



## **İSKENDERUN DEMİR VE ÇELİK A.Ş.**

For the Period 1 January – 31 December 2020  
Board of Directors' Activity Report

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

1.1.1

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

To the General Assembly of İskenderun Demir ve Çelik A.Ş.

1) **Opinion**

As we have audited the full set financial statements of İskenderun Demir ve Çelik A.Ş. ("the Company") for the period between 01/01/2020–31/12/2020, we have also audited the annual report for the same period.

In our opinion, the financial information provided in the Management's annual report and the Management's discussions on the Company's financial performance, are fairly presented in all material respects, and are consistent with the full set audited 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 Company 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 Financial Statements**

We have presented unqualified opinion for the Company's full set financial statements for the period between 01/01/2020–31/12/2020 in our Auditor's Report dated 11 February 2021.



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

The Company'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 Company's flow of operations for that year and the Company's financial performance accurately, completely, directly and fairly. In this report, the financial position is assessed in accordance with the financial statements. The Company's development and risks that the Company 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 Company's activities subsequent to the financial year ends if any,
  - The Company'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.

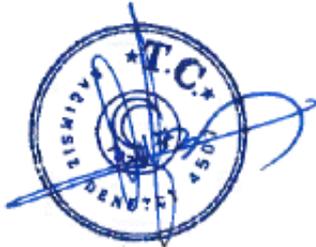
#### 5) Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report

Our aim is to express an opinion and prepare a report about whether the Management's discussions and 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 Company's financial performance, are fairly presented in all material respects, and are consistent with the full set audited financial statements and the information obtained from our audit.

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

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



Osman Arslan  
Partner

İstanbul, 11 February 2021

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

(Amounts in Thousand Turkish Lira ("Thousand TL") unless otherwise stated)

**A – GENERAL INFORMATION**

**1. Report Period**

01.01.2020 – 31.12.2020

**2. Information on the Company**

- Trade Title : İSKENDERUN DEMİR VE ÇELİK A.Ş.
- Trade Registry Number : 1599
- Address of the Head Office : Karayılan Mahallesi, 31319 İskenderun/HATAY
- İnternet website : [www.isdemir.com.tr](http://www.isdemir.com.tr)

**3. Shareholding Structure and Capital Structure**

Paid-in Capital : TRY 2.900.000 thousand

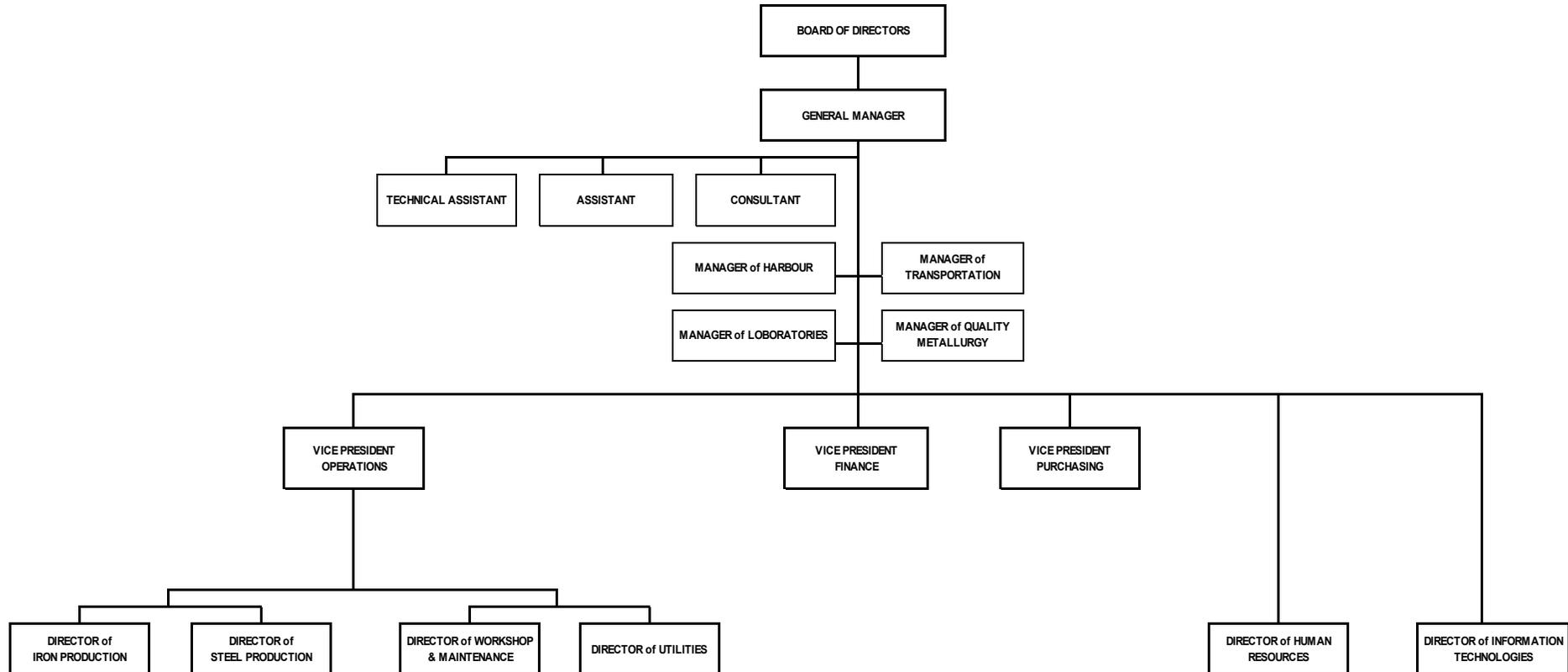
<b>Shareholders</b>	<b>Shares (Thousand TRY)</b>	<b>%</b>
Ereğli Demir ve Çelik Fabrikaları T.A.Ş.	2.751.326	94,87
Publicly Held	148.674	5,13
<b>General Total</b>	<b>2.900.000</b>	<b>100,00</b>

No change in shareholding and capital structure.

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**4. Organization Chart**



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**5. Explanations related to privileged shares and voting rights of the shares**

On the Group A shares, a usufruct has been established in the name of the Privatization Administration to be valid until otherwise decided by the Higher Council for Privatization.

**6. Information on Board of Directors, key managers 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 an opening 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 general assembly to be approved. The Company's 2019 Regular General Assembly has been executed on July 14, 2020.

The membership number of Board of Directors has determined as 9 and 6 Board Members have been elected for three years and 3 independent board members have been elected for one year by the General Assembly executed on 21 March 2019 according to the 9th and 10th articles of Articles of Association within the framework of Turkish Commercial Code and Capital Market Law. Accordingly 3 independent board members have been elected for one year by the General Assembly executed on 14 July 2020 instead of the 3 independent board members whose duty has ended.

Board of Directors as of 31.12.2020:

Board of Directors	Position	Date of Commencement(*)	Positions executed by the representative outside the Company (**)
ATAER Holding A.Ş. (represented by:Süleyman Savaş ERDEM)	Chairman of the Board	27/05/2013	OYAK General Manager Annex-1
Erdemir Madencilik Sanayi ve Ticaret A.Ş. (represented by:Toker ÖZCAN)	Deputy Chairman of the Board – Executive Director	18/09/2012	
T.C. Hazine ve Maliye Bakanlığı Özelleştirme İdaresi Başkanlığı (represented by: Bekir Emre HAYKIR)	Board Member	20/09/2012	
OYAK Pazarlama Hizmet ve Turizm A.Ş. (represented by: Baran ÇELİK)	Board Member	17/09/2012	OYAK- Executive Vice President Financial Management And Financial Affairs Annex-1
Erdemir Mühendislik, Yönetim ve Danışmanlık Hizmetleri A.Ş. (represented by: Güliz KAYA)	Board Member	17/09/2012	OYAK- I. Legal Consultant Annex-1
Erdemir Çelik Servis Merkezi Sanayi ve Ticaret A.Ş. (represented by: Aslıhan DÖĞER)	Board Member	13/09/2012	OYAK- Executive Vice President-Strategic Planning and Corporate Monitoring Annex-1
Ali FİDAN	Independent Board Member	21/03/2019	
Kurtuluş Bedri VAROĞLU	Independent Board Member	21/03/2019	
Mahmut Cengiz AYDIN	Independent Board Member	05/02/2021	

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

(\*\*) The positions of the Board Managers in other firms/ institutions are provided in the Annex 1.

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**Changes in the Board of Directors within the Year**

By the General Assembly executed on 14 July 2020; Yunus ARINCI, Ali FİDAN and Kurtuluş Bedri VAROĞLU have been elected as independent board members for one year.

