KOCAER STEEL
AUTOMATION AND PRODUCTION EFFICIENCY POLICY

YO.PO.031_00 / 21.10.2026

At Kocaer Steel, we believe that sustainable growth and global competitiveness are built on **operational excellence, efficient use of resources, technological advancement and a strong corporate governance approach**.

Our objective is to be among the most efficient and reliable producers in our industry by continuously improving our production processes, delivering high quality, cost-effectiveness, flexible production capability and reliable delivery performance.

To this end, across all our rolling mill, galvanizing and steel service center operations, we apply automation, digitalization and advanced production technologies without compromising our principles of occupational health and safety, quality and environmental responsibility.

In line with this approach, we commit to:

- **Data-Driven Management and Measurable Performance:** Monitoring the performance of our production processes through key indicators such as overall equipment effectiveness (OEE), material and energy efficiency, labor productivity and unit production costs; and setting measurable targets and basing our decisions on objective and reliable data;
- **Operational Excellence and Continuous Improvement:** Streamlining our processes in line with lean manufacturing principles, reducing losses and waste at source, developing standard work methods, and strengthening a culture of continuous improvement with the active participation of our employees;
- **Production Reliability and Resource Efficiency:** Increasing equipment availability, production capacity and material yield; and ensuring production continuity and operational reliability through planned, predictive and autonomous maintenance practices;
- **Digitalization and Smart Manufacturing:** Integrating automation, sensor technologies, data analytics and artificial intelligence applications into our production processes to develop predictive quality control, prevent defects before they occur and improve the accuracy of production decisions;
- **Flexible Production and Customer Focus:** Responding to the changing needs of our customers in a timely manner, at competitive cost and with sustainable quality standards by improving the flexibility of our production processes and our capability for rapid product changeovers; and supporting the production of high value-added products;

- **Occupational Safety and Human-Centered Technological Transformation:** Prioritizing the transformation of heavy, repetitive and hazardous tasks through automation and robotic systems; conducting safety assessments before commissioning all new and modified equipment; and ensuring our employees' active participation in the transformation process by developing their technological competencies;
- **Energy Efficiency and Environmental Sustainability:** Continuously improving our energy performance within the scope of our Energy Management System, increasing the use of renewable energy, using natural resources responsibly, and contributing to our emission reduction targets through efficiency investments;
- **System Integration and Information Security:** Strengthening the integration between operational technology (OT) and information technology (IT); and safeguarding data integrity, cybersecurity and operational continuity within the framework of our Information Security Management System;
- **Disciplined Investment and Sustainable Value Creation:** Evaluating our automation and technology investments not only against technical requirements but also against economic benefit, total cost of ownership, compatibility with existing systems, open standards and long-term competitive advantage; and developing collaborations with academic institutions and technology partners;
- **Corporate Performance and Accountability:** Reflecting efficiency targets in the performance indicators of the relevant organizational units, regularly monitoring results, analyzing the causes of deviations and implementing the necessary improvement actions in a timely manner, and ensuring that the gains achieved are sustained.

We see automation and production efficiency not merely as an area of technological development, but as **a strategic management priority that strengthens our organizational capacity, develops our employees' competencies, enhances our cost competitiveness and supports our sustainable growth**.

We implement this policy through the participation of all our employees and a sense of shared responsibility.