Tekfen Holding

2024 Integrated Sustainability Report

TEKFEN HOLDING

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Tekfen Holding

2024 Integrated Sustainability Report

TEKFEN HOLDING

About the Report

Guided by the motto "Bridging Prosperity," Tekfen Holding pursues its sustainability journey together with its Group Companies, placing people, the environment, and society at the heart of its efforts. The Company meticulously refines its strategy to create a better future and builds on its efforts each year to achieve this goal. For the past six years, Tekfen has transparently shared all its environmental, social, and governance activities with stakeholders through sustainability reports. This year, with the publication of its first "Integrated Sustainability Report" to align with ongoing transformation, the Company provides stakeholders with more detailed information on its strategy, governance structure, environmental and social impacts, and related matters. It seeks to create value across environmental, social, and governance areas by reflecting on its achievements and efforts throughout its sustainability journey from an integrated perspective.

All financial and non-financial information in this report covers the period from 1 January 2024 to 31 December 2024. The report includes data from the Engineering and Contracting Group (Tekfen Construction, Tekfen Engineering, Tekfen Manufacturing), the Agricultural Industry Group (Toros Agri, Alanar), and the Investment Group (Tekfen Insurance, Tekfen Tourism, Tekfen Renewable Energy Solutions), which together account for approximately 95.71 percent of Tekfen Holding's consolidated turnover. Data from Tekfen Ventures, a subsidiary of the Investment Group, is not included in the report; only its best practices have been highlighted.

The Occupational Health and Safety data, available under social data in the report, covers the projects, workplaces, and facilities of Companies classified as "dangerous" or "very dangerous" under the Statistical Classification of Economic Activities in the European Community (NACE) code, and includes information on both Tekfen as a whole and its subcontractors.

Published for the first time, Tekfen Holding's Integrated Sustainability Report has been prepared in accordance with the **Global Reporting Initiative (GRI)** standards. Additionally, the report was prepared with consideration of the "Stakeholder Capitalism Metrics: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation" criteria established by the **World Economic Forum (WEF)**. The contents were aligned with the International Integrated Reporting Framework published by the **International Integrated Reporting Council (IIRC)**. The report also clearly showcases Tekfen's contributions to the Sustainable Development Goals.

Group Companies

Engineering and Contracting Group

Agricultural Industry Group

Investment Group

Capital Elements

- Financial Capital
- Intellectual Capital
- Manufactured Capital
- Human Capital
- Social Capital
- Natural Capital

Stakeholder Groups

- Employees
- Public Institutions
- Suppliers and Subcontractors
- Associations, Universities, Media and NGOs
- Shareholders, Investors and Analysts
- Customers, Farmers and Users
- Business and Solution Partners (National and international collaborations and partnerships)
- Dealers

Message from the Chairman

Dear stakeholders,

The growing global challenges in 2024 highlighted the need for a new period of balance in the global economy. Rising geopolitical tensions, particularly the conflicts in the Middle East, along with the policy choices of the new U.S. administration and developments in the Chinese economy, were the key factors influencing the global economy. Alongside these developments, extreme weather events and the climate emergency, which have become integral to our lives, remained key agenda items in 2024.

The year 2024 went down in history as the warmest on record in many countries, including Türkiye. This extraordinary situation has once again underscored the critical importance of managing risks and opportunities holistically to preserve the delicate balance of the ecosystem. Our action commitments, shaped around a common global approach, have never been more vital.

Due to environmental threats such as climate and water crises, biodiversity loss, and deforestation, sustainable resource management is no longer optional, but an inevitable responsibility. Meanwhile, climate change and geopolitical dynamics continue to negatively impact global supply chains and economic structures. In this context, addressing all these issues through a holistic and multi-dimensional strategy will be our primary commitment for the future.

Our country faced challenging times in the summer of 2024, when forest fires broke out across many regions. A total of 3,797 forest fires occurred, damaging 27,485 hectares of land. In the same year, sudden and heavy rains in the Black Sea and Marmara regions caused floods, resulting in significant damage to infrastructure and agricultural areas. These events have made it painfully clear that the climate crisis is no longer a distant threat but a tangible and devastating reality present in every moment of our lives.

While experiencing the profound effects of the climate crisis, we have also witnessed significant environmental and legal developments. Preparations for the Climate Law gained momentum in 2024 and are set to come into force in the summer of 2025. The bill was widely discussed, particularly regarding the responsibilities of the private sector, monitoring of carbon emissions, carbon pricing, and incentives for green transformation.

Meanwhile, the Ministry of Environment, Urbanisation and Climate Change published the "2024–2030 Climate Change Mitigation and Adaptation Strategy and Action Plan" in 2024. The plan provides a detailed framework for emission reduction and climate change adaptation in line with Türkiye's 2053 Net Zero Emissions target, outlining the steps to be taken across various areas.

At Tekfen, we believe that the business world holds key responsibilities in addressing environmental threats, such as pressure on natural resources and pollution from a rapidly growing population, as well as the socioeconomic challenges arising from rising living costs and deepening inequalities. We believe that the private sector, as one of the main drivers of development, plays an indispensable role in implementing the UN Sustainable Development Goals, and we integrate this responsibility with the values we have upheld since our establishment. We view our role in this area as both a responsibility and a strategic competitive advantage, and we continue our efforts with determination, guided by changing customer expectations, investor demands, sectoral standards, and rapidly evolving global regulations.

We pursue our sustainability priorities under the oversight of our Board of Directors and within an effective governance structure. Through our Sustainability Committee, led by the President of Group Companies, we ensure that our strategic goals are implemented across all business units and embraced throughout the organisation. We assess the sustainability and climate risks integrated into our corporate risk management system from a risk-opportunity perspective and monitor and manage them according to our roadmap.

Tekfen's 2024 Sustainability Journey

As part of our strategic plan, we made significant progress with the "downsizing to grow" strategy for our Engineering and Contracting Group and laid the foundations for a more efficient structure in 2024. Through our restructuring efforts, we enhanced synergy between our Group Companies and created more agile, flexible, and effective functions. Within our Agricultural Industry Group, we continued to develop innovative and sustainable solutions to advance our goal of becoming a "regional solution partner."

Guided by our sustainability roadmap, we published our first TSRS Report in accordance with the Turkish Sustainability Reporting Standards (TSRS), which came into force this year. As part of this roadmap, we carried out the annual review of our double materiality assessment and

updated our priorities by considering the financial impacts of transitioning from a carbon-intensive business model to a more sustainable and environmentally friendly one. We also adopted a more holistic approach by incorporating sustainability and climate risks into our corporate risk management processes.

To prepare for the impacts of measures such as the Emissions Trading System and Carbon Border Adjustment Mechanism (CBAM), introduced under the Climate Law coming into force in 2025, we analysed the effects of climate risks on our business model and reviewed our scenario studies and resilience assessments.

At Tekfen, we are committed to neutralising Scope 1 and 2 greenhouse gas emissions by 2030 and achieving net-zero emissions, including Scope 3, by 2045. In pursuit of these goals, we implement projects to enhance energy efficiency in our facilities, while continuing our lean transformation and Six Sigma initiatives to reduce carbon emissions in production processes. We also develop and promote digital agricultural applications, launch next-generation climate-friendly products through R&D and innovation projects, and take concrete steps towards a low-carbon transformation in the fertiliser industry.

Accordingly, we consider it essential to integrate decarbonisation targets into both our operations and our supply chain, which is why we have begun adopting green procurement practices. In our Contracting Group, we involved suppliers in our corporate purchasing processes and planned infrastructure activities that support sustainable supply chain management. We launched the Supply Chain Risk Management (SCRM) programme in our Agricultural Industry Group to manage supply chain risks end to end. To this end, we began taking steps to ensure operational continuity by identifying, analysing, and mitigating risks, as well as detecting potential interruptions early.

Our Investments in Renewable Energy and Green Transformation

In 2024, Türkiye clearly demonstrated the great potential of renewable energy sources in electricity generation. Solar power generation increased by 39 percent year-on-year, reaching a record high both annually and historically. Growth in wind energy was relatively modest compared with previous years. While the share of wind in total production rose to 10.7 percent, the share of solar reached 7.5 percent.

In 2024, we continued to implement our five-year strategic plan and strived to achieve our renewable energy targets through our initiatives. We became the sole owner of Gönen Yenilenebilir Enerji Üretim A.Ş., a subsidiary of Toros Agri, by acquiring Altaca Enerji's 30-percent share. We also continued our green hydrogen and green ammonia activities at full speed. The green hydrogen and green ammonia facility, which we expect to launch within two to three years, is central to our future plans. Thanks to this facility, the green fertiliser produced by Toros Agri will advance our sustainability goals and strengthen our strategic position in the green transformation segment of the European market.

Although renewable energy investments are rising in our country and the rest of the world, fossil fuel consumption remains high. Leading players in the oil and gas industries

have begun to incorporate net-zero investments alongside fossil fuel projects as part of their sustainability and net-zero targets. I believe these new investments will create fresh opportunities for our Contracting Group in the field of EPC contracting.

Contributing to Society with the Innovative Solutions of Toros Agri

At Toros Agri, we have undertaken numerous projects and collaborations to attain our goal of becoming a sustainable "regional solution partner." As part of one of these projects, we participated in the "Innovation in Agriculture Sub-Working Group" of the Business Council for Sustainable Development. This project involves engaging directly with our farmers to understand their needs and experiences and applying the resulting innovative agricultural practices in pilot projects. It aims to promote these practices and pass them on to the next generation. The Toros-IFA Sustainability Fertiliser Academy, launched in collaboration with IFA, also remained active throughout 2024, seeking to raise awareness of 3D Transformation issues, establish a common language, and develop competencies. Training was provided to participants in critical roles across all our facilities, central functions, and production and operations, following the curriculum developed as part of the programme.

To advance our sustainable agriculture goals, our Agricultural Technique and Digital Marketing teams continued to provide uninterrupted support to our farmers through our Mobile Training Bus within the Toros Farmer Academy and our "Toros Farmer" app, which offers digital solutions for field management. These wide-ranging activities reflect our long-term vision that considers both present and future needs.

In line with our vision of "Bridging Prosperity," we will remain unwavering in our commitment to creating value for the circular economy, the environment, our employees, and society, while contributing to a more sustainable world. I would like to express my sincere gratitude to all stakeholders who have joined us on our journey towards a better future.

Cordially,

Mehmet N. Erten
Chairman of the Board

1

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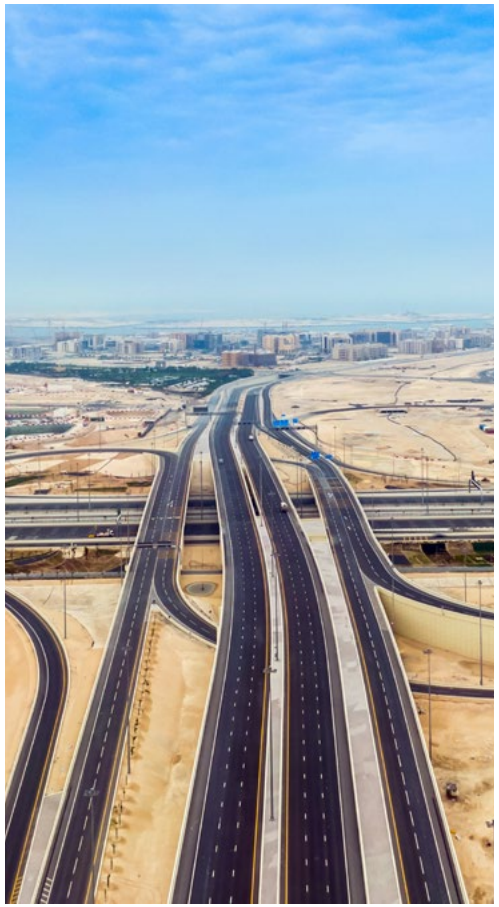
Established in 1956 and deriving its name from the Turkish words technology (teknoloji) and science (fen), Tekfen Group organised its operations under three main categories: engineering and contracting, agricultural industry, and investment. Tekfen Holding serves as the parent company of its Group Companies, namely its subsidiaries and affiliates. As of 2024, Tekfen boasts **38 companies** and **13 subsidiaries**, **TRY 58.1 billion** in revenues, **TRY 65.8 billion** in assets, and **12,611 employees**, making it one of Türkiye's largest groups.

From its inception, Tekfen Group has maintained its innovative approach and high-quality business culture. It has successfully carved out a respected position in its industries and established itself as a leading corporation in both Turkish and international markets.

Throughout its 69-year history, the Group has actively undertaken projects in areas such as the environment, education, and social responsibility. Tekfen continues to create value by combining this legacy with a people-oriented, environmentally conscious, and welfare-driven business culture.

1.1. Fields of Operation

Engineering and Contracting Group



With over 12,000 employees, including contractors, and more than 2,200 projects in over 20 countries to date, Tekfen Engineering and Contracting Group is one of the leading international representatives of the Turkish engineering and contracting industry. As a top choice worldwide, with business quality meeting global standards, the brand boasts extensive experience and expertise.

The Group primarily operates using Engineering, Procurement, and Construction (EPC) and Design & Build models, providing customers with turnkey solutions for a variety of facilities, including pipelines, oil and gas terminals, tank farms, oil refineries, offshore oil rigs, pump and compressor stations, power plants, industrial plants, petrochemical plants, highways and metro projects, sports complexes, steel structure production, and both superstructure and infrastructure projects.

Agricultural Industry Group

With roots dating back 50 years, the Agricultural Industry Group, one of Tekfen Holding's main business lines, plays a leading role in regional and global markets by providing innovative solutions in the agricultural and chemical industries. Offering a wide range of products and services focused on agricultural activities, the Group also operates in complementary areas such as the production and distribution of mineral and organic-organomineral fertilisers, fruit cultivation, and the production and distribution of seeds and saplings. Additionally, it operates ports and free zones.

Toros Agri, the Group's flagship company, was ranked 56th on the Istanbul Chamber of Industry's 2024 list of "Türkiye's Top 500 Industrial Enterprises." In addition to producing ammonium nitrate (AN), calcium ammonium nitrate (CAN), diammonium phosphate (DAP), and compound (NPK) fertilisers at its three factories in Ceyhan, Mersin, and Samsun as part of its mineral fertiliser production activities, Toros Agri also manufactures inhibitor-added and water-soluble fertilisers at its Mersin facility.

The Agricultural Industry Group plays a leading role in the technological advancement of Turkish agriculture through its R&D efforts. In 2017, the Group established Türkiye's first R&D centre on plant nutrition at its Mersin Production Facility. Toros Technological Agricultural Centre (Agripark), operating under Tekfen Agri, the Group's agricultural research, production, and marketing company, is the country's first high-tech agriculture and R&D centre. Authorised as an R&D centre in 2018, Agripark has been producing disease-free, high-quality seeds and seedlings using tissue culture methods and conducting rehabilitation work for farm seeds by utilising Türkiye's rich biological diversity since 2004.

The Agricultural Industry Group also produces biogas through organic waste fermentation, uses the biogas to generate electricity, and manufactures solid and liquid organic fertiliser from gasified waste. These operations are conducted by Toros Gören Renewable Energy (Toros Gönen Yenilenebilir Enerji A.Ş.), in which the Group acquired a 70-percent stake in 2019 and the remaining 30 percent in Q1 2024 to gain sole ownership, and Toros Meram Renewable Energy (Toros Meram Yenilenebilir Enerji A.Ş.), established in 2020. These facilities convert the organic waste in their regions into electricity and then into fertilisers through composting, all without harming the environment. They have an annual production capacity of approximately 10 MWe of electricity and 110,000 metric tons of organic and organomineral fertilisers. Thanks to these investments, which have proven to be successful examples of the circular economy, Toros Agri has secured a strong position in the Turkish organic and organomineral fertiliser market, addressing a crucial need by enriching the country's soils, which are deficient in organic matter.

Investment Group

Restructured in line with the strategic goals set for 2023, the Investment Group brings together the business lines that support Tekfen's mission of long-term growth and the creation of innovative solutions, with a particular focus on innovation-led initiatives and renewable energy investments. The Group includes Tekfen Ventures, a corporate venture capital company investing in early-stage technology firms; Tekfen Turizm ve İşletmecilik A.Ş., which operates in building and facility management services; Tekfen Sigorta Aracılık Hizmetleri A.Ş., which provides insurance brokerage services; and Tekfen Yenilenebilir Enerji Çözümleri A.Ş., established for renewable energy investments.

1.2. Vision, Mission and Values

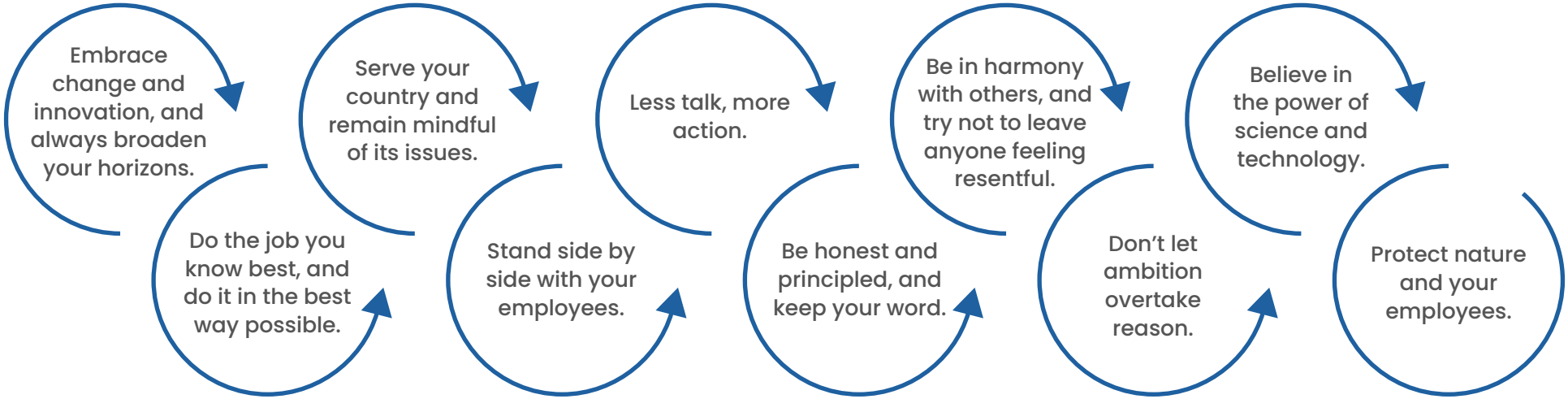
OUR VISION

To guide Türkiye's breakthroughs across all our industries.

