

SUSTAINABLE CONSTRUCTIONAL STEEL MANAGEMENT SYSTEM MANUAL

Document No	EYS SEK 010
Date of Issue	15.11.2023
Rev. Date	10.07.2025
Rev. No	01
Issue No	02
Number of Pages	1 / 26
Date Of Update	-

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Rev / Edition No	Date	Cause and Subject of Revision	Page
Edition 01	15.01.2018	First Edition	All
Rev 01	06.11.2020	Review	All
Rev 02	06.10.2021	General review and organizational structure change	All
Rev 03	18.08.2023	General review and 3.12. Raw Material Procurement revised	All
Rev 04	04.04.2024	General review	All
Edition 02	10.07.2025	General review	All

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0. Introduction

0.1 General Profile of the Company

Kaptan Demir Çelik Endüstrisi ve Ticaret A.Ş., a leading company of the Kaptan Group of Companies, has been a prominent player in the iron and steel industry since 1964. With a rich history spanning over 50 years, Kaptan Group operates across various sectors, including iron-steel, maritime, transportation, and energy.

Kaptan Demir Çelik's journey began with the establishment of a rolling mill in Karabük in 1964. Over the years, the company has expanded its operations and production capacity, establishing new facilities and modernizing existing ones. Today, Kaptan Demir Çelik stands as one of Turkey's largest steel producers, equipped with state-of-the-art technology and a commitment to international standards.

Key Milestones:

- **1964:** Establishment of a rolling mill in Karabük with a capacity of 10,000 tons/year.
- **1974:** Expansion of the rolling mill's capacity to 100,000 tons/year.
- **1987:** Establishment of a rolling mill in Çorlu with a capacity of 300,000 tons/year.
- **2002:** Establishment of a steel mill with a capacity of 1.4 million tons/year.
- **2006:** Establishment of a rolling mill in Marmara Ereğlisi with a capacity of 1 million tons/year.
- **2015:** Complete renovation of the rolling mill in Çorlu, increasing its capacity to 600,000 tons/year.
- **2023:** A Wire Rod Rolling Mill with an annual capacity of 500,000 tons has been established.

Kaptan Demir Çelik's steel mill, the driving force behind the company's success, produces a wide range of steel products, including general structure, construction, and low alloy steel billets. The mill is equipped with an Electric Arc Furnace, a Ladle Furnace, and a 6-strand continuous casting machine, enabling it to meet the demands of a diverse customer base.

Kaptan Demir Çelik is committed to sustainability and transparency. The company's sustainability documents, policies, and other relevant details are publicly available on its website: (<http://kaptangrupturkiye.com/>)(<http://kaptangrupturkiye.com/>).

0.2 Terms

This document adheres to the terms defined in the relevant standards and provides specific definitions for clarity.

- **Environmental Aspect:** Refers to elements of an organization's activities, products, or services that can interact with the environment. Examples include emissions, waste generation, and resource consumption.
- **Environmental Impact:** Any change to the environment, whether wholly or partially, that results from an organization's activities, products, or services. Impacts can be positive or negative. For example, an increase in biodiversity is a positive environmental impact.

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- **Sustainability Aspect:** Encompasses the elements of an organization's activities, products, services, and other operations that can interact with the environment, society, and the social economy.
- **Sustainability Impact:** Any change to a sustainability aspect, whether adverse or beneficial.
- **Lifecycle:** The complete journey of a product or service, from the extraction of raw materials or natural resources to its final disposal. This includes all stages of production, use, and end-of-life treatment.
- **Environmental Product Declaration (EPD):** A standardized document that provides transparent and verifiable information about the environmental performance of a product or service throughout its lifecycle, based on ISO 14025 and EN 15804 standards.

1. Scope (1.1.1)

Company Scope: Kaptan Demir Çelik Endüstrisi ve Ticaret A.Ş. (Marmara Ereğlisi).

Scope of certification: Manufacturing of continuously cast steel billets, hot rolled ribbed and plain steel bars, and ribbed wire rod (rebar in coil) for concrete reinforcement, carried out at Kaptan Demir Çelik's Marmaraereğlisi integrated production facility

Aims:

- To effectively manage Kaptan's sustainability-related activities.
- To fulfill responsibilities by establishing a sustainable system that meets relevant standards.