Our Company's Independent Board Member Yunus ARINCI resigned from this duty as of 17 July 2020. The necessary procedure to elect a new Independent Board Member instead of Yunus ARINCI have been initiated in accordance with the Corporate Governance Communiqué of the Capital Markets Board and since 05 February 2021 Mahmut Cengiz AYDIN have been started to duty as Independent Board Member.

**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.

The duties and responsibilities of the Audit Committee, Early Detection of Risk Committee and Corporate Governance Committee established in the Board of Directors are specified 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 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, Risk Committee, Early Detection of Risk Committee and Corporate Governance Committee was established for the Board of Directors.

Board of Auditors held 4 meetings in 2020 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 2020. The Committees have continued to performed their works in accordance with CMB regulations.

The working instructions relating to the Committees take place on [www.isdemir.com.tr](http://www.isdemir.com.tr) website. No outside consultancy service procured by the Committees during the year.

**Numbers of Board meetings within the Year and Attendance of the Board Members in the Meetings**

The Board of Directors held 6 meetings within 2020. All Board Members attended such meetings regularly in most of the cases.

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**Executive Management**

<b>Executive Management</b>	<b>Position</b>	<b>Effective From</b>	<b>Education</b>	<b>Professional Experience</b>
Mesut KEYFLİ	General Manager	12/10/2018	İstanbul Teknik University - Electrical Engineering	31 Years
Sabri KILIÇ	Executive Vice President Manager (Operations)	12/10/2018	İstanbul Teknik University - Metallurgy Engineering	21 Years
Mehmet PEHLİVAN	Executive Vice President (Financial Affairs)	11/04/2018	Dokuz Eylül University - Economics	24 Years
Mehmet PEHLİVAN (by proxy)	Acting Executive Vice President (Procurement)	09/08/2019	Dokuz Eylül University - Economics	24 Years

**Changes in the Executive Management during the Period**

None.

**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 14 July 2020, it is consented to give the authority for transactions 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. Personnel and Labor Movements and Collective Bargaining Practices and Rights and Benefits Provided to Personnel and Workers**

26th Period Collective Labor Agreement, which will be valid between January 1, 2018 and December 31, 2020 has been signed on December 29, 2017 between Iron, Steel, Metal and Metallic Products Worker's Union and İskenderun Iron and Steel Works CO. 27th Period Collective Labor Agreement negotiations started on December 25, 2020.

The rights and benefits provided to our employees within the scope of collective bargaining practices, are classified under the heading "bonuses, social benefits and permits". Bonuses and social benefits include bonuses, holiday allowance, fuel allowance, annual leave allowance, marriage allowance, maternity benefit, death allowance (death of worker, death of spouse, child, mother, father, sibling, death by work accident, death to his legal heirs), active military service, child support, educational aid (primary, secondary, high school and higher education), food aid and vehicle assistance.

Permits are annual paid leave, companion leave, compassionate leave, free leave and marriage leave, death leave, pregnancy permit, maternity leave, part time work permit, moving permit, breast-feeding leave, adoption leave and other leaves for natural disaster.

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Social benefits such as death allowance (in the case of death of the worker), food aid and vehicle assistance are provided to all our employees; other welfare benefits are paid only to employees with hourly wages. Permits such as annual leave, excuse for leave, marriage leave, death leave, maternity leave, working limit pregnancy leave, companion leave (child), adoption permit, part time work permit, free leave and dairy leave are granted to all employees; other permits are available only for the benefits of our employees working on hourly basis. Transfer permits are available for the benefits of our employees working on monthly basis.

The number of personnel of the Company is as follows, for December 31, 2020 and December 31, 2019, respectively:

	<b>31 December 2020 Personnel</b>	<b>31 December 2019 Personnel</b>
Paid Hourly Personnel	2.988	2.886
Paid Monthly Personnel	1.714	1.725
	<b>4.702</b>	<b>4.611</b>

As of December 31, 2020, the provision for employment termination benefits was calculated by an independent actuary and provision amounting to TRY 313.567 thousand was allocated. (31 December 2019: TRY 273.104 thousand)

## 9. Compliance With The Corporate Governance Principles

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

None.

## B - Financial Benefits provided to Board Member and Top Managers

### 1. Total value of the financial benefits provided such as attendance fee, wages, premiums, bonuses, profit shares

At the Ordinary General Assembly of our Company held on 14 July 2020 it is resolved that;

- No wages will be paid to any of the Board Members elected as the Group B Shares
- The monthly net wage that will be paid to the members representing Group A shares will be TRY 4.450 (monthly, in cash),
- The monthly net wage that will be paid to the Independent Board Members will be TRY 9.800 (monthly, in cash),
- It was decided that the new wages will be valid from the date of August 1<sup>st</sup>, 2020.

Individual Accident and Life insurance was taken out for each of the Board of Directors and the Chairman of the Board, and no other benefit was provided.

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No bonus payment was made to any of the Board Members as a reward for performance recognition.

No debt was given to any of the Board Members and the managers within the period, or no guarantee or collateral was given for any of them to allow them to obtain any loan.

The salaries of the senior managers of our company are determined by the Board of Directors. Life Insurance and Health Insurance were taken out for the General Manager. Performance based additional payments are made to the personnel out of scope, including the senior managers of the company.

**2. Information on the total amount of allowances, travel, accommodation and representation expenses, and cash and non-cash payments, insurance and similar guarantees**

Total annual expenses of TRY 5.032 thousand were recorded related to the company managers including salary, premium and similar other benefits for the reporting period. (31 December 2019: TRY 4.051 thousand).

**C – Research and Development Studies**

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

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

Projects on raw materials for co-product utilization and cost reduction, iron and steel making for process improvement, and hot product & process development are currently in progress.

For the aim of reducing coal cost and increasing bulk density, successful pilot scale tests were done with non-coking/semi coking and coking coal briquettes. Following these tests, semi-industrial trials were done and positive results were obtained in terms of increasing bulk density. Additionally, experimental studies on using biomass as an alternative raw material continues with the aim of cost advantage and lowering carbon emissions.

Intense experimental studies on recycling our co-products by agglomeration methods were continued, and successful results were obtained with roll press briquetting of our sludge and dusts with various binders. Additionally, state-of-the-art recycling technologies are investigated while studies of forming co-products database continues with the aim of characterizing our all co-products.

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Within the scope of the improvement and development studies of steelmaking proces, sustainability studies on tyre cord steels and free-cutting steel grades have been proceeded. Ultra-clean steel research studies have been carried out via thermodynamic tools and industrial trials. A project on optimization of calcium treatment, steel cleanliness and casting capability of long products has been completed. R&D studies on characterization of slags by XRD at advanced mineralogical levels have been accomplished. In high alloy peritectic steel grades, which is critical in solidification, surface defects were prevented and low energy-consume were achieved.

Regarding flat products, sustainability studies on DP600 grade for automotive industry are continuing. In addition, pre-serial and serial productions at customer sites are also in progress. Successful results were obtained from automotive industry quality improvement studies for HE400M and FBH440Y580 grades and verification studies are ongoing. In long products, successful results were obtained in tyre cord and free cutting steel trials and verification studies were ongoing. While sustainability studies for SG2/SG3 welding wire rod grades are being performed, successful results have been obtained from cost saving and alternative quality development studies on SAE 1080 grades for PC wire/strand applications, and verification studies are being made for thinner diameters. In addition, studies on developing wire rod qualities for bead wire and multi-wire rope have been initiated.

The number of long product grades has reached to 312 and that of flat product grades has reached to 224 by 7 new long product grades and 8 new flat product grades that were developed in 2020.

In 2020, 35 R&D project were completed and 48 R&D projects are currently being carried out.

Totally 7 projects that were supported by TÜBİTAK/TEYDEB 1501 Project Support Program have been completed successfully so far, and 2 more supported projects are still continuing.

Erdemir R&D team has contributed to the intellectual capital of our company by presenting 69 papers and posters at various national/international iron and steel conferences to date.

İsdemir filed 2 patent and 1 utility model applications in 2020, which of 2 were a collaboration with Erdemir. Together with these applications, the number of patent/utility applications by İsdemir has reached to 20, among which 4 patent and 2 utility model applications have been granted.

**D – Company Activities and Significant Developments related to the Activities****1. Investment Operations**

The Slab Casting Mold Level Control System Modernization Project has been commissioned and performance tests have been completed. Procurement, manufacturing and field activities continue within the scope of the New Coke Gas Gasometer and Steel Mill A-B Hall Extension and Overhead Crane Projects.

Engineering, purchasing processes, equipment supply, manufacturing and site works continue in the 1. New Blast Furnace, Vacuum Degassing Plant and Modernization of the 3. Coke Oven Battery Projects.

