Assets	94.237.398	60.748.771
<b>Total Assets</b>	<b>174.893.623</b>	<b>126.442.297</b>
Current Liabilities	35.908.584	23.477.310
Non-current Liabilities	20.322.852	18.417.383
Shareholders' Equity	118.662.187	84.547.604
<b>Total Liabilities</b>	<b>174.893.623</b>	<b>126.442.297</b>

**Statement of Profit or Loss**

	<b>(Audited)</b>	<b>(Audited)</b>
	<b>Current Period</b>	<b>Previous Period</b>
<b>(Thousand TRY)</b>	<b>1 January - 31 December 2022</b>	<b>1 January - 31 December 2021</b>
Sales Revenue	127.782.881	68.227.404
Gross Profit	25.538.796	25.516.411
Operating Profit	23.569.988	24.871.472
Operating Profit Before Fin. Income (Expenses)	23.651.877	24.865.800
Profit Before Tax	22.112.454	23.916.713
Net Profit for the Period	18.653.054	16.078.558
Equity Attributable to the Parent	18.005.034	15.527.082
EBITDA	27.010.106	26.885.849
Earnings Per Share	514,43%	443,63%

The Entity prepares its budgets within the frame of its strategic goals that is approved by the Board of Directors.

In the regular meetings of the Board of Directors is reviewing the current position of the Entity and activities are compared with the previous period and budget targets.

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## 2. Key Ratios

(%)	1 January - 31 December 2022	1 January - 31 December 2021
Gross Profit Margin	%20,0	37,4%
Operating Profit Margin	%18,4	36,5%
Operating Profit Before Fin. Income (Expenses) Margin	%18,5	36,4%
Net Profit Margin	%14,6	23,6%
Net Profit Margin Attributable to the Parent	%14,1	22,8%
EBITDA Margin	%21,1	39,4%

## 3. Financial Strength

According to the calculation made with the ratios issued in Turkish Commercial Code Article No: 376, the Company's equity is fully covered.

## 4. The Availability of Financial Sources and The Policies The Group Applies in This Framework

Group has full access to all national and international financial sources with its market making power based on high trading volume in money markets. New funding alternatives according to changing market conditions are continuously analyzed and offers are evaluated. The debt policy of Group is developed based on the capability of cash generation and the strong equity structure. Hedging methods and amounts used against financial risks are developed based on a frame of systematic models. Within the risk tolerances, forward, futures, swap and options reflecting market conditions are implemented, if necessary.

## 5. The Nature and Amount of Issued Capital Market Instruments

Group; As of 12 October 2022, it has issued financing bills with a maturity of 7 April 2023, a nominal value of TRY 1.100.000 thousand with an issue price of 89,188, and a maturity of 7 November 2023 with a maturity of 8 November 2022, with a simple annual interest rate of 32,50, TRY 900.000 thousand.

## 6. Dividend Distribution Policy

Groups' Dividend Distribution Policy is as follows:

As a principle, Company implements the policy of distributing all of its distributable profit in cash within the provision of forecasted free cash flow generation by considering financial leverage ratios, investment/ financing needs and anticipation of the market under the scope of effective regulations and clauses of Company's Articles of Association. Dividend distribution policy is reviewed by the Board of Directors every year considering national and global economic conditions, Company's projects on agenda and funds. Dividend is paid by fixed or variable installments in accordance with the legislation by giving authority to the Board of Directors at the General Assembly Meeting, where dividend distribution is decided, until 15 December of the relevant calendar year.

General Assembly is authorized for distribution of dividend advance in accordance with relevant legislation. At Annual General Assembly dated 17 March 2022, dividend

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distribution (gross dividend per share: TRY 4,45) amounting to TRY 15.575.000 thousand from 2021 net profit retained earnings was approved.

### 7. Information about the sector

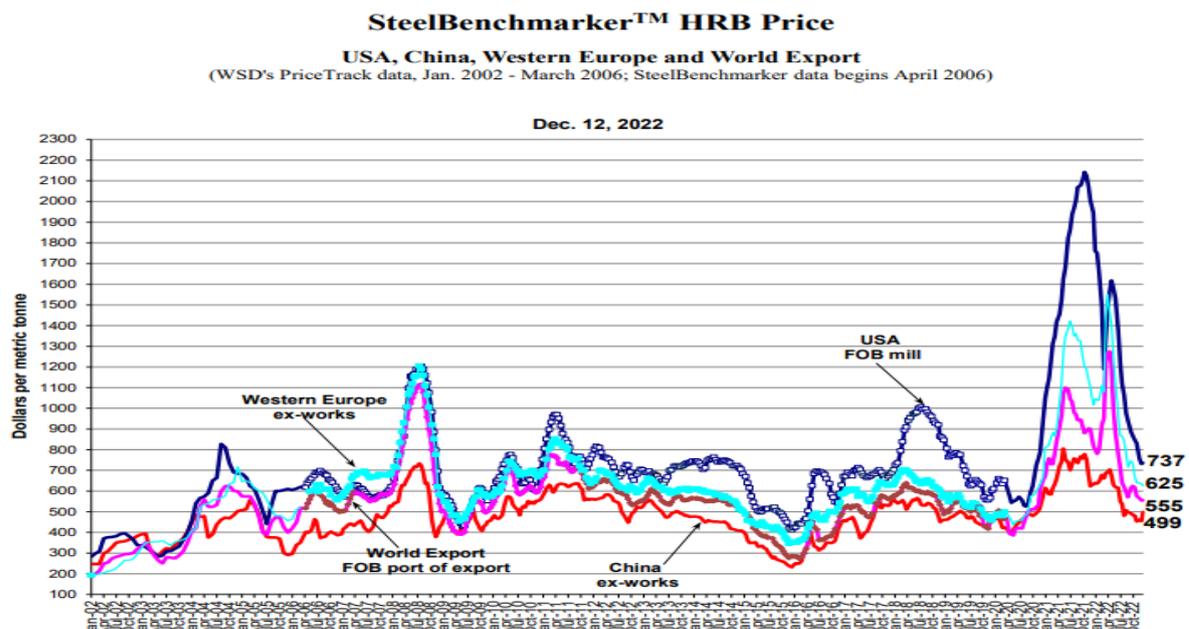
Global crude steel production in December this year fell by 10.8 percent year on year to 140.7 million tonnes. In January-December period this year, global crude steel production totaled 1,8 billion tonnes, down by 4.3 percent year on year.

In 2022, crude steel output in Asia amounted to 1.35 billion ton, declining by 2.3 percent, with 1.0 billion ton produced by China, declining by 2.1 percent, 89.2 million ton produced by Japan, decreasing by 7.4 percent, 124.7 million ton produced by India, increasing by 5.5 percent, and 65.9 million ton produced by South Korea, falling by 6.5 percent - with all comparisons on year-on-year basis.

EU-27 countries produced 136.7 million ton of crude steel in 2022, declining by 10.5 percent year on year. In the given period, Germany's output was 36.8 million ton, falling by 8.4 percent year on year. The CIS registered a crude steel output of 85.2 million ton, decreasing by 20.2 percent on year-on-year basis, with Russia producing 71.5 million ton, falling by 7.2 percent.

In North America in 2022, crude steel output totaled 111.4 million ton, declining by 5.5 percent, with the US producing 80.7 million ton, decreasing by 5.9 percent. Crude steel output in South America in 2022 amounted to 43.3 million ton, decreasing by 5 percent from 2021, with Brazil's output totaling 34 million ton, declining by 5.8 percent year on year. In the given period, Africa produced 14.9 million ton of crude steel, falling by 6.6 percent year on year. In the Middle East, crude steel output totaled 44 million ton, increasing by 7.1 percent, with Iran's estimated output at 30.6 million ton, increasing by 8 percent, both year on year.

Price changes of hot rolled products follows:



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Turkey produced 2.7 million tonnes of crude steel in December, with a 18.3 % percent decrease compared to the same month in the previous year. Turkey's crude steel output by electric arc furnaces decreased by 21.5 % (1.8 million tonnes) and the production by integrated plants decreased by 10.2% (844.000 tonnes) both year on year.

In the January-December period this year, Turkey produced 35.1 million tonnes of crude steel, down by 12.9 percent year on year. Turkey's crude steel output by electric arc furnaces decreased by 13.1 % (25.1 million tonnes) and the production by integrated plants decreased by 12.6% (10 million tonnes) both year on year.

### **8. The Position within the Sector**

Group's crude steel production in 2021 had been 9,0 million tonnes. In 2022, the crude steel production in Ereğli Plant has decreased by 6% and decreased to 3.127 thousand tonnes while the crude steel production in İskenderun decreased to 4.662 thousand tonnes with a decrease of 18%. In 2022 Group production has decreased by 14% and went down to 7.789 thousand tonnes.

### **9. Government Grants**

These grants and incentives can be used by all companies, which meet the related legislative requirements and those grants have no sectoral differences:

- ✓ Incentives under the jurisdiction of the research and development law (100% corporate tax exemption etc.)
- ✓ Cash support from Tubitak and Teydeb for research and development expenditures.
- ✓ Inward processing permission certificates,
- ✓ Social Security Institution incentives
- ✓ Insurance premium employer share incentive.

Research and development incentive premiums received amounts to TRY 14.071 thousand (2021: TRY 3.879 thousand) which considered as deduction subject in the calculation of corporate tax for the year ended December 31, 2022.