Applicability:

The sustainability manual and associated procedures apply to all business processes that impact the quality of Kaptan's products, occupational health and safety, all stakeholders, individuals working for Kaptan, and the surrounding community.

1.1 Operational and Certification Information

Kaptan provides operational and certification information using the template provided by CARES.

2. Sustainability Management (2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7)

2.1 Sustainability Policy, Principles and Leadership (2.1.1, 2.1.2, 2.1.3)

2.1.1 Sustainability Policy

Kaptan has established an Environment, Occupational Health & Safety and Sustainability Policy that outlines its commitment to sustainability. This policy covers:

- **Environmental, Health, and Safety:** Commitment to protecting the environment, ensuring the health and safety of employees, and promoting employee well-being and mental health.
- **Human Rights and Labour Rights:** Adherence to human rights and labor rights principles, ensuring fair labor conditions and promoting respect for workers.

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- **Social and Economic Impacts:** Recognition of the company's social and economic impacts and commitment to contributing to a diverse and stable local economy.
- **Compliance:** Commitment to complying with applicable legislation and compliance obligations.
- **Continual Improvement:** Dedication to continuous improvement in all aspects of sustainability.
- **Stakeholder Engagement:** Commitment to engaging with stakeholders to understand their concerns, risks, and opportunities.
- **Ethical Business Practices:** Adherence to ethical business practices and good corporate governance.
- **Responsible Sourcing:** Commitment to responsible sourcing throughout the supply chain.

The Sustainability Policy is approved by top management, communicated to employees and stakeholders through various channels, including the company website, and reviewed periodically.

Reference:

- Sustainability Policy (EYS-SP-010)

2.1.2 Commitment to Principles

Kaptan's leadership is committed to the following sustainability principles:

- **Inclusivity:** Ensuring that all stakeholders have a voice and are involved in decision-making processes.
- **Integrity:** Acting ethically and responsibly in all business operations.
- **Stewardship:** Managing resources responsibly and minimizing environmental impact.
- **Transparency:** Openly communicating sustainability performance and engaging in transparent dialogue with stakeholders.

This commitment is communicated internally and externally, ensuring that it is publicly and freely available.

2.1.3 Leadership and Accountability

Responsibility for implementing sustainability principles, values, and policies, and monitoring sustainability performance, is assigned to the company's directors or the most senior oversight body.

2.2 Stakeholder Identification, Engagement, and Ongoing Management (2.2.1, 2.2.2, 2.2.3, 2.2.4)

2.2.1 Stakeholder Identification

Kaptan identifies its key stakeholders and makes this information publicly available. Stakeholders include employees, customers, suppliers, local communities, government agencies, and non-governmental organizations.

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Reference:

- Strategy Analysis and Expectations of the Stakeholders (EYS-SAPB-010)

2.2.2 Engagement Types

Kaptan determines the most effective channels, tools, frequency, and format for engaging with specific stakeholders. Engagement methods can include:

- **Internal Tools:** Meetings, intranet, notice boards, electronic information displays, posters, company magazines, newsletters, email, directed reading, employee representation, union/company forums, suggestion schemes.
- **External Tools:** Surveys, media tracking, helpline, contact point, community involvement, advertisements, newsletters, workshops, open days, publicly reported performance information, sustainability reports, third-party verification/audit reports.
- **Dialogue:** Focus groups, public meetings, forums, one-on-one conversations, workshops, open days.

2.2.3 Communicating Engagement Outcomes

Kaptan documents stakeholder engagements, expectations, concerns, and outcomes, making a summary publicly available. This includes publishing a materiality matrix that highlights key stakeholder concerns and expectations.

2.2.4 Prioritizing Material Impacts

Kaptan prioritizes issues based on stakeholder expectations and concerns, informed by scientific evidence and the organizational context. Materiality assessments consider the significance of environmental, social, and economic impacts, and prioritize resources and actions to address the most material issues.

2.3 Assessing Risk and Opportunities (2.3.1, 2.3.2, 2.3.3)

2.3.1 Risk Review

Kaptan conducts an initial risk and opportunity review, assessing and documenting adverse impacts (risks) and beneficial impacts (opportunities). This review considers a lifecycle perspective, the degree of influence or control over impacts, and is periodically updated.