OUR MISSION

To ensure a clear focus on our areas of operation, produce the highest quality products and services, become a leading company with top-of-mind awareness, and create value for all our stakeholders, from customers and suppliers to employees, shareholders, and the broader society, all the while upholding the Group's enduring values.

OUR VALUES



1.3. Tekfen's Global Footprint

69 years of experience	**38** companies and **13** subsidiaries	**12,611** employees	Global network spanning **29** countries	TRY **2.37** billion investment
Tekfen Construction ranked **121st** on the ENR 2024 list of the World's Top 250 International Contractors	Tekfen Engineering ranked **192nd** on the ENR 2024 list of the World's Top Design Firms	Toros Agri ranks **56th** on the 2024 ISO 500 list	TRY **58.1** billion in revenue	

1.4. Tekfen's Sustainability Milestones

1992

» Tekfen was among the founding members of the Turkish Foundation for Combating Soil Erosion (TEMA).

1993

» The first consolidated independent audit was conducted.

1997

» The first ISO 9001 Quality Management System Certificate was obtained.

1999

» The Tekfen Foundation for Education, Health, Culture, Art, and Protection of Natural Resources (Tekfen Foundation) was established.

2002

» The first OHSAS 18001 Occupational Health and Safety Management System Certificate was obtained.

2003

» Tekfen Construction won the BP HELIOS award for the Sangachal Terminal project in Baku, Azerbaijan.*

** Tekfen Construction received the "Encouraging Social Development in Education and New Business Areas" award by BP for its success in the Sangachal Terminal Capacity Expansion project.*

2004

» Tekfen Construction won the International Pipe Line and Offshore Contractors Association (IPLOCA) Environmental Award.*
» Tekfen Construction received the first ISO 14001 Environmental Management System Certificate.

** Tekfen Construction won the IPLOCA 2004 Environmental Award for its Sangachal (Azerbaijan) and BTC (Ceyhan-Türkiye) projects.*

2007

» Tekfen Real Estate Development was among the founding members of the Turkish Green Building Council (ÇEDBİK).
» Tekfen Holding went public.

2010

» Tekfen Holding started to monitor, measure and analyse its own the data on climate change.

2011

» The Levent Office project received the first Green Building (LEED) certification.

2016

» The Group held its first carbon neutral meeting.
» Tekfen Ventures was established.
» Tekfen Holding was included in the BIST Sustainability Index.

2017

» The Sustainability Coordinator's Office and the Sustainability Committee were established.
» Tekfen Construction won the IPLOCA Social Responsibility Project Award.*
» The first CDP Climate Change report was made.
» Tekfen Holding became a member of the Business Council for Sustainable Development Türkiye (BCSD Türkiye).

** Tekfen Construction received the Social Responsibility award from IPLOCA for its efforts to improve the living and hygiene conditions of seasonal agricultural workers along the TANAP Lot 3 Pipeline route.*

2018

- The UN Global Compact was signed.
- The first CDP Water Security report was issued.
- Stakeholder analysis identified material issues in the journey to sustainability.
- Toros Agri became the first and only company in Türkiye to receive the Protect & Sustain certificate by the International Fertilizer Association (IFA).

2019

- Tekfen Holding published its first Sustainability Report in accordance with the GRI Standard.
- Sub-working groups were established under the Sustainability Committee.
- Toros Agri was named an Industry Stewardship Champion by the International Fertilizer Association (IFA) for its effort in the areas of OHS, environmental management, product safety and energy efficiency.
- Tekfen Holding ranked among Türkiye's Climate and Water Leaders in CDP Climate Change and Water Security Programs based on 2019 data.

2020

- Tekfen Holding became the only company from Türkiye to make CDP's Global "A" List for both Climate Change and Water Security Programs.
- A Group strategy for social investment-oriented activities was created in line with the Creating Shared Value (CSV) Approach.
- Tekfen Holding published its Fight Against Domestic Violence Policy as part of the Business Against Domestic Violence project.
- Tekfen Agriculture received an award in the Cooperation category of the 7th Sustainable Business Awards for its project "Developing National and Domestic Bread Wheat Varieties through the Use of Ancestral Seeds."

2021

- The Women Farmers Loan Project was implemented through the cooperative efforts of the Tekfen Foundation, Turkish Foundation for Waste Reduction, and Toros Agri.
- Tekfen Construction commissioned its LEED Platinum-certified FNN Sustainability Centre in Adana, Ceyhan.
- The remote working system, which was made mandatory during the COVID-19 pandemic, became permanent in a hybrid system upon 82% positive feedback from employees.

2022

- The Fifth Sustainability Report was prepared entirely in digital environment.
- The Women Farmers Loan project was awarded in the "Cooperation: B2NGO Cooperation" category of the Sustainable Business Awards 2022.

2023

- Tekfen established Tekfen Renewable Energy Solutions as part of the transition to sustainable business models.
- Tekfen updated its Materiality Analysis with the Double Materiality approach considering stakeholder expectations, global trends, and market dynamics.
- Toros Agri completed the Toros Farmer Survey by conducting face-to-face interviews with 1,501 farmers across 32 provinces in seven regions.
- Toros Agri expanded its product portfolio by introducing its registered, slow-release Microgranule fertiliser to farmers in line with the goal of reducing emissions from fertiliser use with next-generation fertilisers.
- Toros Agri updated the Toros Farmer application (Toros Farmer App 2.0).
- Toros Agri established the Sustainable Fertiliser Academy in collaboration with the IFA.

2024

- The updated "Toros Farmer" app (Toros Farmer App 2.0) reached 33,468 users in 2024.
- In 2024, eight field trials were completed as part of greenhouse and field studies on organomineral fertilisers and slow-release products for sustainable agricultural activities. Based on the results, registration applications were submitted for four different products.
- One bread wheat and one barley variety developed by the Agripark R&D Centre were registered with the Central Directorate of Seed Registration and Certification.
- Toros Agri R&D Centre submitted a total of 16 research articles to international peer-reviewed journals, 10 of which were published during the year.
- Women farmers who received training and consultancy from Toros Agri experts as part of the Women Farmers Loan programme expanded their businesses by an average of 40 percent.
- Participating in Phase 1 of the Sustainable Fertiliser Academy at Toros Agri, 48 Sustainability Ambassadors, selected from various facilities and functions of the Company, successfully passed all assessments and received certification.

1.5. Tekfen in 2024

Financial and Operational Performance

- **TRY 65 billion** in total assets
- **+TRY 58 billion** in turnover
- **Two new projects worth USD 446 million** (Tekfen Construction)
- **Tekfen Manufacturing's** merger with the **Ceyhan Manufacturing Facility**, in line with the Group's new strategic plan for operational and financial efficiency
- **19,179 metric tons of production** at the Ceyhan Manufacturing Facility
- A nearly **28-percent increase** in Toros Agri's sales with 2.06 million metric tons of fertiliser sold
- 87,000 metric tons of **specialty fertiliser** sold
- 57,000 metric tons of **organomineral fertiliser** sold
- 383 metric tons of **micro-granulated fertiliser** sold

Environmental Performance

- **Up to 50 percent reduction** in carbon emissions in pilot applications with the use of **next-generation fertilisers**
- Up to **48 percent reduction in energy activity** from direct fuel consumption
- **20 percent reduction in total energy consumption**
- Commissioning of the **14.4 MW Marmara Wind Power Plant**
- Self-consumption accounting for **70 percent** at the Ceyhan Manufacturing Facility **(1.2 MW SPP)**
- Investment worth **TRY 7.9 million (OPEX)** for water security

Social Performance

- **A total of 12,611** competent employees, including **7,359 Tekfen employees**
- **A 95-percent increase in female STEM employees** by 2023
- Establishment of the **Sustainable Fertiliser Academy** in collaboration with **the International Fertilizer Association**
- **22,423 hours** of total employee training
- A nearly **18-decrease** in total recordable incident rate compared with 2023.

1.6. 2024 Global and Sectoral Trends

Climate Change and Climate Action

Relevant Group Companies

- Engineering and Contracting
- Agricultural Industry
- Investment

Relevant Material Issue

Reacting and Adapting to Climate Change

Relevant Capital Element

Natural Capital

According to the 2024 edition of the Global Risks Report, published annually by the World Economic Forum, environmental factors are directly related to five of the top 10 risks over the next 10 years. Global climate change resulting from human activities, along with extreme weather events such as heatwaves, heavy rainfall, hurricanes, water resource depletion, forest fires, and droughts, is putting pressure on societies, economies, and ecosystems worldwide. Accordingly, climate change is a critical issue not only for the environment but also for economic, social, and political domains.[1] Based on studies conducted by the Intergovernmental Panel on Climate Change, global warming must be kept below 1.5 °C to significantly limit the adverse effects and associated losses and damages caused by climate change.[2]

Climate action to address these negative impacts has moved to the top of the global agenda, following the widespread adoption of the Paris Agreement in 2015 and the launch of the EU Green Deal in 2019. Under the influence of these international initiatives, emission reduction, energy efficiency, climate adaptation, and circular economy practices have become key agenda items across all industries. Many companies worldwide are taking measures to safeguard their operations against the negative impacts of climate change. They also aim to contribute to global climate action, adapt to government measures, and meet evolving stakeholder expectations.

Adapting to climate change should be regarded as both an environmental responsibility and a strategic necessity for risk management, cost-effectiveness, and long-term investment security. This approach enhances the likelihood of companies being chosen for both public and private sector projects and strengthens their position within the industry.

This new reality requires prioritizing the climate resilience and adaptability of critical engineering infrastructure projects, especially those with long lifespans and broad impacts, such as dams, highways, and pipelines. To this end, engineering and contracting firms apply climate-compatible design standards, conduct risk analyses based on climate scenarios, and develop system solutions using resilient materials.

Climate change has direct and severe impacts on agricultural production. Rising temperatures, water stress, shifting precipitation patterns, and extreme weather events threaten crop yields and food security. Accordingly, companies in the agricultural industry focus on sustainable, low-carbon fertilizer production processes, along with the use of climate-resilient seeds and precision agriculture technologies. This approach enhances the climate resilience of agricultural production while reducing emissions from inputs.

Tekfen Holding's Response to the Trend

At Tekfen, we focus on reducing our carbon footprint, improving energy efficiency, and integrating sustainable solutions into our operations to support global climate action. You can learn more about our climate-compatible strategies and projects in the **Reacting and Adapting to Climate Change** section of our report.

Global Economic Uncertainty

Relevant Group Companies

- Engineering and Contracting
- Agricultural Industry
- Investment

Relevant Material Issue

Effective Risk Management

Relevant Capital Element

Financial Capital

Changes in the supply-demand balance, high interest rates, persistent inflationary pressures, and structural shifts in labour markets in recent years have created long-term uncertainties in the global economy. In addition, supply chain disruptions, rising energy prices, and growing security concerns stemming from the Russia-Ukraine war have had significant economic and political impacts across many regions, particularly in Europe. Moreover, the high tariffs imposed by the United States on strategic industries threaten the effectiveness of the multilateral trading system by reinforcing protectionist tendencies in global trade.[3]

The Global Economic Prospects report by the World Bank indicates a slowdown in global growth due to a significant rise in trade barriers and an uncertain political climate.[4] Growth is expected to slow to 2.3 percent in 2025, with most economies projected to experience year-on-year declines.[5]

All these developments are prompting companies to reassess their production, investment, and trade strategies in response to challenges such as localisation, supply security, and cost management. Furthermore, incentive packages implemented by governments to support economic recovery are utilised alongside sustainable growth models, creating both risks and opportunities for businesses aiming to maintain their competitiveness in an uncertain environment.

Tekfen Holding's Response to the Trend

At Tekfen, we take proactive measures in supply chain flexibility, efficient use of local resources, and financial risk management to ensure our operations remain sustainable and resilient amid the risks posed by global economic uncertainties. You can learn more about our practices for maintaining operational stability during this uncertain period in the **Effective Risk Management** section of our report.

[1] PwC Türkiye, Global Climate Change Agenda and Its Potential Impacts on Türkiye
[2] The Intergovernmental Panel on Climate Change (IPCC) Special Report on Global Warming of 1.5°C
[3] PwC Türkiye, Welcoming 2025: Economic Outlook of the World and Türkiye
[4-5] World Bank, 2025 Global Economic Prospects

Digitalisation, Cybersecurity and Data Privacy

Relevant Group Companies

- Engineering and Contracting
- Agricultural Industry
- Investment

Relevant Material Issue

Digital Transformation

Relevant Capital Element

Intellectual Capital

The rapid development and widespread adoption of digital technologies are radically transforming both the daily lives of individuals and the way businesses operate. While innovative technologies such as artificial intelligence, cloud computing, the Internet of Things (IoT), and big data provide businesses with operational efficiency and competitive advantages, they also present significant risks related to data security, privacy, and digital integrity. Cybersecurity and data privacy are no longer purely technical matters; they have become global priorities because of their economic, legal, and social dimensions.

This has led to an increase in legal regulations and standards concerning data management, while reputational risks in digital environments encourage companies to develop stronger and more effective cybersecurity infrastructures. However, of all the companies in the PwC 2025 Global Digital Trust Insights survey, which covered 4,042 business and technology executives from 77 countries and regions, only 2 percent reported implementing cyber resilience practices across their organisations.[6]

Accordingly, cybersecurity and data privacy will continue to be key considerations for both private and public sector actors in the coming years.

Tekfen Holding's Response to the Trend

At Tekfen, we consider securing the complex digital ecosystems we use for a sustainable future to be crucial for addressing technological challenges, increasing stakeholder trust, and fulfilling our social responsibility. You can learn more about our efforts in this area in the **Digital Transformation** section of our report.

Engineering and Contracting Group Sectoral Trend I – Sustainable Infrastructure Projects

Relevant Group Companies

Engineering and Contracting

Relevant Material Issue

Operational Excellence

Relevant Capital Element

Intellectual Capital

Growing environmental concerns and global efforts to tackle climate change have made sustainability a priority in infrastructure projects. As a result, engineering solutions that deliver a low carbon footprint, promote energy and resource efficiency, and minimise environmental impacts are becoming increasingly important in the design and implementation of infrastructure investments.

The OECD estimates that annual infrastructure investments of USD 6.9 trillion will be required by 2050 to achieve development goals and create a low-carbon, climate-resilient future.[7] However, the industry is currently facing a shortage of investment in sustainable infrastructure projects.[8]

This gap is expected to narrow, and demand for sustainable infrastructure projects is likely to rise with initiatives such as the Sustainable Infrastructure Partnership (SIP), the Global Infrastructure Hub (GIH), and other UN-promoted programmes, supported by development banks such as the World Bank.

International financing institutions, public authorities, and private sector actors regard compliance of infrastructure projects with environmental and social sustainability criteria to be a fundamental benchmark. This trend is transforming the project development approaches of engineering and contracting firms, requiring the development of new competencies in areas such as innovative material use, digital design tools, life cycle analysis, and green certification systems.

Tekfen Holding's Response to the Trend

At Tekfen, we view sustainable infrastructure projects as a convergence of advanced engineering that reduces environmental impacts while delivering long-term social benefits and resource efficiency. In our projects, we adopt environmentally friendly engineering approaches that prioritise a low-carbon footprint and energy efficiency. You can learn more about our efforts in this area in the **Operational Excellence** section of our report.

[6] PwC, 2025 Global Digital Trust Insights
[7] The Organisation for Economic Co-operation and Development (OECD), Infrastructure for a Climate-Resilient Future
[8] Source: www.worldbank.org/en/topic/sustainableinfrastructurefinance/overview.

Agricultural Industry Group Sectoral Trend I – Smart Agricultural Technologies

Relevant Group Companies

Agricultural Industry

Relevant Material Issue

Operational Excellence

Relevant Capital Element

Natural Capital

Considering factors such as global population growth, limited natural resources, and climate change, the need to enhance efficiency and sustainability in agricultural production is greater than ever. To this end, "smart agriculture" practices, based on digitalisation and the integration of advanced technologies, are gaining prominence in the agricultural industry. Tools such as the Internet of Things (IoT), drones, satellite imaging, sensor technologies, and data analytics enable agricultural activities to be carried out with greater precision, improved resource efficiency, and reduced environmental impact.

Thanks to these technologies, many parameters, including soil moisture, weather conditions, plant health, and fertiliser requirements, can be monitored in real time, making decision-making processes more scientific and precise. Optimising inputs, improving yield estimates, and identifying disease risks in advance all contribute to making production processes more economically and environmentally sustainable.

Smart agricultural technologies are digitally transforming agricultural production, moving beyond traditional methods, strengthening food security, and enabling more climate-resilient production systems. This trend offers operational advantages for companies in the agricultural industry while also enhancing competitiveness for the agriculture of the future.

Tekfen Holding's Response to the Trend

We invest in digitalisation and advanced technologies to increase efficiency and optimise resource use in agricultural production. We adopt more sustainable, data-driven production models through smart agricultural practices such as IoT, sensors, and drone technology. You can learn more about our efforts in this area in the Protection of **Biodiversity and Nature** section of our report.

Agricultural Industry Group Sectoral Trend II – Sustainable Fertiliser and Pesticide Use

Relevant Group Companies

Agricultural Industry

Relevant Material Issue

Operational Excellence

Relevant Capital Element

Natural Capital

Chemical fertilisers and pesticides, which have been widely used in agricultural activities for many years, harm soil health, pollute water resources, and threaten biodiversity. Fertiliser production also accounts for 2 percent of total final energy demand, and 1.3 percent of emissions from energy systems.[9] Growing public awareness of these negative impacts, along with tightening legal regulations, is driving the adoption of more sustainable and environmentally friendly solutions for these products.

Accordingly, the use of environmentally friendly, bio-based, and low-carbon fertilisers is increasing, while efforts are being made to reduce the use of chemical pesticides in pest control through methods such as integrated pest management (IPM). Innovative products such as organic fertilisers, microbial solutions, and biopesticides made from natural ingredients protect the long-term fertility of the soil while minimising negative impacts on human and environmental health.