### **10. Developments Regarding the Plants**

Turkey's first and only integrated flat steel producer, Group, who carries out production, operation, maintenance and modernization activities within its all facilities. Manufacturing 22% of all crude steel production in Turkey, Group again continued its operations in line with the principle of optimal costs, maximum productivity and quality of production in 2022.

### **11. Production Plants and Productivity**

The information about the capacities of main product groups by Group are stated below:

Capacity used (%)	1 January - 31 December 2022	1 January - 31 December 2021
Liquid Steel	83%	95%
Crude Steel	82%	94%

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**12. Products**

The main products of Group are as follows:

<b>Erdemir</b>	<b>Isdemir</b>	<b>Ermaden</b>	<b>Kümaş Manyezit</b>
Tinplate	Billet	Pellets	Refractor
Galvanized	Wire Rod	Iron Ore	Magnesite Ore
Cold Rolled	Slab		
Hot Rolled	Hot Rolled		
Plate			

**13. Production (quantity)**

Final Products (000 Tonne)	<b>1 January - 31 December 2022</b>	<b>1 January - 31 December 2021</b>
Flat Products	7.048	7.515
Long Products	736	857
Iron Ore and Magnesite	2.571	2.630

**14. Developments Regarding Sales**

The iron and steel industry is a delivering force in national economies and Turkey is one of the leading countries in terms of both production and consumption of steel, ranking as the world's eighth largest steel consumer and producer. Steel consumption of Turkey in 2022 is 32,5 million tonnes, which is lower 3% than the previous year. Turkish crude steel production, which decreased by 13% compared to the previous year, is 35,1 million tonnes.

Total flat product sales of the Group of Companies reached the level of 7 million tonnes in 2022.

The domestic flat product sales has reached 5,9 million tonnes, 2% increased than the same period of previous year. Long products sales decreased by 10% and went down to 764 thousand tonnes. Domestic long product sales decreased 16% and went down to 697 thousand tonnes.

Group also exported 1.1 million tonnes of flat products to 41 countries and 67 thousand tonnes of long products to 12 countries. The level of the Group's export sales is 15% of total sales. Group has added 21 new customers to long product portfolio and 69 new customers to flat product portfolio totaling 90 new customers in 2022.

**15. Sales (quantity)**

Final Products (000 Tonne)	<b>1 January - 31 December 2022</b>	<b>1 January - 31 December 2021</b>
Flat Products	7.005	7.400
Long Products	764	846
Pellet, Iron and Magnesite Ore Products (*)	2.293	2.364

(\*) As of 31 December 2022, 2.154 thousand tonne of sales are made for Group Companies (2021: 2.116 thousand tonne).

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
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Enterprise Risk Management Procedure has been published with the purpose of ensuring systematic and comprehensive identification, evaluation, control and monitoring of risks and opportunities that may affect Company's assets, reputation, and profitability. The procedure includes guidance on support and positioning, risk identification, prioritization, improvement, reporting, monitoring/surveillance, and communication principles related to risks in order to manage company-wide risks to the highest standard.

In order to measure the risks incurred by the company and ensure conformity to the risk tolerance limits; risks are monitored and managed in accordance with regulations and guidelines developed for critical risks.

**2. Early Detection of Risk Committee**

The Early Detection of Risk Committee Regulation is included in the Corporate Governance Policies and Regulations tab under Corporate Governance section of Investor Relations title on the company's website

The purpose of the Committee is to identify the risks that may threaten the existence, progress and continuation of the Company operations within the scope of the Early Detection of Risk Committee Regulation and legal legislation to implement the necessary measures related to the risks identified and to manage those risks.

The meetings of the Committee are held bimonthly and in accordance with the regular meetings of the Board of Directors. After each meeting, a written report on the activities of the Committee is submitted to the Board of Directors with a summary of the minutes. Meeting minutes are kept by the secretariat.

**3. Prospective Risks**

- 1) *Market / Price Risks:* Due to the industry that Company operates in, it is exposed to price change risks due to fluctuations in main inputs namely iron ore and coking coal prices as well as to fluctuations in the price of steel products. In addition, the time lag between supply of inputs and delivery of outputs may contribute to price change risk. Models are being developed and outputs are reported for close follow up of the impact of this risk to major company financial indicators. In order to keep the risk level within acceptable levels and to lock the sales profits, Company utilizes derivative solutions in line with Financial Risk Management Policy for "hedging" product/commodity prices.
  - 2) *Currency Risks:* Company is exposed to currency risk when sales; collection or payment transactions (credit repayments, supplier payments, energy payments, other payments, etc.) are transacted in currencies other than functional currency. Under these situations, Company's basic approach to currency risk management is to utilize derivative transactions for hedging purposes in accordance with the Financial Risk Management Policy.
  - 3) *Interest Rate Risk:* Changes in interest rates may result in increase in financing expenses. The company manages interest rate risk by creating a balanced financial asset-liability portfolio in line with the Financial Risk Management Policy. In order to manage the interest rate risks incurred, duration based profit/loss sensitivity is calculated considering the credit portfolio and cash flow projections. Besides natural
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hedging, considering the cost advantage, maturity advantage and similar reasons Company makes use of derivative transactions for hedging.

- 4) *Liquidity Risk*: With the purpose of increasing productivity through incorporating evolving production technologies and increasing capacity, Company continuously makes large investments. In order to bear these high costs we incorporate financial instruments besides cash from revenues. In the absence of proper planning, these financial liabilities may not be met on time, at a sufficient level and at an optimum cost. Therefore, the company manages its liquidity needs by monitoring credit usage, repayments and cash flow projections in accordance with the Financial Risk Management Policy. The company has established an appropriate liquidity risk management structure for short, medium and long-term funding and liquidity requirements. The Company manages liquidity risk by regularly tracking estimated and actual cash flows and maintaining sufficient funds and borrowing reserves by matching the maturities of financial assets and liabilities.
- 5) *Counter-Party Risk*: Company may suffer financial losses because of the failure of a counter-party to meet its obligations. Company's basic approach in managing counter-party risk is to distribute the exposure risk at a balanced and measurable level. In order to manage customer related counter-party risk, almost all of our receivables are secured by Direct Debiting System, Credit Direct Collection System and Credit Insurance. Our customers' risk exposures are constantly monitored and when a limit is breached, a call for collateral completion is made. Financial Institution Model is created to manage and monitor the risk of counter-party risk associated with financial institutions.

Operational and financial risks that may arise in addition to these risks are continuously monitored by the Corporate Risk Management Department and are reported to the Board of Directors by the Early Detection of Risk Committee.

**G - Other Information****1. Organizations Out of the Headquarters**

The Company has a branch in Kdz. Ereğli.

**2. Information about Amendments in Legislation That May Significantly Affect the Company's Activities**

None.

**3. Information About Conflicts of Interest Between the Company and Institutions that Provide Services to the Company on Issues Such as Investment Advisory and Ratings and Cautions Taken by the Company to Prevent These Conflicts**

None.

**4. Social Rights of Employees, Professional Training and Other Activities of the Company that Cause Communal and Environmental Consequences**

Supporting the professional and individual development of our employees, trainings are designed and planned to contribute to the realization of the Company's strategic goals and the implementation of the basic principles of Quality, OHS, Environment, Energy and Information Management Systems Policy. Trainings were organized both online through

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the DigitalHR Learning and Development Platform and face-to-face at Erdemir Training Center and Laboratories in 2022.

Leadership Programs were realized with different programs coordinated within OYAK and OYAK Mining Metallurgy in 2022. While 'Route to the Future' and 'Leaders Who Process Ore' Programs were followed by OYAK and OYAK Mining Metallurgy Group Academy, the ERDEMIR Foremen Development Program was launched as a holistic development program for our foremen to improve their managerial skills, refresh the knowledge required by their positions within the scope of laws and administrative issues and adapt to digital transformation. The Learning Teams Program has been implemented for our newly hired white-collar employees who need to develop their communication and teamwork skills partly because of the disruption of face-to-face trainings during the pandemic.

With this program, which aims to enable these employees to get to know each other well and to create a coherent work environment, employees have had the opportunity of practicing the basic competencies of our company under the topics of teamwork and communication.

In 2022, the UdeMy Learning Platform, where our employees can support their professional and technical skills within the scope of individual development plans, was put into service for our employees with digital integration.

**5- Information about Related Party Transactions**

The immediate parent and ultimate controlling parties of the Group are Ataer Holding A.Ş. and Ordu Yardımlaşma Kurumu respectively.

There is no act of law conducted beneficial to Ordu Yardımlaşma Kurumu (OYAK) or/and its subsidiaries or there is no measure taken beneficial to Ordu Yardımlaşma Kurumu (OYAK) or/and its subsidiaries in business year 2022. In year 2022, all commercial transactions between our Company and our Controlling Shareholder and its subsidiaries are executed according to market conditions.

In 2022, the common and continuous commercial purchase-related commercial activity and slab purchasing between the the subsidiary İskenderun Demir ve Çelik A.Ş. and, the Company, within the framework of CMB's II-17.1 Corporate Governance Communiqué, exceeding 10% of the total sales cost, common and continuous commercial activity on the sale of goods between the subsidiary Erdemir Çelik Servis Merkezi San. ve Tic. A.S. and the Company within the framework of CMB's II-17.1 Corporate Governance Communiqué; it is predicted to continue in 2023. These transactions are considered to be in line with previous years and are reasonable when compared to market conditions.