Reference:

- Procedure for Determination of Hazards, Aspects and Opportunities, and Risk Assessment (EYS-PR-120)
- Risk Assessment Form (EYS-FR-390)
- Procedure for Assessment of Quality Management System Risks and Opportunities (EYS-PR-140)
- Quality Management System Risks Assessment Form (EYS-FR-210)
- Opportunity Assessment Form (EYS-FR-200)

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- Key Supplier Sustainability, Risk Analysis, and Mapping Procedure (EYS-PR-270)
- Key Supplier Sustainability Risk Assessment Form (EYS-FR-720)
- Sustainability Risk Assessment Procedure (EYS-PR-200)
- Sustainability Risk Assessment Form (EYS-FR-600)

2.3.2 Compliance Register

Kaptan identifies and accesses details of its compliance obligations related to sustainability impacts, determining how these obligations apply to the organization.

Reference:

- Document Control Procedure (EYS-PR-010)
- List of Legal Regulations to be Complied With (EYS-FR-400)

2.3.3 Non-Compliance Risk Assessment

Kaptan assesses the risks of non-compliance with sustainability-related obligations.

2.4 Monitoring Performance and Setting Objectives (2.4.1, 2.4.2, 2.4.3, 2.4.4)

2.4.1 Monitoring

Kaptan establishes, documents, implements, and maintains sustainable development key performance indicators (KPIs) to monitor:

- Sustainability Management, including ethical practices and performance.
- Environmental performance.
- Social performance, including human rights, labor conditions, and health and safety.
- Economic performance.

2.4.2 Objective Setting

Kaptan identifies and adopts sustainable development objectives that have a positive impact on material issues and are informed by stakeholder review. Objectives are set using the SMART criteria (Specific, Measurable, Achievable, Realistic, and Time-Oriented).

Reference:

- SMS (Sustainability Management System) Objectives (EYS-FR-250)

2.4.3 Action Planning

Kaptan establishes, documents, implements, and maintains programs and plans to achieve its sustainability objectives.

2.4.4 Communication

Sustainability objectives and plans are publicly available and effectively communicated to interested stakeholders. Progress is monitored and reported regularly.

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2.5 Resource Allocation and Competence Building (2.5.1, 2.5.2, 2.5.3)

2.5.1 Allocating Sufficient Resources

Kaptan's leadership ensures that appropriate resources are allocated to achieve sustainable development objectives, company values, and commitments.

2.5.2 Coordinating Role for SMS

Kaptan appoints a Management Representative with defined and documented authority and responsibilities for coordinating and implementing the sustainability management system.

2.5.3 Learning and Development Needs

Kaptan identifies the learning and development needs of employees, particularly those with responsibilities for meeting sustainability objectives and improving performance.

Reference:

- Training Procedure (IK-PR-010)
- Human Resources Processes Procedure (IK-PR-020)
- Approved Disciplinary Board Implementation Procedure - Law (IK-PR-030)
- Recruitment Processes Instruction (IK-TL-010)
- Personnel Processes Instruction (IK-TL-020)
- Probationer Employment Instruction (IK-TL-030)
- Orientation Instruction (IK-TL-040)
- Leave of Absence Transactions Instruction (IK-TL-050)
- Position Title Promotion and Transfer Appointment Instruction (IK-TL-060)
- Personnel Working Rules Instruction (IK-TL-080)
- Leave of Employment Transactions Instruction (IK-TL-090)

2.6 Achieving Progress and Review (2.6.1, 2.6.2)

2.6.1 Management Review

Top management conducts a Management Review Meeting at least annually to assess the suitability, adequacy, and effectiveness of the Sustainability Management System. The review covers:

- Sustainability Policies
- Stakeholder expectations and concerns
- Material impacts, risks, and opportunities
- Sufficiency of resources to manage impacts
- Progress of key performance indicators (KPIs) and against sustainable development objectives
- Internal and external performance reporting

Reference:

- Management Review Meeting (EYS-FR-120)

2.6.2 Maturity Matrix

Kaptan completes the Maturity Matrix in the CARES Sustainable Structural Steel Workbook to assess the maturity of its sustainability management system.