The demand for sustainable fertilisers and pesticides represents a new approach that prioritises environmental compatibility at the intersection of agriculture and industry. This trend helps manufacturers achieve legal compliance while also providing strategic advantages in areas such as branding, export capacity, and consumer confidence. It is essential for companies in the agricultural industry to transform their product portfolios accordingly, both for the future of the industry and for the protection of ecosystems.

Tekfen Holding's Response to the Trend

At Tekfen, we prioritise the production of bio-based, low-carbon-footprint fertilisers and develop solutions to reduce the use of chemical pesticides, aiming to protect soil and ecosystem health while minimising the environmental impact of our operations. You can learn more about the concrete steps we have taken in this area and our sustainable product portfolio in the **Sustainable Products and Services** section of our report.

[9] International Energy Agency, Ammonia Technology Roadmap

2

From Roots to the Future: Building Tomorrow Today

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Tekfen's sustainability approach extends beyond the pursuit of a single goal; it forms the foundation of its very corporate structure. The **"Bridging Prosperity"** vision it embraced in 2018 reflects a holistic outlook that considers the impact of today's decisions on future generations.

2.1. Our Sustainability Vision

The Bridging Prosperity vision is grounded in the understanding that people, the environment, and social benefit should be placed at the centre of business practices, addressing development goals alongside quality of life and social welfare.

In line with this vision, Tekfen Companies operating across different fields have made sustainability a core component of their business models.

The Engineering and Contracting Group delivers direct social benefits through projects that improve access to essential services such as energy infrastructure, water management, transportation, and housing. These projects are more than technical investments; they are initiatives that enhance people's living conditions and contribute to the sustainable development of societies.

The Agricultural Industry Group prioritises environmental responsibility and social benefit by improving the quality of agricultural inputs, ensuring traceability in production, and operating in line with the "Sustainable Agriculture Principles." This approach supports the development of an agricultural system that ensures access to safe food for all through the efficient use of natural resources.

Tekfen Renewable Energy, operating under the Investment Group, embodies the "Bridging Prosperity" vision by leading the way in energy transformation. The Group aims to be part of the solution to the climate crisis and support the transition to a low-carbon economy through investments in green ammonia production and a renewable energy portfolio. Efforts in this regard contribute both to reducing environmental impacts in energy production and to creating long-term value.

Tekfen's overall business culture is shaped by adherence to ethical principles, respect for human rights, environmental protection, occupational health and safety, and social responsibility. Sustainability workshops, awareness activities, and social responsibility projects developed in line with the Creating Shared Value (CSV) approach aim to foster a culture of sustainability among employees and all stakeholders.

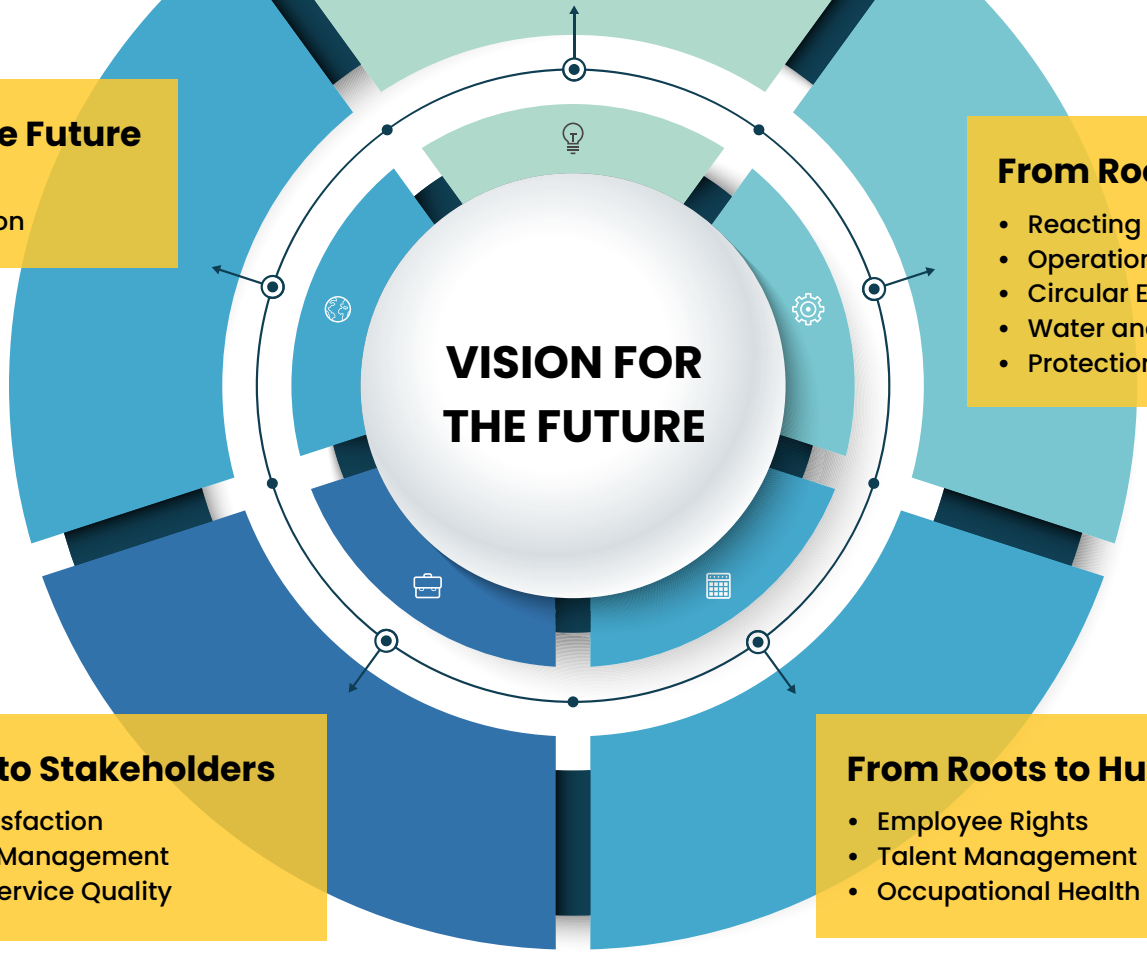
Aware of the responsibility that comes with its deep roots, Tekfen aims to lay the foundations for a brighter, more prosperous, and more sustainable future. The **"Bridging Prosperity"** vision is the simplest expression of this responsibility.

Our Operational Roots

- Corporate Governance
- Effective Risk Management

From Roots to the Future

- R&D and Innovation
- Digital Transformation



From Roots to Environment

- Reacting and Adapting to Climate Change
- Operational Excellence
- Circular Economy and Waste Management
- Water and Wastewater Management
- Protection of Biodiversity and Nature

From Roots to Stakeholders

- Customer Satisfaction
- Supply Chain Management
- Product and Service Quality

From Roots to Humanity

- Employee Rights
- Talent Management
- Occupational Health and Safety

Tekfen places sustainability at the core of its long-term strategy and integrates environmental and social responsibilities into its corporate decision-making processes. Aiming to achieve carbon neutrality by 2030 and net-zero emissions by 2045, the Company is implementing a comprehensive transformation strategy across all its business segments. Key elements of this strategy include:

- Increasing collaboration and synergy opportunities to strengthen harmony within the Group;
- Enhancing operational resilience through asset optimisation and effective use of resources;
- Supporting sustainable growth through strategic partnerships and alternative financing models.

Tekfen drives this transformation around three main focus areas **(Digital Transformation, People and Culture, and Net-Zero Target)**, contributing to economic development and creating environmental and social value across activities ranging from engineering to agriculture.

Since day one, Tekfen has refined and embodied its commitment to excellence through the motto "do the job you know best, and do it in the best way possible" and the belief that "the future belongs to those who build it." Today, it carries its 68 years of experience into the future with a business culture that prioritises people, the environment, and social benefit.

Tekfen directs this long-term experience not only towards economic success but also towards social development and environmental responsibility. Through the Tekfen Foundation, it offers educational scholarships and contributes to social development by supporting cultural and artistic projects. On a global scale, Tekfen prioritises the defining dynamics of the era, such as climate change, demographic shifts, urbanisation, and digitalisation, managing these transformations through innovative approaches. As a signatory to the United Nations Global Compact, it aligns its activities with the Sustainable Development Goals and shapes its business model in line with the principle of creating shared value.

Contributions to SDGs

Tekfen promotes access to quality education and lifelong learning by supporting equal opportunities in education and investing in the development of its employees.

Tekfen contributes to expanding equal opportunities and promoting women's economic empowerment by developing policies and practices that support gender equality.

Tekfen supports economic growth and adopts a pioneering approach to value creation, the expansion of employment opportunities, and operational excellence.

Tekfen contributes to the development of country infrastructures through innovative and distinctive projects.

Tekfen actively contributes to R&D activities focused on enhancing agricultural production, particularly for high-quality seeds and nutrients, to ensure safe and sustainable food supply.

Tekfen undertakes strategic investments to decarbonise its business processes, guided by the belief that the future belongs to those who build it.

Tekfen prioritises strategic partnerships to support sustainable growth, fostering synergy and embracing the 1+1=3 principle.

2.2. Double Materiality Analysis

In Tekfen's 2024 sustainability report, material issues were updated in line with **double materiality**, an approach gaining importance after its incorporation into corporate reporting processes under the European Union's CSRD regulation. Double materiality requires assessing both the impact of the Company's activities on the external environment **(inside-out)** across Environmental, Social, and Governance (ESG) dimensions, and the risks and opportunities that these external factors pose to the Company's financial performance **(outside-in)**. Accordingly, the Company systematically addresses sustainability-related risks and opportunities as **financial materiality**, and its environmental, social, and economic impacts as **impact materiality**.

As part of these activities, Tekfen's environmental and social impacts across its entire value chain were analysed in depth, and multidimensional issues such as the climate crisis, natural resource use, human rights, labour practices, and the supply chain were assessed in terms of both impact and financial materiality. Considering the Company's diverse business operations, the significance of each impact and risk was determined in light of strategic priorities, stakeholder expectations, sector dynamics, and regulatory developments, based on the criteria outlined below.

Tekfen's Double Materiality Methodology

1 Identifying Sustainability Issues

In 2023, a materiality survey was conducted based on a comprehensive list of topics compiled from literature reviews focused on sustainability. The survey covered 890 stakeholders, with groups classified as follows:

- **Directly influential on Tekfen:** Employees, suppliers, dealers, customers and investors
- **Indirectly influential on Tekfen:** Public institutions and local governments
- **Providing new opportunities, knowledge and understanding:** Academia, institutes and research centres, civil society and sectoral organisations

Therefore, the Company's stakeholder groups across all fields were included in the process, and 31 material issues were identified through field analyses, face-to-face interviews, and online surveys to obtain more exhaustive stakeholder input.

In 2024, this list was reviewed again, and the issues were thoroughly evaluated in line with current trend analyses, stakeholder expectations, and sectoral and geographical dynamics. An **updated and expanded list of topics** for 2024 was created based on dialogues with internal and external stakeholders, media scans, and global trends.

2 Harmonisation with Global Standards

The material issues identified in the first phase were re-evaluated by mapping them against current global reporting frameworks. In this context, the issues were mapped against the **ESRS** and **GRI** standards, and the necessary content updates were made. Through this process, the Company's sustainability priorities were aligned with new regulations, such as the **European Green Deal** and the **CSRD**, while taking into account the universal relevance of the issues.

3 Value Chain Impact Analysis

A comprehensive analysis was conducted across all of Tekfen's industries, covering both its own operations and the entire supply chain (upstream and downstream). Factors such as commercial activities, business partnerships, resource dependencies, and geographical location were considered for each area of activity, as part of a holistic and comparative approach to assessing the impact of potential material issues across various stages of the Holding's value chain. This method allowed for the systematic analysis of both positive and negative impacts, providing a more accurate view of the Company's sustainability performance across the value chain.

4 Identification of Impacts and Risks

The Environmental, Social, and Governance (ESG) impacts of the identified potential material issues, along with the short-, medium-, and long-term impacts, risks, and opportunities these issues may present for Tekfen Holding and its affiliated Group Companies, were extensively reviewed. To this end, Tekfen's industry-specific regulations, regional dynamics, and global developments were taken into consideration.

During the process:

- The first step was the incorporation of Tekfen Holding's previous risk inventory and existing corporate risk management processes — developed in line with **the Corporate Risk Management Regulation** based on **COSO Risk Management Framework** and **the Board-approved risk appetite** — into the current assessment.
- **Sectoral guides, including the Sustainable Accounting Standards Board (SASB)** and **S&P Global ESG Insights**, were consulted.
- The impacts of sustainability issues were assessed as **positive and negative**:
- **The potential risks and opportunities** posed by these issues for Tekfen's different business groups were analysed across the value chain.
- Impacts, risks, and opportunities were classified according to Tekfen's terminology:
  - **Short-term (0–1 year):** Matters that may directly affect operational and financial planning and require prompt action.
  - **Medium-term (2–5 years):** Developments that affect the strategic planning process and opportunities for structural transformation.
  - **Long-term (5+ years):** Systemic risks and opportunities that may impact Tekfen's future competitiveness, institutional resilience, and capacity for value creation.

As a result of this step, Tekfen's sustainability impacts, risks, and opportunities were listed comprehensively and systematically, and the materiality assessment phase was initiated by gathering expert opinions from relevant teams and internal stakeholders.

Materiality survey:

890
stakeholder participation

31
material issues

5 Impact and Financial Materiality Assessment

Impact Materiality Assessment

The impact materiality assessment aimed to systematically analyse Tekfen's positive and negative sustainability impacts across its operations and value chain. This analysis examines the effects of the Company's activities on people and the environment from an "inside-out" perspective, seeking to reveal the magnitude and significance of the impacts that Tekfen directly or indirectly causes, contributes to, or is associated with. Stakeholder survey results guided the assessment of impact materiality at every stage and criterion.

Accordingly, each of the five fundamental criteria below was scored from 0 to 5:

- **Scale**: The extent to which the impact causes significant harm or benefit to humans or the environment.
- **Severity:** The severity of the negative or positive impact on humans or the environment.
- **Scope:** The extent to which the impact is widespread and the number of people or environmental areas it affects. This criterion defines impacts at local, national, or international levels.
- **Reversibility:** The extent to which a negative impact can be reversed. Irreparable impacts (e.g., permanent environmental damage or fundamental human rights violations) were assigned a higher materiality score.
- **Possibility:** The likelihood of a positive or negative impact, taking into account current business practices and external conditions.

A systematic analysis was conducted on the scores for each criterion, and the total impact score was calculated automatically. Tekfen's most material sustainability impact areas were then identified and classified for the subsequent stages of the double materiality analysis.

Financial Materiality Assessment

The financial materiality assessment focused on understanding the potential impact of sustainability-related risks and opportunities on Tekfen's financial performance from an outside-in perspective. To that end:

- Risks and opportunities were analysed according to the potential financial impact and the likelihood of occurrence.
- The magnitude of the financial impact was evaluated based on the potential effect on the Company's revenues, costs, access to capital, and operational performance.
- In the probability assessment, the likelihood of occurrence was measured as a percentage over a specific time period, and scenarios with the lowest and highest probabilities were considered.
- Analyses were conducted to cover short-term (0–1 year), medium-term (2–5 years), and long-term (5+ years) impacts.

Financial materiality was gauged based on the following criteria:

- **Magnitude of Potential Financial Impact:** Represents the potential scale of the financial impact of a risk or opportunity. The magnitude of a financial impact was determined according to **the threshold value set by the Company** and defined based on the relevant financial item.
- **Probability:** Expresses the probability and time of risks or opportunities being realised. Probability, as a key criterion, was evaluated through a scoring system on a scale of 0 to 5:
  - 0: "Rare" – Indicates the probability of the event occurring is very low (less than once every 10 years).
  - 5: "Occurring" – Means the event has occurred or will occur with 100 percent probability.

Risks and opportunities exceeding the 0-to-5 threshold set by Company management for the financial materiality assessment were subjected to an extensive evaluation in accordance with the financial materiality criteria.

6 Assessment of Results

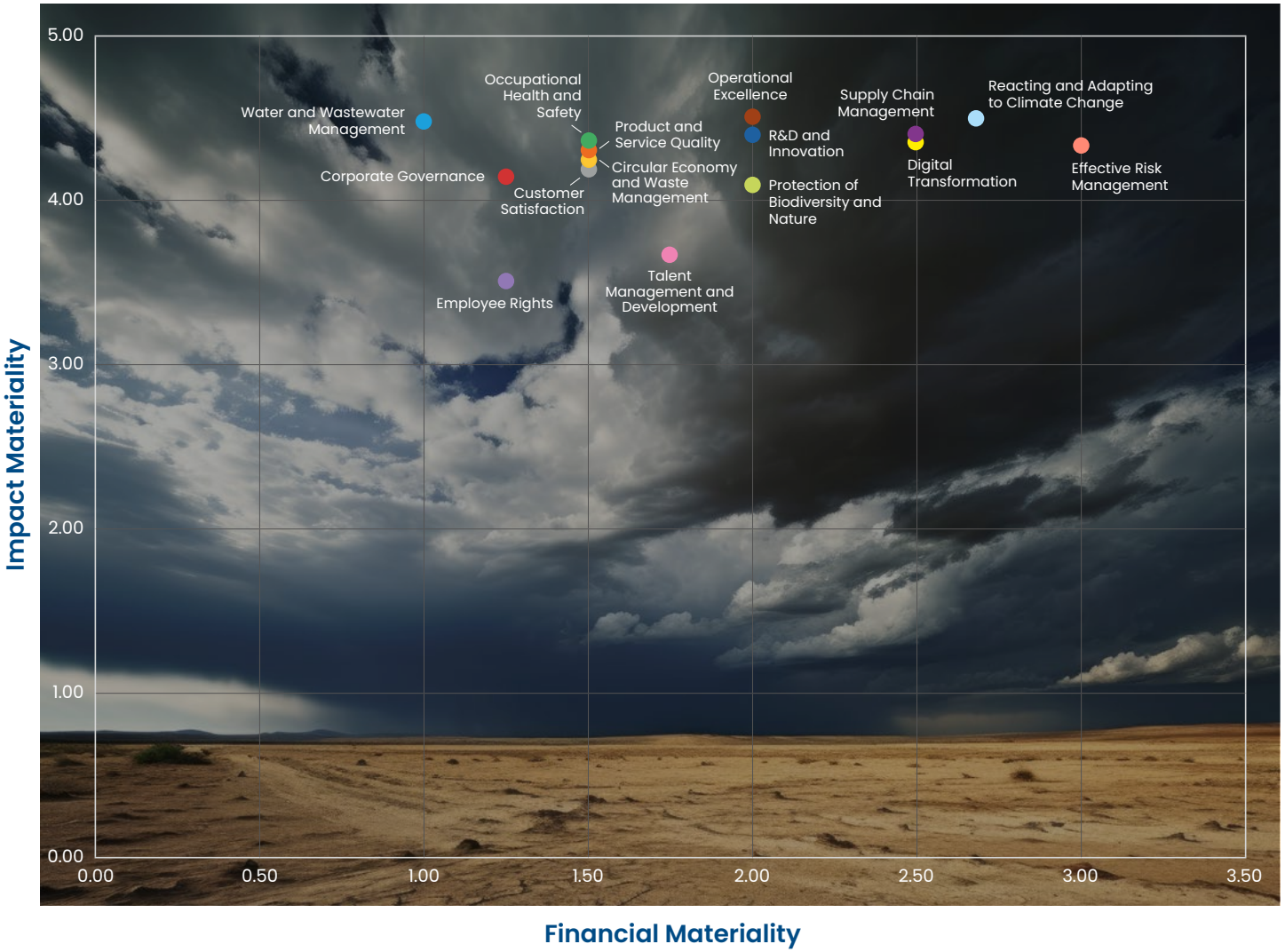
Impact Significance Assessment

With the double materiality assessment:

- Each sustainability issue was assessed based on the materiality of its existing and potential impacts on humans and the environment, as well as the scale, scope, irreversibility, and likelihood of these impacts occurring (impact materiality).
- Financial materiality was analysed to measure the potential impact of sustainability-related risks and opportunities on the Company's financial performance, cash flows, and access to financing in the short, medium, and long term, taking into account the magnitude of the potential financial impact of each issue and the likelihood of occurrence.

