



## ***Corporate Governance Compliance Rating Report***



***Ereğli Demir ve Çelik Fabrikaları T.A.Ş.***

25 July 2025

Validity Period 25.07.2025-25.07.2026

## LIMITATIONS

This Corporate Governance Rating Report, issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. for Ereğli Demir ve Çelik Fabrikaları T.A.Ş.,

has been prepared by considering Communiqué Amending the "Corporate Governance Communiqué (II-17,1) (II-17,1.a)" published in the Official Gazette No. 31262 on 02 October 2020 by the Board, as well as regulations regarding the voluntary sustainability principles compliance framework and the board decisions taken at the CMB's board meeting dated 01.02.2013 and numbered 4/105 in addition to the criteria specified in the "Corporate Governance Communiqué No. II-17.1" of the Capital Markets Board published in the Official Gazette dated 03 January 2014 and numbered 28871

The criteria, established for the companies whose shares are traded at BIST, are organized separately as First Group, Second Group and Third Group companies and investment partnerships, taking into consideration the group distinctions stated by CMB's Corporate Governance Principles in Item 2 - Article 5 of communiqué no II-17.1, published in the Official Gazette on 03.01.2014.

The Corporate Governance Compliance Rating Report issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. is based on 106 copies of documents, data and files transmitted by the concerned firm electronically, including data open to the general public and examinations made by our rating experts onsite.

Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. has formulated its Ethical Rules according to the Banking Act, the CMB and BRSA Directives on the Operations of Rating Companies, generally accepted ethical rules of the IOSCO and OECD, including generally accepted ethical customs, which are shared with the public through its Internet website ([www.kobirate.com.tr](http://www.kobirate.com.tr)).

Although rating is an assessment based on numerous data, it is consequently the institutional opinion of Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. formed accordingly to the methodology disclosed.

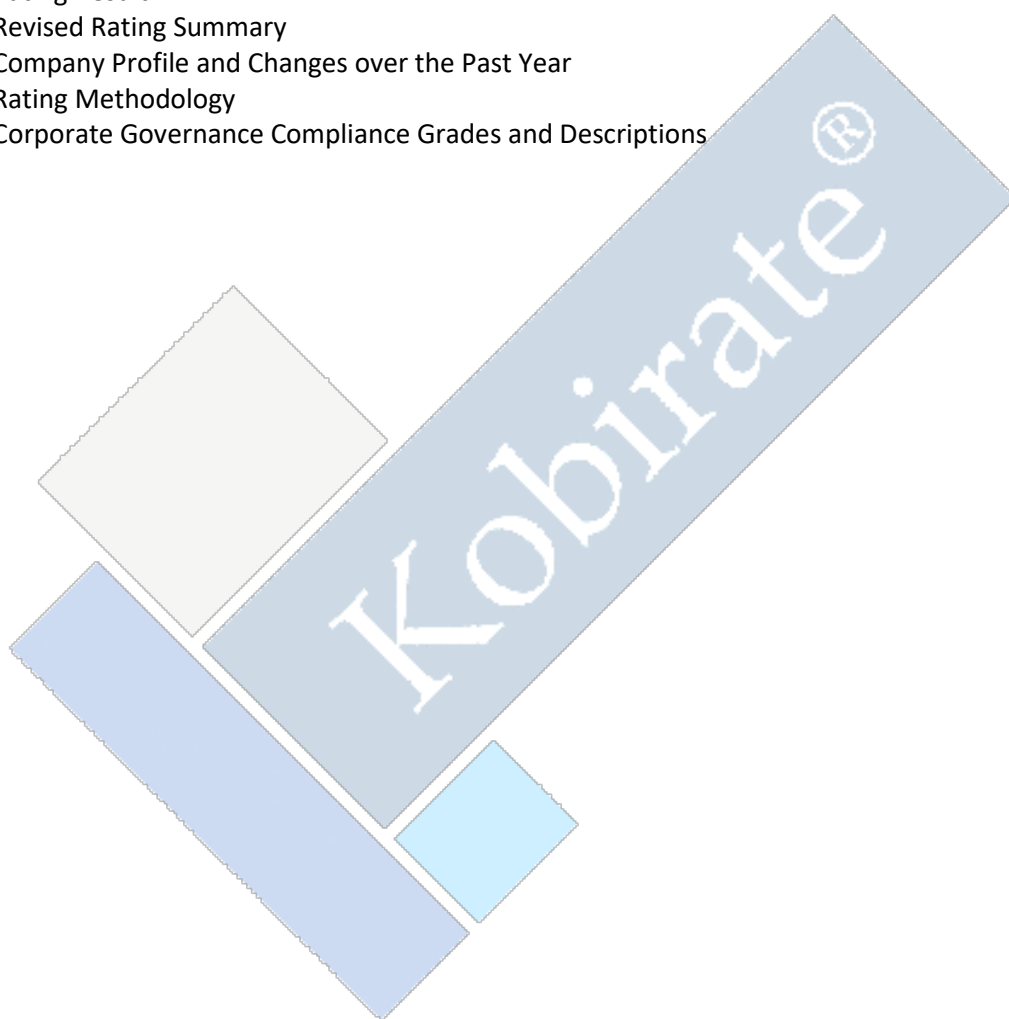
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## TABLE OF CONTENTS

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1.	Rating Result	3
2.	Revised Rating Summary	5
3.	Company Profile and Changes over the Past Year	12
4.	Rating Methodology	20
5.	Corporate Governance Compliance Grades and Descriptions	22





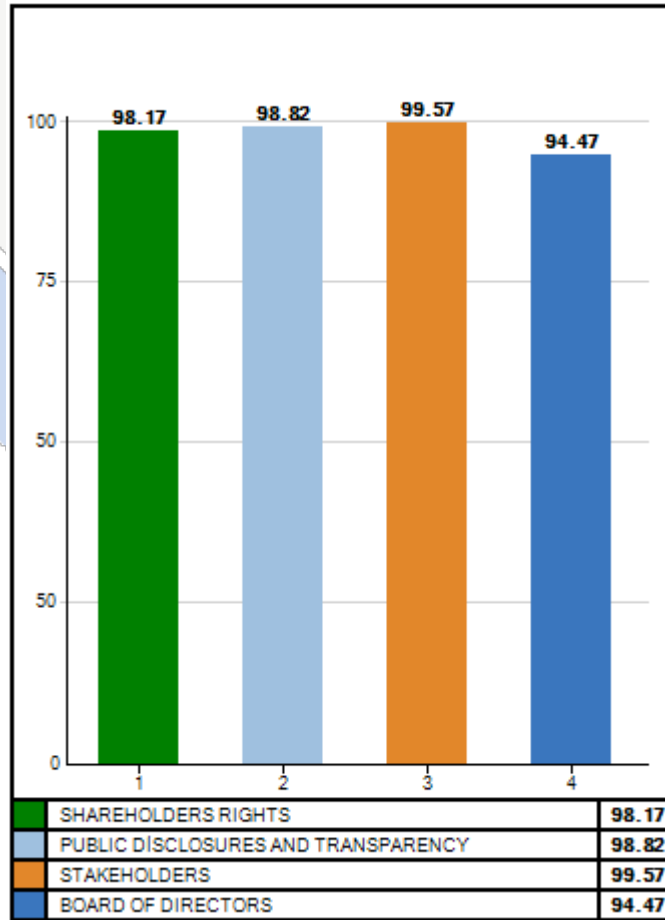
## EREĞLİ DEMİR VE ÇELİK FABRİKALARI TÜRK ANONİM ŞİRKETİ (ERDEMİR)