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Procurement activities continue in the 1. Blast Furnace Top Recovery Turbine (TRT), New Sinter Plant and 3. Steam Boiler Retubing (Partial Pipe Replacement) and Burner Modification Projects. The procurement process has been initiated within the scope of the North Filling Area Project. The Project for Renewal of 1. Dock's Ore Discharge Cranes was initiated with the Board Approval.

The amount of investment expenditures of İskenderun Demir ve Çelik A.Ş. as of 31 December 2020 is USD 153.435 thousand (31 December 2019: USD 75.650 thousand).

## 2. Internal control system and internal audit activities

Our company does not have an Internal Audit Department. However, in OYAK Mining-Metallurgy our company is included; the Internal Audit Directorate is available reporting to the Chairman of the Board and CEO to evaluate and improve effectiveness of Risk Management, Control and Governance processes.

The Internal Audit Department reports directly to the Vice Chairman of the Board of Directors and the Executive Director, with the aim of evaluating and improving the effectiveness of the risk management, control and governance processes of the Group Companies.

## 3. Direct and Indirect Affiliates

The business areas of the companies in which the Company has shares are provided below with the share ratio in such companies:

Company name	Country of Operation	Business Area	Share ratio in 2020 %	Share ratio in 2019 %
Teknopark Hatay A.Ş.	Turkey	R&D Center	5	5
İsdemir Linde Gaz Ortaklığı A.Ş.	Turkey	Industrial Gas Production and Sales	50	50

The details of the investments evaluated with equity method of the company shall be as follows:

	Voting Right (%)	31 December 2020	Voting Right (%)	31 December 2019	Business Area
<i>Joint Venture</i>					
İsdemir Linde Gaz Ortaklığı A.S.	50	229.956	50	200.820	Industrial Gas Production and Sales

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The share of the investments valued by using equity method in the net assets are as follows:

<b>(Thousand TRY)</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Total assets	492.495	408.249
Total liabilities	32.584	6.609
Net assets	459.911	401.640
Value of the Company in Net assets	229.956	200.820

The share of investments of the company valued with equity method:

<b>(Thousand TRY)</b>	<b>1 January – 31 December 2020</b>	<b>1 January – 31 December 2019</b>
Revenues	123.827	98.345
Operating Profit	28.909	14.355
Net Profit/ (Loss) for the Period	15.369	77.034
Share of the Company in the Net Profit	7.685	38.517

İsdemir Linde Gaz Ortaklığı A.Ş. has the right of to deduct TRY 97.254 thousand (31 December 2019: TRY 82.411 thousand) from corporate tax of the investment deduction where profit will occur in the upcoming years pursuant to the Resolution No 2012/3305 on Government Aids in Investments and the Cabinet Decision issued in the Official gazette on 22 February 2017. The deferred tax asset of TRY 14.843 thousand of additional investment deduction (its effect in the profit or loss statement of Company is TRY 7.422 thousand) is included in the financial statements prepared as of reporting date.

At the Ordinary General Assembly Meeting of İsdemir Linde Gaz Ortaklığı A.Ş., dated 27 February 2020, reducing capital by TRY 26.667 thousand and decisions regarding the distribution of cash dividend of TRY 17.302 thousand from the net profit of 2019 have been unanimously approved. The payment for the capital reduction and 25% of the dividend has been completed on 4 June 2020.

#### **4. Information about Company Shares the Company Acquires**

None.

#### **5. Explanations related public and private audit**

It is resolved in the ordinary general Assembly held on 14 July 2020 to contract with the independent audit company "DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.'nin (A Member firm of Deloitte Touche Tohmatsu) for the independent audit services in 2020.

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**6. Legal Subjects****a) Lawsuits**

Taking into account the opinions of legal counsel and non-profit specialist attorneys, the Company Management determines the allowance amounts related to the ongoing lawsuits through possible cash outflows based on management's best estimate of the probability of loss and the liabilities to be incurred in case of loss. As of 31 December 2020, there is a provision amounting to TRY 49.763 thousand in the statement of financial position (31 December 2019: TRY 35.558 thousand)

The claims filed every month for refunding of taxes paid and deduction thereof from Electric and Coal Gas Tax collected by the Municipality on the Electric and Coal Gas consumption quantity produced by the Company in the facilities and used for industrial production of the Company were concluded in the court of first instance and the Council of State against the company. Thereafter, the Company used its right on 15 January 2015 to apply the Constitutional Court individually. As a result of the General Assembly Resolution of the Supreme Court the Company, which was issued on 25 October 2018 and published in the Official Gazette on 25 December 2018, was notified and stated that the property rights of the Company were violated, and retrial was decided 22 trials for the applicable claims to eliminate the consequences of the violation of the property rights. As a result of the retrial, the court decided to accept the cases, and the files are under examination by the Council of State.

Due to the fact that the structures of our company were not licensed in the pre-transfer period, the case was filed against the Privatization Administration in the Ankara 26th Civil Court of First Instance with the demand for the collection of construction pecuniary fines and construction supervision and project costs to be paid TRY 27.914 thousand. The trial of the case continues.

The lawsuit filed by the Company, against the Privatization Administration in accordance with the share transfer agreement with the request of recourse for the payment of the employment termination benefit, the difference of collective agreements made to subcontractors, overtime fees and annual leave fees, concluded with the collection of TRY 52.857 thousand and advance interest under the decision of the Court dated 30 June 2016 and numbered 2016/340K. The lawsuit was recorded in the file numbered 2015/125E of 19th Civil Court of First Instance. Appeals and decision correction applications made by the Privatization Administration against the court decision were rejected by the 11th Civil Chamber of the Supreme Court of Appeals and the court decision was finalized in favor of İsdemir. In this context, from total of TRY 84.147 thousand for which the provision was made in the prior periods' financial statements, a portion of TRY 111.850 thousand including the principal and interest amounting to TRY 52.857 thousand was collected on 21 July 2020.

In accordance with the provisions of the share transfer agreement dated 31.01.2002 signed between Ereğli Demir ve Çelik Fabrikaları T.A.Ş. (Erdemir) and Directorate of Privatization Administration regarding the transfer of Our Company's shares to Erdemir, a lawsuit was filed against Directorate of Privatization Administration in Ankara 3rd Civil Court of First Instance regarding the receivable amounting to TRY 32.080 thousand that occurred between 01.10.2011 - 31.07.2020.

**b) Administrative - Judicial Sanctions**

None.

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## 7. General Assemblies

The ordinary general assembly meetings of our company are held in accordance with the applicable provisions of the Capital Market Law, Turkish Commercial Code and the Articles of Association of the Company, and any decision made in such meetings are performed within due times. The ordinary general assembly of İskenderun Demir ve Çelik A.Ş. was held on 14 July 2020.

## 8. Grants and Social Responsibility Projects

The total amount of grants made by the Company to the public entitles and institutions in the provinces and locations of our company's premises for training, food and maintenance-repair is given in the below table:

(Thousand TRY)	1 January- 31 December 2020	1 January- 31 December 2019
Cooperation Developed with Public Institutions and Organizations	3.823	658
Education and Training Activities	852	985
Cooperation Activities for Voluntary Work and Charity Works	158	149
Foundation, Association, Chamber and Ens. Cooperation		
Activities with	347	60
Sports Activities	0	15
Cultural and Artistic Activities	29	44
Support Activities in Health and Financial Issues	3	1
<b>Grand total</b>	<b>5.212</b>	<b>1.912</b>

## 9. Group of Companies

### a) Transactions

Our Company's Board of Directors has prepared a report explaining our relations with our Controlling Shareholders and Subsidiaries under article 199 of the Turkish Commercial Code; and this was approved by our Board of Directors dated 11 February 2020. In the conclusion part of this report; "There is no legal action/ transaction made by our company with OYAK or its subsidiary company, OYAK, or OYAK's affiliated companies or subsidiary companies of OYAK or for the benefits of OYAK or any company affiliated with OYAK in the year 2020. In the year of 2020, all of the commercial activities between our controlling partner and the subsidiaries of our controlling partner and our Company were carried out in accordance with Arm's Length principle. "

### b) Explanation on transactions

None.

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**E - Financial Situation**

**1. Summary of Financial Statements**

The financial statements are prepared in accordance with the financial reporting standards published by the Capital Markets Board. The financial statements dated 31.12.2020 and 31.12.2019 were independently audited.

**Summary of Balance Sheet**

(Thousand TRY)	( Audited )	
	Current period	Previous period
	1 January 31 December 2020	1 January 31 December 2019
Current assets	12.948.824	9.778.890
Fixed assets	15.394.599	11.843.311
<b>Total assets</b>	<b>28.343.423</b>	<b>21.622.201</b>
Short term liabilities	2.814.545	2.943.097
Long term liabilities	3.548.061	2.487.377
Equity	21.980.817	16.191.727
<b>Total Liabilities</b>	<b>28.343.423</b>	<b>21.622.201</b>

**Summary of Income Statement**

( Thousand TRY )	( Audited )	
	Current period	Previous period
	1 January 31 December 2020	1 January 31 December 2019
Sales	16.924.093	16.453.432
Gross Profit	3.207.675	2.851.419
Operating profit	3.063.693	2.605.034
Profit Before Tax	3.666.715	3.055.819
Profit for the period	2.423.349	2.155.428
EBITDA	3.679.068	3.243.913

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.