As a result of the 2024 double materiality analysis, the sustainability issues with the highest impact and financial materiality were identified, and the number of material issues was reduced to 15 (2023: 31). This simplification enabled Tekfen to focus on areas with the highest impact potential and to meet stakeholder expectations more clearly.

Tekfen Double Materiality Matrix



● Short-term (0-1 year) ●● Medium-term (2-5 years) ●●● Long-term (5> years)

IMPACT MATERIALITY							FINANCIAL MATERIALITY
Material Issues	**Impact Description**	**Impact Type (Positive/ Negative)**	**Group Company**	**Position in the Value Chain**	**Term**	**Level of Materiality**	
Reacting and Adapting to Climate Change	Increased costs arising from carbon taxes due to the implementation of the Carbon Border Adjustment Mechanism in the European Union	Negative Impact	Agricultural Industry Group, Engineering and Contracting Group	Own Operations	●		
	Disruption to resource access caused by extreme weather events impacting the global supply chain	Negative Impact	Agricultural Industry Group, Engineering and Contracting Group	Own Operations	●●		
	Acceleration of the transition to a low-carbon economy and sustainability-related actions with the introduction of the Carbon Border Adjustment Mechanism in the European Union	Positive Impact	Agricultural Industry Group	Own Operations	●		
	Reducing greenhouse gas emissions through energy-efficiency projects	Positive Impact	Agricultural Industry Group	Own Operations	●●		
Protection of Biodiversity and Nature	Soil degradation caused by the use of chemical fertilisers (the use of organic and inorganic fertilisers, along with pesticides, can increase soil acidity and negatively affect productivity and the performance of soil biota)	Negative Impact	Agricultural Industry Group	Own Operations	●●		
	Preventing ecosystem damage and reducing the carbon footprint through the use of organomineral fertilisers	Positive Impact	Agricultural Industry Group	Own Operations	●●		
	Educating and training farmers on the proper use of fertilisers	Positive Impact	Agricultural Industry Group	Own Operations	●●		
Circular Economy and Waste Management	Reducing environmental impacts in line with the zero-waste target	Positive Impact	Agricultural Industry Group, Engineering and Contracting Group	Own Operations	●		
	Failure to properly manage hazardous waste (e.g. metal dust, sludge) generated from production activities, leading to soil and water pollution	Negative Impact	Agricultural Industry Group, Engineering and Contracting Group	Own Operations	●●		
Operational Excellence	Systematising and continuously improving all processes in accordance with national and international standards and best industry practices	Positive Impact	Agricultural Industry Group, Engineering and Contracting Group	Own Operations	●		
	Effective and efficient use of resources through lean production	Positive Impact	Agricultural Industry Group	Own Operations	●		
Water and Wastewater Management	Ensuring water recovery through responsible water-management practices	Positive Impact	Agricultural Industry Group	Own Operations	●		
	Adverse impact on operations caused by water shortages	Negative Impact	Agricultural Industry Group, Engineering and Contracting Group	Own Operations	●●		
Employee Rights	Enhancing brand reputation through equality, diversity, and inclusion policies	Positive Impact	Agricultural Industry Group, Engineering and Contracting Group	Own Operations	●		
	Insufficient implementation of equality, diversity, and inclusion policies, and potential human rights violations	Negative Impact	Agricultural Industry Group, Engineering and Contracting Group	Own Operations	●		
Occupational Health and Safety	Loss of workforce due to workplace accidents involving subcontractors and employees	Negative Impact	Engineering and Contracting Group	Own Operations	●		
	Reducing the number of accidents through awareness-raising activities	Positive Impact	Engineering and Contracting Group	Own Operations	●		

● Short-term (0-1 year) ●● Medium-term (2-5 years) ●●● Long-term (5> years)

IMPACT MATERIALITY							FINANCIAL MATERIALITY
Material Issues	**Impact Description**	**Impact Type (Positive/ Negative)**	**Group Company**	**Position in the Value Chain**	**Term**	**Level of Materiality**	
Talent Management and Development	Retention of competent employees	Positive Impact	Agricultural Industry Group, Engineering and Contracting Group	Own Operations	●●		
	Loss of high-potential employees	Negative Impact	Agricultural Industry Group, Engineering and Contracting Group	Own Operations	●●		
Product and Service Quality	Improving product development processes to ensure high quality standards	Positive Impact	Agricultural Industry Group, Engineering and Contracting Group	Own Operations	●		
	Developing products for a sustainable agriculture strategy	Positive Impact	Agricultural Industry Group	Own Operations	●		
Customer Satisfaction	Undertaking activities to improve customer satisfaction	Positive Impact	Agricultural Industry Group, Engineering and Contracting Group	Own Operations	●		
Corporate Governance	Building stakeholder trust by involving a wider range of stakeholder groups in activities related to ethical practices	Positive Impact	Agricultural Industry Group, Engineering and Contracting Group	Own Operations	●		
	Damage to corporate reputation and diminished stakeholder trust resulting from ethical violations	Negative Impact	Agricultural Industry Group, Engineering and Contracting Group	Own Operations	●●●		
R&D and Innovation	Innovative projects, new engineering practices, digitalisation, and automation to shorten work processes and reduce error rates in contracting projects	Positive Impact	Agricultural Industry Group, Engineering and Contracting Group	Own Operations	●		
	Development of seeds resistant to changing climatic conditions and drought in the agricultural industry, controlled use of natural resources, innovative production methods to increase agricultural productivity, smart agricultural technologies, and development of low-carbon fertilisers and sustainable harvesting methods	Positive Impact	Agricultural Industry Group	Own Operations	●		
	Conducting R&D studies to transform phosphogypsum into value-added products	Positive Impact	Agricultural Industry Group	Own Operations	●●		
	Developing new seed varieties and next-generation fertilisers through R&D studies	Positive Impact	Agricultural Industry Group	Own Operations	●●		
Digital Transformation	Implementing digitalisation practices to enhance operational efficiency	Positive Impact	Agricultural Industry Group, Engineering and Contracting Group	Own Operations	●●		
	Digital infrastructure investments incurring higher-than-expected expenditure	Negative Impact	Agricultural Industry Group, Engineering and Contracting Group	Own Operations	●●		
Effective Risk Management	Establishing comprehensive risk management processes and evaluating environmental and social risks	Positive Impact	Agricultural Industry Group, Engineering and Contracting Group	Own Operations	●		
Supply Chain Management	Lack of advanced auditing for suppliers' environmental and social compliance	Positive Impact	Agricultural Industry Group, Engineering and Contracting Group	Own Operations	●●		

Value Chain Elements: Our operations · Impact before operations · Impact after operations

CAPITAL ELEMENT	FOCUS AREA	MATERIAL ISSUE	INPUTS	OUTPUTS	SDG MAPPING	VALUE CREATED	RELEVANT STAKEHOLDER GROUP
FINANCIAL CAPITAL	Operational Roots	Effective Risk Management / Corporate Governance	• Investor confidence stemming from a strong equity structure and shares traded on Borsa Istanbul • Revenue streams from diversified business lines • Funds allocated to social investments by the Tekfen Foundation and Group Companies	• TRY 65,873,800 in total assets • Tekfen Construction's new business acquisitions valued at USD 446 million • Tekfen Engineering ranked 192nd on ENR's "Top 225 International Design Firms" list for 2024 • Tekfen Construction ranked 121st on ENR's "Top 250 International Contractors" list for 2024	SDG 8 – Decent Work and Economic Growth SDG 9 – Industry, Innovation and Infrastructure	• Reducing risks and increasing operational efficiency • Generating economic value	Shareholders, Investors and Analysts, Customers, Suppliers, Subcontractors, Collaborations and Partnerships
INTELLECTUAL CAPITAL	From Roots to the Future	Digital Transformation R&D and Innovation	• Tekfen Engineering's international collaborations in digital projects • R&D budget: TRY 56.74 million • An R&D team comprising 23 experts at the Toros Agri R&D Centre and 19 experts at the Tekfen Agri Agripark R&D Centre • A fertiliser development project valued at TRY 12.9 million, aimed at reducing phosphorus fixation • Support for PhD students and employment as part of the TÜBİTAK 2244 – Industrial PhD Fellowship Programme • University-Industry collaborations • A collaboration between Phospholutions, a Tekfen Ventures investment, and Toros Agri to improve fertiliser efficiency and reduce their environmental impact	• Digital transformation project solutions for industrial facilities through Tekfen Engineering's collaborations with Aspentech and Hexagon • 33,468 users on the "Toros Farmer" mobile app • 10 international peer-reviewed scientific publications • 24 finalised and 11 ongoing R&D projects • 14 patent applications and 14 utility model applications (three registered) • Registration of one new bread wheat variety (Tekfen 2169) and one new barley variety (Tekfen 4044) in 2024 • Toros Agri selling 57,000 mt of organomineral fertilisers (21% growth)	SDG 9 – Industry, Innovation and Infrastructure SDG 12 – Responsible Consumption and Production SDG 17 – Partnerships for the Goals	• Contributing to international engineering solutions • Contributing to the development of the Turkish agricultural industry, sustainable agriculture, and innovative technologies • Expanding sustainable production through digital agricultural technologies • Achieving cost and time savings from R&D and innovation projects, and aligning financial processes	Employees Associations, Universities, Media and NGOs Customers & Farmers All Users Collaborations with National & International Companies
MANUFACTURED CAPITAL	Bridging Prosperity: Stakeholders	Product and Service Quality	• 4,554 mt of foundation seed potato production • 3,445 mt of fresh fruit sales, supplying 15 customers in 14 countries • Construction of a 60,000-mt granary at Torosport Ceyhan Terminal • 19,179 mt of production at the Ceyhan Manufacturing Facility in 2024	• Tekfen Agri has a 3.6% share in Turkey's grain seed market with 17,849 mt output • Toros Agri sold 2.06 million mt of fertiliser in 2024 • Toros Agri sold 87,000 mt of speciality fertiliser, representing 19% growth • A total of 4.2 million mt of products handled at Torosport Ceyhan, and 1.7 million t at Torosport Samsun • Toros Agri ranked 56th on the 2024 list of Türkiye's Top 500 Industrial Enterprises, published by the Istanbul Chamber of Industry	SDG 8 – Decent Work and Economic Growth SDG 12 – Responsible Consumption and Production	• Ensuring high efficiency and quality in agricultural production • Expanding portfolio variety • Maintaining product quality with warehouse technology achieving Türkiye's lowest wastage rate • Increasing Tekfen's international market presence through higher fresh fruit exports	Employees Shareholders, Investors and Analysts Customers and Farmers Dealers All users
HUMAN CAPITAL	Bridging Prosperity: People	Employee Rights Occupational Health and Safety Talent Management and Development	• 7,359 employees • 622 employees covered by a Collective Bargaining Agreement • ISO 45001 Occupational Health and Safety Management System • 909,006 hours of Occupational Health and Safety (OHS) training • 22,423 hours of training provided at Tekfen Workshop • 862 employees with successful manager performance evaluations • 81 interns • Uniform Performance, Career and Wage Management Method	• 90 female employees in STEM roles • Total recordable incident rate: 2.74 • Long-term incentive plan • Succession planning • Tekfen Workshop • Toros Agri Sustainable Fertiliser Academy	SDG 5 – Gender Equality SDG 8 – Decent Work and Economic Growth	• Enhancing employee health and safety • Supporting women's employment and gender equality • Promoting training and talent development • Systematising career and performance management processes • Creating programmes focused on corporate development and sustainability	Employees, Shareholders, Investors and Analysts, Public Institutions, Business and Solution Partners, Associations, Universities, Media and NGOs
SOCIAL AND RELATIONAL CAPITAL	Bridging Prosperity: Stakeholders	Social Investments Customer Satisfaction Supply Chain Management	• Corporate Social Responsibility Projects • Tekfen Foundation • Tekfen Philharmonic Orchestra • Microfinance Programmes • Women Farmers Loan Project • Toros Farmers Academy • Agricultural Techniques and Digital Marketing Project • Customer Relationship Management (CRM) Project • Toros Farmer Survey with 1,501 farmers • Environmental Management System (EMS) audits to strengthen security across supply chain processes • Identifying and prioritising supply chain risks using the Sphera SCRM platform	• 473 students provided scholarships by the Tekfen Foundation • 722 women receiving microloans • 166 women receiving women farmers loans • 75 events with the Toros Agri Training Bus • 29 project meetings and presentations with farmers • Eight drone operations by Toros Agri • 88.31% customer satisfaction for Tekfen Construction • 90.65% customer satisfaction for Tekfen Engineering • 4,101 dealer visits • 75 events in 2024 with the Toros Agri Training Bus • Direct interviews with 8,389 farmers • 126 agricultural institutions and companies engaged	SDG 4 – Quality Education SDG 17 – Partnerships for the Goals	• Contributing to education • Increasing women's participation in economic life • Expanding access to training • Establishing direct communications with the agricultural industry • Disseminating digital agriculture solutions • Promoting innovative agricultural practices • Increasing customer satisfaction • Ensuring farmer feedback and engagement • Increasing farmer awareness	Business and Solution Partners, Associations, Universities, Media and NGOs
NATURAL CAPITAL	Bridging Prosperity: Environment	Reacting and Adapting to Climate Change Protection of Biodiversity and Nature Water and Wastewater Mgmt. Circular Economy and Waste Mgmt. Operational Excellence	• ISO 14001 Environmental Management System • ISO 50001 Energy Management System • Carbon management, energy efficiency, and natural resource protection through the "Carbon Net-Zero Roadmap" • Investment of TRY 7.9 million (OPEX) in water security • Over TRY 30 million invested in R&D to transform waste into value-added products • Technical feasibility activities and investments to reduce N₂O emissions by up to 90% • Activities for the sustainable use of natural resources and the protection of biodiversity • Embedding a culture of monitoring and continuous improvement throughout the value chain as part of the IFA "Protect & Sustain" certification • Project-based quality performance criteria	• Commissioning of the 14.4 MW Marmara Wind Power Plant • Self-consumption accounting for 70% at the Ceyhan Manufacturing Facility (1.2 MW SPP) • Enhancing water management and efficiency through water conservation projects • Completion of reporting and certification processes to ensure compliance with the Carbon Border Adjustment Mechanism (CBAM) and the Emissions Trading System (ETS) • Up to 50% cut in carbon emissions in pilot applications using low-carbon fertilisers. • Minimising environmental impact through biodiversity monitoring activities • High-quality performance, with a Cumulative Quality Index Score of 97.44% • Embedding a culture of monitoring and continuous improvement throughout the value chain as part of the IFA "Protect & Sustain" certification • Annual labour savings of 15,000 person-hours through robotic process automation (RPA) and process integrations	SDG 12 – Responsible Consumption and Production SDG 13 – Climate Action	• Supporting the transition to a low-carbon economy, and responding and adapting to climate change • Reducing energy dependency through renewable energy • Sustainable management of water resources • Contributing to a circular economy • Increasing agricultural productivity and reducing environmental impact • Strengthening compliance with international carbon regulations and enhancing market access	Public Institutions Associations, Universities, Media and NGOs Business and Solution Partners Customers Society

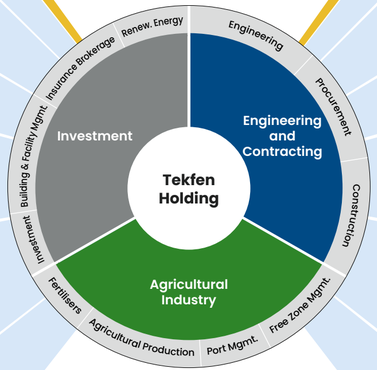
OUR SUSTAINABLE SERVICE APPROACH

Our Mission

To ensure a clear focus on our areas of operation, produce the highest quality products and services, become a leading company with top-of-mind awareness, and create value for all our stakeholders, from customers and suppliers to employees, shareholders, and the broader society, all the while upholding the Group's enduring values.

Our Vision

To guide Türkiye's breakthroughs across all our industries



Our Values

✓ Embrace change and innovation, and always broaden your horizons. ✓ Do the job you know best, and do it in the best way possible. ✓ Serve your country and remain mindful of its issues. ✓ Be honest and principled, and keep your word. ✓ Stand side by side with your employees. ✓ Less talk, more action. ✓ Don't let ambition overtake reason. ✓ Be in harmony with others, and try not to leave anyone feeling resentful. ✓ Protect nature and your employees. ✓ Believe in the power of science and technology.