Related party disclosures as of the reporting period of the Group disclosed in "Note 34 – Related Party Disclosures" of the consolidated independent auditor's report for the period 1 January - 31 December 2022.

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**6. Information for Shareholders**

Due to the earthquake disaster in our country on February 6, 2023, production was suspended at the Company's subsidiary İskenderun Demir ve Çelik A.Ş. "İsdemir" until the completion of the due diligence studies. Damages caused by earthquakes are within the scope of insurance coverage, and it is considered that such damages are not at a level that will significantly affect the Company's financial statements. It is planned to restart production in a gradual and controlled manner after the completion of process-based works at İsdemir facilities.

Based on the authorization given under the "Share Buyback Program" approved at the Company's Ordinary General Assembly Meeting dated 14 July 2020 and numbered 76, and the Board of Directors decision dated 14 February 2023; It has been decided to set aside a maximum of TRY 2.000.000.000 in funds. As of the reporting date, no share repurchase has been made.

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
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**App.1: Information about Board Members' and Executive Management's Titles out of the Company**

Board of Directors	Title	Titles out of the Company
OYTAŞ İÇ VE DIŞ TİCARET A.Ş. (Represented by: Süleyman Savaş ERDEM)	Chairman	<ul style="list-style-type: none"> <li>OYAK General Manager and Board Member</li> </ul>
OMSAN Lojistik A.Ş. (Represented by: Baran ÇELİK)	Deputy Chairman and Executive Director	<ul style="list-style-type: none"> <li>OYAK Group President - Financial Affairs and Finance</li> <li>Chairman of OYAK Portföy A.Ş., Deputy Chairman and Executive Director of İskenderun Demir ve Çelik A.Ş. and Chairman/Board Member (As Representative) of other OYAK Group Companies.</li> </ul>
OYAK Pazarlama Hizmet ve Turizm A.Ş. (Represented by: Gürtan DAMAR)	Board Member and Executive Director	<ul style="list-style-type: none"> <li>General Manager of Erdemir Mühendislik, Yönetim ve Danışmanlık Hizmetleri A.Ş.</li> <li>Board Member and Executive Director of İskenderun Demir ve Çelik A.Ş. and Chairman/Deputy Chairman (As Representative) of other OYAK Group Companies.</li> </ul>
Republic of Turkey Ministry of Treasury and Finance Privatization Administration (Represented by: Bekir Emre HAYKIR)	Board Member	<ul style="list-style-type: none"> <li>Republic of Türkiye Ministry of Treasury and Finance Privatization Administration - Privatization Administration Chairman</li> </ul>
OYKA Kağıt Ambalaj Sanayii ve Ticaret A.Ş. (Represented by: Volkan ÜNLÜEL)	Board Member	<ul style="list-style-type: none"> <li>OYAK Headquarter - Subsidiaries Monitoring And Financial Affairs Deputy General Manager</li> <li>Deputy Chairman of Hektaş Ticaret T.A.Ş., Board Member of İskenderun Demir ve Çelik A.Ş. and Chairman/Deputy Chairman/Board Member (As Representative) of other OYAK Group Companies.</li> </ul>

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUÉ SERIAL:II, NO:14.1**

**App.1: Information about Board Members' and Executive Management's Titles out of the Company**

Board of Directors	Title	Titles out of the Company
OYAK Denizcilik Liman İşletmeleri A.Ş. (Represented by: Güliz KAYA)	Board Member	<ul style="list-style-type: none"> <li>• General Counsel of OYAK</li> <li>• Board Member of İskenderun Demir ve Çelik A.Ş. and Board Member (As Representative) of other OYAK Group Companies</li> </ul>
Ali FİDAN	Independent Board Member	<ul style="list-style-type: none"> <li>• Central Governor</li> <li>• İskenderun Demir ve Çelik A.Ş. - Independent Board Member</li> </ul>
Kurtuluş Bedri VAROĞLU	Independent Board Member	<ul style="list-style-type: none"> <li>• Varoğlu Law Firm - Lawyer and Legal Counselling</li> <li>• İskenderun Demir ve Çelik A.Ş. - Independent Board Member</li> </ul>
Emre GÖLTEPE	Independent Board Member	<ul style="list-style-type: none"> <li>• Neo Portföy Yönetim A.Ş. - Co-founder and Board Member</li> <li>• Lakehill Capital Partners - Co-founder</li> <li>• İskenderun Demir ve Çelik A.Ş. - Independent Board Member</li> </ul>

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUÉ SERIAL:II, NO:14.1**

**App.1: Information about Board Members' and Executive Management's Titles out of the Company**

<b>Executive Management</b>	<b>Title</b>	<b>Titles out of the Company</b>
Niyazi Aşkın PEKER	General Manager	<ul style="list-style-type: none"> <li>• TED Kdz. Ereğli Koleji Vakfı Özel Okulları - Chairman</li> <li>• Kdz. Ereğli Eğitim Vakfı - Board Member</li> </ul>
Mustafa Serdar BAŞOĞLU	Financial Management and Financial Affairs Group Vice President	<ul style="list-style-type: none"> <li>• Erdemir Romania S.R.L - Board Member</li> <li>• Kümaş Manyezit Sanayi A.Ş. - Board Member (As Representative)</li> <li>• Yenilikçi Yapı Malzemeleri Yatırım Üretim Sanayi ve Ticaret A.Ş. - Chairman (As Representative)</li> </ul>
Fatih ÇITAK	Marketing and Sales Group Vice President	<ul style="list-style-type: none"> <li>• Erdemir Asia Pacific Pte. Ltd. - Board Member</li> </ul>
İsmail Kürşad KORKMAZ	Procurement Group Vice President	<ul style="list-style-type: none"> <li>• Erdemir Madencilik Sanayi ve Ticaret A.Ş. - Board Member (As Representative)</li> <li>• OMSAN Lojistik A.Ş. - Board Member (As Representative)</li> <li>• Erdemir Çelik Servis Merkezi Sanayi ve Ticaret A.Ş. - Board Member (As Representative)</li> <li>• Erdemir Asia Pacific Pte. Ltd. - Board Member</li> <li>• Kümaş Manyezit Sanayi A.Ş. - Board Member (As Representative)</li> <li>• Yenilikçi Yapı Malzemeleri Yatırım Üretim Sanayi ve Ticaret A.Ş. - Deputy Chairman (As Representative)</li> </ul>
Ercan KAYA	Enterprise Architecture and Human Resources Group Vice President	<ul style="list-style-type: none"> <li>• None.</li> </ul>
Sinan BOZKURT	Executive Vice President (Operations)	<ul style="list-style-type: none"> <li>• None.</li> </ul>

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUE SERIAL:II, NO:14.1****App.2: DECLERATIONS OF INDEPENDENT BOARD MEMBERS****BAĞIMSIZLIK BEYANI**

EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. (Şirket) Yönetim Kurulu'nda, mevzuat, esas sözleşme ve Sermaye Piyasası Kurulu'nun Kurumsal Yönetim Tebliği'nde belirtilen kriterler kapsamında "bağımsız üye" olarak görev yapmaya aday olduğumu, bu kapsamda;

a) Şirket, şirketin yönetim kontrolü ya da önemli derecede etki sahibi olduğu ortaklıklar ile şirketin yönetim kontrolünü elinde bulunduran veya şirkette önemli derecede etki sahibi olan ortaklar ve bu ortakların yönetim kontrolüne sahip olduğu tüzel kişiler ile kendim, eşim ve ikinci dereceye kadar kan ve sıhrî hısımlarım arasında; son beş yıl içinde önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda istihdam ilişkisinin bulunmadığını, sermaye veya oy haklarının veya imtiyazlı payların %5 inden fazlasına birlikte veya tek başına sahip olunmadığını ya da önemli nitelikte ticari ilişkinin kurulmamış olduğunu,

b) Son beş yıl içerisinde, başta şirketin denetimi (vergi denetimi, kanuni denetim, iç denetim de dahil), derecelendirilmesi ve danışmanlığı olmak üzere, yapılan anlaşmalar çerçevesinde şirketin önemli ölçüde hizmet veya ürün satın aldığı veya sattığı şirketlerde, hizmet veya ürün satın alındığı veya satıldığı dönemlerde, ortak (%5 ve üzeri), önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda çalışmadığımı veya yönetim kurulu üyesi olmadığımı,

c) Bağımsız yönetim kurulu üyesi olmam sebebiyle üstleneceğim görevleri gereği gibi yerine getirecek mesleki eğitim, bilgi ve tecrübeye sahip olduğumu,

d) 31/12/1960 tarihli ve 193 sayılı Gelir Vergisi Kanunu (G.V.K.)'na göre Türkiye'de yerleşmiş sayıldığımı,

e) Şirket faaliyetlerine olumlu katkılarda bulunabilecek, şirket ile pay sahipleri arasındaki çıkar çatışmalarında tarafsızlığımı koruyabilecek, menfaat sahiplerinin haklarını dikkate alarak özgürce karar verebilecek güçlü etik standartlara, mesleki itibara ve tecrübeye sahip olduğumu,

f) Şirket faaliyetlerinin işleyişini takip edebilecek ve üstlendiğim görevlerin gereklerini tam olarak yerine getirebilecek ölçüde şirket işlerine zaman ayırabileceğimi,

g) Şirketin yönetim kurulunda son on yıl içerisinde altı yıldan fazla yönetim kurulu üyeliği yapmadığımı,

ğ) Şirketin veya şirketin yönetim kontrolünü elinde bulunduran ortakların yönetim kontrolüne sahip olduğu şirketlerin üçten fazlasında ve toplamda borsada işlem gören şirketlerin beşten fazlasında bağımsız yönetim kurulu üyesi olarak görev almıyor olduğumu,

h) Yönetim Kurulu üyesi olarak seçilen tüzel kişi adına tescil ve ilan edilmemiş olduğumu,

beyan ederim.