### 1. RATING RESULT

BIST FIRST GROUP COMPANY

CMB CORPORATE GOVERNANCE  
PRINCIPLES COMPLIANCE GRADE

9.72





**Kobirate A.Ş. Contact:**

Rating Expert:

Serap ÇEMBERTAŞ (License Number: 700342)

(216) 3305620 Pbx

[serapcembertas@kobirate.com.tr](mailto:serapcembertas@kobirate.com.tr)

[www.kobirate.com.tr](http://www.kobirate.com.tr)

Hasanpaşa Mahallesi Ali Ruhi Sokak No:2 Kat:2 D.2 34722 Kadıköy/İstanbul

**Corporate Governance Rating Committee**

Burhan TAŞTAN

(License Number: 700545)

Can TEKİN

(License Number: 700573)

Nermin Z. UYAR

(License Number: 702999)

## 2. REVISED RATING SUMMARY

This report of the rating of compliance of Ereğli Demir ve Çelik Fabrikaları Türk Anonim Şirketi (ERDEMİR) with the Corporate Governance Principles is concluded through onsite examinations of the documents and information open to the public, interviews held with executives and persons involved, and other examinations and observations. The study has been held in accordance with the Corporate Governance Compliance Rating Methodology developed by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. In the methodology and rating process, in addition to the Capital Markets Board's Corporate Governance Communiqué No. II-17.1, the Communiqué Amending the "Corporate Governance Communiqué (II-17.1) (II-17.1.a)" published by the Board has been considered in addition to the regulations regarding the voluntary sustainability principles compliance framework and the board decisions taken at the CMB's board meeting dated 01.02.2013 and numbered 4/105.

According to the decision of the Capital Markets Board dated 16.01.2025 and numbered 3/76, ERDEMİR is in the BIST 1st Group Companies list. The Company has been evaluated through examination of 456 criteria described in Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş.'s methodology of "BIST 1st Group Companies". At the end of the examination of criteria under the main headings of Shareholders, Public Disclosure and Transparency, the Stakeholders and the Board of Directors, the Corporate Governance Compliance Rating Grade of Erdemir has been revised as **9,72**.

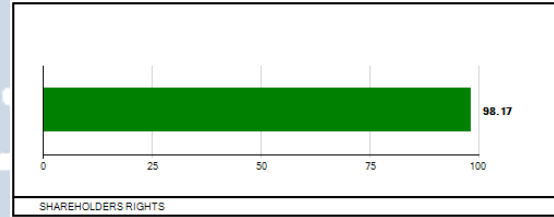
This result shows that the Company has achieved very high compliance with the Corporate Governance Principles issued by the Capital Market Board. Potential risks that the Company may be exposed to are identified and can be managed. The level of public

disclosure and transparency is high. Rights of the shareholders and stakeholders are treated fairly. Composition and operational conditions of the Board highly comply with the Corporate Governance Principles.

When the activities of Erdemir for the last one year are examined, it is seen that it has been improving its compliance with Corporate Governance Principles.

In conclusion, this rating indicates that the Company highly deserves to be included in the BIST Corporate Governance Index.

▪ In the Shareholders section, the rating of Erdemir has been revised to **98.17**.



The lawsuit filed by the Privatization Administration (ÖİB) for the annulment of the profit distribution decision taken at the general assembly meeting dated 30.03.2006 has been concluded. Shareholders were informed about the matter under item 14 of the agenda at the ordinary general assembly held on 26.03.2025, and the new board of directors' resolution regarding the annulled profit distribution was submitted for shareholder approval. Relevant updates have been included in the "ii. Dividend Distribution" section of our report.

During the reviewing period, it has been observed that the company continues its activities in the field of informing the shareholders and exercising their fundamental shareholder rights with the same sensitivity and efficiency. It is understood that the harmonious cooperation of the Investor Relations Directorate with the Corporate

Governance Committee is effective in the correct and effective exercise of the rights of the shareholders.

Activities related to shareholder relations are carried out by the Investor Relations Directorate, which operates under the Vice Presidency of Financial Management and Fiscal Affairs. The department includes Ms. İdil ÖNAY ERGİN (Director) and Mr. Ali Seydi BÖLER (Corporate Governance Manager). Ms. ERGİN and Mr. BÖLER have Capital Market Activities Level 3 and Corporate Governance Rating Specialist Licenses.

In accordance with the CMB Corporate Governance Communiqué numbered II.17-1, Investor Relations Director Ms. İdil ÖNAY ERGİN was appointed as a Member of the Corporate Governance Committee, and it was disclosed to the public with a Material Disclosure dated 04.09.2014.

It has been determined that the Investor Relations Directorate reports and makes presentations to the Board of Directors at least once a year regarding its activities. A presentation regarding the 2024 activities was made to the Board of Directors on February 12, 2025.

Shareholders' right to obtain information and to examine is not cancelled or restricted by the Articles of Association or any department of the Company.

The company carries out its disclosures to the shareholders and the public in accordance with the "Disclosure Policy". The said policy is published on the corporate website of the company.

The General Assembly meeting to discuss operations of 2024 took place on 26.03.2025. The invitation to the general assembly meeting was published on the Public Disclosure Platform (PDP) and the Central Registry Agency e-general assembly system (EGAS) on 03.03.2025, and in the Turkish Trade Registry Gazette (TTRG) dated 04.03.2025 and numbered 11284. The

meeting invitation was made at least 3 (three) weeks before the meeting date as stipulated by the principles.

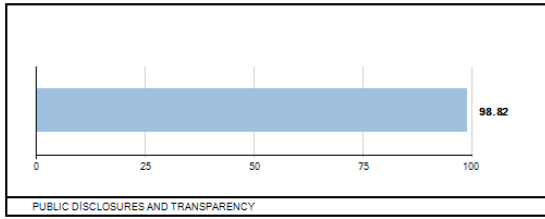
The general assembly information document provides detailed information on the distribution of company shares, the voting rights granted by the shares and the privileges regarding voting. In addition, whether the shareholders have a request to add an item to the agenda and the information that is required to be announced to the shareholders and the public in the corporate governance principles are also included.

Executives and auditors who are authorized to brief participants on special subjects and answer their questions have attended the meeting. Attending executives were; Mr. Görtan DAMAR (Deputy Chairman of the Board of Directors – Executive Member), Mr. Mustafa Serdar BAŞOĞLU (Member of the Board of Directors – Executive Member), Ms. Güliz KAYA (Member of the Board of Directors), Mr. Niyazi Aşkın PEKER (General Manager of Erdemir), Mr. Ulaş YİRMİBEŞ (Director of Financial Control and Reporting), Mr. Kemal Haluk ERUYGUR (Legal Counsel of OYAK), Mr. Buğrahan ELDELEKLİ (Legal Director), Ms. İdil ÖNAY ERGİN (Director of Investor Relations), and a representative of the Independent Audit Firm.