2.3. Value Creation Model

2.4. Sustainability Goals and Performance

Striving to advance the Sustainable Development Goals, Tekfen reviewed and updated its sustainability targets in 2024, based on its double materiality analysis and in line with changing global dynamics, to reduce its environmental impact, increase resource efficiency, and create lasting value for all stakeholders.

SUSTAINABILITY GOALS								
Capital Element	**Focus Area**	**Material Issues**	**Target**	**Performance Indicators**	**Unit**	**Target Year**	**Base Year**	**2024 Performance**
Financial Capital	Operational Roots	Effective Risk Management	Organising training at all management levels, including senior management, to integrate climate risks and opportunities into corporate risk management	Training hours realised	Total hours	Continuous	2025	-
		Corporate Governance	Year-on-year increase in training hours on business ethics, anti-corruption and anti-bribery, and compliance	Total training hours realised	Total hours	Continuous	2024	3,839
Intellectual Capital	From Roots to the Future	R&D and Innovation	Increasing R&D investment in the development of low-carbon products by at least 25 percent by 2030	Year-on-year increase in the proportion of R&D investment	%	2030	2024	1
		Digital Trasformation	Finalisation of corporate digitalisation activities	Number of projects realised	Number of projects	2028	2023	39
Human Capital	Bridging Prosperity: People	Talent Management and Development	Increasing average training hours per employee by 30 percent	Training hours realised / Number of employees	%	Continuous	2023	3.04
			Achieving a 50-percent succession rate for key positions	Availability of "ready-to-replace" internal candidates for key positions	%	2030	2024	42.86
			Increasing the rate of women in STEM (Science, Technology, Engineering and Mathematics) positions	Number of female employees in STEM roles	People	2030	2023	90
			Increasing the rate of female managers by 30 percent	Total number of female managers / Total number of managers	%	2030	2024	19%
		Occupational Health and Safety	Zero fatal accidents	Fatal accidents at Tekfen + subcontractors	People	Continuous	2023	0
			Reducing the Total Recordable Incident Rate	$TRIR = \frac{\text{Total Number of Recordable Injuries (F+LWDC+RWC+MTC)} \times 1{,}000{,}000}{\text{Total Person Hours}}$	%	Continuous	2023	2.74
			100-percent legal compliance and zero penalties related to OHS, Environmental, and Process Safety	Number of penalties received	Number	Continuous	2023	1

SUSTAINABILITY GOALS								
Capital Element	**Focus Area**	**Material Issues**	**Target**	**Performance Indicators**	**Unit**	**Target Year**	**Base Year**	**2024 Performance**
Social and Relational Capital	Bridging Prosperity: Stakeholders	Customer Satisfaction	Increasing customer satisfaction above 85 percent in the Contracting and Engineering Group	Customer satisfaction index	%	Continuous	2023	85
			Increasing the number of projects within the Agricultural Industry Group that promote and develop good agricultural practices with farmers, driven by customer experience	Number of projects undertaken	Number of projects	2028	2024	6
		Supply Chain Management	Conducting market-specific research to identify "green procurement" requirements and finalising green procurement criteria lists	Target list	Target list	2030	2025	-
			Increasing the number of suppliers registered with Carbon Tracker and expanding the information and data available on the platform	Number of suppliers	Number of suppliers	2030	2025	-
			Increasing sustainability audits of key suppliers and subcontractors (covering environment, ethics and compliance, human rights, social compliance and occupational health and safety)	Number of key suppliers audited	Number of audits	Continuous	2025	-
Natural Capital	Bridging Prosperity: Environment	Reacting and Adapting to Climate Change	Achieving carbon neutrality in Scope 1 and Scope 2 greenhouse gas emissions by 2030, compared with the base year 2023	Scope 1 and Scope 2 emissions (tCO_2)	%	2030	2023*	7% ▲
			Achieving net zero Scope 1 and Scope 2 greenhouse gas emissions by 2045, compared with the base year 2023	Scope 1 and Scope 2 emissions (tCO_2)	%	2045	2023*	2.76% ▲
			Achieving net zero Scope 3 greenhouse gas emissions by 2045, compared with the base year 2023	Reduction rate of Scope 3 emissions	%	2045	2023*	0.04% ▼
			Increasing installed capacity of renewable energy	Increase rate of installed capacity	%	2030	2024	-
			Reducing energy intensity by 50 percent by 2030, compared with the base year 2023	(MWh/turnover in mUSD)	%	2030	2023	0.39% ▼
			Increasing the number of facilities certified to the ISO 50001 Energy Management System standard	Number of certified facilities	Number	2028	2024	4
		Circular Economy and Waste Management	Utilising phosphogypsum (PG) waste, a by-product of fertiliser production, in alternative industrial applications	Number of projects undertaken and number of projects completed	Number of projects	2028	2024	4
			Recycling or reusing at least 40 percent of waste	Recycling share in total waste	%	Continuous	2023	39%
		Water and Wastewater Management	Reducing water consumption intensity by 25 percent	(megalitres of water consumption/turnover in mUSD)	%	2030	2023	67.8

3

Operational Roots for the Future

3.1	Corporate Governance	37
3.2	Sustainability Governance	42
3.3	Effective Risk Management	47

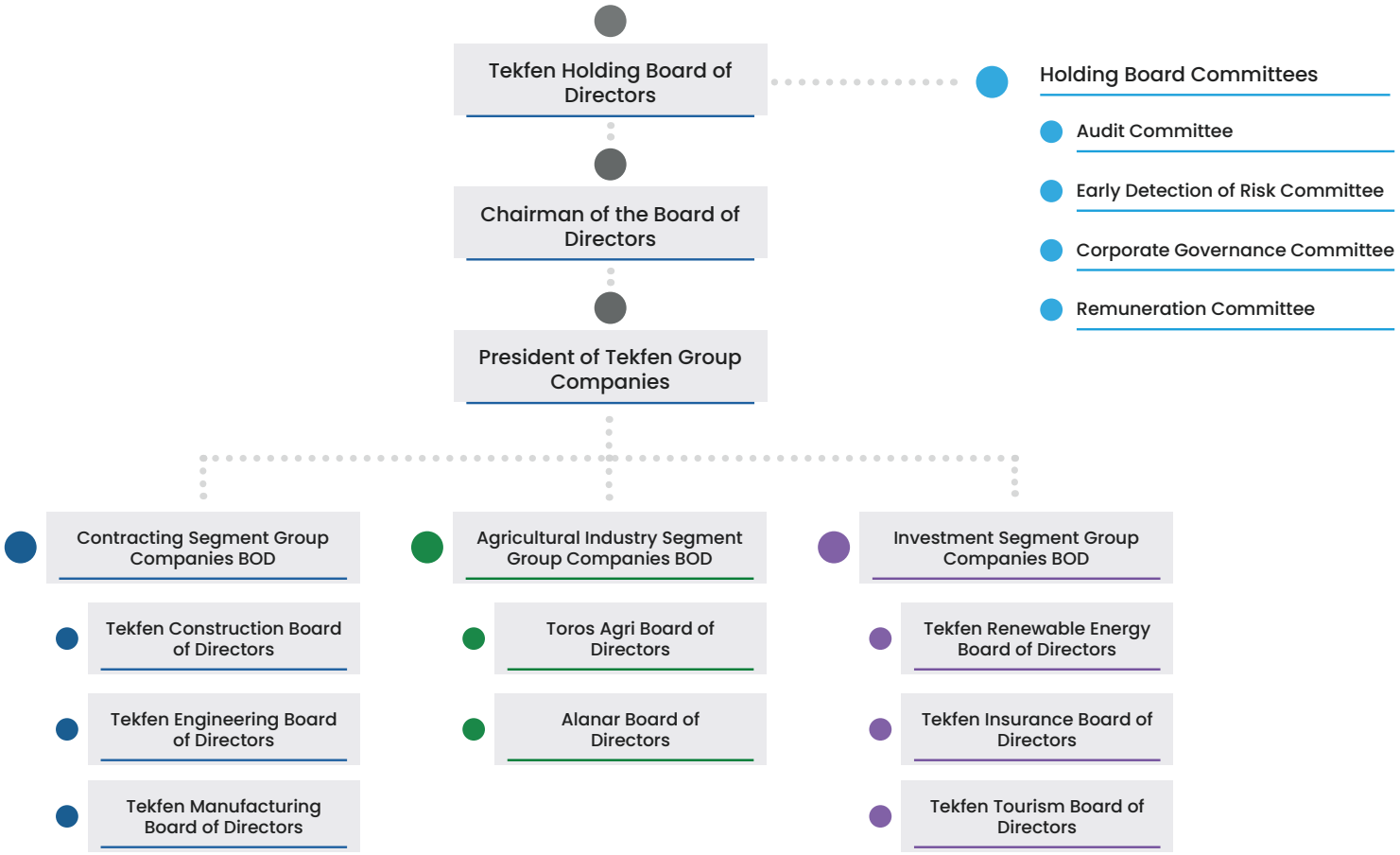
Tekfen combines the experience and expertise it has gained across diverse industries over the years, with the trust it inspires, its ethical values, and high standards of quality. The Company develops comprehensive, integrated strategies to achieve its sustainability goals; shapes its corporate governance approach around the principles of transparency and accountability; and manages its social and environmental impacts responsibly, while closely monitoring its financial performance.

3.1. Corporate Governance

Tekfen regards its deep-rooted values, strong corporate culture, and commitment to core management principles as key elements of its identity. The Company strictly adheres to the principles of corporate governance by aiming for sustainable success in every area of activity and adopts this approach not only as a management model but also as an integral part of its corporate identity.

As part of Tekfen's robust governance approach, the roles of Chair of the Board and President of Group Companies are held by different individuals. This ensures a clear distinction between authorities and responsibilities. Committees under the Board of Directors play an active role in critical areas such as strategy development, performance monitoring and risk management. The committees meet regularly and submit detailed assessments and recommendations to the Board of Directors, enhancing effectiveness and accountability in decision-making processes.

Tekfen Holding Governance Structure



Board Members as of the Reporting Date

MEHMET N. ERTEN

Chairman of the Board	2024-2025
Independent Member	No
Executive Member	No
Committee Duties	Corporate Governance Committee - Early Detection of Risk Comm.
Board Term (Years)	1
Educational Attainment	Bachelor's degree
Competence Area	Sectoral ✓
	Financial ✓
	Sustainability

MURAT GİGİN

Vice Chairman	2021-2025
Independent Member	No
Executive Member	No
Committee Duties	Corporate Governance Committee - Remuneration Comm.
Board Term (Years)	4
Educational Attainment	Master's degree
Competence Area	Sectoral ✓
	Financial ✓
	Sustainability ✓

ÖMER İSMAİL TANRIÖVER

Vice Chairman	2023-2025
Independent Member	No
Executive Member	No
Committee Duties	Corporate Governance Committee - Early Detection of Risk Comm.
Board Term (Years)	2
Educational Attainment	Bachelor's degree
Competence Area	Sectoral ✓
	Financial ✓
	Sustainability

IŞIK ZEYNEP DEFNE AKÇAĞLILAR

Board Member	2023-2025
Independent Member	No
Executive Member	No
Committee Duties	Remuneration Comm.
Board Term (Years)	2
Educational Attainment	Bachelor's degree
Competence Area	Sectoral ✓
	Financial
	Sustainability

SİNAN K. UZAN

Board Member	2014-2025
Independent Member	No
Executive Member	No
Committee Duties	Remuneration Comm.
Board Term (Years)	11
Educational Attainment	Bachelor's degree
Competence Area	Sectoral ✓
	Financial ✓
	Sustainability ✓

ZEKİ ZİYA SÖZEN*

Board Member	2023-2024
Independent Member	No
Executive Member	No
Committee Duties	None
Board Term (Years)	1
Educational Attainment	Doctorate degree
Competence Area	Sectoral ✓
	Financial ✓
	Sustainability ✓

ŞEVKİ ACUNER

Board Member	2019-2025
Independent Member	Yes
Executive Member	No
Committee Duties	Audit Committee - Early Detection of Risk Comm.
Board Term (Years)	6
Educational Attainment	Master's degree
Competence Area	Sectoral ✓
	Financial ✓
	Sustainability

H. SEDAT ERATALAR

Board Member	2021-2025
Independent Member	Yes
Executive Member	No
Committee Duties	Audit Committee - Early Detection of Risk Comm.
Board Term (Years)	4
Educational Attainment	Bachelor's degree
Competence Area	Sectoral
	Financial ✓
	Sustainability

M. AYDIN MÜDERRİSOĞLU

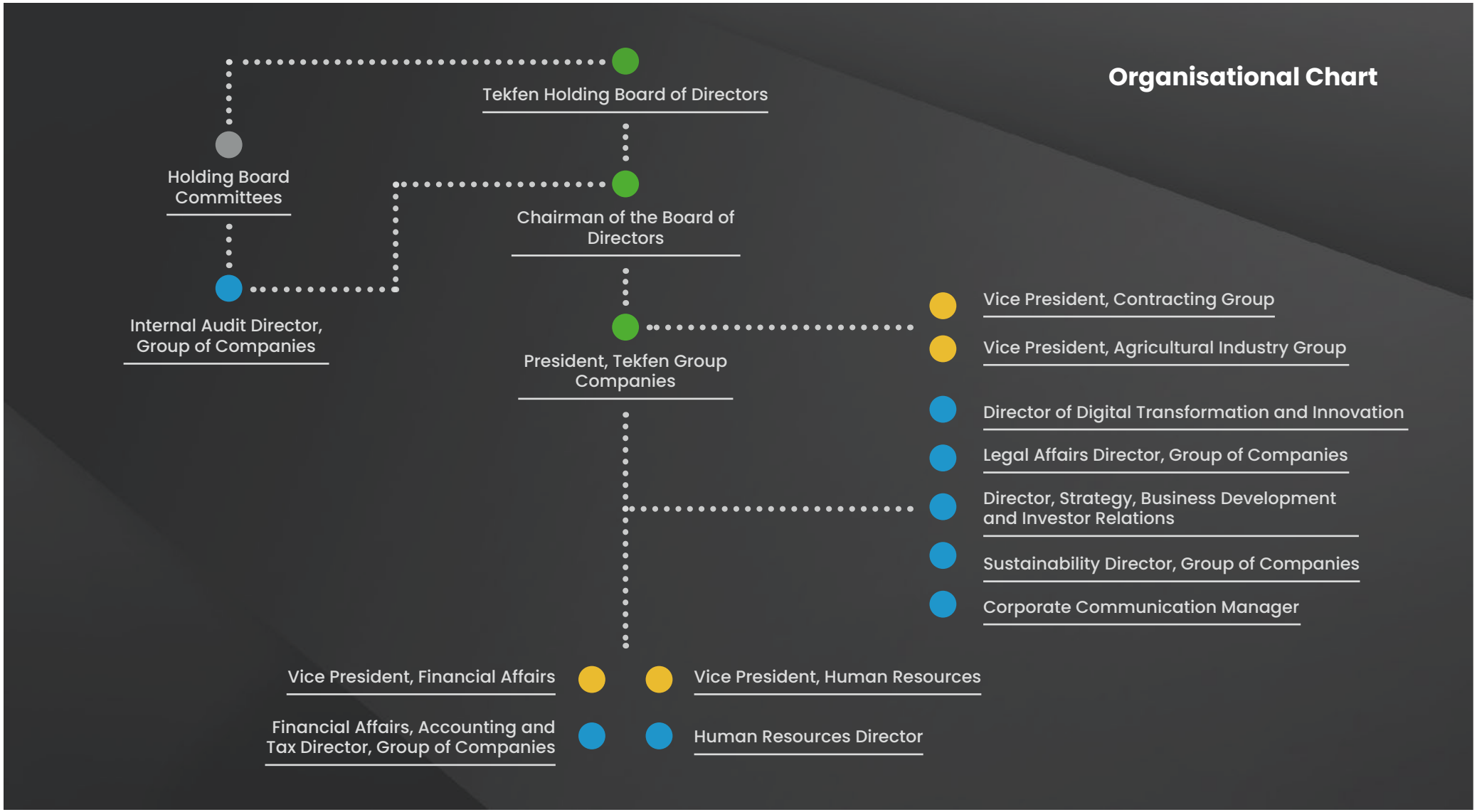
Board Member	2022-2025
Independent Member	Yes
Executive Member	No
Committee Duties	Audit Committee - Corporate Governance Committee
Board Term (Years)	3
Educational Attainment	Doctorate degree
Competence Area	Sectoral ✓
	Financial ✓
	Sustainability

AYŞE SELEN KOCABAŞ

Board Member	2023-2025
Independent Member	Yes
Executive Member	No
Committee Duties	Corporate Governance Committee - Remuneration Comm.
Board Term (Years)	2
Educational Attainment	Master's degree
Competence Area	Sectoral ✓
	Financial ✓
	Sustainability ✓

* Zeki Ziya Sözen resigned on October 15, 2024.

Organisational Chart



Üst Yönetim

HAKAN S. GÖRAL

President, Tekfen Group Companies	2023-2025
Work Experience (Years)	34
Term (Years)	2
Educational Attainment	Master's degree
Competence Area	Sectoral ✓
	Financial ✓
	Sustainability ✓

HAKAN DÜNDAR

Vice President, Financial Affairs	2023-2025
Work Experience (Years)	23
Term (Years)	2
Educational Attainment	Master's degree
Competence Area	Sectoral ✓
	Financial ✓
	Sustainability ✓

ERHAN HERSEK

Vice President, HR	2022-2025
Work Experience (Years)	29
Term (Years)	3
Educational Attainment	Bachelor's degree
Competence Area	Sectoral ✓
	Financial
	Sustainability ✓

AHMET EREN*

Vice President, Agricultural Industry Group	2023-2024
Work Experience (Years)	37
Term (Years)	1
Educational Attainment	Bachelor's degree
Competence Area	Sectoral ✓
	Financial ✓
	Sustainability ✓

* Ahmet Eren resigned from his position on December 31, 2024.