2.7 Building Confidence Through Transparency (2.7.1, 2.7.2)

2.7.1 Transparency and Accountability

Kaptan increases transparency, accountability, and integrity by publicly reporting its sustainability strategies, management practices, and performance related to material impacts. This includes reporting on:

- Performance related to material impacts.
- Value chain/lifecycle stage where impacts occur.
- Context for stakeholder understanding of organizational impacts.
- Relevant policies.
- Summary of sustainability strategies for material impacts.
- Summary of main sustainability objectives and targets.
- Plans and actions to reduce negative impacts and increase positive ones.
- Policies and targets for responsible sourcing of raw materials.

3. Environmental Aspects (3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.8)

3.1 Harvesting or Extraction Impacts (3.1.1, 3.1.2)

3.1.1 Harvesting

Not applicable to steel production as steel is made from iron ore, a finite resource.

3.1.2 Extraction Impacts

Kaptan recognizes the importance of sustainable practices in the iron ore mining industry and the extraction of other alloying elements. The company addresses extraction impacts through its responsible sourcing criteria (Section 2.10), which include:

- Measuring the extent of accredited management system certifications at raw material suppliers.
- Working with suppliers to reduce extraction impacts further up the supply chain.

3.2 Primary Material Use, Materials Efficiency, Recyclability, and Recycled Content (3.2.1, 3.2.2, 3.2.3, 3.2.4, 3.2.5)

3.2.1 Material Efficiency

Kaptan is committed to maximizing material efficiency and the use of recycled materials. The company implements processes to achieve this and completes the "Primary Material Use and Material Efficiency" KPI in the CARES Sustainable Structural Steel Workbook.

Reference:

- Sustainability Policy (EYS-ÇİSGP-010)

3.2.2 Primary Material Use

Kaptan assesses the environmental impacts of primary material use and sets objectives to reduce these impacts.

3.2.3 Recycled Content

Kaptan measures, documents, and reports the recycled content in its products according to BS EN ISO 14021, completing the "Recycled Content" KPI in the CARES Sustainable Structural Steel Workbook.

3.2.4 Recyclability

Steel is 100% recyclable and can be indefinitely recycled without losing its properties.

3.2.5 Renewability

Not applicable to steel production as steel is made from iron ore, a finite resource.

3.3 Energy and Water Use (3.3.1, 3.3.2, 3.3.3, 3.3.4, 3.3.5)

3.3.1 Energy Intensity

Kaptan is committed to reducing energy intensity. The company implements processes to achieve this and completes the "Energy Intensity" KPI in the CARES Sustainable Structural Steel Workbook.

Reference:

- Sustainability Policy (EYS-ÇİSGP-010)
- Energy Management Policy (EYS-EP-010)

3.3.2 Renewable Energy

Kaptan completes the "Renewable Energy" KPI in the CARES Sustainable Structural Steel Workbook and publicly reports the value.

3.3.3 Energy Use Objectives

Kaptan assesses the environmental impacts of its energy use and sets objectives to reduce these impacts.

3.3.4 Water Use

Kaptan is committed to minimizing the impacts related to its water use. And implements processes to reduce water use and completes the "Water Use" KPI in the CARES Sustainable Structural Steel Workbook.

Reference:

- Sustainability Policy (EYS-ÇİSGP-010)

3.3.5 Water Use Objectives

Kaptan assesses the environmental impacts of its water use and emissions and sets objectives to reduce these impacts.

3.4 Biodiversity and Eco-toxicity (3.4.1, 3.4.2, 3.4.3, 3.4.4, 3.4.5, 3.4.6, 3.4.7)

3.4.1 Biodiversity

Kaptan conducts a review to identify how its operations and activities impact biodiversity, implements a system to enhance biodiversity on site, and sets objectives to improve biodiversity, aligning with the biodiversity mitigation hierarchy.

Reference:

- ISO 14001 EMS Operational Control Procedures

3.4.2 Ecotoxicity

Kaptan conducts a review to identify how its operations and activities impact ecotoxicity, implements a system to reduce ecotoxicity impacts, and sets objectives to reduce ecotoxicity.

Reference:

- ISO 14001 EMS Operational Control Procedures

3.4.3 Protected Sites

Kaptan identifies legally designated sites, sites of special scientific interest, and other protected and natural heritage sites close to its operations, assessing its impacts on these sites.

Reference:

- Environmental Impact Assessment (EIA) Report

3.4.4 Protected Species

Kaptan identifies protected, endangered (red list) species, species of importance to local people, and species of importance to the local economy in the impact area of its operations.