**2. Important Business Indicators and Financial Ratios**

(%)	1 January 31 December 2020	1 January 31 December 2019
Gross Profit Margin	%19,0	%17,3
Operating profit Margin	%18,1	%15,8
EBITDA Margin	%21,7	%19,7
Profit Margin for the Period	%14,3	%13,1

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**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**

Company 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 Company 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**

There is no issued capital market instrument in the period.

**6. Dividend Distribution Policy**

In accordance with Article 33 of the Articles of Incorporation, the Company is authorized to make decisions on distribution of profits or partial or complete distribution of profits, without prejudice to the provisions of the Capital Market Legislation and in accordance with dividend payment policies.

The applications regarding general legal reserves and dividend calculations are carried out within the framework of the provisions of TCC, CMB and related legislation.

No profit may be transferred to the upcoming year and no dividend may be paid to shareholders and preferred stock holders unless legal reserves are allocated and the dividend specified for the shareholders would have been paid as stipulated in the applicable legislations.

Also, the General Assembly is authorized to distribute Advance Dividend within the framework of the provisions of TCC, CMB and related legislation.

As per the decision adopted at the Ordinary general Assembly held on 30 March 2015, the dividend payment policy of the company is as follows: "In principle, the Company has adopted a policy of distributing the entire cash distributable profit for the full amount of the distributable profit for the period allowed by the prospective free cash creation expectation, including market lease and financial leverage ratios and investment / financing requirements, within the framework of applicable legislation and the Company's Articles of Association. The profit distribution policy is reviewed every year by the Board of Directors according to national and global economic conditions, the projects on the agenda and the status of funds.

Dividends shall be paid in full and in cash, within the framework of the provisions of the legislation, by the Board of Directors at the General Assembly meeting decided to be distributed until 15 December of the relevant calendar year in one time.

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The General Assembly is authorized to distribute Advance Dividend in accordance with the provisions of the applicable legislations.

The Company held the Ordinary General Assembly Meeting for 2019 on 14 July 2020. Based on the provision of temporary Article 13 of Turkish Commercial Code "In capital companies only twenty-five percent of the net profit for the year 2019 can be distributed in cash, prior years' profits and provisions cannot be subject to distribution from the enactment of the temporary article 13 of the Law until the date of 30 September 2020." it was decided to distribute TRY 522.000 thousand cash shareholder profit share and to start profit distribution as of 16 July 2020. The dividend distribution realized between July 16 and July 20, 2020.

**7. Information about the sector**

Global crude steel production in 2020 decreased by 0.9 percent year on year to 1.86 billion tonne.

In 2020, crude steel output in Asia amounted to 1.37 billion tonne, rising by 1.5 percent, with 1.05 billion tonne produced by China, up 5.2 percent, 83.2 million tonne produced by Japan, decreasing by 16.2 percent, 99.6 million tonne produced by India, decreasing by 10.6 percent, and 67.1 million tonne produced by South Korea, falling by six percent - with all comparisons on year-on-year basis.

EU-28 countries produced 138.8 million tonne of crude steel in 2020, down by 11.8 percent year on year. In the given period, Germany's output was 35.7 million tonne, falling by 10 percent year on year, Italy's crude steel output was 20.2 million tonne, down by 12.9 percent year on year, and France's crude steel output amounted to 11.6 million tonne, down by 19.8 percent year on year.

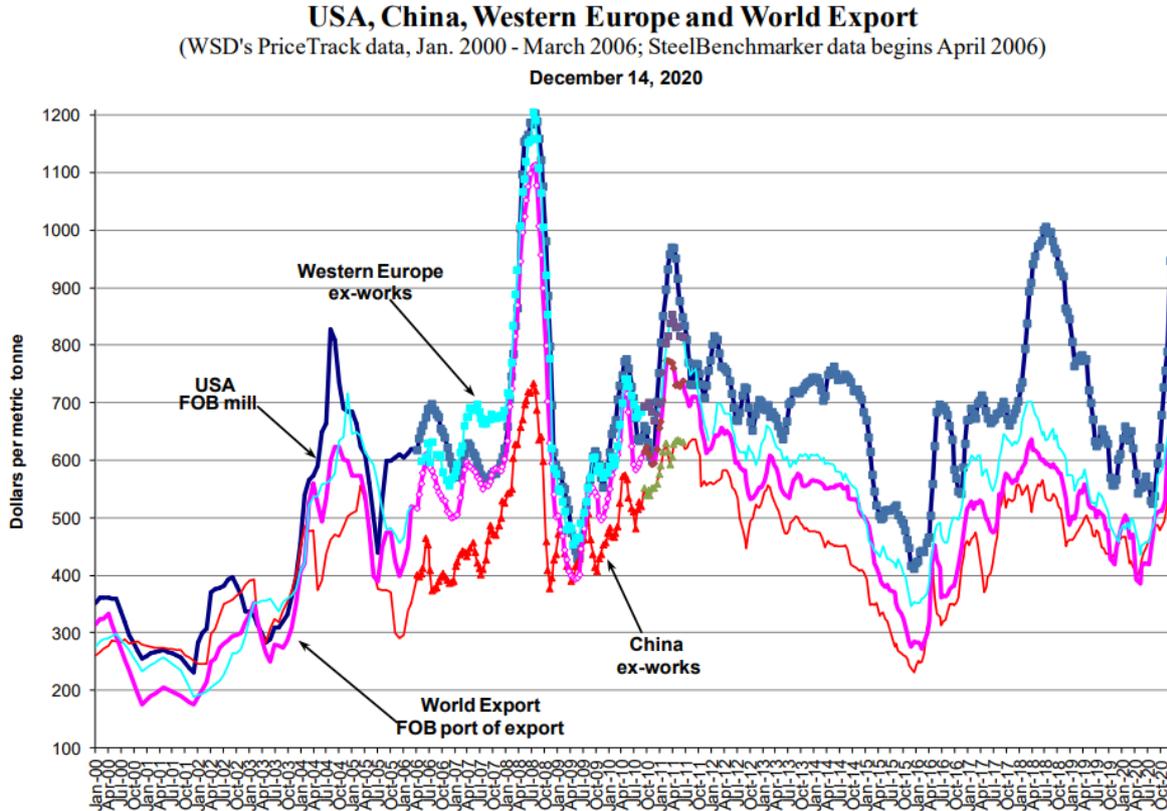
The CIS registered a crude steel output of 101.75 million tonne, increasing by 1.5 percent on year-on-year basis, with Russia producing 73.4 million tonne, up by 2.6 percent, and Ukraine producing 20.61 million tonne, declining by 1.1 percent, both on year-on-year basis.

In North America in 2020, crude steel output totaled 101.12 million tonne, falling by 15.5 percent, with the US producing 72.69 million tonne, falling by 17.2 percent, and Mexico producing 16.85 million tonne, down by 8.3 percent, all on year-on-year basis. Crude steel output in South America in 2020 amounted to 38.15 million tonne, decreasing by 8.4 percent from 2019, with Brazil's output totaling 30.97 million tonne, declining by 4.9 percent year on year.

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Price changes of hot rolled products follows:



Turkish crude steel output in December 2020, 17,7 percent year on year to 3.4 million tonne. In the given month, Turkey's crude steel output by electric arc furnaces rising by 24,8 percent, while production by integrated plants increased by 1.9 percent, both year on year.

In 2020, Turkish crude steel output increased by 6 percent to 35.8 million tonne, year on year. Last year, Turkey's crude steel output by electric arc furnaces increased by 8.3 percent to 24.8 million tonne, while production by integrated plants increased by 1.1 percent to 11 million tonne, both year on year.

**8. The Position within the Sector**

Iskenderun Demir ve Çelik A.Ş. In 2019, it produced 5.536 thousand tonne of crude steel; In 2020, crude steel production amounted to 4.896 thousand tonne, a decrease of about 11,6% compared to the previous year.

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### 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 incentives from Tübitak – Teydeb for cost of research and development,
- Inward processing permission certificates and Social Security Institution incentives,
- Insurance premium employer share incentive.

### 10. Development Regarding the Plants

Iskenderun Demir ve Çelik A.Ş., as the Turkey's only integrated long and flat steel producer continued maintenance and modernization work successfully in all facilities, continued to optimize costs and to conduct activities as per the quality manufacturing principles in line with activities with maximum efficiency in 2020, and managed to produce 14% of Turkey's crude steel production of 35,8 million tonne.