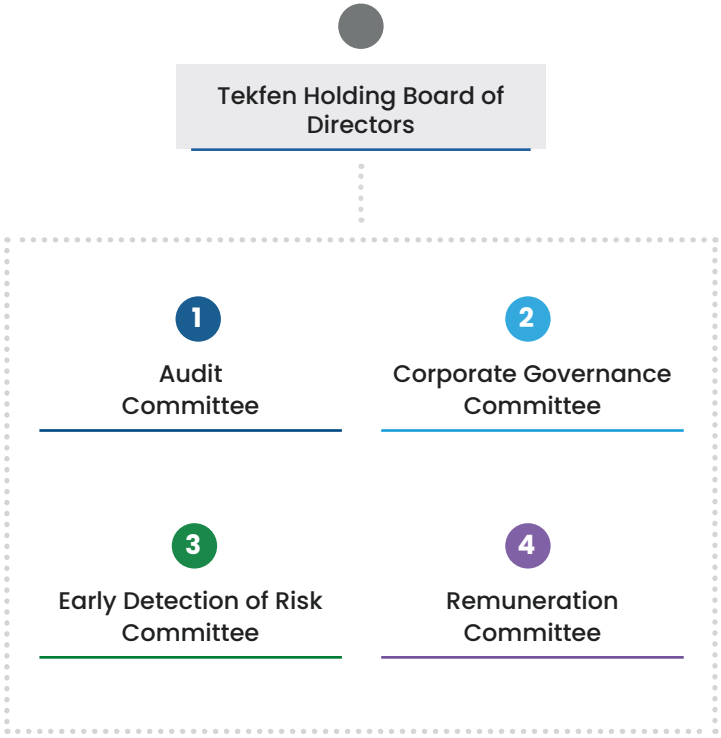
Committees and Policies

At Tekfen, various committees have been established in line with corporate governance principles to ensure that the Board of Directors fulfils its duties effectively, efficiently, and transparently. The Audit Committee, Corporate Governance Committee, Early Detection of Risk Committee, and Remuneration Committee, which operate under the Board of Directors, form the foundation of the Company's strategic management system.

Additionally, 12 comprehensive policies, which were developed to ensure sustainable growth and strengthen the Company's position in the industry, guide every stage of its business processes. These policies clearly define the Company's responsibilities and commitments in key areas such as risk management, ethical principles, environmental sustainability, and occupational health and safety, establishing a foundation for consistent and effective practices across all operations.

- OHS Policy
- Environment Policy
- Water Policy
- Information Security Policy
- Sustainability Policy
- Biodiversity Policy
- Supply Chain Policy
- Human Rights Policy
- Stakeholder Policy
- Domestic Violence Prevention Policy
- Customer Loyalty Policy
- Ethics Policy

Click here to see the policies.



Audit Committee

1

It supports the Board of Directors by reviewing the effectiveness of the Company's accounting system, financial reporting, independent auditing, and internal control system. As of 2024, the committee, consisting of three independent Board members, meets quarterly to evaluate internal audit activities and independent audit results.

Corporate Governance Committee

2

It is responsible for monitoring compliance with the CMB Corporate Governance Principles, recommending improvements, and submitting them to the Board of Directors. This committee also fulfils the duties of the Nomination Committee. As of 2024, it comprises five Board members and one manager, and meets at least quarterly to maintain alignment efforts.

Early Detection of Risk

3

The Company conducts various activities to identify potential risks early, determine necessary precautions, and manage the risks identified. As of 2024, the committee comprises four members and meets every two months to evaluate risk reports from Group Companies and present critical risks to the Board of Directors. Risk management systems are reviewed at least annually.

Remuneration Committee

4

The Remuneration Committee, comprising four members as of 2024, is responsible for determining the remuneration principles, criteria, and practices for Board Members and executives with administrative responsibilities in line with the Company's long-term goals, and for overseeing these processes. Recommendations, developed based on the level of achievement of the remuneration criteria, are submitted to the Board of Directors.

3.2. Sustainability Governance

Adopting a people-, society-, and environment-focused approach in every area where it creates value, Tekfen regards sustainability as more than a goal, treating it as a fundamental element of the Company's strategy. This approach is grounded in the **Sustainability Policy**, which is implemented holistically to cover every stage of the value chain.

This year, Tekfen reviewed its sustainability strategy and updated its Sustainability Policy to strengthen its efforts with a solid foundation. All responsibilities, objectives, and information related to risk and opportunity management are clearly defined in the updated policy.

At Tekfen, the **Board of Directors** holds the highest level of governance responsibility for sustainability-related matters. The Board of Directors plays an active role in shaping the sustainability strategy, setting relevant policies and targets, allocating necessary resources, and integrating climate-related risks and opportunities into the Company's overall strategy. The monitoring of sustainability and climate targets, along with performance reviews, is conducted regularly and comprehensively during Board meetings. The relevant targets are established with the approval of the Board of Directors and reviewed periodically.

A total of 67 decisions were made during the 34 Board meetings held throughout 2024, reinforcing the sustainability-oriented strategic governance approach. The attendance rate at the meetings was 97.79 percent, and all decisions were approved either unanimously or by a majority vote of the members present.

The Board of Directors has delegated responsibility for overseeing and guiding the development, implementation, and performance monitoring of the sustainability strategy to the **Sustainability Committee**. The activities led by this committee ensure that the Company's sustainability agenda progresses in a systematic, organised, and results-oriented manner. The committee, chaired by the President of Group Companies, meets at least twice a year as required. The Sustainability Committee convened twice in 2024, with a 100 percent participation rate. In addition, the Sustainability Working Groups under the Committee facilitate the effective planning and implementation of all relevant processes, playing a key role in achieving sustainability goals on the ground.

Accordingly, the **Carbon Net Zero Roadmap** established for 2024 was incorporated into the corporate strategy following assessment by the Board of Directors. **Five separate sub-working groups**, reporting to the President of Group Companies in the areas of **environment**, **people and society**, **innovation**, **sustainable finance**, and **sustainable production**, work in a coordinated manner to achieve the identified goals through interdisciplinary collaboration.

This structure, established with the active participation of employees from diverse areas of expertise, enables each working group to evaluate its knowledge from a broader and strategic perspective. Priorities identified under this approach include implementing sustainability commitments through concrete projects, continuously improving existing targets, and integrating internationally recognised best practices throughout the organisation. In doing so, sustainability is translated into tangible results through more innovative, practical, and effective solutions.

Number of decisions made at the 34 Board of Directors meeting

67

BOD meeting attendance rate

98%

BOD Corporate Governance Committee

Sustainability Committee

President of Tekfen Group Companies

Group Companies Sustainability Directorate

ENVIRONMENT WORKING GROUP

It develops projects to enhance energy efficiency, improve waste management, conserve water resources, and protect biodiversity. Circular economy practices, compliance with environmental legislation, and awareness programmes are also among the priorities of the working group. Activities carried out for this purpose include the regular exchange of ideas and evaluation studies.

PEOPLE AND SOCIETY WORKING GROUP

It aims to build strong relationships with internal and external stakeholders in all regions where Tekfen operates, promote workforce diversity, and foster an inclusive working environment. Improving occupational health and safety practices, upholding human rights, promoting gender equality, and ensuring compliance with global labour policies are also among the working group's priority areas.

INNOVATION WORKING GROUP

It conducts research to develop sustainable and innovative solutions that can be integrated into Tekfen's areas of activity and contribute to its strategic growth. While generating project ideas that promote digitalisation in operational processes and advance digital transformation strategies, it also provides active support for R&D initiatives that underpin innovation.

SUSTAINABLE FINANCE WORKING GROUP

It seeks to raise awareness of sustainable finance across Tekfen, develop project ideas for financial instruments that support green transformation investments, and contribute to the integration of sustainability risks into corporate risk management. Developing solutions to enhance resilience, particularly against climate risks, is among the working group's priorities.

SUSTAINABLE PRODUCT WORKING GROUP

It aims to launch projects within the Engineering and Contracting Group and the Agricultural Industry Group to reduce carbon emissions, and expand recycling and reuse practices in support of circular economy principles. It also develops ideas for collaboration with suppliers on production and resource use that take environmental and social criteria into account for sustainable supply chain management.

Business Ethics and Anti-Corruption

Tekfen upholds its ethical business approach by fully complying with national and international regulations and company procedures, while effectively managing risks. This approach goes beyond merely fulfilling legal requirements, placing the fight against bribery and corruption at the core of the business culture.

As emphasised in its **Human Rights Policy** , Tekfen opposes all forms of discrimination and respects human and individual rights. While continuing its activities in line with social sustainability principles, it aims to create a fair, equitable, and respectful working environment in accordance with universal human rights standards.

The commitment to business ethics and the fight against corruption is embedded in all company processes and business relationships, and employees and business partners are encouraged to embrace these values. In this context, comprehensive training programmes are organised to enhance employees' ethical awareness. In 2024, a total of **3,839** person-hours of business ethics and anti-corruption training were delivered to **1,876** employees across the Group. These training programmes ensure the adoption of both the legal framework and Tekfen's ethical standards. Tekfen also aims for a year-on-year increase in training hours on business ethics, anti-corruption, anti-bribery, and compliance.

Tekfen's understanding of business ethics extends beyond in-house practices, making it essential for business partners, suppliers, and subcontractors to adhere to the same high ethical standards. As part of the **Supply Chain Policy** , suppliers and subcontractors within the Group Companies are also expected to uphold Tekfen's values regarding ethics and human rights.

In addition to training, the effective management of ethical violations is also regarded as a priority. The **Ethics Hotline** system has been actively used by employees and stakeholders since 2018. Reports of ethical violations can be submitted anonymously, 24/7, in Turkish and English by calling 0212 257 0 110, emailing at **etikhat@tekfen.com**.tr, or visiting the **www.etikhat.com** website. Reports are collected by an independent organisation and carefully evaluated by the Tekfen Ethics Committee.

Additionally, ethics processes are regularly monitored and reported in collaboration with Compliance Officers and Compliance Committees within the Group Companies. In 2024, a total of **24** reports were received through the ethics reporting channels, **23** of which were resolved within the same year.

Tekfen aims for a year-on-year increase in training hours on business ethics, anti-corruption, anti-bribery, and compliance.

Economic Performance

Operating across the three main business lines of Engineering and Contracting, Agricultural Industry, and Investment, Tekfen bridges the present and the future for a better life, leveraging its expertise in areas directly related to public welfare, such as food security, infrastructure services, and energy.

In line with the strategic plan updated in 2023, Tekfen Holding operates with an approach centred on creating value for all its stakeholders. Accordingly, four main strategic areas were identified: **Financial Optimisation and Alignment**, **Efficiency-Oriented Structuring**, **Growth Focus: Renewable Energy** and **Strategic Strengthening**.

Despite the global and local challenges faced in 2024, Tekfen continues to move forward with determination in line with this strategic roadmap.

- **The financial optimisation and alignment approach** plays a key role in project management, with growth targeted in specific regions and segments.
- **Efficiency-oriented structuring** aims to evaluate and strengthen collaboration opportunities within the Group. Following the merger of Tekfen Manufacturing and Engineering with the Ceyhan Manufacturing Facility, the goal is to expand modular production and divest low-income assets. These efforts continued in 2024 with a focus on optimisation.
- **With strategic strengthening,** the goal is to achieve competitive and sustainable growth, become a regional solution partner, and support this growth through appropriate strategic partnerships.
- **With growth-oriented strategy,** the goal is to establish a third driver of growth in the field of renewable energy. To this end, the target of building a renewable energy portfolio is being revised in line with market dynamics, and investments in green hydrogen and green ammonia are being expanded to establish a value chain.

In the Engineering and Contracting Group, a comprehensive financial optimisation process has been prioritised to ensure effective financial tracking of projects and central expenses, while closely monitoring the performance of smaller companies. The foundation of its growth strategy is formed by project- and region-based strategic partnerships developed in focus industries such as pipelines, infrastructure projects, and industrial facilities, and in priority regions including Saudi Arabia, Qatar, Azerbaijan, Kazakhstan, and Iraq. As a concrete demonstration of this approach, the Group's presence in the international market was strengthened with two major projects in Saudi Arabia, valued at nearly USD 450 million in total in 2024, increasing its business portfolio to USD 1 billion.

The restructuring process initiated across the Engineering and Contracting Group is moving from the "downsizing" phase to the "controlled growth" phase, with a focus on collaboration and synergy.

Financial performance is managed in accordance with sustainability principles, with a strong emphasis on Environmental, Social, and Governance (ESG) criteria. With this approach, performance is communicated transparently to stakeholders and investors through the indices of international organisations.

In the S&P Global Corporate Sustainability Assessment, conducted to evaluate sustainability and Environmental, Social, and Governance performance, a score of **44** was obtained by adapting to the revised methodology, exceeding the industry average. Meanwhile, a score of **76** was achieved on **Refinitiv**, an international sustainability scoring platform also known as the London Stock Exchange Group (LSEG). Other achievements included a **B** grade in the CDP Climate Change Programme and a **B-** grade in the CDP Water Security Programme. All these assessments serve as key tools for promoting stronger performance in line with sustainability goals. The Company has also been included in the Borsa Istanbul (BIST) Sustainability Index since 2016, serving as an exemplary model.

Through the **Tekfen Foundation**, Tekfen Holding contributes to both economic and social development and invests in education, culture, and the arts. Resources are utilised as efficiently as possible across all activities, operating within an organisational structure that is continually learning and improving. Sustainability is embedded into the way Tekfen does business through practices that set an example within the industry.

S&P Global

S&P Global Corporate Sustainability Assessment score

44 points

REFINITIV®

Environmental, social, and governance performance assessment score

76 points

CDP
DISCLOSURE INSIGHT ACTION

Climate Change Program

B

Water Program

B-

3.3. Effective Risk Management

In today's environment of growing uncertainties and increasing complexity, **risk management** remains a key focus for Tekfen, as it does for all companies. Tekfen manages environmental, social, and governance risks arising at global, regional, and national levels through a comprehensive and proactive approach.

Tekfen's risk management system is designed to ensure the early identification and assessment of risks, and the minimisation of their impact. Each stage of the value chain is analysed in detail, potential risks and opportunities are identified, and effective management strategies are developed accordingly. In this way, resilience against risks is enhanced, while potential opportunities are effectively assessed.

Corporate risk management practices are carried out in accordance with the internationally recognised **COSO (Committee of Sponsoring Organizations)** principles. Written procedures for risk management are meticulously implemented across all Group Companies. In line with the integrated approach, priority risks reported by each company and the corresponding action plans are reviewed by the **Early Detection of Risk Committee** and submitted to the **Board of Directors**. This systematic process enables the early detection of risks and their integration into strategic decision-making processes.

Risk management activities are conducted within the established corporate governance framework. Risk reports issued by each Group Company are analysed by the **Holding's Risk Management Unit** after approval by the Company's Board of Directors and are submitted to the **Early Detection of Risk Committee**, which convenes every two months. This structure ensures the continuity and reliability of risk management.

At Tekfen, risks are assessed under six main categories: **financial, operational, strategic, reputational, compliance,** and **sustainability and climate risks.** Additionally, risk management processes are continuously reviewed and updated on issues such as **climate change, water crisis, occupational health and safety, human rights, ethical values, business continuity, cyber security**, and **LPPD**, based on reference critical thresholds and international industry standards. This comprehensive approach ensures that risks and opportunities arising from global and local dynamics are addressed from a holistic perspective.

Risk categories at Tekfen Holding

Sustainability and Climate Risks

Climate events occurring globally and in Türkiye clearly demonstrate the importance of holistic risk and opportunity management in preserving the delicate balance of the ecosystem. In this context, Tekfen's climate-focused risk management processes are conducted in accordance with the standards of the Task Force on Climate-Related Financial Disclosures (TCFD). Climate change risks are extensively monitored by integrating them into corporate risk management, business continuity, and crisis management processes. Operating with an integrated perspective, Tekfen addresses the identification and assessment of sustainability and climate risks and opportunities in its **Sustainability Risk and Opportunity Management** regulation, in accordance with the principles of the Corporate Risk Management regulation.

Additionally, Tekfen Holding's **Sustainability Policy** specifies how risks and opportunities are managed. In this way, the management of sustainability and climate risks is addressed comprehensively through the Board of Directors, the Sustainability Committee, and the Early Detection of Risk Committee. The Company aims to provide training for all management levels, including senior management, on integrating climate risks and opportunities into corporate risk management.

At Tekfen Holding, the identification of climate risks is conducted using both bottom-up and top-down approaches. The Company first assesses the impacts of climate risks identified through systematic approaches and creates an extensive risk register encompassing factors that could threaten the achievement of strategic objectives. In addition, the Company regularly analyses the industry and external environment in collaboration with the Group Companies. Tekfen Holding follows a structured approach to identify and assess climate-related risks and opportunities, drawing on a range of inputs and parameters, including historical climate data and models, sectoral reports, and national and international standards. Accordingly, relevant climate risks are re-evaluated whenever there are changes in national and international regulations or in the Company's strategic objectives.

Sustainability and climate risks were identified considering industry risks for the Holding and Group Companies and Tekfen's consolidated risk inventory as well as international resources such as SASB industry risks and the S&P Risk Atlas. As part of this framework, Tekfen classifies climate risks as both transitional and physical.

Tekfen Holding regularly analyses the industry and external environment in collaboration with the Group Companies, and analyzes climate-related risks and opportunities.

Brief Definition of Risk	Detailed Description of Risk	Risk Category	Risk Type	Actions Taken
Water Stress and Production Operations	Increasing droughts and declining water levels place Türkiye among the countries at high risk of water scarcity. Toros Agri's production facilities are located in regions of high water stress, creating risks such as disruptions to production processes, capacity reductions, and increased operating costs in the event of water scarcity.	Physical	Chronic	• Improvement activities (Kaizen, Six Sigma, etc.) are undertaken to increase the efficiency of process water use in production facilities, and water consumption (m^3/metric tons of product) is regularly monitored. • The continuity of the ISO 14001:2015 Environmental Management System is maintained. To this end, water monitoring and tracking processes are systematically and effectively implemented. • Action and implementation plan activities were initiated to ensure compliance with the Water Efficiency Regulation dated 27 December 2024. • As part of Carbon Disclosure Project (CDP) reporting, the water footprint was assessed and the relevant verifications carried out.
Extreme Weather Events and Market Demand	Extreme weather events driven by climate change negatively affect soil fertility, leading to a decline in agricultural production. As fertiliser sales decline, the reduced demand resulting from decreased soil fertility poses a risk of financial loss.	Physical	Chronic	• Investments continue in good/precision agricultural practices and digital agriculture that support environmental and social sustainability and enhance soil and crop productivity. • Efforts are ongoing to diversify the next-generation fertiliser portfolio, which reduces plant nutrient losses and enriches infertile agricultural soils. • Data analytics, technology, and data-driven on-site practices continue to enhance the customer experience. • Efforts are ongoing to develop human resources with awareness of, and competencies in, green and digital transformation.
Carbon Border Adjustment Mechanism (CBAM)	Regulations such as the EU's CBAM and the Emissions Trading System, planned for implementation in Türkiye, impose additional financial obligations on the fertiliser industry. This situation carries the risk of increased production costs, higher product prices, and reduced competitiveness.	Transition	Legal and Regulation	• Toros Agri has launched the 3D Transformation Programme. • The review of the Carbon Net Zero Roadmap has been completed. • Toros Agri began CBAM Reporting in Q4 2023 and has been sharing the reports with the requesting companies. • Priority implementation projects and investment requirements were identified across the entire value chain. • Carbon certification activities documenting emission reductions and supporting compliance with mechanisms such as the BCSD and ETS were finalised at the Gönen and Meram manufacturing facilities. The process is ongoing at the Samsun manufacturing facility.
Risks Related to Compliance with New Regulations	Sustainability-oriented policies such as the EU Green Deal and the "Farm to Fork" strategy aim to restrict fertiliser use. This poses risks of reduced fertiliser demand and lower sales revenues.	Transition	Legal and Regulation	• Regulations and regulatory developments are closely monitored. • In the Decarbonisation Roadmap scenarios, potential risks arising from regulations were identified using a multi-scenario approach. • R&D studies on next-generation fertilisers are ongoing.