Reference:

- Environmental Impact Assessment (EIA) Report

3.4.5 Biodiversity (KPI)

Kaptan completes the "Land Use and Biodiversity Rich Habitats" KPI in the CARES Sustainable Structural Steel Workbook.

3.4.6 Biodiversity Projects

Kaptan runs projects or initiatives to reduce ecotoxicity and/or improve local biodiversity and ecosystems.

3.5 Global Warming Potential (GWP) and Greenhouse Gas Emissions (GHG) (3.5.1, 3.5.2, 3.5.3, 3.5.4, 3.5.5)

3.5.1 Climate Change Measurement and Monitoring

Kaptan has a system for measuring and monitoring its Global Warming Potential (GWP) and reducing its Greenhouse Gas Emissions (GHG). Emissions are below defined performance thresholds.

Reference:

- "Global Warming Potential" KPI in the CARES Sustainable Structural Steel Workbook
- Environmental Product Declaration (EPD) Report
- Carbon Footprint Report (CFR)

3.5.2 Climate Change - Global Warming Potential (GWP) Performance

Kaptan assesses its GWP performance against scoring thresholds.

Reference:

- Environmental Product Declaration (EPD) Report
- "Global Warming Potential" KPI in the CARES Sustainable Structural Steel Workbook

3.5.3 Climate Change Strategy

Kaptan has defined, made publicly available, and implemented a long- and medium-term strategy to reduce GHG emissions to levels compatible with the goals of the Paris Agreement, aspiring to achieve net-zero GHG emissions.

3.5.4 Climate Related Financial Disclosures

Kaptan implements the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD).

3.5.5 GHG Emissions Reduction Targets and Plan

Kaptan has a medium-term (5-15 years) GHG target for the site that is aligned with the corporate owner's strategy and GHG emissions reduction targets. This target is publicly reported.

3.6 Transport Impacts (3.6.1, 3.6.2, 3.6.3, 3.6.4)

3.6.1 Transport Impacts

Kaptan is committed to monitoring and minimizing transport impacts. The company implements processes to minimize these impacts and completes the "Transport Impact" sheet in the CARES Sustainable Structural Steel Workbook.

Reference:

- Sustainability Policy (EYS-ÇİSGP-010)
- "Transport Impact" sheet in the CARES Sustainable Structural Steel Workbook

3.6.2 Transport Impacts (Objectives)

Kaptan assesses the environmental and other impacts of transport and sets objectives to reduce these impacts.

3.6.3 Transport Impacts (Employees)

Kaptan records and assesses employee transport patterns and sets objectives to reduce these impacts.

3.6.4 Transport Impacts (Business Travel)

Kaptan records and assesses business travel patterns and sets objectives to reduce these impacts.

3.7 Waste, Recycling, By-Product Management, Emissions, and Releases (3.7.1, 3.7.2, 3.7.3, 3.7.4, 3.7.5, 3.7.6)

3.7.1 Waste Management Plan

Kaptan identifies, assesses, and documents its waste and by-product streams, implementing a plan to minimize waste and maximize reuse and recycling. The company sets objectives to maximize beneficial management and minimize waste, encouraging a circular economy approach.

Reference:

- Waste Management Procedure (ÇYB-PR-010)

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3.7.2 By-product

Kaptan completes the "By-Product Production" KPI in the CARES Sustainable Structural Steel Workbook.

3.7.3 Recycling

Kaptan completes the "Waste Recycled" KPI in the CARES Sustainable Structural Steel Workbook.

3.7.4 Incineration

Kaptan completes the "Waste to Incineration" KPI in the CARES Sustainable Structural Steel Workbook.

3.7.5 Landfill

Kaptan completes the "Waste to Landfill" KPI in the CARES Sustainable Structural Steel Workbook.

3.7.6 Emissions to Air and Water

Kaptan monitors emissions and implements plans to prevent and reduce emissions that have adverse impacts on communities or the environment.

Reference:

- ISO 14001 EMS Certification

3.8 Spills, Leaks, and Land Remediation (3.8.1, 3.8.2)

3.8.1 Spills and Leaks

Kaptan works to effectively prevent, detect, mitigate, and remedy spills and leaks that could harm communities or the environment.

Reference:

- ISO 14001 EMS Certification

3.8.2 Land Remediation

Kaptan includes land remediation as part of its initial environmental review or conducts an environmental impact assessment. If necessary, the company develops and implements land remediation plans to reduce negative impacts and enable other land uses.