According to the financial statements prepared in compliance with the Tax Procedure Law (TPL), a net loss of 6,717,674,269 TL was recorded for the 2024 fiscal year. However, based on the consolidated financial statements prepared in accordance with the CMB regulations, a net distributable profit of 13,481,347,992 TL was generated. The way the profit is used is explained in the "ii. Dividend Distribution" section of our report.

The profit distribution proposal of the board of directors and the profit distribution table were published on the Public Disclosure Platform on the same day as the invitation to the general assembly.

▪ In the Public Disclosure and Transparency section, the company's rating was confirmed as **98.82**.



It has been determined that Erdemir's works on public disclosure and transparency are in compliance with legal regulations and corporate governance principles. Annual reports are very rich in content and contain sufficient information about the activities.

The corporate website ([www.erdemir.com.tr](http://www.erdemir.com.tr)) is updated regularly, and the website is being used as an active and effective platform for disclosure to the public. All information and documents that the public, investors and other interested parties want to access are published on the corporate website of the company for the last five (5) years. It has been observed that this information is consistent with the disclosures made in accordance with the provisions of the relevant legislation and does not contain contradictory or incomplete information. The corporate website is designed as a convenient, easily accessible structure.

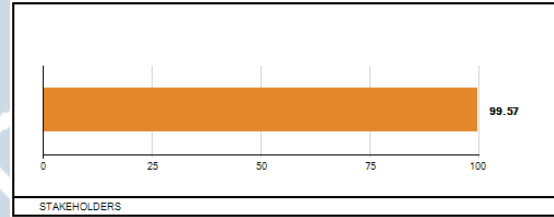
The officials in the Company who are charged with disclosures and have the authority for signature are: Mr. Mustafa Serdar BAŞOĞLU (Finance Management and Financial Affairs Group Vice President), Mr. Ulaş YİRMİBEŞ (Financial Control and Reporting Director), Ms. İdil ÖNAY ERGİN (Investor Relations Director). The named persons have been assigned to maintain and monitor all kinds of issues related to public disclosure.

Independent external audit for 2024 was conducted by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (A member firm of Ernst & Young Global Limited). There are no cases where the independent audit avoided expressing an

opinion, expressed an opinion with conditions or avoided signature in the reports. It has been learned from company officials that no event took place with the independent audit company or with its auditors that could damage this company's independence, and there was no legal conflict with it.

Within the framework of the Capital Markets legislation, the Turkish Commercial Code, and other relevant regulations, the same audit firm has been reappointed for the independent external audit of the Company's accounts and transactions for the 2025 fiscal year, based on the recommendation of the Audit Committee, the approval of the Board of Directors, and the resolution of the General Assembly.

▪ In the Stakeholders section, the company's rating has been revised to **99.57**.



The scope of implementation entered into force as of 01.01.2024, pursuant to the Türkiye Sustainability Reporting Standards (TSRS) published in the Official Gazette dated 29.12.2023 and numbered 32414. OYAK Mining and Metallurgy Companies' disclosure of the 2024 activities through its integrated annual report, which includes Erdemir's first TSRS report, constitutes the basis for the company's rating upgrade under this category.

It is concluded that Erdemir protects stakeholders' rights, which are specified in regulations and mutual contracts. The impression is that in the case of a lack of any regulation, the company respects stakeholders' rights within goodwill rules and the company's reputation. It has been observed that many internal regulations were prepared for this end.



The Compensation Policy for employees has been prepared and disclosed to the public via the corporate website.

Erdemir has established its Human Resources Policy on a highly modern and comprehensive approach that places people at the core of all operations and its business model.

Recruitment, wage, health, leave rights, promotions, appointments, discipline, dismissal, death, resignation, and retirement procedures have been determined, and it is thought that these procedures are adhered to in practice.

Both during the development of the policies and in practice, we got the impression that equal opportunity is given to individuals under equal conditions.

It has been determined that the Company runs training programs to increase knowledge, talents and experience of its employees and that it has prepared training policies.

Ethical Rules and Working Principles have been determined and are updated when necessary.

Employees and all other stakeholders can submit their questions regarding compliance with the Code of Ethics and Working Principles, as well as the Anti-Corruption Policy, or report any violations through OYAK Mining and Metallurgy's ethics reporting line, "SpeakHub." Reports can be submitted 24/7 via a live call center (0212 924 7865), email (erdemir@etikhat.com), or web form (www.remedetikhat.com.tr).

The Internal Audit Directorate carries out the examination and investigation activities regarding the notifications received regarding compliance with the Code of Ethics and Working Principles and the Anti-Fraud Policy. The activities of resolving non-compliances and imposing sanctions when deemed necessary are under the responsibility of the "Ethics Committee". The Ethics Committee consists of three senior

executives: the Executive Board Member, the Chief Human Resources Officer, and the Chief Legal Officer. The role of rapporteur for the Ethics Committee is fulfilled by the Chief Internal Audit Executive.

As of 31.12.2024, a total of 5.274 people were employed at Erdemir, with 1.758 paid monthly wages and 3.516 paid hourly wages. Hourly wage workers are organized under the Turkish Metal Union. The 30th Term Collective Labor Agreement was concluded on 12.02.2025 and is valid between 01.09.2024 and 31.08.2026.

Erdemir and its subsidiaries carry out social responsibility activities in different areas in order to create sustainable and lasting value for society. It supports social development with education and culture-art-oriented projects developed through various collaborations. As OYAK Mining and Metallurgy Companies, the support provided for social projects in 2024 reached 100 million 143 thousand TL. Information about the company's contribution to the social development and welfare of society can be found in the integrated reports and on the corporate website.

### ***Sustainability;***

OYAK Mining and Metallurgy Companies have structured their activities around the goals of developing in a way that benefits society and the environment, managing risks correctly, reducing their carbon footprint, and integrating risks and opportunities arising from climate change into all business processes. In this context, the company has shaped its "Value Creation Approach" around three fundamental concepts:

- Sustainable Growth
- Responsible Production
- Human-Centered Approach

## Sustainable Growth

### *Priorities*

- Sustainable Financial Performance
- Product Quality
- Responsible Purchasing and Supply Chain Management

### *Focus Areas:*

- Contributing to industry and economic growth in Turkey as a sector leader
- Competitive cost management
- Maintaining and increasing market share
- Enhancing the quality of high-value-added product groups
- Being a reliable solution partner to customers and ensuring zero defects
- Increasing company value
- Enhancing resource and investment efficiency

## Responsible Production

### *Priorities*

- Climate Change
- Occupational Health and Safety
- Energy Management
- Waste Management
- Low Emission Production Technologies
- Water Management
- R&D and Innovation
- Cyclical Economy
- Air Emissions
- Operational Efficiency
- Biodiversity

### *Focus Areas:*

- Transparent and accountable management
- R&D focus on production processes
- Reducing environmental impacts
- Developing pioneering OHS practices
- Developing products and services in line with current trends and technologies
- Enhancing operational efficiency
- End-to-end integrated solutions

## Human-Centered Approach

### *Priorities*

- Employee and Human Rights

- Employee Satisfaction and Talent Management
- Corporate Governance
- Ethics and Transparency
- Digitalization
- Equality of Opportunity and Diversity
- Contribution to Local Development
- Social Investment Programs

### *Focus Areas*

- Providing social contributions to operational regions
- Increasing employee satisfaction
- Employees who embrace the institution's priorities and values and act in unison.