Beyond adapting to current conditions, effective management of these risks is viewed as a major opportunity for long-term value creation and strategic transformation. Tekfen considers climate and sustainability risks integral to its corporate strategy and, therefore, systematically develops its practices in these areas. The goal is to generate positive impacts across the entire value chain and support practices that contribute to sustainable development.

To successfully implement this comprehensive approach, clear job descriptions and a robust governance structure for sustainability and climate risks were established within the organisation. Various bodies within Tekfen Holding undertake specific roles and responsibilities concerning sustainability and climate risks. The Board of Directors ensures the integration of sustainability and climate risks into strategic decision-making processes and the fulfilment of TSRS obligations. Risk Committees provide policy recommendations by monitoring sustainability and climate risk management strategies. The Corporate Risk Management Directorate and Company Risk Officers monitor risk portfolios while gathering and analysing data. The Sustainability Committee ensures effective leadership and the integration of risk and opportunity management into all activities. The Internal Audit Department provides assurance on the accuracy of the information in the reports. Deputy General Managers, General Managers, and Sustainability Working Groups play an active role in identifying, monitoring, and managing risks and opportunities.

Tekfen shares its activities transparently with its stakeholders to fulfil its responsibilities regarding climate change. The Company has been regularly reporting its progress on carbon emissions and climate risks under the Climate Change and Water Security programmes of the **Carbon Disclosure Project (CDP)** since 2017.

As of 2024, the goal is to create long-term value and meet stakeholder expectations by conducting a holistic risk assessment that aligns with the Turkish Sustainability Reporting Standards (TSRS). To this end, analyses of climate-related risks and opportunities were presented solely by utilising the TSRS 1 transitional provision exemption. Accordingly, the Carbon Border Adjustment Mechanism (CBAM) risk, one of the four main climate risks identified, was deemed strategically important, and detailed assessments of this risk were included in the **"Tekfen TSRS-Compliant Sustainability Report."**

Considering climate and sustainability risks as an integral part of its corporate strategy, Tekfen has established clear role definitions and a robust governance structure across the organization.

Internal Audit and Internal Control

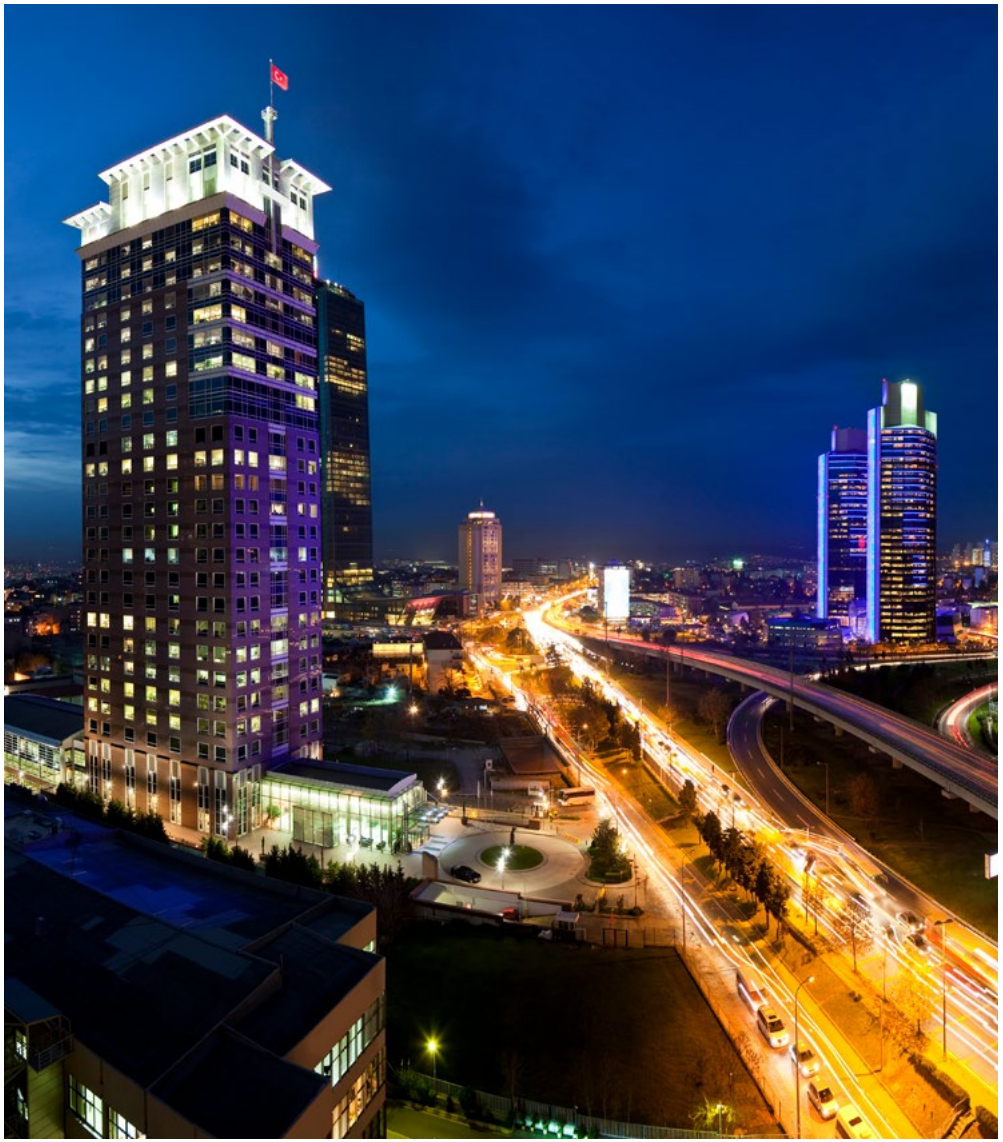
The internal audit and control activities of Tekfen Holding and its group companies are conducted by the **Group Internal Audit Department** using a centralised and holistic approach. Internal audits are managed in close cooperation with the **Audit Committee**, which reports directly to the Holding's Board of Directors, and are based on principles of independence and impartiality.

Audits follow the **Global Internal Audit Standards (IIA)**, Tekfen's internal audit methodology, and standard practice principles within the Group. Process, control, system, and compliance audits are conducted in line with audit plans prepared from annual risk assessments and utilise methods backed by information systems and data analytics.

Internal control systems are designed to ensure that the activities of the Group Companies are effective, efficient, and in compliance with the law. These systems are structured to manage risks in financial reporting and operational processes, safeguard company assets, and prevent irregularities.

The design, implementation, and development of internal control mechanisms are carried out consistently in cooperation with the **Internal Audit Department** and the **Enterprise Risk Management Unit**. The effectiveness of the systems is regularly reviewed, with improvements suggested and implemented for any identified deficiencies.

The results of all internal audit and control activities are reported regularly to the relevant management units and the Audit Committee. These activities support a transparent, reliable, and sustainable management structure, in accordance with Tekfen Holding's corporate governance principles.



4

Bridging Prosperity: Environment

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Protecting natural resources, combating climate change, and embracing environmental responsibility form the foundation of Tekfen's sustainability approach. Since becoming a party to the United Nations Global Compact in 2018, Tekfen has been committed to continuously improving its environmental performance, focusing on its responsibility to the future, developing lasting solutions to the climate crisis, and respecting the ecosystem at every step.

Relevant Stakeholders

• Public Institutions • Associations, Universities, Media and NGOs • Business and Solution Partners • Customers • Society

4.1. Reacting and Adapting to Climate Change

As part of the Mediterranean Basin, Türkiye is situated in a region highly vulnerable to climate change. The increase in global warming caused by climate change, the decline in agricultural productivity, the strain on drinking and irrigation water resources, disrupted rainfall patterns, floods, and forest fires have serious physical and socioeconomic impacts on Türkiye. This is why the climate crisis is a global priority for Tekfen, presenting environmental as well as strategic, economic, and operational risks. To this end, strategic roadmaps are being established to combat climate change and adapt to evolving climate conditions, with comprehensive strategies developed in line with priorities such as emission reduction, increased energy efficiency, and the transition to low-carbon technologies.

Emission Management

Since 2017, Tekfen has measured its emissions in line with an emissions inventory established according to the ISO 14064-1 standard and the GHG Protocol, managing them in accordance with the **Carbon Net Zero Roadmap**.

Tekfen Engineering and Contracting Group continues its efforts to reduce emissions under its Environmental Policy and **Carbon Net Zero Roadmap**. The Environmental Policy covers key environmental factors such as energy efficiency, the sustainable use of natural resources, and waste management, and aims to minimise the environmental impacts of operational activities while reducing the carbon footprint. Sustainability principles have become an integral part of the processes at all Tekfen facilities and projects, which are conducted in accordance with the ISO 14001 Environmental Management System.

For each project within the Group, specific procedures are developed and implemented in line with customer specifications and project requirements. In large-scale projects, the management of environmental impacts is addressed comprehensively, taking into account the scale and location of the project. Accordingly, employees are assigned duties and responsibilities for identifying and reducing environmental risks, ensuring that field practices are systematically monitored.

Due to its operations in the carbon-intensive fertiliser industry, 94.8 percent of Tekfen's total greenhouse gas emissions originate from the activities of the Agricultural Industry Group. To this end, Toros Agri continued its efforts towards its decarbonisation targets in 2024. Alongside its decarbonisation projects, it continues efforts to diversify its product portfolio and develop next-generation fertilisers (organic, organomineral, slow-release, phosphorus, microbial and/or microbial-enhanced, and nano fertilisers).

The reduction of greenhouse gas emissions is pursued in a multi-dimensional manner through operational improvements, and strategies on carbon markets, technological transformation, and regulatory compliance. Toros Agri supports this strategy through various projects and practices:

Emission Reduction and Technology Transformation:

- The Nitric Acid Manufacturing Facility at the Mersin Plant is a significant source of N_2O emissions. In 2024, comprehensive technical assessments were conducted, and a comparative analysis of feasibility reports is currently being prepared by Oschatz, Arvos, and Stamicarbon to reduce emissions using appropriate technology within safe operating limits. **With the selected technology, N_2O emissions are expected to be reduced by at least 90 percent**.

CBAM Reporting and Export Compliance:

- Within the framework of the European Union's Carbon Border Adjustment Mechanism (CBAM), the carbon emissions per tonne of nitrogenous fertiliser products exported by Toros Agri were calculated, and the CBAM reports were provided to the exporting

companies upon request. Additionally, the CBAM reporting for imported fertilisers for the Agroport company in Romania was submitted to the EU-CBAM system, and CBAM reporting was conducted for their exports throughout 2024.

Carbon Credit Processes:

- In 2024, projects undertaken as part of preparation for carbon markets were audited against international certification standards:
  - The Gold Standard (GS) validation and verification process was completed for the Gönen Renewable Energy Facility, and an application was submitted to the Gold Standard for carbon certification approval.
  - The Gold Standard (GS) validation and verification process was completed for the Meram Renewable Energy Facility, and an application was submitted to the Gold Standard for carbon certification approval.
  - The validation audit for the Emission Reduction through Waste-Heat-to-Power Project at the Samsun Sulphuric Acid Production Facility was successfully completed as part of the Global Carbon Council (GCC) standard, and the process is ongoing.

European Green Deal Adaptation Strategy:

- Toros Agri analysed the impact of the European Green Deal on its production processes, business model, and export strategies, and developed short-, medium-, and long-term adaptation plans. In this context, systematic progress is being made in reducing the carbon footprint, increasing green investment rates, and adapting to emissions trading systems.

Emission management is not limited to reduction targets alone; it is also supported by regulatory compliance, continuous monitoring, and technical improvements.

CEYHAN PRODUCTION FACILITY

The facility has 14 chimney emission sources. These include 11 from combustion systems and three from process activities. The combustion systems use mainly LNG, and alternatively, fuel oil. Process chimneys are equipped with silos, dust collection filters, and ammonia collection systems. Ammonia is removed from emissions and recovered through washing with phosphoric acid. Emissions also result from 27 fuel tanks, open coal and ore storage areas, ports, and road transport. All these emissions are measured biennially in accordance with the Regulation on Control of Industrial Air Pollution. Pressure-vacuum valves, closed sampling equipment, and white-painted tank surfaces are used to reduce emissions from storage.

SAMSUN PRODUCTION FACILITY

There are 19 emission sources at the Samsun Production Facility, four related to combustion and the remainder to processes. Emission measurements at these points are conducted biennially by Ministry-accredited laboratories. During the same period, in addition to PM10 and settled dust measurements, air quality measurements are conducted at 10 designated points around the facility for two months. The Sulphuric Acid Production Facility is equipped with a Continuous Emission Monitoring System (CEMS), and the data is monitored in real time by the Ministry of Environment, Urbanisation and Climate Change and the Provincial Directorate. CEMS checks are conducted monthly by the facility and annually by Ministry-accredited laboratories. All necessary precautions were taken in accordance with the relevant circular in the temporary storage area located at the back of the port. This enclosed area has a concrete floor, a wetting system, and a fire suppression system, and is continuously monitored by customs units via a camera system. Meanwhile, the Emission Reduction through Waste-Heat-to-Power Project at the Samsun Facility successfully passed the validation audit conducted in accordance with the GCC standard.

MERSİN PRODUCTION FACILITY

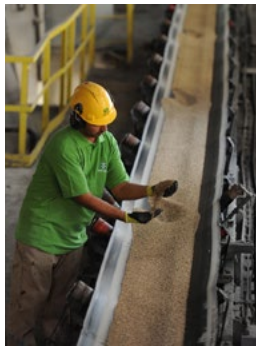
There are 16 emission sources at the Mersin Production Facility, two related to combustion and 14 to processes. As part of the Regulation on Control of Industrial Air Pollution, emission measurements at these points are conducted biennially by Ministry-accredited laboratories. The Nitric Acid Production Facility is equipped with a Continuous Emission Monitoring System (CEMS), and the data is monitored in real time by the Ministry of Environment, Urbanisation and Climate Change and the Provincial Directorate. At the facility with "Category C" annual emissions, activities to select appropriate technology for reducing N_2O emissions from the Nitric Acid Production Facility are ongoing.

GÖNEN AND MERAM BIOGAS FACILITIES

In accordance with the Regulation on Control of Industrial Air Pollution, businesses with environmental or emission permits are required to report the current status of the facility, any deviations, and improvements made every two years, based on the measurement report that forms the basis for obtaining the permit. Accordingly, measurements at the Gönen and Meram Biogas Facilities are conducted biennially, and the results are reported to the Ministry of Environment, Urbanisation and Climate Change.

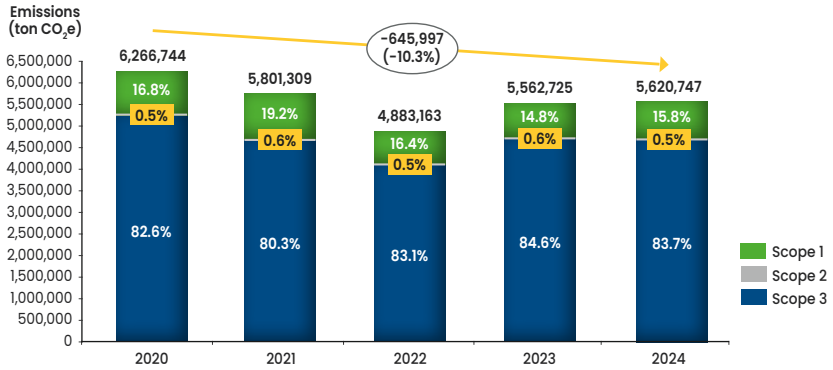
Greenhouse Gas Inventory and Calculation Methods

Tekfen has been regularly calculating its greenhouse gas emissions since 2017 and disclosing them to the public through **Carbon Disclosure Project (CDP) reports**. Additionally, Toros Agri submits official reports containing emission calculations for its facilities to the relevant ministry. Calculations are made in accordance with the Regulation on Monitoring of Greenhouse Gas Emissions and the Communiqué on Monitoring and Reporting. Detailed information on emission calculations and management is available in the **Tekfen Holding TSRS Report**.



In accordance with the Regulation on Monitoring of Greenhouse Gas Emissions, the Mersin Production Facility is classified as "Category C," while the Samsun and Ceyhan Production Facilities are classified as "Category A," fully meeting the relevant monitoring obligations.

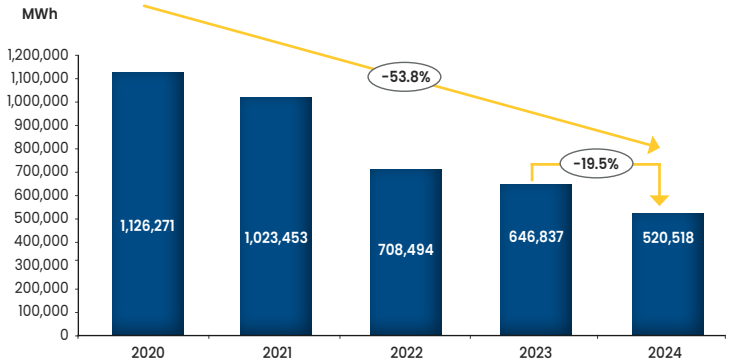
Tekfen Holding regards emission management as a fundamental element in combating climate change and systematically pursues greenhouse gas reduction through solutions that enhance operational efficiency and projects that comply with international standards. In the coming period, the aim is to further improve emission performance through carbon certification processes, renewable energy investments, and energy efficiency practices.