The Slab Casting Mold Level Control System Modernization Project has been commissioned and performance tests have been completed. Procurement, manufacturing and field activities continue within the scope of the New Coke Gas Gasometer and Steel Mill A-B Hall Extension and Overhead Crane Projects. Engineering, purchasing processes, equipment supply, manufacturing and site works continue in the 1. New Blast Furnace, Vacuum Degassing Plant and Modernization of the 3. Coke Oven Battery Projects.

Procurement activities continue in the 1. Blast Furnace Top Recovery Turbine (TRT), New Sinter Plant and 3. Steam Boiler Retubing (Partial Pipe Replacement) and Burner Modification Projects. The procurement process has been initiated within the scope of the North Filling Area Project. The Project for Renewal of 1. Dock's Ore Discharge Cranes was initiated with the Board Approval.

### 11. Production Plants and Productivity

Capacity utilization rates are provided below:

Capacity Utilization ratios (%)	1 January- 31 December 2020	1 January- 31 December 2019
Liquid Steel	%86	%97
Slab	%77	%90
Billet	%41	%41

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## 12. Products

The main products produced are Billet, Coil, Slab, and Hot Roll.

## 13. Production (quantity)

Final Products (000 Tonne)	1 January - 31 December 2020	1 January - 31 December 2019
Flat products(*)	3.827	4.523
Long products	992	1.026
<b>Total</b>	<b>4.819</b>	<b>5.549</b>

(\*) Slab production included to flat production.

## 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 8. largest steel consumer and producer. Steel consumption of Turkey in 2020 is nearly 29 million tonne, which is upper than 13% than the previous year. While crude steel production is 36 million tonne, which is upper than 5% than the previous year.

In 2020, total flat product sales of İskenderun Demir ve Çelik A.Ş. totaled 3,4 million tonne. Domestic flat product sales increased by 11% compared to the previous year's sales by 2,6 million tonne. Long product sales decreased by 5% to 1,0 million tonne; domestic long product sales increased by 12% compared to the previous year and reached 936 thousand tonne.

İskenderun Demir ve Çelik A.Ş. exported 806 thousand tonne of finished products composed of 737 thousand tonne flat products and 69 thousand tonne long product. The export amount, which decreased by 32% compared to the previous year, constitutes 16% of the total sales. 20 products were exported to flat products and 15 products to long products.

Despite the geopolitical problems in our geography, our company İskenderun Demir ve Çelik A.Ş. continues to deliver shipments in packaging, automotive, steel pipe, construction and manufacturing industries in line with its targets. İskenderun Demir ve Çelik A.Ş. and Ereğli Demir ve Çelik Fabrikaları T.A.Ş. managed to include 44 new customers in its customer portfolio composed of 19 customers for long products and 25 customers for flat products, in 2020.

We continued to organize customer events, customer visits, national and international congresses, fair attendances, sector associations and official organizations, meetings with customers, to develop our relations with the customers who became the focus point by rebuilding the marketing and sales organization. With our new quality and product development studies aimed at end users, we continued to develop our product range dynamically managed in line with customer expectations and the improvements made have helped İskenderun Demir ve Çelik A.Ş. increase the power of the market.

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**15. Sales(quantity)**

Finished Product (000 Tonne)	1 January - 31 December 2020	1 January - 31 December 2019
Flat products(*)	3.925	4.517
Long products	1.006	1.057
<b>Total</b>	<b>4.931</b>	<b>5.574</b>

(\*) As of 31 December 2020, sales of 548 thousand tonne of Slab in total flat product sales are transactions made to related parties. (31 December 2019: 1.173 thousand tonne)

**F - Risks and Evaluation of the Board of Directors**

**1. Enterprise Risk Management**

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, 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 has been set up with the resolution of the Board of Directors at 22/03/2019 (resolution no 523) in order to aid the İskenderun Demir and Çelik A.Ş.'s ("Company") Board of Directors to fulfill their duties and responsibilities. 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 this 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 stored in the secretariat.

**3. Prospective Risks**

**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.

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**Currency Risk:** 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.

**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 hedging, considering the cost advantage, maturity advantage and similar reasons Company makes use of derivative transactions for hedging.

**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.

**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 and Credit Direct Collection System. 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.

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**G – Other Information**

**1. Organizations Out of the Headquarters**

None.

**2. Information on Legislation Changes that may Effectively Affect Company Activities**

None.

**3. Conflicts of Interest between the Company and the Institutions in which the Company Serves as Investment Consultancy and Rating and Information on Measures Taken by the Company to Prevent these Conflicts of Interest**

None.

**4. Information on the Social Rights, Vocational Training of the Employees and Other Activities of the Company having Social and Environmental Consequences**

Our employees within the scope are entitled to annual leave, total of 120 days bonus, holiday allowance, fuel allowance, annual paid leave allowance, marriage / birth / death allowance, active military benefit, child / education allowance, supplementary health insurance, with notice period and compensation in accordance with the collective bargaining agreement. Employees within and out of scope are entitled to social benefits such as food and vehicle supports, incentives to encourage senior labor, private health insurance for out-of-scope personnel, and individual retirement plan benefits for the managers and upper level personnel. İskenderun Demir ve Çelik A.Ş. considering providing secure and healthy business environment to its employees as a priority, provides preventive medicine, work entry examinations, periodic examinations, occupational accidents and occupational diseases preventive works, first aid and emergency treatment services.

Many training opportunities are made available such as in-Unit Training System (ITS), seminars and conferences both in Turkey and abroad. The training programs are planned to contribute to the realization of the strategic goals of İskenderun Demir ve Çelik A.Ş., and to realize the basic principles of the Management Systems Policy. Performance appraisal outputs are used to determine the training and development needs of employees.

It is targeted to realize training operations to train human resources to have the vision making our company "World Class Company" and make such vision continuous, and to reach all employees to this end. In 2020, with the continuous learning, innovation and improvement approaches focused on İsdemir, training opportunities were developed to improve the competencies of employees; and meeting current and future competency requirements.

İsdemir continues to progress by investing in new practices and methods in training and development activities. Improvement opportunities are provided to train employees who are affiliated with OYAK and İsdemir and are compatible with the corporate values; to support the corporate culture; support society and the environment.

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In 2020, a total of 129.423 hours of training was provided to 838 different employees in İsdemir, 28,01 hours of training per employee was realized. Training activities are carried out in five main groups: Occupational Health and Safety, Professional and Technical Development, Orientation, Management Systems, Self improvement Trainings. The systematics of training in our company are In-Unit Training System (IES) and Behavior-Oriented Security Management (DOGY).

In 2020, digitizing trainings has been accelerated, considering pandemic conditions. In this context, new learning environments and tools are designed and presented to employees. It is aimed to protect corporate information and to strengthen the learning organization culture by using internal resources in the digitizing trainings. Within the scope of the communiqués issued on May 25, 2015 related to the professions requiring Professional Competence Certificate imposed by Professional Competency Institution (PCI), the employees involved in the relevant professions were analyzed and 62 employees who had no professional competence received mastership and vocational qualification certificate for 345 employees.

Also In 2020, İsdemir Excellence Model (IMM) approach was implemented as a project-based study model that encouraged and contributed to the company's performance and success by improved our company. IMM, with the motto "Maximizing Financial Value by Protecting Human and Environment", aims to take place in front of the competition by creating a corporate culture that always seeks the best with the participation of all of our employees by using İsdemir's intellectual knowledge accumulation from the past.

İsdemir Excellence Model consists of 9 function groups; for the purposes of each function, project-based and time-based teams consisting of employees of all levels are distributed after completing their duties in order to achieve their performance criteria and objectives. Thus, employees work in projects outside of their own department on the subject they are experts in, the depth of expertise increases and creates value for the organization.

With the participation of IMM Functions, Operational Excellence Department and Strategic Planning and Sustainability Department, "Emission Reducing Sustainability KPIs were determined in 2020. The KPIs determined were matched with the "Sustainable Development Goals" accepted by the member states of United Nations. KPIs and sustainability symbols which were matched with sustainable development goals are integrated into the IMM Software.

Within the scope of dissemination of IMM, work was carried out with Ersem and Ermaden. In Ermaden, six functions were established and team work has been started. Function setup work continues in Ersem.

In 2020, 3.703 teams were established and 2.168 teams were completed. The net number of İsdemir IMM team members for the year 2020 is 4.515 and the participation rate is 96,13%. In 2020, the net number of IMM emission reduction team members is 3.990.

**5. Related party transactions and Information required to be given on balances**

The information on the transactions with related parties are given in the disclosure 32 of the disclosures to our financial statements dated 31.12.2020.

**6. Information for Shareholders**

None.