Erdemir and İsdemir, part of OYAK Mining and Metallurgy Companies, have announced their "Net Zero Roadmap" to contribute to Turkey's 2053 net zero emission target. Shaping their green transformation steps, Erdemir and İsdemir aim to reduce carbon emissions per ton by 25% by 2030 and by 40% by 2040, compared to the baseline year of 2022, and to achieve net zero emissions by 2050.

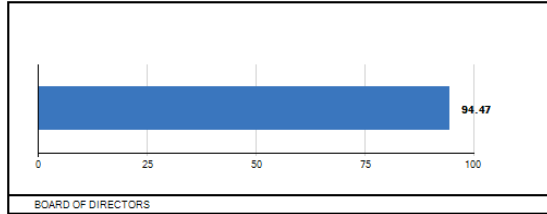
To achieve the short-term goal of reducing carbon emissions per ton of crude steel by at least 25%, Erdemir and İsdemir plan to invest 3.2 billion USD in transformation by the end of 2030.

The practices and documented management systems of ERDEMİR that contribute to its priorities of energy efficiency, occupational health and safety, sustainability, and digitalization are listed below:

ISO 9001:2015 Quality Management System  
ISO 14001:2015 Environmental Management System  
ISO 45001:2018 Occupational Health and Safety Management System  
IATF 16949: 2016 Quality Management System for the Automotive Industry  
ISO 50001:2018 Energy Management System  
ISO 17025: 2017 Testing and Calibration Laboratory Accreditation Certificate  
ISO 27001:2017 Information Security Management System

Erdemir has been included in the BIST Sustainability Index from November 2015 to October 2016.

▪ In the Board of Directors section, Erdemir's rating was confirmed as **94.47**.



In the meetings with the company officials and the examinations made on the Board of Directors' Decision Book, it has been determined that the Board continues its activities actively, effectively and regularly. It has been observed that the Board of Directors internalizes the corporate governance principles, adopts an open approach to improvement and development, and displays a proactive attitude in compliance with the principles.

The Board of Directors has described the corporate strategic objectives and determined the necessary human and financial resources. The duties of the chairman of the board of directors and general manager are carried out by different persons, and the authorities of each are defined. The board of directors, consisting of 9 (nine) members, consists of 2 (two) executive and 7 (seven) non-executive members. 3 (three) of the non-executive members have the status of independent members.

Only 1 (one) female member has been appointed to the Board of Directors. This structure does not comply with the "not less than 25%" criterion determined by the CMB as the rate of female members on the board of directors. For the target of "Women Board Member Ratio should not be less than 25%", determining a target rate and time and a policy to achieve these targets, and annually evaluating the progress achieved in achieving these targets by the board of directors will be

appropriate to strengthen compliance with the principles.

The Audit, the Corporate Governance and the Early Detection of Risk Committees, which are stated in the Principles, have been established. Separate Nomination and Remuneration Committees haven't been established because of the Board's structure. These duties are carried out by the Corporate Governance Committee as well. The duties, working principles and the members of the committees have been determined by the Board of Directors, approved as written documents, announced to the public and published on the corporate website of the company. All members of all three committees are independent board members. In addition, only in the Corporate Governance Committee, as per Communiqué No. II.17.1, the Investor Relations Director acts as a committee member. The company's general manager has not been appointed within the committee structures.

Independent members of the board of directors are elected to serve for 1 (one) year. When the method followed before the general assembly regarding the independent members of the board of directors is examined, it is understood that:

- The Nomination Committee prepares an evaluation report on the independence of the candidate for the election of independent members and submits it to the board of directors,

- The board of directors elects independent members within the framework of the nomination committee's report,

- The report prepared regarding the determined candidate is sent to the Capital Markets Board together with the candidate's resume, declarations of independence and the resolutions of the board of directors. In addition, it would be appropriate for the company to pay attention to the time constraints specified in the principles during these processes.

The Board of Directors convened 6 (six) times in 2024 and 3 (three) times as of May 2025. Secretarial function of the Board is carried

out by the Board of Directors' assistant, Ms. Suzan MERT.

The Audit Committee held 4 (four) meetings in 2024. As of the end of May 2025, it held 2 (two) meetings. In the same period, in parallel with the number of meetings, the Committee submitted reports on its activities to the Board of Directors 4 (four) times in 2024 and 2 (two) times as of May 2025. The secretarial function of the Committee is carried out by the Financial Control and Reporting Director, Mr. Ulař YİRMİBEř.

The Corporate Governance Committee convened 4 (four) times in 2024 and 2 (two) times as of the end of May 2025. The Committee has submitted 2 (two) reports in 2024 and 1 (one) report as of the end of May 2025 to the Board of Directors on its activities. The secretariat of the Committee is carried out by Investor Relations Director Ms. İdil ÖNAY ERGİN.

The Early Detection of Risk Committee held 6 (six) meetings in 2024 and 3 (three) meetings as of the end of May 2025. The Committee submitted reports to the Board of Directors on its work in the same number of meetings during the mentioned periods. The secretariat of the Committee is carried out by the Corporate Risk Management Director, Mr. Erdem PREKA.

In the examinations made on the documents, it was observed that the meeting records of both the Board and the Committees were kept regularly.

Remuneration Principles for the Members of the Board of Directors and Senior Executives have been determined and disclosed to the public on the Company's corporate website.

Fees and benefits given to the board of directors and directors with administrative responsibilities are not disclosed on an individual basis.

The damages that may be caused to the company by the faults of the members of the

board of directors during their duties were insured, but no PDP statement was made on the subject.

The Board of Directors does not yet have the practice of making performance evaluations on both board and member basis and rewarding or dismissing the Members based on these evaluations.