Ali FİDAN

15/02/2022

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUE SERIAL:II, NO:14.1****App.2: DECLERATIONS OF INDEPENDENT BOARD MEMBERS****BAĞIMSIZLIK BEYANI**

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a) Şirket, şirketin yönetim kontrolü ya da önemli derecede etki sahibi olduğu ortaklıklar ile şirketin yönetim kontrolünü elinde bulunduran veya şirkette önemli derecede etki sahibi olan ortaklar ve bu ortakların yönetim kontrolüne sahip olduğu tüzel kişiler ile kendim, eşim ve ikinci dereceye kadar kan ve sıhrî hısımlarım arasında; son beş yıl içinde önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda istihdam ilişkisinin bulunmadığını, sermaye veya oy haklarının veya imtiyazlı payların %5 inden fazlasına birlikte veya tek başına sahip olunmadığını ya da önemli nitelikte ticari ilişkisinin kurulmamış olduğunu,

b) Son beş yıl içerisinde, başta şirketin denetimi (vergi denetimi, kanuni denetim, iç denetim de dahil), derecelendirilmesi ve danışmanlığı olmak üzere, yapılan anlaşmalar çerçevesinde şirketin önemli ölçüde hizmet veya ürün satın aldığı veya sattığı şirketlerde, hizmet veya ürün satın alındığı veya satıldığı dönemlerde, ortak (%5 ve üzeri), önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda çalışmadığımı veya yönetim kurulu üyesi olmadığımı,

c) Bağımsız yönetim kurulu üyesi olmam sebebiyle üstleneceğim görevleri gereği gibi yerine getirecek mesleki eğitim, bilgi ve tecrübeye sahip olduğumu,

ç) Bağlı oldukları mevzuata uygun olması şartıyla, üniversite öğretim üyeliği hariç, üye olarak seçildikten sonra kamu kurum ve kuruluşlarında tam zamanlı çalışmıyor olduğumu,

d) 31/12/1960 tarihli ve 193 sayılı Gelir Vergisi Kanunu (G.V.K.)'na göre Türkiye'de yerleşmiş sayıldığımı,

e) Şirket faaliyetlerine olumlu katkılarda bulunabilecek, şirket ile pay sahipleri arasındaki çıkar çatışmalarında tarafsızlığımı koruyabilecek, menfaat sahiplerinin haklarını dikkate alarak özgürce karar verebilecek güçlü etik standartlara, mesleki itibara ve tecrübeye sahip olduğumu,

f) Şirket faaliyetlerinin işleyişini takip edebilecek ve üstlendiğim görevlerin gereklerini tam olarak yerine getirebilecek ölçüde şirket işlerine zaman ayırabileceğimi,

g) Şirketin yönetim kurulunda son on yıl içerisinde altı yıldan fazla yönetim kurulu üyeliği yapmadığımı,

ğ) Şirketin veya şirketin yönetim kontrolünü elinde bulunduran ortakların yönetim kontrolüne sahip olduğu şirketlerin üçten fazlasında ve toplamda borsada işlem gören şirketlerin beşten fazlasında bağımsız yönetim kurulu üyesi olarak görev almıyor olduğumu,

h) Yönetim Kurulu üyesi olarak seçilen tüzel kişi adına tescil ve ilan edilmemiş olduğumu,

beyan ederim.

  
Kurtuluş Bedri VAROĞLU  
15/02/2022

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUE SERIAL:II, NO:14.1****App.2: DECLERATIONS OF INDEPENDENT BOARD MEMBERS****BAĞIMSIZLIK BEYANI**

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a) Şirket, şirketin yönetim kontrolü ya da önemli derecede etki sahibi olduğu ortaklıklar ile şirketin yönetim kontrolünü elinde bulunduran veya şirkette önemli derecede etki sahibi olan ortaklar ve bu ortakların yönetim kontrolüne sahip olduğu tüzel kişiler ile kendim, eşim ve ikinci dereceye kadar kan ve sıhrî hısımlarım arasında; son beş yıl içinde önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda istihdam ilişkisinin bulunmadığını, sermaye veya oy haklarının veya imtiyazlı payların %5 inden fazlasına birlikte veya tek başına sahip olunmadığını ya da önemli nitelikte ticari ilişkinin kurulmamış olduğunu,

b) Son beş yıl içerisinde, başta şirketin denetimi (vergi denetimi, kanuni denetim, iç denetim de dahil), derecelendirilmesi ve danışmanlığı olmak üzere, yapılan anlaşmalar çerçevesinde şirketin önemli ölçüde hizmet veya ürün satın aldığı veya sattığı şirketlerde, hizmet veya ürün satın alındığı veya satıldığı dönemlerde, ortak (%5 ve üzeri), önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda çalışmadığımı veya yönetim kurulu üyesi olmadığımı,

c) Bağımsız yönetim kurulu üyesi olmam sebebiyle üstleneceğim görevleri gereği gibi yerine getirecek mesleki eğitim, bilgi ve tecrübeye sahip olduğumu,

ç) Bağlı oldukları mevzuata uygun olması şartıyla, üniversite öğretim üyeliği hariç, üye olarak seçildikten sonra kamu kurum ve kuruluşlarında tam zamanlı çalışmıyorum olduğumu,

d) 31/12/1960 tarihli ve 193 sayılı Gelir Vergisi Kanunu (G.V.K.)'na göre Türkiye'de yerleşmiş sayıldığımı,

e) Şirket faaliyetlerine olumlu katkılarda bulunabilecek, şirket ile pay sahipleri arasındaki çıkar çatışmalarında tarafsızlığımı koruyabilecek, menfaat sahiplerinin haklarını dikkate alarak özgürce karar verebilecek güçlü etik standartlara, mesleki itibara ve tecrübeye sahip olduğumu,

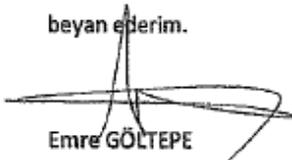
f) Şirket faaliyetlerinin işleyişini takip edebilecek ve üstlendiğim görevlerin gereklerini tam olarak yerine getirebilecek ölçüde şirket işlerine zaman ayırabileceğimi,

g) Şirketin yönetim kurulunda son on yıl içerisinde altı yıldan fazla yönetim kurulu üyeliği yapmadığımı,

ğ) Şirketin veya şirketin yönetim kontrolünü elinde bulunduran ortakların yönetim kontrolüne sahip olduğu şirketlerin üçten fazlasında ve toplamda borsada işlem gören şirketlerin beşten fazlasında bağımsız yönetim kurulu üyesi olarak görev almıyorum olduğumu,

h) Yönetim Kurulu üyesi olarak seçilen tüzel kişi adına tescil ve ilan edilmemiş olduğumu,

beyan ederim.



Emre GÖLTEPE

22/02/2022

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUÉ SERIAL:II, NO:14.1****APP.3: CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT****STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE**

Ereğli Demir ve Çelik Fabrikaları T.A.Ş. (Company), one of the public companies in Turkey with the broadest base, enjoys a leading position in its field in the Turkish industry, and is well aware of its responsibilities towards its stakeholders. In this context, the Company has adopted the concepts of “equality”, “transparency”, “accountability” and “responsibility”, which form the basis of corporate governance in its activities, and has taken maximum care and effort to comply with the Capital Markets Law and the secondary regulations and decisions of the Capital Markets Board (CMB).

In line with the corporate governance efforts, the Company has started to operate corporate governance mechanisms in accordance with the principles since 26.06.2012. Our Company, which is included in the BIST Corporate Governance Index (XKURY) as of 29.07.2015 and also is subject to corporate governance rating every year by the rating agency KOBİRATE Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş., which is authorized to perform activities in Turkey in accordance with the rating methodology approved by the CMB. Corporate Governance Rating Reports are available on our Corporate Website ([www.erdemir.com.tr](http://www.erdemir.com.tr)).

Ereğli Demir ve Çelik Fabrikaları T.A.Ş. believes in the importance of ensuring full compliance with the Principles of the Corporate Governance. In the activity period ended on 31 December 2022, the Company has continued to adopt the mandatory corporate governance principles that are included in the Corporate Governance Communiqué annexed to the relevant legislation.

The Company pays utmost attention to compliance with voluntary principles that are not fully complied yet with in the relevant legislation and there is no conflict of interest between the stakeholders so far.

For the period ended at 31 December 2022, compliance with the corporate governance principles included in the Corporate Governance Communiqué and the explanations of those who have not yet achieved compliance are included in the annual report; Corporate Governance Compliance Report, Corporate Governance Information Form, Sustainability Principles Compliance Report and other related sections of the report.

In the future, corporate governance practices of the Company, efforts to improve our corporate governance practices, including non-mandatory principles that have not been put into practice in a limited number, will be continued.

In case of a significant change in the Sustainability Principles Compliance Report during the period, the relevant change will be published in the interim activity reports. When there is a change in the Corporate Governance Compliance Report or Corporate Governance Information Form, there will be a material event disclosure and it will be published in the interim activity reports as well.