4. Social Aspects (4.1, 4.2, 4.3, 4.4, 4.5)

4.1 Human Rights and Ethical Labour Practices (4.1.1, 4.1.2, 4.1.3, 4.1.4, 4.1.5, 4.1.6, 4.1.7, 4.1.8, 4.1.9, 4.1.10, 4.1.11, 4.1.12, 4.1.13, 4.1.14, 4.1.15)

4.1.1 Human Rights and Ethical Labour Policy

Kaptan has a Human Rights Policy that commits the organization, its employees, and contractors to:

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- Comply with human rights legislation and international norms of behavior, avoiding complicity with human rights abuses.
- Avoid the use of or complicity in forced labor or child labor.
- Comply with applicable laws and industry standards on fair labor conditions.
- Promote respect for workers and labor rights.

Reference:

- ISO 26001 Social Responsibility Management System Certificate
- Social Responsibility Policy (EYS-SSP-010)
- ISO 26000 Social Responsibility Manual (EYS-SSEK-020)

4.1.2 Child, Juvenile, and Forced Labour

Kaptan implements processes and procedures to detect, investigate, and address any incidents of child, juvenile, or forced labor.

Reference:

- SA8000 Risk Assessment Form (EYS-FR-600)
- Incident Investigation Procedure (EYS-PR-130)

4.1.3 Employee Terms of Employment

Kaptan ensures that workers understand their employment terms regarding wages, working hours, and other conditions.

Reference:

- Indefinite-term work contracts and Fixed-term work contract for white collars (IK-FR-110)
- Fixed-term work contract for blue collars (IK-FR-110)
- Orientation Work instruction (IK-TL-040)
- Orientation training process follow-up form (IK-FR-310)

4.1.4 Employee Turnover (KPI)

Kaptan completes the "Employee Turnover" KPI in the CARES Sustainable Structural Steel Workbook.

4.1.5 Employee Turnover (Social Impacts)

Kaptan assesses the social impacts of employee turnover.

4.1.6 Fair Wages (Policy and KPI)

Kaptan's Wage Policy complies with the national legal standard for minimum wage and wage increases. The company completes the "Wage Policy" KPI in the CARES Sustainable Structural Steel Workbook.

4.1.7 Wage Policy (Social Impacts)

Kaptan assesses the social impacts of its Wage Policy.

4.1.8 Gender Pay Equality

Kaptan assesses equality in its pay structures and publicly reports on its gender pay gap.

Reference:

- "Gender pay equality" KPI in the CARES Sustainable Structural Steel Workbook

4.1.9 Gender Equality

Kaptan assesses equality in its employment structures and publicly reports on its gender balance.

Reference:

- "Gender employment balance" KPI in the CARES Sustainable Structural Steel Workbook

4.1.10 Freedom to Join Trade Unions (Freedom of Association)

Kaptan allows workers and employees to form and join organizations of their own choosing. The company completes the "Freedom of Association" KPI in the CARES Sustainable Structural Steel Workbook.

4.1.11 Grievance Mechanism

Kaptan has a formal system for considering and acting on employee complaints and grievances.

Reference:

- Stakeholder Request, Complaint and Suggestion Management Procedure (EYS-PR-110)

4.1.12 Employee Grievance Mechanism (KPI)

Kaptan completes the "Grievance System" KPI in the CARES Sustainable Structural Steel Workbook.

4.1.13 Grievance Resolution

Kaptan resolves employee complaints and grievances.

4.1.14 Human Rights Due Diligence

Kaptan conducts human rights risk assessments and due diligence.

Reference:

- OECD Due Diligence Guidance for Responsible Business Conduct (2018)
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas (2016)

4.1.15 Human Rights in Conflict-Affected and High-Risk Areas

Kaptan does not contribute directly or indirectly to armed conflict, human rights abuses, or risks for workers and communities in conflict-affected or high-risk areas.

Reference:

- Social Responsibility Policy (EYS-SSP-010)
- SA8000 Management System

4.2 Safe and Healthy Working Conditions (4.2.1, 4.2.2, 4.2.3)

4.2.1 Lost Time Injuries (KPI and Reporting)

Kaptan completes the "Lost time injury frequency rate (LTIFR) - Injuries/million hours worked" KPI in the CARES Sustainable Structural Steel Workbook and publicly reports its performance.