### 3. COMPANY PROFILE AND CHANGES OVER THE PAST YEAR

#### A. Company Profile:



<b>Company Name</b>	<b>: EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş</b>
<b>Company Address</b>	<b>: Headquarters</b> Barbaros Mahallesi Ardıç Sok. No:6 Ataşehir / İstanbul <b>HEAD OFFICE</b> Uzunkum Caddesi No: 7 67330 Kdz. Ereğli/ZONGULDAK
<b>Company Phone</b>	<b>: (0216) 578 8000</b>
<b>Company Fax Number</b>	<b>: (0216) 469 4810</b>
<b>Company's Web Address</b>	<b>: <a href="http://www.erdemir.com.tr">www.erdemir.com.tr</a></b>
<b>Email Address</b>	<b>: <a href="mailto:iletisim@erdemir.com.tr">iletisim@erdemir.com.tr</a></b> <b>: <a href="mailto:investorrelations@erdemir.com.tr">investorrelations@erdemir.com.tr</a></b>
<b>Date of Incorporation</b>	<b>: May 11, 1960</b>
<b>Trade Register No.</b>	<b>: 863637</b>
<b>Paid-in Capital</b>	<b>: 7,000,000,000 - TL</b>
<b>Line of Business</b>	<b>: Iron and steel roll products of all types, sizes and qualities, alloyed or pure iron, steel and iron casts, cast and pressed products and businesses stated in the Articles of Association.</b>
<b>Company's Sector</b>	<b>: Manufacturing Industry / Base Metal Industry</b>

#### **Company's Representative in Charge of Rating:**

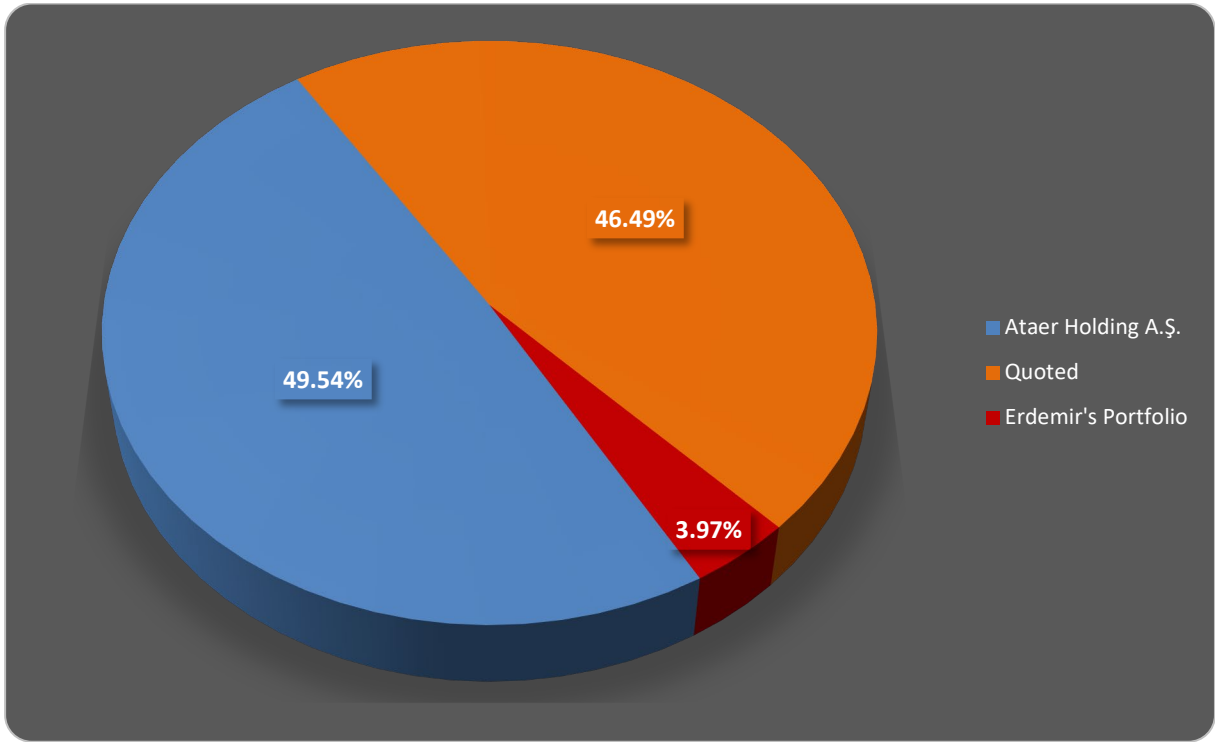
**İdil ÖNAY ERGİN**

**Investor Relations Director**

**[ionay@erdemir.com.tr](mailto:ionay@erdemir.com.tr)**

**(0216) 578 8061**

**Shareholder Structure (as of the date of this report)**



Source: Ereğli Demir ve Çelik Fabrikaları T.A.Ş.

Shareholder Name	Share (Thousand TL)	Share(%)
ATAER Holding A.Ş.*	3,467,965	49.54
Quoted in the Stock Exchange	3,253,911	46.49
Erdemir's Portfolio	278,124	3.97
<b>Total **</b>	<b>7,000,000</b>	<b>100.00</b>

Source: Ereğli Demir ve Çelik Fabrikaları T.A.Ş.

\*The main shareholder of the company is ATAER Holding A.Ş., and its ultimate main shareholder is the Turkish Armed Forces Assistance Fund (OYAK).

\*\*Detailed explanations about the company's capital are provided in the "i. *Capital and Articles of Association Amendments*" section of our report.



### Board of Directors

Name/ Surname	Title	Executive/ Non-Executive
OYTAŞ İç ve Dış Ticaret A.Ş. (Representative: <b>Murat YALÇINTAŞ</b> )	Chairman	Non-Executive
OMSAN Lojistik A.Ş. (Representative: <b>Gürtan DAMAR</b> )	Deputy Chairman of the Board of Directors-Managing Director	Executive
OYAK Pazarlama Hizmet ve Turizm A.Ş. (Representative: <b>Mustafa Serdar BAŞOĞLU</b> )	Member of the Board of Directors-Managing Director	Executive
OYKA Kâğıt Ambalaj San ve Tic. A.Ş.(Representative: <b>İsmail DOĞAN</b> )	Member of the Board of Directors-Managing Director	Executive
OYAK Denizcilik ve Liman İşletmeleri A.Ş (Representative: <b>Güliz KAYA</b> )	Member of the Board of Directors	Non-Executive
T.C Hazine ve Maliye Bakanlığı ÖİB (Representative: <b>Bekir Emre HAYKIR</b> )	Member of the Board of Directors	Non-Executive
<b>Emre GÖLTEPE</b>	Independent Member of the Board of Directors	Non-Executive
<b>Kadri ÖZGÜNEŞ</b>	Independent Member of the Board of Directors	Non-Executive
<b>Sezai Afif ENSARİ</b>	Independent Member of the Board of Directors	Non-Executive

Source: www.kap.org.tr

### Committees Formed Within Board of Directors

#### Audit Committee

Name Surname	Title	Duty
Emre GÖLTEPE	Independent Member of Board of Directors	Chairman Of The Committee
Sezai Afif ENSARİ	Independent Member of Board of Directors	Committee Member

#### Corporate Governance Committee

Name Surname	Title	Duty
Kadri ÖZGÜNEŞ	Independent Member of Board of Directors	Chairman Of The Committee
Emre GÖLTEPE	Independent Member of Board of Directors	Committee Member
İdil ÖNAY ERGİN	Investor Relations Director	Committee Member

#### Early Detection of Risk Committee

Name Surname	Title	Duty
Sezai Afif ENSARİ	Independent Member of Board of Directors	Chairman Of The Committee
Kadri ÖZGÜNEŞ	Independent Member of Board of Directors	Committee Member