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUÉ SERIAL:II, NO:14.1**

EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. SUSTAINABILITY REPORT							
		COMPLIANCE STATUS				EXPLANATION	REPORT / LINK REGARDING THE PUBLICLY DISCLOSED INFORMATION
		YES	NO	PARTIAL	NOT APPLICABLE		
<b>A. General Principles</b>							
<b>A1. Strategy, Policy and Goals</b>							
A1.1	The preferred environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the Board of Directors.	X				Risks and opportunities within the scope of ESG issues have been determined.	<a href="https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf">https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf</a>
	The ESG policies (e.g. Environmental Policy, Energy Policy, Human Rights and Labour Rights Policy) have been set out by the Board of Directors and disclosed to public.	X				Our policies within the scope of ESG issues have been determined and disclosed to the public on the company website.	<a href="https://www.erdemir.com.tr/corporate/management-systems-policy/">https://www.erdemir.com.tr/corporate/management-systems-policy/</a>
A1.2	The short-term and long-term ESG goals have been disclosed to public.	X				Strategy and objectives are explained in the "Strategic Approach" section of the integrated report.	2021 Integrated Annual Report / Strategic Approach (Page 20)
<b>A2. Execution/Supervision</b>							
A2.1	The committees and/or boards responsible for the supervision of ESG policies and the seniors directors to execute the ESG issues have been disclosed to public including their duties.	X				Departments such as Strategic Planning and Sustainability, Occupational Safety and Environment etc., which are responsible for the execution of ESG policies, are included in the integrated report.	<a href="https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf">https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf</a>
	The activities carried out within the scope of the policies by the responsible committee and/or department have been reported to the Board of Directors at least once a year.	X				The duties of the relevant departments include reporting their activities which are within the scope of ESG policies to the Board of Directors at least once a year.	<a href="https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf">https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf</a>
A2.2	The action plan in accordance with the ESG goals have been formed and disclosed to public.	X				The investments and activities planned in line with the targets are explained in the integrated annual report.	<a href="https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf">https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf</a>
A2.3	The key performance indicators regarding the ESG and the achievement rates per years have been disclosed to public.	X				Key performance indicators have been determined and detailed follow-ups are carried out within the company on a daily, monthly and annual basis. Indicators that come to the fore are presented in the Environmental and Social Performance Indicators section of our integrated annual report.	2021 Integrated Annual Report / Social and Environmental Performance Indicators (Page 114)
A2.4	The improvement activities for sustainability performance regarding business processes or product and services have been disclosed to public.	X				In the integrated report, activities to improve the sustainability performance of products and services have been disclosed.	<a href="https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf">https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf</a>
<b>A3. Reporting</b>							
A3.1	The annual report covers the sustainability performance, KPIs and actions understandable, right and qualified.	X				Sustainability performance is constantly reviewed and reported. Information on sustainability activities is explained in the relevant sections of the Integrated report.	<a href="https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf">https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf</a>
A3.2	The information on the activities implemented in line with the United Nations (UN) 2030 Sustainable Development Goals have been disclosed to public.	X				Our activities' connection and contribution to the SDGs are explained in the "Strategic Approach" and "Prioritization Analysis" sections of the integrated report.	2021 Integrated Annual Report / Strategic Approach (Page 20)
A3.3	The lawsuits in progress against the Company regarding the ESG issues that effect the material business lines and the legal sanctions in regard of the sustainability policies have been disclosed to public.			X		Lawsuits brought against and / or concluded to our company, those that are deemed necessary / important are disclosed on the Public Disclosure Platform (PDP)	<a href="https://www.kap.org.tr/en/sirket-bilgileri/ozet/944-eregli-demir-ve-celik-fabrikalari-t-a-s">https://www.kap.org.tr/en/sirket-bilgileri/ozet/944-eregli-demir-ve-celik-fabrikalari-t-a-s</a>
<b>A4. Verification</b>							
A4.1	The KPI measurements have been verified by an independent third and disclosed to public.			X		Some of the parameters related to sustainability are approved by the verifier (independent third party) and shared with the Ministry.	<a href="https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf">https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf</a>

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EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. SUSTAINABILITY REPORT							
		COMPLIANCE STATUS				EXPLANATION	REPORT / LINK REGARDING THE PUBLICLY DISCLOSED INFORMATION
		YES	NO	PARTIAL	NOT APPLICABLE		
	<b>B. Environmental Principles</b>						
B1	The company has disclosed its policies and practices on environmental management, action plans, environmental management systems (known as ISO 14001 standard) and programmes.	X				Policies and practices, action plans, environmental management systems and programs created within the scope of environmental management are explained in the integrated report.	<a href="https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf">https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf</a>
B2	The scope, period, date and the constraints of conditions of the environmental reporting regarding environmental management have been disclosed to public.	X				There is information about the period, date, limits and limitations of the environmental report included in the integrated report.	2021 Integrated Annual Report / About the Report (Page 1)
B3	Presented at A2.1.						
B4	The environmental KPIs counted for remuneration criteria for stakeholders (e.g. board members, executives and employees) within frame of the performance incentives have been disclosed to public.	X				Employee goals also include environmental goals. Realizations of the targets are supported by incentives and are explained in the integrated report.	2021 Integrated Annual Report / Employees (Page 102)
B5	The integration of the environmental difficulties, which are preferably determined, with the business goals and strategy have been disclosed to public.	X				Environmental problems and risks were taken into account in the analyzes and studies carried out while determining the targets and strategies, and they are explained in the Risk Management section of the integrated report.	2021 Integrated Annual Report / Risk Management (Page 59)
B6	Presented at A2.4.						
B7	The integration of environmental management issues covering the customers and suppliers throughout the value chain of the company including the operational process with the business model and strategy have been disclosed to public.	X				Our stakeholder relations are explained in our integrated report.	2021 Integrated Annual Report / Risk Management (Page 59)
B8	The cooperation with the non-governmental organizations and the environmental institutions and taking (or not) a part of the policy-making processes with those institutions have been disclosed to public.	X				It is explained in the "Corporate Memberships" section of the integrated report.	2021 Integrated Annual Report / Corporate Memberships (Page 117)
B9	The environmental figures (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and waste water management, waste management, biodiversity impacts) and the environmental impacts have been disclosed to public with periodic comparison.			X		Environmental indicators are explained in our integrated annual report. Information on Greenhouse Gas is shared with the Ministry of Environment, Urbanization and Climate Change.	2021 Integrated Annual Report / Environmental Performance Indicators (Page 116)
B10	The standard, protocol, methodology and the base year details for collection and calculation of the data have been disclosed to public.			X		The standard and methodology used in the integrated annual report are mentioned in general terms.	<a href="https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf">https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf</a>
B11	The comparable increase or decrease rates with the previous years have been disclosed to public in the current period's report.	X				Prominent indicators are presented in the "Environmental Performance Indicators" section of our integrated annual report in comparison with previous years.	2021 Integrated Annual Report / Environmental Performance Indicators (Page 116)
B12	The short-term and long-term targets are determined to decrease the environmental impacts; the called targets and the progress status in comparison to the previous years' targets have been disclosed to public.			X		Although the targets are followed within the company, numerical targets are not included in the integrated annual report.	<a href="https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf">https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf</a>
B13	The strategy for fight against climate crises is set out and the action plan has been disclosed to public.			X		Activities carried out in the context of combating the climate crisis are mentioned in our integrated annual report, but the ongoing road map studies are not included in the report	<a href="https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf">https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf</a>
B14	The programmes or procedures to prevent or to decrease to the minimum level of the negative environmental effects of the products and/or services have been disclosed to public.	X				The efforts spent in order to prevent or minimize the negative potential impacts of our products on the environment are explained in our integrated annual report.	<a href="https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf">https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf</a>
	The actions taken to make the third parties' (e.g. supplier, subcontractor, dealer, etc.) decrease their greenhouse gas emission figures have been disclosed to public.			X		Actions to reduce greenhouse gas emissions of third parties are in progress but have not been disclosed to the public yet.	<a href="https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf">https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf</a>