Reference:

- "Lost time injury frequency rate (LTIFR) - Injuries/million hours worked" KPI in the CARES Sustainable Structural Steel Workbook

4.2.2 Health and Safety Incident Reduction

Kaptan reduces health and safety incidents.

4.2.3 Health and Safety Incident Support and Compensation

Kaptan provides workers with support and compensation for work-related injuries or illness and care for their dependents in case of work-related death.

Reference:

- Turkish Occupational Health and Safety Law No. 6331
- Turkish Social Insurance and General Security Law No. 5510

4.3 Skills and Training (Development of Employees) (4.3.1, 4.3.2, 4.3.3, 4.3.4, 4.3.5, 4.3.6, 4.3.7, 4.3.8, 4.3.9)

4.3.1 Skills and Training (Sustainability Impacts)

Kaptan provides appropriate training and incentives to employees to help them understand how their work impacts sustainable development.

Reference:

- Training Procedure (IK-PR-010)
- Human Resources Processes Procedure (IK-PR-020)
- Approved Disciplinary Board Implementation Procedure - Law (IK-PR-030)
- Orientation Instruction (IK-TL-040)

4.3.2 Skills and Training (Career Development)

Kaptan implements training-based career development programs for employees.

Reference:

- Training Plans

4.3.3 Skills and Training (On-the-Job Training)

Kaptan implements on-the-job training (OJT) for employees.

4.3.4 Skills and Training Effectiveness

Kaptan implements training effectiveness measurement modeling.

Reference:

- IK-FR-350 Training Effectiveness Measurement Form

4.3.5 Skills and Training (KPI)

Kaptan completes the "Skills and Training (Development of Employees)" KPI in the CARES Sustainable Structural Steel Workbook.

4.3.6 Skills and Training (Objectives)

Kaptan sets objectives for skills development and training.

4.3.7 Skills and Training (Apprentices and Graduate Trainees)

Kaptan completes the "Apprentices employed in reporting year" and "Graduate trainees employed in reporting year" KPIs in the CARES Sustainable Structural Steel Workbook.

4.3.8 Skills and Training (Long-Term Unemployed)

Kaptan completes the "Long-term unemployed people it has trained with a view to employment in reporting year" KPI in the CARES Sustainable Structural Steel Workbook.

4.3.9 Skills, Training, and Employment of People with a Disability

Kaptan completes the "Skills, training and employment of people with a disability" KPIs in the CARES Sustainable Structural Steel Workbook.

4.4 Community Relations and Community Initiatives (4.4.1, 4.4.2, 4.4.3)

4.4.1 Community Engagement (Policy)

Kaptan implements a policy to ensure effective engagement with community stakeholders.

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Reference:

- Sustainability Policy (EYS-ÇİSGP-010)
- Stakeholders Manual (EYS-SAPB-010)

4.4.2 Community Engagement (KPI)

Kaptan completes the "Community Relations" (Community initiatives) KPI in the CARES Sustainable Structural Steel Workbook.

4.4.3 Community Initiatives (Targeted)

Kaptan carries out targeted community initiatives.

4.5 Social Management System (4.5.1)

4.5.1 Management Systems

Kaptan establishes, documents, implements, maintains, and continually improves a Management System covering Labour Conditions and Human Rights.

Reference:

- ISO 26001 Social Responsibility Management System Certificate
- Social Responsibility Policy (EYS-SSP-010)
- ISO 26000 Social Responsibility Manual (EYS-SSEK-020)

5. Economic Aspects (5.1, 5.2, 5.3, 5.4, 5.5, 5.6)

5.1 Contribution to Diversity and Stability of the Local Economy (5.1.1, 5.1.2, 5.1.3, 5.1.4, 5.1.5)

5.1.1 Local Purchasing (KPI)

Kaptan completes the "Contribution to Diversity and Stability of the Local Economy" (Local Purchases) KPI in the CARES Sustainable Structural Steel Workbook.

5.1.2 Local Purchasing (Increasing)

Kaptan contributes to the local economy by increasing local purchasing.

5.1.3 Local Purchasing (SME's & VCSE's)

Kaptan completes the "Contribution to Diversity and Stability of the Local Economy" (SME, VCSE Purchases) KPI in the CARES Sustainable Structural Steel Workbook.