### Senior Management of the Company

Name/ Surname	Title
Niyazi Aşkın PEKER	General Manager of ERDEMİR
Mustafa Serdar BAŞOĞLU	Finance Management and Financial Affairs Group Vice President
Sercan BÜYÜKBAYRAM	Marketing and Sales Group Vice President
Şevket Selim YILMAZ	Purchasing Group Vice President
Ercan KAYA	Corporate Architecture and HR Group Vice President
Sinan BOZKURT	Deputy General Manager/ Operations

Source: [www.kap.org.tr](http://www.kap.org.tr)

### Investor Relations

Name / Surname	Title	Contact
İdil ÖNAY ERGİN	Investor Relations Director	ionay@erdemir.com.tr (0216) 578 8061
Ali Seydi BÖLER	Corporate Governance Manager	aboler@erdemir.com.tr (0216) 578 8061

### Balance-Sheet Comparison of Company's Certain Selected Items for yearends of last two years (Consolidated)(\*)

	2023/12 (Thousand USD)	2024/12 (Thousand USD)	Change % (USD)	2023/12 (Thousand TL)	2024/12 (Thousand TL)	Change % (TL)
Current Assets	4,569,509	5,182,957	13.42	134,518,116	182,856,284	35.93
Trade Receivables	691,386	750,105	8.49	20,353,161	26,463,914	30.02
Inventories	2,285,354	2,232,475	- 2.31	67,276,704	78,762,398	17.07
Fixed Assets	5,962,156	6,867,932	15.19	175,515,133	242,302,690	38.05
Total Assets	10,531,665	12,050,889	14.43	310,033,249	425,158,974	37.13
Short-Term Liabilities	3,027,730	2,158,479	- 28.71	89,291,663	76,288,847	-14.56
Long-Term Liabilities	990,553	2,955,135	198.33	29,212,704	104,445,716	257.54
Paid Capital	1,818,371	1,918,505	5.51	3,500,000	7,000,000	100
Equity	6,513,382	6,937,275	6.51	191,528,882	244,424,411	27.62

Source: Erdemir Group Independent Audit Report 01.01.2024 - 31.12.2024

(\*) Note-1 Pursuant to the decision of the Capital Markets Board (CMB) dated December 28, 2023, and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations implementing the Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting in accordance with the provisions of TAS 29, starting with their annual financial reports for the fiscal periods ending as of December 31, 2023.

TAS 29 is applied to the financial statements of any entity whose functional currency is that of a hyperinflationary economy, including consolidated financial statements. In the presence of hyperinflation in an economy, TAS 29 requires that the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy be expressed in the measuring unit current at the end of the reporting period.

Since the functional currency of the Company and its subsidiaries operating in Türkiye, İskenderun Demir ve Çelik A.Ş., Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş., and Kümaş Manyezit Sanayi A.Ş., the US Dollar, which is a non-hyperinflationary currency, requires no adjustment under TAS 29 in the financial statements prepared in accordance with TFRS. Accordingly, inflation adjustments in accordance with TAS 29 have been made in the financial statements of Erdemir Madencilik San. ve Tic. A.Ş., Erdemir Mühendislik Yönetim ve Danışmanlık Hizmetleri A.Ş., Erdemir Enerji Üretim A.Ş., and Yenilikçi Yapı Malzemeleri ve Üretim San. Tic. A.Ş., all of which are included in the consolidation and have the Turkish Lira as their functional currency.

Since the Company's functional currency is a non-hyperinflationary currency, the amounts presented for comparative periods in the accompanying consolidated financial statements are not subject to any restatement under inflation accounting in accordance with TAS 29.



**Income Comparison of Company's Certain Selected Items for yearends of last two years  
(Consolidated)(\*\*)**

	2023/12 (Thousand USD)	2024/12 (Thousand USD)	Change % (USD)	2023/12 (Thousand TL)	2024/12 (Thousand TL)	Change % (TL)
Revenue	6,238,260	6,225,097	- 0.21	147,899,792	204,059,940	37.97
Cost of Sales	(5,577,870)	(5,614,833)	0.66	(132,242,934)	(184,055,336)	39.18
Operational Profit / Loss	622,123	642,344	3.25	14,749,628	21,056,220	42.76
Profit/Loss Before Tax	372,741	412,515	10.67	8,837,129	13,522,321	53.02
Profit/Loss for the Period	182,596	432,976	137.12	4,329,064	14,193,046	227.85
Earnings (Loss) Per Share				0.5974	2.0040	-

Source: Erdemir Group Independent Audit Report 01.01.2024 - 31.12.2024  
(\*\*) See: Note-1

**Subsidiaries, Financial Fixed Assets and Financial Investments**

Trade name	Line of Business	Paid-in/ Issued Capital	Share in the Capital	Curre ncy	Share(%)	The Nature of the Relation
İskenderun Demir ve Çelik A.Ş.	Integrated Iron and Steel Production	2,900,000,000	2,751,325,633.16	TRY	94.87	Full Consolidation
Erdemir Madencilik San. ve Tic. A.Ş.	Iron Ore, Pellet Manufacturing	120,000,000	108,000,000	TRY	90	Full Consolidation
Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş.	Steel Service Center	39,952,781	39,952,781	TRY	100	Full Consolidation
Erdemir Müh. Yön. ve Dan. Hiz. A.Ş.	Management and Consultancy	7,500,000	7,500,000	TRY	100	Full Consolidation
Erdemir Romania SRL	Production of Siliceous Steel	81,501,550	81,501,550	RON	100	Full Consolidation
Erdemir Asia Pacific Private Limited	Commercial Activity	250,000	250,000	USD	100	Full Consolidation
Erdemir Enerji Üretim A.Ş.	Energy Generation	18,000,000	18,000,000	TRY	100	Full Consolidation
İsdemir Linde Gaz Ortaklığı A.Ş.	Industrial Gas Production and Sale	140,000,000	66,411,308.39	TRY	47.44	Joint Venture Partnership
Kümaş Manyezit Sanayi A.Ş.	Industrial Products	1,000,000,000	1,000,000,000	TRY	100	Full Consolidation

Source: www.kap.org.tr

- Financial data of the Group is shown on the previous page.
- As of December 31, 2024, a total of 12,366 employees were employed within the Erdemir Group, including 3,959 monthly-paid and 8,407 hourly-paid personnel.

***The Market where the Capital Market Instrument is Traded and the Indexes that the Company is Included***

**BIST Code** : EREGL

**Market where the Capital Market Instrument is Traded** : BIST STAR

**The Indices In Which It Is Included** : BIST PARTICIPATION 30 / BIST 500 / BIST CORPORATE GOVERNANCE / BIST LIQUID 10 EX BANKS / BIST BASIC METAL / BIST SUSTAINABILITY PARTICIPATION / BIST 100 / BIST PARTICIPATION 50 / BIST PARTICIPATION ALL SHARES / BIST 50 / BIST STARS / BIST 30 / BIST SUSTAINABILITY / BIST INDUSTRIALS / BIST ALL SHARES / BIST PARTICIPATION 100

***The Peak and Bottom Closing Values of the Company Stock in the BIST in the Last One Year Period (17.07.2024-17.07.2025)***

<b>Bottom (TL)</b>	<b>Peak (TL)</b>
20.96 (09.04.2025/21.04.2025)	29.70 (22.07.2024)

Source: Ereğli Demir ve Çelik Fabrikaları T.A.Ş.

