KOCAER

KOCAER STEEL
R&D AND PRODUCT DEVELOPMENT POLICY

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At Kocaer Steel, we believe that sustainable growth and global competitiveness are built on **innovation, strong engineering capabilities, customer-focused product development and a commitment to creating added value**.

Our objective is to offer our customers innovative, reliable and competitive solutions by continuously developing our existing product and production capabilities, to increase the share of high value-added products in our portfolio, and to secure a sustainable competitive advantage in the markets in which we operate.

We view R&D and product development not merely as the design of new products, but as **a strategic management priority that turns customer needs into technology and engineering solutions, develops our production capabilities and strengthens the Company's capacity to create long-term value**.

In line with this approach, we commit to:

- **Customer- and Market-Focused Product Development:** Shaping our R&D activities in line with customer needs, market expectations and industry developments; and developing new products, special sections and application-oriented engineering solutions in close collaboration with our customers;
- **Value-Added Products and Competitiveness:** Continuously increasing the added value and competitiveness of our product portfolio by developing high-strength, special-section, tight-tolerance, hot-dip galvanized and certified products for the needs of the power transmission line, renewable energy, infrastructure, construction, mining, tunneling, shipbuilding and machinery manufacturing sectors;
- **Engineering Capability and Institutional Knowledge:** Systematically developing and documenting our technical know-how in section design, roll pass design, metallurgy and production processes, retaining it as institutional memory and turning it into a sustainable competitive advantage;
- **Sustainable Product Design and Low-Carbon Production:** Taking energy efficiency, resource use, carbon footprint, recyclability and life-cycle impacts into account in new product and process development; evaluating the environmental performance of our products with verifiable data in line with international standards; and developing low-carbon product solutions;
- **Product Reliability and Industrial Feasibility:** Verifying the conformity of developed products and processes with relevant standards, legislation and customer specifications; and systematically managing the transition to series production by ensuring quality, manufacturability, cost-effectiveness and operational reliability through trial production and process validation;

- **Digital Technologies and Advanced Engineering:** Making effective use of simulation, digital design, data analytics and artificial intelligence technologies in product and process development; shortening development times, increasing technical accuracy and enhancing the efficiency of our engineering processes;
- **Data-Driven Project Management and Resource Efficiency:** Evaluating our R&D projects in terms of technical feasibility, customer value, commercial potential, financial return and strategic priorities; setting measurable performance targets and regularly monitoring project results; and directing our resources to the work that will create the greatest sustainable value;
- **University and Research Collaboration:** Developing national and international collaborations with universities, research institutions, technology providers and business partners; bringing scientific and technological advances into our production processes; benefiting from suitable support programs; and contributing to the sharing of scientific knowledge and to our country's industrial know-how while protecting our intellectual property rights;
- **Intellectual Property and Information Security:** Protecting the technical know-how, inventions, designs and trade secrets resulting from our R&D activities; encouraging the innovative contributions of our employees; respecting the intellectual property rights of third parties; and ensuring information security within the framework of our relevant management systems;
- **Human Capital and a Culture of Innovation:** Continuously enhancing the engineering, research and technology development competencies of our employees; and making innovation an integral part of our corporate culture by fostering creative thinking, interdisciplinary collaboration, knowledge sharing and continuous learning.

We see R&D and product development not only as a means of producing technological innovation, but as **one of the key instruments for creating greater value for our customers, developing our production capabilities, growing through value-added products and strengthening the Company's long-term competitiveness**.

We implement this policy through the collaboration of all relevant units, the active participation of our employees and the leadership of our managers.