5.1.4 Fair Payment Practices

Kaptan implements a payment policy to pay SMEs within 30 days and other organizations within 60 days from receipt of invoice.

Reference:

- Finance Procedure (FIN-PR-020)

5.1.5 Employment and Social Value Created

The information required in the "Employee Profile" sheet of the CARES Sustainable Structural Steel Workbook (Appendix 5_Annex 1) is readily available within Kaptan Demir Çelik's Human Resources Information System (HRIS).

This data includes total workforce, role breakdown, qualifications, training records, and other employee-related metrics.

These records can be provided upon request, in the required format, during audits or workbook submissions.

5.2 Employment Opportunities (5.2.1, 5.2.2, 5.2.3, 5.2.4)

5.2.1 Employment (Stable Employment KPI)

Kaptan completes the "Contribution to Diversity and Stability of the Local Economy" (Stable Employment) KPI in the CARES Sustainable Structural Steel Workbook.

5.2.2 Employment (Contribution to Economy)

Kaptan contributes to the economy through employment.

5.2.3 Employment (Local Employment KPI)

Kaptan completes the "Contribution to Diversity and Stability of the Local Economy" (Local Employment) KPI in the CARES Sustainable Structural Steel Workbook.

5.2.4 Employment (Local Employment Contribution)

Kaptan contributes to the economy by increasing local employment.

Reference:

- Recruitment Process Instruction (IK-TL-010)

5.3 Pursuing Innovation in Processes, Products, and Management Methods (5.3.1, 5.3.2)

5.3.1 Innovation (KPI)

Kaptan identifies innovation opportunities in processes, products, and management methods and completes the "Pursuing Innovation" KPI in the CARES Sustainable Structural Steel Workbook.

5.3.2 Innovation (Contribution to Local Economy)

Kaptan contributes to the local economy by pursuing innovation in processes, products, and management methods.

5.4 Fair Treatment of Suppliers (5.4.1, 5.4.2, 5.4.3)

5.4.1 Ethical Behaviour (Policy)

Kaptan implements a policy and/or Codes of Conduct that include the fair treatment of suppliers.

Reference:

- Employee Codes of Conduct (EYS-CEK-020)
- Policy Manual (EYS-PL-010)

5.4.2 Ethical Behaviour (KPI)

Kaptan completes the "Fair Treatment of Suppliers" KPI in the CARES Sustainable Structural Steel Workbook.

Reference:

- Stakeholders Request, Complaint, and Suggestion Notifications Card (EYS-FR-670)
- Stakeholders Request, Complaint, and Suggestion Management Procedure (EYS-PR-110)

5.4.3 Ethical Behaviour (Reducing Complaints)

Kaptan reduces supplier complaints as measured using the "Fair Treatment of Suppliers" KPI in the CARES Sustainable Structural Steel Workbook.

5.5 Contribution to the Built Environment (5.5.1)

5.5.1 Contribution to the Built Environment

Steel, as a fundamental material in the construction industry, makes a key contribution to the built environment. Steel is 100% recyclable, highly durable, and can be indefinitely recycled without losing its properties.

5.6 Financial Transparency (5.6.1)

5.6.1 Reporting

Kaptan produces externally audited accounts and financial reports for the latest financial reporting period.

Reference:

- Yearly Financial Report

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6. Performance Assessment And Reporting (2.8.1)

6.1 Product Stewardship and Traceability (2.8.1)

6.1.1 Life Cycle Analysis (LCA) and Environmental Product Declaration (EPD)

Kaptan conducts a Life Cycle Analysis (LCA) on its products, resulting in an Environmental Product Declaration (EPD) that is available upon request. The EPD conforms to a defined standard (ISO 14025 and EN 15804) and covers the cradle-to-gate with options lifecycle stages.

Reference:

- CARES EPD certificate
- ISO 14064-1:2018 Carbon Footprint Report
- ISO 14046 Water Footprint Report

7. Product Labelling and Conformity Declaration (2.8.2)

7.1 Traceability

Kaptan ensures traceability throughout the full lifecycle of its products and makes the extent of traceability publicly available.

Reference:

- Company website: <https://kaptangrupturkiye.com/en/the-life-cycle-of-steel/>
- QMS procedures for identification, traceability, and labeling (ISO 9001 certified)