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		COMPLIANCE STATUS				EXPLANATION	REPORT / LINK REGARDING THE PUBLICLY DISCLOSED INFORMATION
		YES	NO	PARTIAL	NOT APPLICABLE		
	<b>B. Environmental Principles (Continued)</b>						
B15	The environmental benefits/gainings and cost savings provided by the initiatives/projects to decrease the environmental impacts have been disclosed to public.	X				Important projects and actions are included in our integrated annual report, especially energy savings in the context of energy efficiency are explained.	<a href="https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf">https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf</a>
B16	Energy consumption (natural gas, diesel, gas, LPG, coal, electricity, heating, cooling, etc.) figures as Scope-1 and Scope-2 have been disclosed to public.			X		Our total energy consumption is disclosed in the integrated report.	2021 Integrated Annual Report / Environmental Performance Indicators (Page 116)
B17	The information about the produced electricity, heat, steam and cooling for the reporting period have been disclosed to public.			X		Within the scope of the "Energy Efficiency Law" numbered 5627, the energy production and consumption data of the previous year are entered annually as data in the "Energy Efficiency Portal" according to the criteria determined by the Department of Energy Efficiency and Environment of the Ministry of Energy and Natural Resources	<a href="https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf">https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf</a>
B18	The actions taken to increase renewable energy consumption, transit to zero or low carbon electricity have been disclosed to public.	X				Our renewable energy works are explained in the integrated report.	<a href="https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf">https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf</a>
B19	The renewable energy production and consumption figures have been disclosed to public.	X				Relevant datas are disclosed in the integrated report.	<a href="https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf">https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf</a>
B20	Energy productivity projects have been carried out and the decrease rates on energy consumption and emission based on those projects have been disclosed to public.	X				It is explained in the "Environmental Performance" section of the integrated report.	2021 Integrated Annual Report / Environmental Performance Indicators (Page 116)
B21	Water consumption, underground or aboveground drawn water, recycled or discharged water figures, sources and procedures have been disclosed to public.	X				It is presented in comparison with previous years in the Environmental Performance Indicators section of our integrated annual report.	2021 Integrated Annual Report / Environmental Performance Indicators (Page 116)
B22	It has been disclosed to public if the operations or activities included to any carbon pricing system (Emission Trading System, Cap & Trade or Carbon Tax) or not.				X	No taxation system has come into force in our country. The information that we participate in Partnership for Market Readiness (PMR) studies conducted in our country is given in the integrated annual report. Erdemir Romania's activities are included in the EU ETS system and are reported.	
B23	The information on accumulated or purchased carbon credit in the reporting period has been disclosed to public.				X	No taxation system has come into force in our country. The information that we participate in Partnership for Market Readiness (PMR) studies conducted in our country is given in the integrated annual report. Erdemir Romania's activities are included in the EU ETS system and are reported.	
B24	The details have been disclosed to public if there is a carbon pricing mechanism at the company.				X	No taxation system has come into force in our country. The information that we participate in Partnership for Market Readiness (PMR) studies conducted in our country is given in the integrated annual report. Erdemir Romania's activities are included in the EU ETS system and are reported.	
B25	The platforms, which the environmental figures of the company are announced, have been disclosed to public.	X				The platforms such as EIA public participation meetings, website, social media, one-to-one meetings with suppliers, sectoral organizations, associations and NGOs, collaborations, memberships, participation in working groups are described in the integrated report	<a href="https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf">https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf</a>

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		COMPLIANCE STATUS				EXPLANATION	REPORT / LINK REGARDING THE PUBLICLY DISCLOSED INFORMATION
		YES	NO	PARTIAL	NOT APPLICABLE		
<b>C. Social Principles</b>							
<b>C1. Human Rights and Labour Rights</b>							
C1.1	The Human Rights and Labour Rights Policy has been set out covering the United Nations Universal Declaration of Human Rights and the International Labour Organization principles, the responsible directors for execution of the policy are assigned and disclosed to public.	X				Our commitment is stated in the code of ethics and working principles and shared on our website.	<a href="https://www.erdemir.com.tr/Sites/1/upload/files/Erdemir_Etik_Kurallar_Kitapciği_ING-1252.pdf">https://www.erdemir.com.tr/Sites/1/upload/files/Erdemir_Etik_Kurallar_Kitapciği_ING-1252.pdf</a>
C1.2	The labour rights policy covers the fair workforce, improving work conditions, women's employment and inclusion (no discrimination on gender, race, religion, language, marital status, ethnicity, sexual orientation, gender identity, family responsibilities, trade union activities, political view, disability, social and cultural differences, etc.) considering the supply and value chain impacts.	X				Our policy is stated in the code of ethics and working principles and shared on our website.	<a href="https://www.erdemir.com.tr/Sites/1/upload/files/Erdemir_Etik_Kurallar_Kitapciği_ING-1252.pdf">https://www.erdemir.com.tr/Sites/1/upload/files/Erdemir_Etik_Kurallar_Kitapciği_ING-1252.pdf</a>
C1.3	The measures taken throughout the value chain to watch over the susceptible segments to certain economic, environmental, social factors (e.g. low income group, women, etc.) or minority rights/opportunity equality.	X				It is explained in the relevant sections of our integrated report.	<a href="https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf">https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf</a>
C1.4	The preventive and improver practices on discrimination, inequality, human rights violation, forced labour, and child labour have been disclosed to public.			X		There are internal (in-company) reports.	Internal (in-company) reports
C1.5	The labour rights policy covers investment in employees (training, improvement policies), remuneration, side rights, right to unionize, work/life balance and skill management issues.	X				It is explained in the relevant sections of our integrated report.	<a href="https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf">https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf</a>
	The mechanism regarding the employee complaints and the dispute resolution process is determined.	X				Mechanisms for the resolution of employee complaints and disputes have been established, and dispute resolution processes have been specified in the code of ethics and working principles.	<a href="https://www.erdemir.com.tr/Sites/1/upload/files/Erdemir_Etik_Kurallar_Kitapciği_ING-1252.pdf">https://www.erdemir.com.tr/Sites/1/upload/files/Erdemir_Etik_Kurallar_Kitapciği_ING-1252.pdf</a>
	The reported employee satisfaction activities in the period have been disclosed to public.	X				It is explained in the relevant sections of our integrated report.	<a href="https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf">https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf</a>
C1.6	Occupational Health and Safety Policy has been set out and disclosed to public.	X				Occupational health and safety policies have been established and shared on our website.	<a href="https://www.erdemir.com.tr/corporate/management-systems-policy/">https://www.erdemir.com.tr/corporate/management-systems-policy/</a>
	The measures taken to prevent the work accidents, health protection and accident statistics have been disclosed to public.	X				It is explained in the Occupational Health and Safety section of the integrated report.	2021 Integrated Annual Report / Occupational Health and Safety (Page 76)
C1.7	Protection of the personal data and information security policy has been disclosed to public.	X				Personal data protection and data security policies have been established and shared on our website.	<a href="https://www.erdemir.com.tr/kurumsal/kisisel-verilerin-korunmasi/">https://www.erdemir.com.tr/kurumsal/kisisel-verilerin-korunmasi/</a>
C1.8	Code of Ethics has been set out and disclosed to public.	X				Ethics policy has been established and shared on our website.	<a href="https://www.erdemir.com.tr/Sites/1/upload/files/Erdemir_Etik_Kurallar_Kitapciği_ING-1252.pdf">https://www.erdemir.com.tr/Sites/1/upload/files/Erdemir_Etik_Kurallar_Kitapciği_ING-1252.pdf</a>
C1.9							
C1.10	The informative meetings and training programmes on ESG practices organised for the employees	X				Regular trainings are provided to the employees within the framework of the developmental plans.	<a href="https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf">https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf</a>

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		COMPLIANCE STATUS				EXPLANATION	REPORT / LINK REGARDING THE PUBLICLY DISCLOSED INFORMATION
		YES	NO	PARTIAL	NOT APPLICABLE		
	<b>C. Social Principles</b>						
	<b>C2. Stakeholders, International Standards and Initiatives</b>						
C2.1	Customer satisfaction policy covering the management and solution of the customer complaints has been set out and disclosed to public.	X				The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and explained in the integrated report.	<a href="https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf">https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf</a>
C2.2	The information on communication with the stakeholders (whom, topic ve frequency) has been disclosed to public.	X				Details on stakeholder communication are described in the integrated report.	2021 Integrated Annual Report / Stakeholder Relations (Page 30)
C2.3	The international reporting standards adopted have been disclosed to public.	X				Adopted international reporting standards are explained in the integrated report.	<a href="https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf">https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf</a>
C2.4	The adopted principles, being a signatory or a member of an international institution, committee on sustainability have been disclosed to public.	X				Signatory or member international organizations or principles are publicly disclosed in the integrated report.	2021 Integrated Annual Report / Corporate Memberships (Page 117)
C2.5	Improvement activities have been realized to be included Borsa İstanbul Sustainability Index and/or international index providers' sustainability indices.	X				It is included in the Borsa İstanbul Sustainability Index.	2021 Integrated Annual Report (Page 19)
	<b>D. Corporate Governance Principles</b>						
D1	It has been consulted with the stakeholders regarding the determination of the sustainability measures and strategy.	X				Opinions of stakeholders are sought in determining measures and strategies in the field of sustainability.	<a href="https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf">https://www.oyakmadenmetalurji.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5017.pdf</a>
D2	CSR projects, awareness activities and training programmes have been realized to increase the awareness of on sustainability.	X				Studies are carried out to raise awareness on the issue of sustainability and the importance of sustainability through social responsibility projects, awareness activities and trainings.	<a href="https://www.isdemir.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5188.pdf">https://www.isdemir.com.tr/Sites/1/upload/files/2021_Integrated_Annual_Report_22-5188.pdf</a>

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	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	N/A	
<b>Corporate Governance Compliance Report</b>						
<b>1.1.FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS</b>						
1.1.2- Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
<b>1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION</b>						
1.2.1- Management did not enter into any transaction that would complicate the conduct of special audit.	X					
<b>1.3.GENERAL ASSEMBLY</b>						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	There was no transaction notice in this manner.
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X					
1.3.11- The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.					X	In 2022 fiscal year, there was no participation demand from the media.
<b>1.4. VOTING RIGHTS</b>						
1.4.1- There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2 - The company does not have shares that carry privileged voting rights.		X				Company's capital is divided into shares Group A and Group B.1 (one share of certificate, issued to the bearer amounting to 1Kr (one Kuruş) is A group. The right of usufruct shall be established in favor of and to the name of Privatization Administration on the shares of A Group with all rights appertaining thereto unless otherwise decided by Supreme Board of Privatization.
1.4.3-The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	No cross-shareholding relations exist in the capital of the Company.
<b>1.5. MINORITY RIGHTS</b>						
1.5.1- The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 -The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.				X		Even though minority rights are not determined less than one in twenty by the Articles of Association, parallel with the general practices, in accordance with Article 38 of the Articles of Association, provisions of Turkish Commercial Code and Capital Market. Law shall be applied to the issues that are not written in the Articles of Association in regard to minority rights. On the other hand, the Company recognizes equal rights to each shareholder and comply with relevant regulations regarding the exercise of shareholder rights. There is no plan to regulate and expand minority rights in the Articles of Association.