**B. Changes in the Company in the Last Year:**

***i. Changes in Capital and Articles of Association***

In the previous reporting period:

By the resolution of the Company's Board of Directors dated February 27, 2024, and numbered 9940, it was decided to increase the issued capital of the Company from 3,500,000,000 TL to 7,000,000,000 TL by 3,500,000,000 TL, corresponding to 100% of the current issued capital, through internal resources, specifically from capital inflation adjustment differences. It was also resolved that the shares to be issued as a result of the capital increase would be distributed to shareholders as bonus shares in book-entry form. At the time, the approval of the Capital Markets Board was pending.

The Company's material disclosure dated September 6, 2024, is as follows:

"A change in the nature of the distributable resources to be used in the bonus capital increase, in the amount of 3,500,000,000 TL, which is intended to increase the Company's issued capital from 3,500,000,000 TL to 7,000,000,000 TL, has been made. Following the change in the nature of the distributable resources, it has been resolved that 156,613,220.99 TL of the bonus capital increase will

be met from capital adjustment differences, and 3,343,386,779.01 TL will be covered from extraordinary reserves under retained earnings.”

In the material disclosure dated November 22, 2024, it was disclosed to the public that the process had been completed as follows:

“The Capital Markets Board has approved the issuance of shares with a nominal value of 3,500,000,000 TL due to the increase of our Company's issued capital from 3,500,000,000 TL to 7,000,000,000 TL, through the use of 156,613,220.99 TL from capital adjustment differences and 3,343,386,779.01 TL from extraordinary reserves under retained earnings, corresponding to a 100% increase in the existing issued capital. The amendment to Article 7 of our Company’s Articles of Association, which pertains to capital, has been published in the CMB Bulletin dated November 21, 2024, and numbered 2024/53.”

#### **ii. Profit Distribution**

- The resolution of the Company’s Board of Directors dated March 3, 2025, and numbered 10008 is as follows:

"It has been determined that, based on the financial statements for the year 2024, the Company recorded a net loss of (6,717,674,269 TL) according to the provisions of the Tax Procedure Law (TPL), and a net profit of 13,481,347,992 TL according to the consolidated financial statements prepared in accordance with the Capital Markets Board (CMB) Communiqué No. II-14.1. Accordingly:

- No general legal reserves shall be allocated due to the net loss reported in the 2024 financial statements prepared in accordance with TPL;
- A cash dividend of 1,750,000,000 TL, corresponding to 12.980898% of the net distributable profit calculated under CMB regulations, shall be distributed to shareholders;
- Since the distributed cash dividend exceeds 5% of the Company’s paid-in capital, 140,000,000 TL shall be allocated as general legal reserves in accordance with Article 519, Paragraph 2(c) of the Turkish Commercial Code (TCC);
- The remaining amount of 11,591,347,992 TL, after deducting the first dividend to shareholders and the general legal reserves from the net profit, shall be allocated as extraordinary reserves;
- The date of dividend distribution shall be determined by the Board of Directors following the Annual General Assembly, to be made in a single payment by no later than December 15, 2025, taking into account the Company’s cash flow projections. It was resolved to submit these matters for approval at the Company’s Ordinary General Assembly Meeting to be held in March 2025."

The Board of Directors' proposal regarding the dividend distribution was discussed and approved as item 7 of the agenda at the ordinary general assembly meeting held on 26.03.2025.

The dividend distribution commenced on 02.07.2025, and the dividend was reflected in the accounts of public shareholders with a T+2 value date.

- The resolution of the Board of Directors dated March 19, 2025, and numbered 10013 is as follows:

“- To approve the balance sheet and profit/loss statements for the year 2005, which were prepared ex officio by the Capital Markets Board and publicly disclosed on August 15, 2006;

- It has been acknowledged that, based on the financial statements for the year 2005 prepared and disclosed ex officio by the Capital Markets Board on August 15, 2006, a first dividend of 91,854,806 TL

was distributed out of the net profit of 345,722,321 TL for the period, in accordance with the Board of Directors' resolution dated March 14, 2006, and numbered 8810;

- Taking into account the Company's regulations and financial position, it has been resolved not to make any additional profit distribution and not to take any further action regarding the previously distributed profit. It was decided to submit these matters for approval at the Company's Ordinary General Assembly Meeting to be held in March 2025."

**iii. Policies:**

No changes were made in company policies (Disclosure Policy, Dividend Distribution Policy, Remuneration Policy, Compensation Policy, Human Resources Policy, Donations and Aid Policy, Erdemir Group Ethical Rules and Working Principles, Erdemir Group Anti-Corruption Policy) during the reviewing period. The aforementioned policies were disclosed to the public on the corporate website of the company.

**iv. Management and Organization:**

Changes in the Company's senior management during the reviewing period;

- At the ordinary general assembly meeting held on 26.03.2025, Mr. Emre GÖLTEPE, Mr. Kadri ÖZGÜNEŞ, and Mr. Sezai Afif ENSARİ were elected as Independent Board Members to serve for a period of 1 year.

- The Company's Material Disclosure dated 27.06.2025 is as follows:

"Pursuant to the resolution of our Board of Directors and in accordance with the resolution no. 15 of the Board of Directors of our corporate Board Member OYKA Kağıt Ambalaj Sanayii ve Ticaret A.Ş., it has been resolved that Can ÖRÜNG shall be registered with the trade registry and announced as the real person representative acting on behalf of OYKA Kağıt Ambalaj Sanayii ve Ticaret A.Ş., replacing Baran ÇELİK."

- The Company's Material Disclosure dated 18.07.2025 is as follows:

"Pursuant to the resolution of our Board of Directors:

- In accordance with the resolution no. 10 of the Board of Directors of our corporate Chairman of the Board, OYTAŞ İç ve Dış Ticaret A.Ş., Murat YALÇINTAŞ has been appointed and registered with the trade registry as the real person representative acting on behalf of OYTAŞ İç ve Dış Ticaret A.Ş., replacing Süleyman Savaş ERDEM,

In accordance with the resolution no. 20 of the Board of Directors of our corporate Board Member, OYKA Kağıt Ambalaj Sanayii ve Ticaret A.Ş., İsmail DOĞAN, has been appointed and registered with the trade registry as the real person representative acting on behalf of OYKA Kağıt Ambalaj Sanayii ve Ticaret A.Ş., replacing Can ÖRÜNG,

It has also been resolved that our corporate Board Member OYKA Kağıt Ambalaj Sanayii ve Ticaret A.Ş. (Representative: İsmail DOĞAN) shall be authorized as "Executive Member" and that this authorization be registered and announced in the trade registry."

