

Borçelik Responsible Steel Policy

■ Brief

This policy explains the sustainability approach of Borçelik and commits that our core principles comply with ResponsibleSteel vision and mission.

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As Borçelik, we aim to be a responsible flat steel manufacturer and place sustainability at the heart of the way we conduct all our operations. With our sustainability strategy, approach, targets, and good practices focusing extensively on “Climate”, “Human” and “Innovation”, we inspire all our stakeholders as a leading company in our sector.

ResponsibleSteel aims developing standards, certifications, and other related tools with an open dialogue and partnership of companies, non-governmental organizations, and other stakeholders at all stages of the steel supply chain for sourcing, production, use, and recycling of steel responsibly to achieve our common objectives on this issue.

ResponsibleSteel standard intends “to build a sustainable future for steel industry and drive positive change”. Accordingly, we adopt the following 13 principles on environmental and social sustainability defined for steel production facilities:

- 1 Corporate Leadership
- 2 Social, Environmental and Governance Management Systems
- 3 Responsible Sourcing of Input Materials
- 4 Decommissioning and closure
- 5 Occupational Health and Safety
- 6 Labor Rights
- 7 Human Rights
- 8 Stakeholder Engagement and Communication
- 9 Local Communities
- 10 Climate Change and Greenhouse Gas Emissions
- 11 Noise, Emissions, Effluents and Waste Management
- 12 Water Stewardship
- 13 Biodiversity

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Our core values and approaches according to these principles:

- We respect and comply with our obligations arising from all applicable international and local legislation, provisions of international law, regulations, official agreements, standards, codes of ethical conduct, and related policies.
- We diligently avoid unethical behavior such as corruption, bribery, facilitation payments, misuse of duty, exaction, money laundering, and accepting gifts outside of our company rules. We take the necessary measures to prevent them. We do not support donations, funds or sponsorships that do not comply with corporate values or may harm our image. Our employees are obliged to act in accordance with all existing laws and regulations; we protect our employees who fight against corruption from the negative consequences they may face.
- We respect human rights. We believe in the rights and freedoms of people in all the fields we operate, and we support them. We support the freedom of association and collective bargaining in all our locations, and we do not allow forced or compulsory labor and abolish child labor. We work to eliminate discrimination, harassment, and violence at the workplace. We provide competitive and fair wages to our employees. We do not use disciplinary practices that may damage their reputation. We respect the rights of the local people; avoid displacement and resettlement and perform security applications that protect human honor. We do not work with any suppliers and subcontractors that do not comply with these principles.
- We are committed to equality, diversity, and inclusion principles. When hiring, promoting, providing training and development opportunities, and determining the wages of our employees, we only make decisions based on their qualifications, individual performance, and job requirements. We do not tolerate gender, religion, language, and racial discrimination behaviors and practices in the workplace. In line with the principle of equality, we provide equal opportunities to all employees. This also applies to all our relationships with our customers, suppliers, and business partners.
- Occupational health & safety are always our highest priority. In our activities, we aim to create a healthy and safe working environment for our employees, subcontractors, and other stakeholders. We identify our risks and opportunities in terms of occupational health and safety, and we work for the mitigation and prevention of accidents and occupational health-related diseases. We create a system that prevents accidents and occupational diseases and increases the well-being of employees. We monitor and continuously improve this system with measurable performance indicators. With visible leadership, we create an occupational health and safety culture that considers the needs of our stakeholders, supports safe behaviors, and raises awareness of employees through training.

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- We aim to execute our activities safely and without harming the environment. We use best available methods that minimize the environmental footprint of our products and processes and reduce the use of natural resources. We constantly monitor our emissions to air, water, and soil, and take actions to reduce our environmental impact. We strive to protect and improve the biodiversity in our area of influence. We monitor our environmental impact, set performance criteria and targets, and work for continuous improvement.
- We are aware of our responsibility to fight against the climate crisis. We adopt the goals of the Paris Agreement to limit the global warming. By developing innovative ideas, and using our production skills and competencies, we aim to reduce our carbon footprint for the future of our world and to benefit all our stakeholders. We use energy, raw materials, and other natural resources effectively in our processes to reduce emissions and ensure energy efficiency. In our raw material, consumable, and machinery/equipment purchases, we prefer those with high energy efficiency and low emissions. We are working to meet our energy needs from renewable energy sources, and we are making the necessary investments in renewable energy generation.
- We see it as our natural responsibility to develop new generation products with low emissions, increase efficiency in our processes and support decarbonization with innovation, R&D, and digital transformation. This is important to ensure sustainability and create added value for us and our customers in leading industries. We work to create a corporate culture that will make us constantly innovative in all our processes.
- We are determined to ensure the sustainability of our value chain with the principles of responsible sourcing, which we see as the key element of building a better life and a sustainable future for all our stakeholders. We work with our suppliers to achieve full visibility of input material supply chains over time and establish a Chain of Custody in upstream supply chains for input materials that are from responsible sources. Our expectation from all our raw material, indirect material, service providers and subcontractors is to manage their activities according to the "Management", "General Sustainability", "Environmental" and "Social" principles that we defined in our "Sustainable Procurement Policy". We give priority to suppliers that support and best implement our "Sustainable Procurement Policy" and support the implementation of the ResponsibleSteel Principles and Criteria. In this context, we regularly monitor the activities of our suppliers and contribute to the development of their processes accordingly. We report publicly and regularly on our efforts undertaken to source input materials responsibly.
- We constantly communicate and build an open and continuous relationship with local stakeholders including residents in our regions, non-governmental organizations, local authorities, customers, suppliers, academia, and other institutions.

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We work to gain the trust and respect of our stakeholders, showing active and visible leadership in stakeholder participation, protecting our brand and reputation, understanding our stakeholders concerns and expectations resulting from our activities, and increasing their social and economic well-beings. We work to address the concerns of our stakeholders and meet their expectations systematically; we make sure that they become a part of the process in all decisions that will affect them.

- We establish the monitoring and control mechanisms to ensure that all our activities are implemented in line with our core values and approaches mentioned in this "Borçelik Responsible Steel Policy". When differences arise, we ensure that the root causes are discovered and eliminated.
- As Borçelik, we share our sustainability targets, plans, activities, and results of our activities with all our stakeholders and the public transparently.

We are committed to performing all our activities according to these principles that guide us and define the way we work.

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