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	Yes	Partial	No	Exempted	N/A	
<b>Corporate Governance Compliance Report</b>						
<b>1.6. DIVIDEND RIGHT</b>						
1.6.1-The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 -The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3-The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					
1.6.4-The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
<b>1.7 TRANSFER OF SHARES</b>						
1.7.1-There are no restrictions preventing shares from being transferred.	X					
<b>2.1. CORPORATE WEBSITE</b>						
2.1.1.- The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2 -The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 -The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
<b>2.2. ANNUAL REPORT</b>						
2.2.1-The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 -The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
<b>3.1. CORPORATION'S POLICY ON STAKEHOLDERS</b>						
3.1.1-The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 -The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
<b>3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT</b>						
3.2.1-The Articles of Association, or the internal regulations (terms of reference/manuals) regulate the participation of employees in management.	X					Although there is no provision in the articles of association, employees are encouraged to participate in management through Internal practices.
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					

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	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	N/A	
<b>Corporate Governance Compliance Report</b>						
<b>3.3. HUMAN RESOURCES POLICY</b>						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organises training for employees.	X					
3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	X					
<b>3.4 RELATIONS WITH CUSTOMERS AND SUPPLIERS</b>						
3.4.1 - The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
<b>3.5 ETHICAL RULES AND SOCIAL RESPONSIBILITY</b>						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2 - The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
<b>4.1. ROLE OF THE BOARD OF DIRECTORS</b>						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUÉ SERIAL:II, NO:14.1**

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	N/A	
<b>Corporate Governance Compliance Report</b>						
<b>4.2 ACTIVITIES OF THE BOARD OF DIRECTORS</b>						
4.2.1 - The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 -The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7-The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
		X				
4.2.8-The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.						
<b>4.3. STRUCTURE OF THE BOARD OF DIRECTORS</b>						
4.3.9 -The board of directors has approved the policy on its own composition, setting a minimal target of %25 for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.			X			Although there is no policy regarding the target of minimum 25% for the ratio of female members in the board of directors, there is one female member in the current board of directors structure.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
<b>4.4 BOARD MEETING PROCEDURES</b>						
4.4.1 - Each board member attended the majority of the board meetings in person or via an electronic board meeting system.	X					
4.4.2 -The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied total board members.	X					
4.4.3 -The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	X					
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.			X			Due to the Board Member's work and industry experience and contribution to the board of directors, there is no restriction for the Board Members to assume any other duties outside the company. The duties undertaken by the members of the board of directors outside the company were presented to the shareholders at the general assembly meeting. Since this current practice does not create any negative situation in terms of corporate governance, no changes expected in 2023.

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUÉ SERIAL:II, NO:14.1**

	Yes	Partial	No	Exempted	N/A	Explanation
<b>Corporate Governance Compliance Report</b>						
<b>4.5. BOARD COMMITTEES</b>						
4.5.5 - Board members serve in only one of the Board's committees.			X			The company's board of directors consists of 9 members and operates with 3 committees. 3 of our 9 members take part in committees as independent board members. Due to the number of Board members, each board member is assigned to more than one committee.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					X	In 2022, any committee did not receive consultancy services.
4.5.8 – Minutes of all committee meetings are kept and reported to board members.	X					
<b>4.6. FINANCIAL RIGHTS</b>						
4.6.1 - The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.			X			The performance of the Board of Directors was not evaluated.
4.6.4 - The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions there on, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.		X				
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.		X				In line with the general practices, salaries, bonuses and other benefits of the key management are shared in the annual report as total. Remuneration for the members of the board on an individual basis are shared with the public in the minutes of the general assembly..

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUÉ SERIAL:II, NO:14.1**

**Corporate Governance Information Form**

**Related Companies**

**Related Funds**

**1.SHAREHOLDERS**

**1.1. Facilitating the Exercise of Shareholders Rights**

The number of investor meetings (conference, seminar/etc.) organised by the company during the year 67

**1.2. Right to Obtain and Examine Information**

The number of special audit request(s) 0

The number of special audit requests that were accepted at the General Shareholders' Meeting 0

**1.3.General Assembly**

Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1.(a-d). <https://www.kap.org.tr/en/Bildirim/1003551>

Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time. Yes

The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9 There was no such transaction during the year.

The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1) There is no such transaction under Article 9.

The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1) <https://www.kap.org.tr/en/Bildirim/1000962>

The name of the section on the corporate website that demonstrates the donation policy of the company Investor Relations / Corporate Governance / Policies and Regulations / Donations and Contribution Policy

The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved <https://www.kap.org.tr/tr/Bildirim/194744>

The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting None.

Identified stakeholder groups that participated in the General Shareholders' Meeting, if any There was no participation in the General Assembly meeting regarding 2021 activities except for the shareholders. However, there is no restriction on participation of stakeholders in the General Assembly.

**1.4.Voting Rights**

Whether the shares of the company have differential voting rights Evet (Yes)

In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares. Privatization Administration / 0.0% / One share of certificate, issued to the bearer amounting to one kurus.

The percentage of ownership of the largest shareholder 49,29%

**1.5.Minority Rights**

Whether the scope of minority rights enlarged (in terms of the content or the ratio) in the articles of the association Hayır (No)

If yes, specify relevant provision of the articles of association. -

**1.6.Dividend Right**

The name of the section on the corporate website that describes the dividend distribution policy Investor Relations / Corporate Governance / Policies and Regulations / Dividend Distribution Policy

Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend. -

PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends -

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
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## Corporate Governance Information Form

General Assembly Meetings									
General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participatin rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting Minute and also indicates for each resolution the voting levels for or against.	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them.	The number of relevant item of paragraph or General Shareholders Meeting Minutes in relation to related party transactions.	The number of declarations by insiders received by the board of directors.	The link to the related PDP general shareholder meeting notification.
17-03-2022	0	61%	0,012%	61%	Investor Relations/General Assembly/Minutes of General Assembly	Investor Relations/General Assembly/The questions asked on General Assembly Meetings	-	234	<a href="https://www.kap.org.tr/en/Bildirim/1003551">https://www.kap.org.tr/en/Bildirim/1003551</a>

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUÉ SERIAL:II, NO:14.1**

**Corporate Governance Information Form**

**Related Companies**

**Related Funds**

**2. DISCLOSURE AND TRANSPARENCY**

**2.1. Corporate Website**

Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.

Investor Relations | Corporate Governance, Reports and Presentations, Annual Reports, Disclosures and Announcements, General Assembly, FAQ

If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.

Investor Relations | Corporate Governance | Ownership Structure

List of languages for which the website is available

Turkish, English

**2.2. Annual Report**

**The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.**

a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members.

Investor Relations / Reports and Presentations / Interim Financial Reports / Declarations of Independent Board Members

b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure

Investor Relations / Annual Reports / Board of Directors Committee Operating Principles and Assessment of Committees' Effectiveness

c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings

Investor Relations / Reports and Presentations / Interim Financial Reports / Number of Meetings of the Board of Directors and Attendance of the Board Members

ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation

Investor Relations | Reports and Presentations / Interim Financial Reports / Information about Amendments in Legislation That May Significantly Affect the Company's Activities

d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof

Investor Relations / Annual Reports / Notes to the Consolidated Financial Statements / Provision for Lawsuits

e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest

Investor Relations | Annual Reports | Other Issues

f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%

No crossownership subsidiaries that the direct contribution to the Company's capital exceeds 5%.

g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results

Investor Relations / Annual Reports | A People-Centered Approach

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUÉ SERIAL:II, NO:14.1**

**Corporate Governance Information Form**

**Related Companies**

**Related Funds**

**3. STAKEHOLDERS**

**3.1. Corporation's Policy on Stakeholders**

The name of the section on the corporate website that demonstrates the employee remedy or severance policy	Investor Relations /Corporate Governance / Policies and Regulations / Staff Compensation Policy
The number of definitive convictions the company was subject to in relation to breach of employee rights	208
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Ethics Committee
The contact detail of the company alert mechanism	Mail:erdemir@etikhat.com, Phone : 0 212 924 78 65

**3.2. Supporting the Participation of the Stakeholders in the Corporation's Management**

Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies

Corporate bodies where employees are actually represented Union

**3.3. Human Resources Policy**

The role of the board on developing and ensuring that the company has a succession plan for the key management positions

Short, long and medium term succession plans are prepared for key positions within the scope of talent management studies carried out within our Company. Succession plans and assignments to key roles are submitted for the approval of the Board of Directors, when necessary, in line with defined procedures.

The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.

OYAK Mining Metallurgy / Career / HR Practices

Whether the company provides an employee stock ownership programme

Pay edindirme planı bulunmuyor (There isn't an employee stock ownership programme)

The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.

Investor Relations / Corporate Governance / Code of Ethics and Business Conduct / Responsibilities to Our Employees

The number of definitive convictions the company is subject to in relation to health and safety measures

7

**3.5. Ethical Rules and Social Responsibility**

The name of the section on the corporate website that demonstrates the code of ethics

Investor Relations / Corporate Governance / Code of Ethics and Business Conduct

The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.