No other changes were made in the board of directors and senior management during the reviewing period.

**v. Changes in Group Companies, Subsidiaries and Affiliates:**

No changes were made in Group Companies, Subsidiaries and Affiliates.

#### 4. RATING METHODOLOGY

The Corporate Governance Compliance Rating is a system that audits whether or not the firm's management structures and management styles, the arrangements for shareholders and stakeholders and the process of informing in transparency and accuracy are performed in accordance with the modern corporate governance principles and which assigns a grade corresponding to the existing situation.

Organization for Economic Co-operation and Development (OECD) established a working group in 1998 in order to assess member countries' opinions on corporate governance and to prepare some non-binding principles.

The fact that principles are open to change over time was also accepted in this work. Although at first these principles were focused on the companies whose shares were quoted on the stock exchange, it was emphasized by the OECD that it would also be useful to implement these principles in public enterprises and companies whose shares were not quoted on the stock exchange.

In 1999, OECD Corporate Governance Principles were approved at the OECD Meeting of Ministers and published. Since then, these principles have been regarded as international references for the decision-makers, investors, shareholders, companies and stakeholders throughout the world.

Since their approval, these principles have kept the concept of corporate governance on the agenda and have become guidelines for the laws and regulations in OECD members, as well as other countries.

In OECD Corporate Governance Principles, corporate governance is based on four basic principles, which are fairness, transparency, accountability and responsibility.

Turkey has been closely monitoring these developments. A working group established within TUSIAD in 2001 prepared the guide

titled "Corporate Governance: The best implementation code". Then, CMB issued "Capital Market Board Corporate Governance Principles" in 2003 and updated it in 2005, 2010, 2012, 2013 and 2014 according to international developments in this field.

Obligation to comply with CMB's Corporate Governance Principles, based on the principle of "comply or explain", and to declare it became part of companies' lives in 2004. Putting the Declaration of Compliance to Corporate Governance in the annual reports became obligatory the following year.

The principles are grouped under four main headings, namely: the Shareholders, Public Disclosure and Transparency, Stakeholders and the Board of Directors.

The Corporate Governance Compliance Rating Methodology has been prepared by Kobirate A.Ş. for companies whose shares are traded on BIST, banks, investment partnerships and non-quoted companies.

It has been prepared by taking into account the criteria specified in the Corporate Governance Communiqué of the CMB, numbered II-17.1, published in the Official Gazette dated 03 January 2014 and numbered 28871, as well as the decisions taken at the CMB's board meeting dated 01.02.2013 and numbered 4/105.

In this analysis, the full compliance of workflow and analysis technique with KOBİRATE A.Ş.'s Ethical Rules is considered.

456 criteria are used in the rating process for BIST 1st Group Companies in order to measure the compliance of firms with corporate governance principles. These criteria are transformed into "Corporate Governance Rating Question Sets" through Kobirate A.Ş.'s software.

The weighting scheme for the four main sections in the new Corporate Governance

Compliance Rating, determined by CMB's memorandum dated 12.04.2013 and numbered 36231672-410.99 (KBRT)-267/3854, is applied completely by Kobirate A.Ş. The weightings are as follows:

**Shareholders 25 %**

**Public Disclosure and Transparency 25 %**

**Stakeholders 15 %**

**Board of Directors 35 %**

CMB decision dated 01.02.2013 and numbered 4/105 states that in case the minimum requirements of corporate governance principles are met, 85 % of full points can be given at most for that principle and it is required to add new questions/methods into the methodology in order to ensure that good corporate governance principles, which go beyond meeting the minimum requirements are included in the rating grade. Our company has been informed about this requirement by CMB notification dated 19.07.2013 and numbered 36231672-410.99 (KBRT) 452.

In the 2014/2 revised corporate governance compliance rating methodology, created by our company, the grade that can be given to a related criterion in that subsection for meeting minimum requirements of corporate governance principles, stated by the CMB Communiqué of Corporate Governance published on 03.01.2014, is restricted to 85 % of the full points. A rating is made with a system that completes the section grades up to 100 based on the company's compliance and implementation of the corporate governance practices, which include the good implementation and internalization of the criteria determined in the corporate governance principles, and the different good corporate governance practice criteria determined by our company.

The grade to be assigned by the Corporate Governance Rating Committee to the firm

ranges between 0 and 10. In this scale of grade, "10" points mean excellent, full compliance with CMB's Corporate Governance Principles, while grade "0" means that there is no compliance with CMB's Corporate Governance Principles, in any sense, in the existing weak structure.



**5. KOBİRATE ULUSLARARASI KREDİ DERCELENDİRME VE KURUMSAL YÖNETİM HİZMETLERİ**  
**A. Ş. CORPORATE GOVERNANCE RATING GRADES AND DESCRIPTIONS**

<b>GRADE</b>	<b>DEFINITIONS</b>
<b>9–10</b>	The Company achieved substantial compliance with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are established and are operational. Any risks to which the Company might be exposed are recognized and controlled effectively. The rights of the shareholders are impartially taken care of. The level of public disclosure and transparency is high. The interests of the stakeholders are fairly considered. The structure and the working conditions of the Board of Directors are in full compliance with the Corporate Governance Principles. The Company is eligible for inclusion in the BIST corporate governance index.
<b>7–8.9</b>	The Company complied considerably with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place and operational, although some improvements are required. Potential risks that the Company may be exposed to are identified and can be managed. The rights of the shareholders are impartially taken care of. Public Disclosure and transparency are at high levels. The interests of the stakeholders are fairly considered. Composition and operational conditions of the Board comply with the Corporate Governance Principles. Some improvements are needed in compliance with the Corporate Governance Principles, even though they do not constitute serious risks. The company is eligible for inclusion in the BIST Corporate Governance Index.
<b>6–6.9</b>	The Company has moderately complied with the Corporate Governance Principles issued by the Capital Market Board. Internal Control systems at a moderate level have been established and operated; however, improvement is required. Potential risks that the Company may be exposed to are identified and can be managed. The interests of the shareholders are taken care of, although improvement is needed. Although public disclosure and transparency are taken care of, there is a need for improvement. Benefits of the stakeholders are taken care of, but improvement is needed. Some improvement is required in the structure and working conditions of the Board.

GRADE	DEFINITIONS
4–5.9	The Company has minimal compliance with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place at a minimum level but are not fully and efficiently implemented. Potential risks that the company is exposed to are not properly identified and are not under control. Substantial improvements are required to comply with the Corporate Governance Principles in terms of the benefits of both the shareholders and stakeholders, public disclosure, transparency, and the structure and working conditions of the Board. Under the current conditions, the Company is not eligible to be listed in the BIST Corporate Governance Index.
< 4	The Company has failed to comply with the Corporate Governance Principles issued by the Capital Market Board. It also failed to establish its internal control systems. Potential risks that the company might be exposed to are not identified and cannot be managed. The company is not responsive to the Corporate Governance Principles at all levels. There are major weaknesses in the interest of the shareholders and the stakeholders, public disclosure, transparency, structure and working conditions of the Board, and they are at a level that might cause the investor to incur material losses.