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

<b>Board of Directors</b>	<b>Position</b>	<b>Positions executed by the representative outside the Company</b>
ATAER Holding A.Ş. Representative: – Süleyman Savaş ERDEM	Chairman of the Board	<ul style="list-style-type: none"> <li>OYAK General Manager and Board Member</li> </ul>
Erdemir Madencilik Sanayi ve Ticaret A.Ş. Representative: – Toker ÖZCAN	Deputy Chairman of the Board and CEO	<ul style="list-style-type: none"> <li>Head of OYAK Mining Metalurgy</li> <li>Deputy Chairman and Executive Director of Ereğli Demir ve Çelik Fabrikaları T.A.Ş. and Chairman/Deputy Chairman(As Representative) of other OYAK Group Companies.</li> </ul>
T.R.Ministry of Treasury and Finance Privatization Office Presidency Representative:- Bekir Emre HAYKIR	Board member	<ul style="list-style-type: none"> <li>T.R.Ministry of Treasury and Finance Privatization Office Vice President</li> </ul>
OYAK Pazarlama Hizmet ve Turizm A.Ş. Representative: - Baran ÇELİK	Board member	<ul style="list-style-type: none"> <li>OYAK Financial Management and Financial Affairs Deputy General Manager</li> <li>Chairman of Hektaş Ticaret T.A.Ş. and OYAK Portföy A.Ş. Board Member of Ereğli Demir ve Çelik T.A.Ş. and Chairman/Board Member (As Representative) of other OYAK Group Companies</li> </ul>
Erdemir Mühendislik, Yönetim ve Danışmanlık Hizmetleri A.Ş. Representative: – Güliz KAYA	Board member	<ul style="list-style-type: none"> <li>OYAK 1st Legal Counsel (Institution)</li> <li>Board Member of Ereğli Demir ve Çelik T.A.Ş. and Erdemir Enerji Üretim A.Ş. (As Representative)</li> </ul>
Erdemir Çelik Servis Merkezi Sanayi ve Ticaret A.Ş. Representative: - Aslıhan DÖĞER	Board member	<ul style="list-style-type: none"> <li>OYAK Strategic Planning and Corporate Monitoring Deputy General Manager</li> <li>Board Member of Ereğli Demir ve Çelik T.A.Ş. and Hektaş Ticaret T.A.Ş. ,Chairman/Deputy Chairman/ Board Member (As Representative) of other OYAK Group Companies</li> </ul>
Ali FİDAN	Independent Board Member	<ul style="list-style-type: none"> <li>Ereğli Demir ve Çelik Fabrikaları T.A.Ş. – Independent Board Member</li> <li>Central Governor</li> </ul>
Kurtuluş Bedri VAROĞLU	Independent Board Member	<ul style="list-style-type: none"> <li>Ereğli Demir ve Çelik Fabrikaları T.A.Ş. – Independent Board Member</li> <li>Varoğlu Law Firm - Lawyer and Legal Counselling</li> </ul>
Mahmut Cengiz AYDIN	Independent Board Member	<ul style="list-style-type: none"> <li>Ereğli Demir ve Çelik Fabrikaları T.A.Ş. – Independent Board Member</li> <li>Hektaş Ticaret T.A.Ş. – Independent Board Member</li> </ul>

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<b>Executive Management</b>	<b>Title</b>	<b>Titles out of the Company</b>
Mesut KEYFLİ	General Manager	• None
Sabri KILIÇ	Executive Vice President (Operations)	• None
Mehmet PEHLİVAN	Executive Vice President (Financial Affairs)	• İsdemir Linde Gaz Ortaklığı A.Ş. – Finance Manager
Mehmet PEHLİVAN (by proxy)	Acting Executive Vice President (Procurement)	• İsdemir Linde Gaz Ortaklığı A.Ş. – Finance Manager

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App.2: DECLERATIONS OF INDEPENDENT BOARD MEMBERS

BAĞIMSIZLIK BEYANI

İSKENDERUN DEMİR VE ÇELİK 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 hisimlarım 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 ticarî ilişkilerin kurulmamış olduğunu,

b) Son beş yıl içerisinde, başta şirketin denetimi (vergi denetimi, kanunî 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 meslekî 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, meslekî 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.

  
Mahmut Cengiz AYDIN

04/12/2020

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

(Amounts in Thousand Turkish Lira ("Thousand TL") unless otherwise stated)

**BAĞIMSIZLIK BEYANI**

İSKENDERUN DEMİR VE ÇELİK 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 ticarî 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,

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

beyan ederim.

  
Ali FIDAN

10/02/2020

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THE COMMUNIQUÉ SERIAL:II, NO:14.1**

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**BAĞIMSIZLIK BEYANI**

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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  
10/02/2020

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

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**APP.3**

**STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE**

İskenderun Demir ve Çelik A.Ş. ("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).

Our Company, which is included in the BIST Corporate Governance Index ("XKURY") as of 25.08.2020 and also is subject to corporate governance rating 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.isdemir.com.tr](http://www.isdemir.com.tr)).

İskenderun Demir ve Çelik 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 2020, 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 2020, 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.

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(Amounts in Thousand Turkish Lira ("Thousand TL") unless otherwise stated)

İskenderun Demir ve Çelik A.Ş. Sustainability Principles Compliance Report 2020 - Annual Notification						
Principles	Compliance Status					Explanation
	Yes	Partially	No	Exempt	Irrelevant	
<b>A. GENERAL PRINCIPLES</b>						
<b>A1. Strategy, Policy and Goals</b>						
Environmental, Social and Corporate Governance (ESG) priority issues, risks and opportunities have been identified by the Board.	x					
ESG policy has been established by the Board.	x					
Documents such as in-partnership guidelines, business procedures, etc. for the effective implementation of ESG policies have been prepared.	x					
A decision for the ESG policies have been taken by the board and policies have been disclosed to the public.	x					
Partnership Strategy has been determined in accordance with ESG policies, risks and opportunities.	x					
In line with the partnership strategy and ESG policies, short and long term targets have been set and disclosed to the public.	x					
<b>A2. Implementation / Monitoring</b>						
Committees and / or units responsible for the implementation of ESG policies have been determined and disclosed to the public.		x				Relevant committees and working groups have been determined and their job descriptions have also been created. The organizational structure is in the approval stage.
The designated committees and / or units reported their activities within the scope of ESG policies to the Board at least once a year, and in any case within the maximum periods specified in the relevant regulations of the Board for the disclosure of the annual reports to the public.		x				Relevant committees and working groups have been determined and their job descriptions have also been created. The organizational structure is in the approval stage.
Implementation and action plans have been prepared in line with the short and long-term targets and announced to the public.		x				The important investments and activities planned in line with the targets are mentioned in the integrated annual report
ESG Key Performance Indicators (KPIs) have been determined and the indicators are disclosed on a yearly basis.		x				Key performance indicators have been determined and detailed follow-up is carried out within the company on a daily, monthly and annual basis. Particularly prominent indicators are mentioned in our integrated annual report.
KPIs are presented together with local and international sector comparisons (in case of verifiable data).		x				Comparative data are studied especially in World Steel Association studies. This information is not included in our annual reports.
Innovation activities for business processes or products and services that improve sustainability performance are explained.	x					
<b>A3. Reporting</b>						
Sustainability performance, goals and actions have been reported at least once a year and disclosed to the public. Information on sustainability activities have been disclosed in the annual report.	x					
In order for the stakeholders to understand the position, performance and development of the partnership, important information have been shared in a direct and concise manner (Detailed information and data can also be explained on the corporate website, and separate reports that directly meet the needs of different stakeholders can be prepared.).	x					
Maximum care has been taken in terms of transparency and reliability in disclosures and reporting. Within the scope of the balanced approach, all kinds of developments about material issues in disclosure and reporting have been objectively explained.	x					
Information was provided on which of the United Nations Sustainable Development Goals the activities are related to.	x					
Disclosures have been made regarding the lawsuits filed and / or concluded against ESG issues.		x				Lawsuits brought against and / or concluded to our company, those that are deemed necessary / important are disclosed on the Public Disclosure Platform (PDP)
<b>A4. Verification</b>						
Sustainability performance measurements have been disclosed to the public, if verified by independent third parties (independent sustainability assurance providers).		x				Some of the sustainability-related parameters are approved by the independent verifying body and shared with the Ministry. Planning will be made within the scope of the verification and public disclosure of all measurements.