Sustainability I CSR Policy

Any measures combating any kind of corruption including embezzlement and bribery

Board members and employees of OYAK Mining Metallurgy Companies and all third parties acting on behalf of OYAK Mining Metallurgy Companies should avoid any act or behaviour that may bring OYAK Mining Metallurgy under suspicion of corruption. Regardless of being in public or private sector, accepting or giving any cash/ non-cash benefit that may be in the scope of corruption is forbidden.

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUÉ SERIAL:II, NO:14.1**

**Corporate Governance Information Form**

**Related Companies**

**Related Funds**

**4. BOARD OF DIRECTORS-I**

**4.2. Activity of the Board of Directors**

Date of the last board evaluation conducted	-
Whether the board evaluation was externally facilitated	Hayır (No)
Whether all board members released from their duties at the GSM	Evet (Yes)
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Süleyman Savaş ERDEM - Chairman ( Representative of OYTAŞ İç ve Dış Ticaret A.Ş), Baran ÇELİK - Deputy Chairman and Executive Director (Representative of OMSAN Lojistik A.Ş.), Gürtan DAMAR - Board Member and Executive Director (Representative of OYAK Pazarlama Hizmet ve Turizm A.Ş.)
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	5
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Investor Relations / Annual Reports / Internal Audit System
Name of the Chairman	Süleyman Savaş ERDEM - Chairman ( Representative of OYTAŞ İç ve Dış Ticaret A.Ş)
Name of the CEO	Niyazi Aşkın Peker
If the CEO and Chair functions are combined provide the link to the relevant PDP announcement providing the rationale for such combined roles	CEO and Chairman are not the same person.
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	-
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors.	-
The number and ratio of female directors within the Board of Directors	1, 11%

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUÉ SERIAL:II, NO:14.1**

## Corporate Governance Information Form

## Composition of Board of Directors

Name, Surname of Board Member	Whether Executive Director or Not	Whether Independent Director or Not	The First Election Date to Board	Link to PDP Notification That Includes The Independence Declaration	Whether the Independent Director Considered by the Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy the Independence or Not	Whether the Director Has At Least 5 Years' Experience on Audit/Accounting and Or/Finance or Not
OYTAŞ İç ve Dış Ticaret A.Ş. (Represented by: Süleyman Savaş ERDEM)	İcrada görevli değil (Non-executive)	Bağımsız üye değil (Not independent director)	27-05-2013		Değerlendirilmedi (Not considered)	Hayır (No)	Evet(Yes)
OMSAN Lojistik A.Ş. (Represented by: Baran ÇELİK)	İcrada görevli (Executive)	Bağımsız üye değil (Not independent director)	11-09-2012		Değerlendirilmedi (Not considered)	Hayır (No)	Evet(Yes)
OYAK Pazarlama ve Hizmet Turizm A.Ş. (Represented by: Gürtan DAMAR)	İcrada görevli (Executive)	Bağımsız üye değil (Not independent director)	13-09-2012		Değerlendirilmedi (Not considered)	Hayır (No)	Evet(Yes)
Republic of Turkey Ministry of Treasury and Finance Privatization Administration (Represented by: Bekir Emre HAYKIR)	İcrada görevli değil (Non-executive)	Bağımsız üye değil (Not independent director)	20-09-2012		Değerlendirilmedi (Not considered)	Hayır (No)	Evet(Yes)
OYKA Kağıt Ambalaj Sanayi ve Ticaret A.Ş. (Represented by: Volkan ÜNLÜEL)	İcrada görevli değil (Non-executive)	Bağımsız üye değil (Not independent director)	12-09-2012		Değerlendirilmedi (Not considered)	Hayır (No)	Evet(Yes)
OYAK Denizcilik ve Liman İşletmeleri A.Ş. (Represented by: Güliz KAYA)	İcrada görevli değil (Non-executive)	Bağımsız üye değil (Not independent director)	12-09-2012		Değerlendirilmedi (Not considered)	Hayır (No)	Evet(Yes)
Ali FİDAN	İcrada görevli değil (Non-executive)	Bağımsız üye (Independent director)	31-03-2017	<a href="https://www.kap.org.tr/tr/Bildirim/1000960">https://www.kap.org.tr/tr/Bildirim/1000960</a>	Değerlendirildi (Considered)	Hayır (No)	Evet(Yes)
Kurtuluş Bedri VAROĞLU	İcrada görevli değil (Non-executive)	Bağımsız üye (Independent director)	31-03-2017	<a href="https://www.kap.org.tr/tr/Bildirim/1000960">https://www.kap.org.tr/tr/Bildirim/1000960</a>	Değerlendirildi (Considered)	Hayır (No)	Evet(Yes)
Emre GÖLTEPE	İcrada görevli değil (Non-executive)	Bağımsız üye (Independent director)	17/03/2022	<a href="https://www.kap.org.tr/tr/Bildirim/1000960">https://www.kap.org.tr/tr/Bildirim/1000960</a>	Değerlendirildi (Considered)	Hayır (No)	Evet(Yes)

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUÉ SERIAL:II, NO:14.1**

**Corporate Governance Information Form**

**Related Companies**

**Related Funds**

**4. BOARD OF DIRECTORS-II**

**4.4. Meeting Procedures of the Board of Directors**

Number of physical board meetings in the reporting period (meetings in person)	6
Director average attendance rate at board meetings	100%
Whether the board uses an electronic portal to support its work or not	Yes
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	3 - 5 Days

The name of the section on the corporate website that demonstrates information about the board charter

There are internal regulations in which the working principles of the Board of Directors meetings are determined ,but they are not published on the corporate website

Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors

**4.5. Board Committees**

Page numbers or section names of the annual report where information about the board committees are presented

Investor Relations | Annual Reports / Board Of Directors Committee Operating Principles and Assessment of Committees' Effectiveness

Link(s) to the PDP announcement(s) with the board committee charters

The working principles of the Committee are available on our corporate website. (Investor Relations / Corporate Governance / Policies and Regulations)

**Composition of Board of Committees-I**

<b>Names of the Board Committees</b>	<b>Name of Committees Defined As "Other" In the First Column</b>	<b>Name-Surname of Committee Members</b>	<b>Whether Committee Chair or Not</b>	<b>Whether Board Member or Not</b>
Kurumsal Yönetim Komitesi (Corporate Governance Committee)	-	Kurtuluş Bedri Varoğlu	Evet(Yes)	Yönetim Kurulu Üyesi (Board Member)
Kurumsal Yönetim Komitesi (Corporate Governance Committee)	-	Emre GÖLTEPE	Hayır(No)	Yönetim Kurulu Üyesi (Board Member)
Kurumsal Yönetim Komitesi (Corporate Governance Committee)	-	İdil Önay Engin	Hayır(No)	Yönetim Kurulu Üyesi Değil (Not Board Member)
Denetim Komitesi (Audit Committee)	-	Emre GÖLTEPE	Evet(Yes)	Yönetim Kurulu Üyesi (Board Member)
Denetim Komitesi (Audit Committee)	-	Ali Fidan	Hayır(No)	Yönetim Kurulu Üyesi (Board Member)
Riskin Erken Saptanması Komitesi (Committee of Early Risk Detection)	-	Ali Fidan	Evet(Yes)	Yönetim Kurulu Üyesi (Board Member)
Riskin Erken Saptanması Komitesi (Committee of Early Risk Detection)	-	Kurtuluş Bedri Varoğlu	Hayır(No)	Yönetim Kurulu Üyesi (Board Member)

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUÉ SERIAL:II, NO:14.1**

**Corporate Governance Information Form**

**Related Companies**

**Related Funds**

**4. BOARD OF DIRECTORS-III**

**4.5. Board Committees-II**

Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)

Investor Relations / Annual Reports / Board Of Directors Committee  
Operating Principles and Assessment of Committees' Effectiveness

Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)

Investor Relations / Annual Reports / Board Of Directors Committee  
Operating Principles and Assessment of Committees' Effectiveness

Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)

Investor Relations / Annual Reports / Board of Directors Committee  
Operating Principles and Assessment of Committees' Effectiveness

Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)

Investor Relations / Annual Reports / Board Of Directors Committee  
Operating Principles and Assessment of Committees' Effectiveness

Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)

Investor Relations / Annual Reports / Board Of Directors Committee  
Operating Principles and Assessment of Committees' Effectiveness

**4.6. Financial Rights**

Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)

Investor Relations / Annual Reports / Other Issues

Specify the section of website where remuneration policy for executive and non-executive directors are presented.

Investor Relations/ Corporate Governance / Policies and  
Regulations/Compensation Policy

Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)

Investor Relations/ Annual Reports/ Notes to the Consolidated  
Financial Statements / Related Party Disclosures / Salaries, bonuses  
and other benefits of the key management

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUÉ SERIAL:II, NO:14.1**

## Corporate Governance Information Form

Composition of Board of Committees-II					
Names of the Board Committees	Name of Committees Defined As "Other" In the First Column	The Percentage of Non Executive Directors	The Percentage of Independent Directors In The Committee	The Number of Meetings Held in Person	The Number of Reports on Its Activities Submitted to the Board
Denetim Komitesi (Audit Committee)	-	100%	100%	4	4
Kurumsal Yönetim Komitesi (Corporate Governance Committee)	-	100%	67%	6	2
Riskin Erken Saptanması Komitesi (Committee of Early Risk Detection)	-	100%	100%	6	6