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

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B. ENVIRONMENTAL PRINCIPLES					
Policies and practices, action plans, environmental management systems (ISO 14001) and programs created within the scope of environmental management have been explained.	x				
Compliance with the environment and related laws and other relevant regulations has been achieved and the work done has been explained.	x				
In the report prepared within the scope of Sustainability Principles, the limitations regarding the limit of the environmental report included, reporting period, reporting date, data collection process and reporting conditions have been included.	x				
The highest level responsible regarding environment and climate change, relevant committees and duties of them have been explained.		x			Related issues are coordinated by the Strategic Planning and Sustainability Department. The sustainability committee, working groups and tasks have been defined and they are in the process of approval.
Incentives offered to employees for the management of environmental issues, including the achievement of goals, are explained.	x				
How environmental problems are integrated into business goals and strategies is explained.	x				
Sustainability performances for business processes or products and services and activities to improve these performances are explained.	x				
It is explained not only in terms of direct operations, but also how environmental issues are managed throughout the partnership value chain and how suppliers and customers are integrated into strategies.	x				
Whether or not to participate in policy-making processes on environmental issues (sectoral, regional, national and international); Cooperation with affiliated associations, related organizations and non-governmental organizations in the field of environment, duties and activities supported, if any, are explained.	x				
In the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect)), air quality, energy management, water and wastewater management, waste management, biodiversity impacts), information on environmental impacts has been reported periodically in a comparable manner.		x			Environmental indicators are explained in our integrated annual report. Relevant information is shared with the Ministry of Environment and Urbanization.
The standard, protocol, methodology and base year details used to collect and calculate the data are explained.		x			The standard and methodology used are generally mentioned in the Integrated Annual Report. Not much is given to the details of the methodology.
The status of environmental indicators (increase or decrease) for the reporting year in comparison with previous years has been disclosed.	x				
Short and long-term goals have been determined to reduce environmental impacts and these goals (It is recommended that the targets be determined based on scientific methods as suggested by the United Nations Conference of the Parties on Climate Change). It provided information on the issue, if there are any progress achieved in the reporting year in line with the previously set targets		x			Although the targets are followed within the company, numerical targets are not included in the integrated annual report.
The strategy and actions to combat the climate crisis have been explained.		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
The program or procedures established to prevent or minimize the potential negative impact of the products and / or services offered are explained; The actions of third parties to reduce greenhouse gas emissions have been explained.		x			The "Emission Report" has been approved by the independent verifying body and submitted to the Ministry of Environment and Urbanization through the online environmental system. These issues were addressed in the integrated annual report
The actions taken to reduce environmental impacts, the total number of projects and initiatives carried out, and the environmental benefits / benefits and cost savings provided by them are explained.		x			Important projects and actions are included in our integrated annual report, especially energy savings in the context of energy efficiency are explained.
Total energy consumption data (excluding raw materials) are reported and energy consumption is given in the report as Scope-1 and Scope-2.		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. Our integrated annual report contains information on the amount and cost of energy savings achieved through energy efficiency projects
Information was given on electricity, heat, steam and cooling data generated and consumed in the reporting year.		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
Studies on increasing the use of renewable energy, transition to zero or low carbon electricity have been carried out and these studies have been announced.		x			Feasibility studies are carried out on increasing the use of renewable energy, transition to zero or low carbon electricity. They are evaluated by the management
Renewable energy production and usage data were announced.				x	There is no explanation as there is no data yet.
Energy efficiency projects have been carried out and the amount of energy consumption and emission reduction achieved through these studies has been announced.	x				
The amount of water withdrawn, used, recycled and discharged from underground or aboveground, its sources and procedures (Total water withdrawal by source, water sources affected by water withdrawal; percentage and total volume of recycled and reused water, etc.) have been reported.	x				
It is explained whether the operations or activities are included in any carbon pricing system (Emission Trading System, Cap & Trade or Carbon Tax).				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
Information and details regarding the carbon credits accumulated or purchased during the reporting period have been announced.				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
If carbon pricing is applied within the partnership, the details of this application have been announced.				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
All mandatory and voluntary platforms where environmental information is disclosed have been announced.		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

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

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SOCIAL PRINCIPLES					
<b>C1. Human Rights and Employee Rights</b>					
Corporate Human Rights and Employee Rights Policy has been established, in which full compliance with the Universal Declaration of Human Rights, ILO Conventions that are confirmed by Turkey and legal framework and legislation regulating human rights and working life in Turkey has been established. The policy and the roles and responsibilities related to its implementation have been disclosed to the public.	x				
Equality of opportunity is ensured in recruitment processes.	x				
Considering also the supply and value chain effects, fair labor, improvement of labor standards, women's employment and inclusion issues (such as women, men, religious belief, language, race, ethnic origin, age, disability, refugee, etc.) have been included in the policies.	x				
Measures taken throughout the value chain to protect the rights of certain economic, environmental, social factors (low-income groups, women, etc.) or minority rights / equality of opportunity are explained.	x				
Progress in preventing and corrective practices against discrimination, inequality, human rights violations, forced labor has been reported.		x			There are internal reports. Furthermore, reporting of developments will be evaluated.
Regulations for not employing child labor have been explained.	x				
Policies regarding investment in employees (training, development policies), compensation, vested benefits, right to unionize, work / life balance solutions and talent management are explained.	x				
Mechanisms for employee complaints and dispute resolution have been established and dispute resolution processes have been determined.	x				
Activities carried out to ensure employee satisfaction are announced regularly.	x				
Occupational health and safety policies have been created and shared with the public.	x				
The precautions taken in order to prevent occupational accidents and to protect health and accident statistics are explained.	x				
Protection of personal data and data security policies have been created and shared with the public.	x				
Ethical policy (including work, work ethics, compliance processes, advertising and marketing ethics, open disclosure, etc.) has been created and disclosed to the public.	x				
Studies within the scope of social investment, social responsibility, financial inclusion and access to finance have been explained.	x				
Informative meetings and training programs regarding ESG policies and practices have been held for employees.	x				
<b>C2. Stakeholders, International Standards and Initiatives</b>					
Activities in the field of sustainability are carried out by taking into account the needs and priorities of all stakeholders (employees, customers, suppliers and service providers, public institutions, shareholders, society and non-governmental organizations, etc.).	x				
The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed to the public.	x				
Stakeholder communication is carried out continuously and transparently.	x				
Developments in sustainability activities were explained. The developments in sustainability activities and which stakeholders were communicated with for what purpose, on what subject and how often have been explained.	x				
The adopted international reporting standards (Carbon Disclosure Project (CDP), Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC), Sustainability Accounting Standards Board (SASB), Climate-Related Financial Disclosures Task Force (TCFD) etc.) have been disclosed to the public.	x				
Signatory or member international organizations or principles (Equator Principles, United Nations Environment Program Finance Initiative (UNEP-FI), United Nations Global Principles (UNGC), United Nations Principles for Responsible Investment (UNPRI) etc.), international principles adopted (International Capital Market Association (ICMA) Green / Sustainable Bond Principles etc.) has been disclosed to the public.	x				
Concrete efforts are made to be included in the Borsa Istanbul Sustainability Index and international sustainability indexes (Dow Jones Sustainability Index, FTSE4Good, MSCI ESG Indexes, etc.).	x				
<b>D. CORPORATE GOVERNANCE PRINCIPLES</b>					
Maximum effort is made to comply with all Corporate Governance principles as well as the mandatory Corporate Governance principles within the scope of the Capital Markets Board Corporate Governance Communiqué No. II-17.1.	x				
While determining the corporate management strategy, the issue of sustainability, the environmental impacts of the activities and the principles on this issue are taken into consideration.	x				
As stated in the Corporate Governance Principles, necessary measures are taken to comply with the principles regarding stakeholders and to strengthen communication with stakeholders.	x				
Opinions of stakeholders are sought in determining measures and strategies in the field of 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.	x				
Efforts are being made to become a member of international standards and initiatives on sustainability and to contribute to studies.	x				
Policies and programs regarding the fight against bribery and corruption and the principle of tax integrity are explained.	x				

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

(Amounts in Thousand Turkish Lira ("Thousand TL") unless otherwise stated)

Company Compliance Status					Explanation
Yes	Partial	No	Exempted	Not Applicable	

## Corporate Governance Compliance Report

Company Compliance Status					Explanation
Yes	Partial	No	Exempted	Not Applicable	
<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				
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 2020 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 A and B group shares. 2.000 (two thousand) A group registered here corresponding to TRY 20 ( twenty Turkish Lira) capital. Usufruct right to the name of Privatization Administration has been established in order to be valid until a contrary decision is taken by High Board of Privatization on A Group shares together with all rights.
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 practicals, in accordance with Article 36 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.
<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				

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

(Amounts in Thousand Turkish Lira ("Thousand TL") unless otherwise stated)

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
<b>Corporate Governance Compliance Report</b>						
<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					
<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 trainings 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					

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

(Amounts in Thousand Turkish Lira ("Thousand TL") unless otherwise stated)

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
<b>Corporate Governance Compliance Report</b>						
<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					
<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					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.		X				The Company's paid-in capital is TRY 2.9 billion; and it has an executive liability insurance for the damages caused by the board members during their duties however the total insurance does not exceed 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 are two female members 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.	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 to all 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				Duty 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 teh 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 change is expected in 2021.
<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 2020, 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 thereon, 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				Paralell with the general practices, salaries, bonuses and other benefits of the key management are shared in the annual report as total. Remuneration or 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

(Amounts in Thousand Turkish Lira ("Thousand TL") unless otherwise stated)

## Corporate Governance Information Form

## 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

-

## 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/tr/Bildirim/852129>

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

Evet (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 Communique 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 Communique on Corporate Governance (II-17.1)

<https://www.kap.org.tr/tr/Bildirim/818453>

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/749143>

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 meetin regarding 2019 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% / two thousand share of certificate, issued to the bearer amounting to twenty Turkish Lira

The percentage of ownership of the largest shareholder

%94,87

## 1.5. Minority Rights

Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association

Hayır (No)

If yes, specify the 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 / İsdemir 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 WITH THE COMMUNIQUÉ SERIAL:II, NO:14.1

(Amounts in Thousand Turkish Lira ("Thousand TL") unless otherwise stated)

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 participation 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 minutes, 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 the relevant item or paragraph of 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
14.07.2020	0	%95	%0,02	%95	Investor Relations / General Assembly / Minutes of General Assembly	Investor Relations / General Assembly / The questions asked on General Assembly Meetings	-	144	<a href="https://www.kap.org.tr/tr/Bildirim/859677">https://www.kap.org.tr/tr/Bildirim/859677</a>

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

(Amounts in Thousand Turkish Lira ("Thousand TL") unless otherwise stated)

**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 / Board of Directors Annual 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 / Reports and Presentations / Board of Directors Annual Reports / Members of Board Committees, Frequency of Meetings, Operating Principals also Including Activities Performed and Evaluation of the Board on the Effectiveness of the Committees
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 Board meetings within the Year and Attendance of the Board Members in the Meetings
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 / Reports and Presentations / Financial Statements / Provisions
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 cross ownership subsidiaries that the direct contribution to the Capital exceed 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 / Reports and Presentations / Interim Financial Reports / Grants and Social Responsibility Projects

**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	60
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: etik@erdemiretik.com, phone : 0 850 2113000

**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

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

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## 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	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 / 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.

## 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	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 ATAER Holding A.Ş.), Toker ÖZCAN - Deputy Chairman and Managing Director (Representative of ERDEMİR Madencilik San.ve Tic.A.Ş. )
Number of reports presented by internal auditors to the audit committee or any	2
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 / Reports and Presentations / Interim Financial Reports/ Internal Control System and Internal Audit Activities
Name of the Chairman	Süleyman Savaş ERDEM - Chairman - (Representative of ATAER Holding A.Ş.)
Name of the CEO	Mesut Keyfli
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for	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	There is an executive liability insurance for the damages caused by the board members during their duties but the total insurance does not exceed %25 of the 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	2, %22

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Composition of BD							
Name, Surname of Board Member	Whether Executive Director Or No	Whether Independent Director Or Not	The First Election Date To Board	Link To PDP Notification That Includes The Independency 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
ATAER Holding A.Ş. (Temsilcisi: Süleyman Savaş ERDEM)	İcrada Görevli Değil (Non-executive)	Bağımsız üye değil (Not independent director)	27.05.2013	-	Değerlendirilmedi (Not considered)	Hayır (No)	Evet (Yes)
ERDEMİR Madencilik Sanayi ve Ticaret A.Ş. (Temsilcisi: Toker ÖZCAN)	İcrada görevli (Executive)	Bağımsız üye değil (Not independent director)	18.09.2012	-	Değerlendirilmedi (Not considered)	Hayır (No)	Evet (Yes)
T.C. Hazine ve Maliye Bakanlığı Özelleştirme İdaresi Bşk. (Temsilcisi: Bekir Emre HAYKIR)	İcrada Görevli Değil (Non-executive)	Bağımsız üye değil (Not independent director)	20.09.2012	-	Değerlendirilmedi (Not considered)	Hayır (No)	Evet (Yes)
OYAK Pazarlama Hizmet ve Turizm A.Ş. (Temsilcisi: Baran ÇELİK)	İcrada Görevli Değil (Non-executive)	Bağımsız üye değil (Not independent director)	17.09.2012	-	Değerlendirilmedi (Not considered)	Hayır (No)	Evet (Yes)
ERDEMİR Mühendislik, Yönetim ve Danışmanlık Hizmetleri A.Ş. (Temsilcisi: Güliz KAYA)	İcrada Görevli Değil (Non-executive)	Bağımsız üye değil (Not independent director)	17.09.2012	-	Değerlendirilmedi (Not considered)	Hayır (No)	Evet (Yes)
ERDEMİR Çelik Servis Merkezi Sanayi ve Ticaret A.Ş. (Temsilcisi: Aslıhan DÖĞER)	İcrada Görevli Değil (Non-executive)	Bağımsız üye değil (Not independent director)	13.09.2012	-	Değerlendirilmedi (Not considered)	Hayır (No)	Evet (Yes)
Ali FİDAN	İcrada Görevli Değil (Non-executive)	Bağımsız üye (Independent director)	21.03.2019	<a href="https://www.kap.org.tr/tr/Bildirim/818451">https://www.kap.org.tr/tr/Bildirim/818451</a>	Değerlendirildi (Considered)	Hayır (No)	Evet (Yes)
Kurtuluş Bedri VAROĞLU	İcrada Görevli Değil (Non-executive)	Bağımsız üye (Independent director)	21.03.2019	<a href="https://www.kap.org.tr/tr/Bildirim/818451">https://www.kap.org.tr/tr/Bildirim/818451</a>	Değerlendirildi (Considered)	Hayır (No)	Evet (Yes)
Mahmut Cengiz AYDIN	İcrada Görevli Değil (Non-executive)	Bağımsız üye (Independent director)	05.02.2021	-	Değerlendirildi (Considered)	Hayır (No)	Evet (Yes)

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(Amounts in Thousand Turkish Lira ("Thousand TL") unless otherwise stated)

## 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	%98
Whether the board uses an electronic portal to support its work or not	Evet (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 / Reports and Presentations / Board of Directors Annual Reports / Members of Board Committees, Frequency of Meetings, Operating Principals also Including Activities Performed and Evaluation of the Board on the Effectiveness of the Committees
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 BD - I				
Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Kurumsal Yönetim Komitesi (Corporate Governance Committee)	-	Kurtuluş Bedri Varoğlu	Evet (Yes)	Yönetim kurulu üyesi (Board member)
Kurumsal Yönetim Komitesi (Corporate Governance Committee)	-	Ali Fidan	Hayır (No)	Yönetim kurulu üyesi (Board member)
Kurumsal Yönetim Komitesi (Corporate Governance Committee)	-	İdil Önay Ergin	Hayır (No)	Yönetim kurulu üyesi değil (Not board member)
Denetim Komitesi (Audit Committee)	-	Kurtuluş Bedri Varoğlu	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 Detection of Risk)	-	Ali Fidan	Evet (Yes)	Yönetim kurulu üyesi (Board member)
Riskin Erken Saptanması Komitesi (Committee of Early Detection of Risk)	-	Kurtuluş Bedri Varoğlu	Hayır (No)	Yönetim kurulu üyesi (Board member)

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## 4. BOARD OF DIRECTORS-III

## 4.5. Board Committees-II

Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	Investor Relations / Reports and Presentations / Interim Financial Reports / Members of Board Committees, Frequency of Meetings, Operating Principals also Including Activities Performed and Evaluation of the Board on the Effectiveness of the Committees
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 / Reports and Presentations / Interim Financial Reports / Members of Board Committees, Frequency of Meetings, Operating Principals also Including Activities Performed and Evaluation of the Board on the Effectiveness of the Committees
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 / Reports and Presentations / Interim Financial Reports / Members of Board Committees, Frequency of Meetings, Operating Principals also Including Activities Performed and Evaluation of the Board on the Effectiveness of the Committees
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 / Reports and Presentations / Interim Financial Reports / Members of Board Committees, Frequency of Meetings, Operating Principals also Including Activities Performed and Evaluation of the Board on the Effectiveness of the Committees
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	Investor Relations / Reports and Presentations / Interim Financial Reports / Members of Board Committees, Frequency of Meetings, Operating Principals also Including Activities Performed and Evaluation of the Board on the Effectiveness of the Committees

## 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 / 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 / Reports and Presentations / Interim Financial Reports / Financial Benefits provided to Board Member and Top Managers

Composition of BD - 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	3
Riskin Erken Saptanması Komitesi (Committee of Early Detection of Risk)	-	%100	%100	6	6