Total Greenhouse Gas Emissions

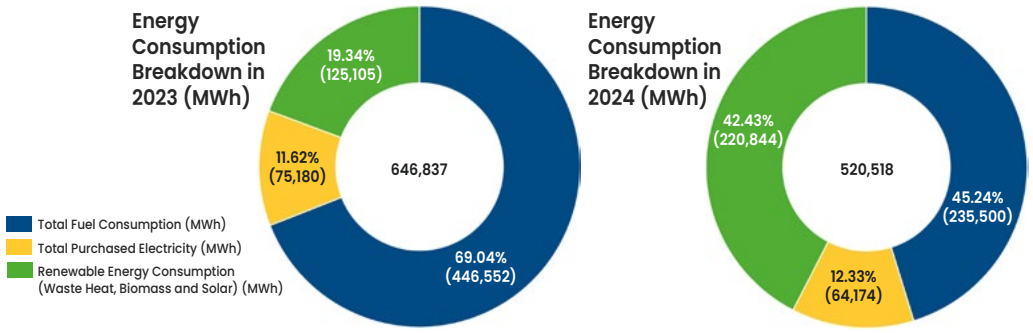
Total greenhouse gas emissions in 2024 remained largely stable year-on-year, with Scope 3 emissions decreasing by 0.04 percent. While Scope 1 emissions increased by approximately 7.3 percent compared to 2023, Scope 2 emissions fell by 2.8 percent. In summary, total Scope 1 and Scope 2 emissions amounted to 916,002 tCO_2e in 2024, exceeding the previous year's total of 856,131 tCO_2e. However, this increase in Scope 1 emissions should be interpreted as a reflection of the rise in activities, particularly the production capacity of the Agricultural Industry Group. Since Tekfen Holding has been implementing improvement initiatives to reduce emissions directly resulting from its operations, it has been lowering its energy needs, including fuel use and electricity consumption, which directly contribute to emissions at their source, on an annual basis.

In 2024, the Company's total energy consumption fell by 19.5 percent compared to 2023, reaching 520,518 MWh. The pie charts illustrating energy use distribution show that Tekfen Holding made significant progress in reducing fossil fuel consumption in 2024 and advanced towards its energy efficiency and sustainability targets.



Total Energy Consumption

Additionally, the increase in renewable energy consumption, from 125,105 MWh to 220,844 MWh, reinforces this positive trend. There have been significant reductions in fossil fuel consumption, particularly in direct uses and those that generate emissions. Diesel consumption, for both fixed installations and mobile vehicles, decreased significantly, reaching a total of 190,000 MWh. Similarly, coal and natural gas consumption also fell.



Carbon Net Zero Roadmap

Tekfen is developing its medium- and long-term plans in line with its "**Carbon Net Zero Roadmap**", which aims to achieve net zero emissions. At a time when carbon pricing mechanisms, such as carbon taxes and emissions trading systems, are becoming increasingly widespread at both national and international levels, Tekfen is rapidly implementing measures and investments to reduce greenhouse gas emissions.

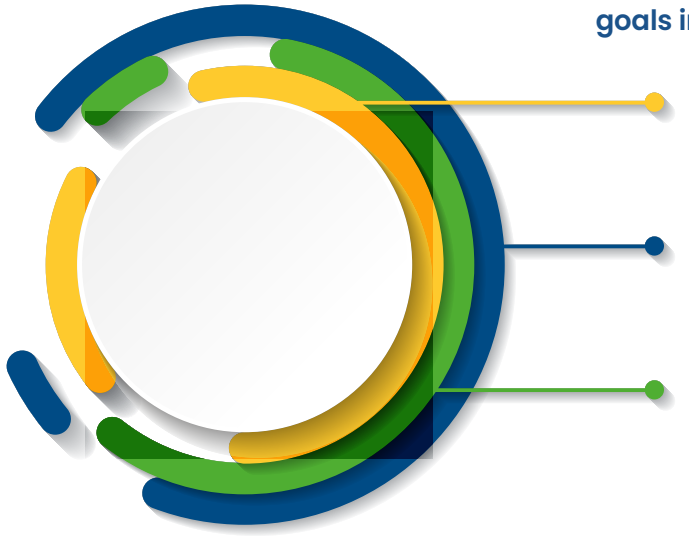
The European Commission's new growth strategy, the European Green Deal, aims to make Europe a "carbon-neutral continent" by 2050. This strategy aims to transform climatic and environmental challenges into opportunities and ensure fair, accessible, and sustainable economic growth for all. In this context, Türkiye has adopted the following priorities in line with the 2050 Climate Neutrality vision of the Paris Agreement:

- Adapting to climate change and enhancing climate resilience;
- Ensuring development with low greenhouse gas emissions; and
- Protecting agricultural production and food security.

Tekfen's Carbon Net Zero Roadmap activities reflect these priorities. To this end, the Company has completed the following processes:

- Analysis of the current situation;
- Identification of opportunities for greenhouse gas reduction;
- Establishment of decarbonisation and green transformation targets;
- Assessment of emissions from processes, purchased electricity, and the supply chain (Scope 1, 2, and 3);
- Planning the pathway to achieve zero emissions by 2050 in accordance with international standards (GHG Protocol, Science-Based Targets Initiative, etc.); and
- Project assessments, feasibility studies, and the identification of priority investments for emission reduction.

In 2024, as part of the relevant feasibility studies, investments, and the final Tekfen Carbon Net Zero Roadmap, a comprehensive review of emission reduction strategies was conducted, and projections for reduction scenarios were updated.



Tekfen's medium- and long-term goals include

TARGET 1

Achieve carbon neutrality for total Scope 1 and Scope 2 emissions by the end of 2030.

TARGET 2

Achieve net-zero total emissions across Scope 1 and Scope 2 by the end of 2045.

TARGET 3

Achieve net-zero total emissions across Scope 3 by the end of 2045. *

* The formal application to align the net zero emissions target with the Science-Based Targets initiative (SBTi) is currently underway.

Tekfen is developing its medium- and long-term plans in line with its "Carbon Net Zero Roadmap", which aims to achieve net zero emissions.

Scope 1–2 Emission Reduction and Transformation Strategies

Tekfen has identified seven strategic levers to achieve its goal of reducing Scope 1 and 2 emissions to net zero. A total of 61 decarbonisation projects have been identified under these levers, and detailed investment budgets have been structured for each project. Projects span a wide range of areas, from the modernisation of energy-saving equipment in existing facilities to on-site solar power plants, the replacement of fossil fuel-burning equipment with electric alternatives, the use of biofuels, and low-carbon raw material supply agreements. The strategy was specifically designed to target process emissions from nitric acid production, emissions from construction operations, and other Scope 1 and 2 sources.

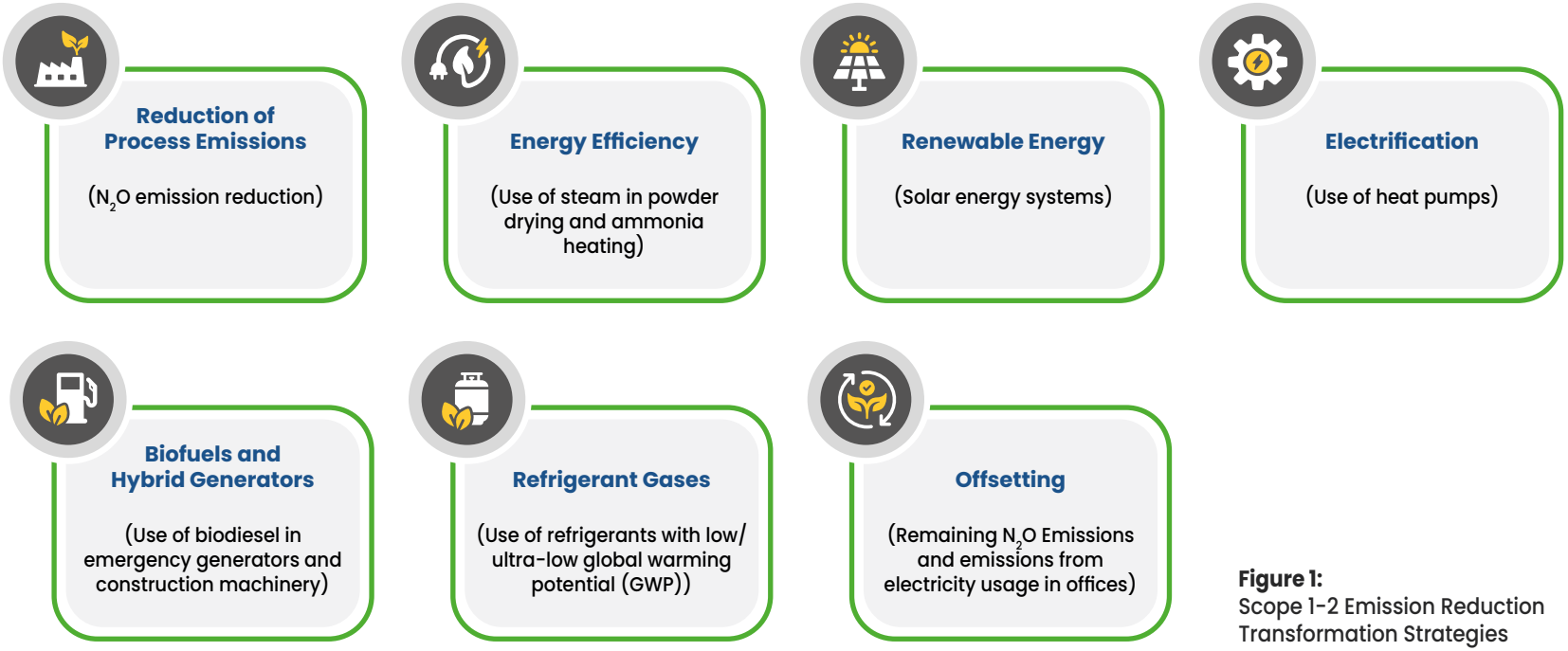


Figure 1:
Scope 1-2 Emission Reduction Transformation Strategies

Scope 3 Emission Reduction Transformation Strategies

Tekfen has identified six strategies to achieve its goal of reducing Scope 3 emissions to net zero. These strategies are designed to target all Scope 3 sources, particularly emissions from ammonia production and fertiliser use. Additionally, multiple reduction scenarios were developed based on production projections and the anticipated impacts of decarbonisation investments.

The steps envisaged for implementing the strategy are as follows:

- Defining annual emission reduction targets with clear timelines;
- Creating and regularly monitoring key performance indicators (KPIs); and
- Sharing ROI analyses and impact assessments transparently with the public and stakeholders as part of the reporting schedule.

At the same time, Tekfen is implementing various strategic changes across its business lines to adapt to the emerging sustainability paradigm.

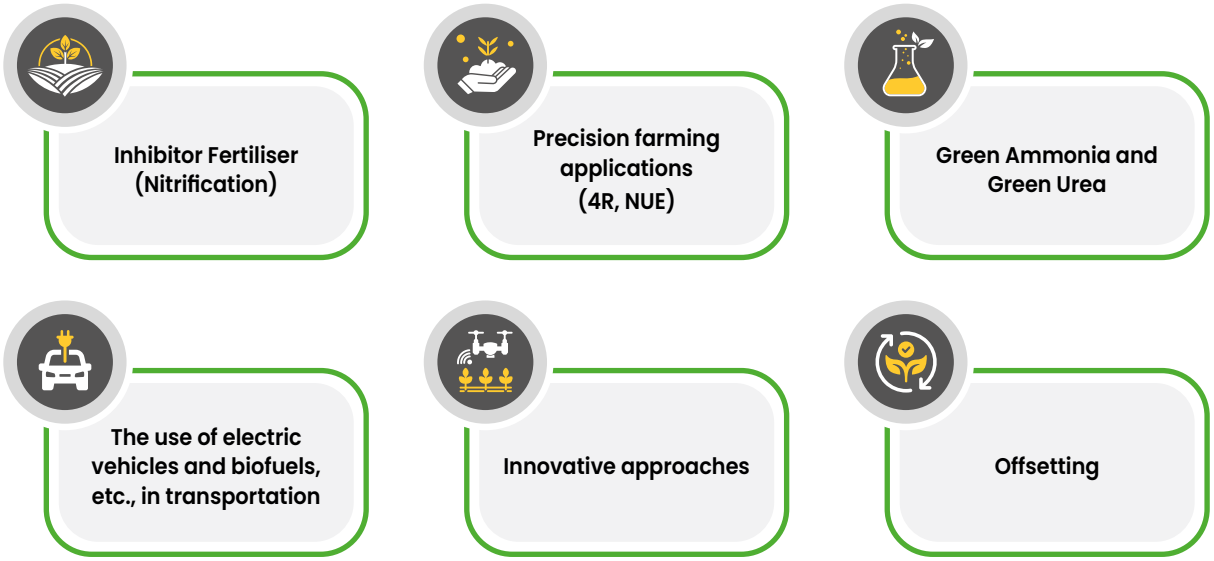


Figure 2: Scope 3 Emission Reduction Transformation Strategies

Engineering and Contracting Group

To comply with the low-carbon transformation strategy and play a more active role in sustainability-oriented projects, the Engineering and Contracting Group continued its efforts in 2024 to evaluate its manufacturing competencies in renewable energy, the circular economy, and green production.

Through its integrated sustainability approach, aligned with Tekfen's Carbon Net Zero Roadmap, Tekfen Engineering contributed to the pre-feasibility studies for the **Green Ammonia Investment** project planned by Tekfen Renewable Energy Solutions at Toros Agri's Mersin Plant. As the Owner's Engineer, the Company prepares the Request for Information (RFI) forms, identifies potential suppliers, issues Requests for Proposal (RFPs) to companies, and evaluates and reports on the received offers from both technical and commercial perspectives. In the later stages of the project, Tekfen Manufacturing will also participate with a specialised production contribution, gaining experience in new green hydrogen-based technologies and enhancing its competencies in this area.

These efforts, aligned with the Company's strategic plans on the path to net zero, reinforce the role of the Engineering and Contracting Group in the transition to a low-carbon economy, while also strengthening its solution-oriented approach to environmental sustainability.

Agricultural Industry Group

Recognising the two-way interaction between the agricultural industry and climate change, the Agricultural Industry Group continues its transformation with the aim of both reducing the carbon footprint arising from production processes and minimising the environmental impact of the products and services offered to farmers.

In line with the strategy updated in 2024, the current status of production facilities was assessed, opportunities for greenhouse gas reduction were identified, technical feasibility studies were conducted, and priority investment areas were determined. This roadmap is being implemented in alignment with Tekfen Holding's corporate Carbon Net Zero Roadmap strategy.

Ammonia, one of the basic inputs in nitrogen fertiliser production, is produced by combining hydrogen, typically obtained from fossil fuels, with nitrogen from the air. This process results in significant greenhouse gas emissions as it requires large amounts of energy and involves chemical reactions. Accordingly, developing alternative hydrogen production methods based on the raw materials and energy sources used is crucial for the decarbonisation of the industry.

Toros Agri uses imported ammonia in its production processes. Meanwhile, Tekfen Renewable Energy Solutions carries out concept design and pre-feasibility studies for the production of green ammonia at its Mersin Plant, using renewable energy to ensure that this input is sourced domestically and sustainably. The realisation of this investment will represent a key climate action for the agricultural industry by strengthening the low-carbon raw material and product portfolio.

In 2023, Toros Agri undertook various initiatives to prepare for potential obligations under the Carbon Border Adjustment Mechanism (CBAM) and the Emissions Trading System (ETS).

Verification activities for emission reductions, in line with international standards, continued at the Gönen, Meram, and Samsun Plants. In this context, the processes for obtaining approved carbon certificates for use in offsetting mechanisms within carbon allocations continued successfully.

Protecting agricultural production and food security is a key priority for the Agricultural Industry Group in the transition to carbon-neutral business models. To this end, field studies were conducted throughout 2023–2024 as part of Tekfen's Carbon Net Zero Roadmap, and priority investments were identified to support the goal of achieving net-zero Scope 1 and 2 emissions by 2045.

One of the planned investments in this context is the establishment or upgrade of the N_2O Catalytic Reduction System, which aims to control N_2O emissions generated during nitric acid production. Reducing emissions by at least 90 percent through this system will substantially lower Toros Agri's total emissions and ensure closer alignment with national and international environmental sustainability targets.

In addition, a project was launched in 2023 to measure the impact of Toros Agri's slow-release "Smart Urea" fertiliser on baseline carbon emissions. The ultimate goal of the project was to reduce Scope 3 emissions arising from product use. The study was carried out on a model farm employing modern agricultural techniques and good agricultural practices, using a digital platform that provides analyses based on emission algorithms. Baseline carbon measurements indicated that carbon emissions per unit were reduced by nearly 50 percent in areas where slow-release products and modern practices were applied.

Investment Group

The Investment Group contributes to the achievement of Tekfen's environmental sustainability goals across the Group by supporting low-carbon projects in engineering, the agricultural industry, and other areas of activity. Tekfen Ventures focuses primarily on ventures within Tekfen's areas of activity, such as agriculture, manufacturing, construction, real estate, and urban technologies, thereby creating opportunities for collaboration and synergy between its portfolio companies and Tekfen Group companies.

Companies in the portfolio, such as Pivot Bio and Phospholutions, directly contribute to the fight against the climate crisis and advancing the vision of a net-zero economy. Pivot Bio reduces the use of traditional fertilisers and significantly alleviates environmental pressures through a technology that meets the nitrogen needs of plants using microorganisms.

Meanwhile, RhizoSorb by Phospholutions has the potential to increase plant phosphorus uptake by up to 50 percent while reducing carbon emissions from phosphorus fertilisers by 45 percent. Thanks to the Company's collaboration with Toros Agri, the first full-scale production of the product was completed, marking a significant milestone in the development of sustainable phosphorus fertilisers.

These investments enhance the Investment Group's contribution to Tekfen's sustainability goals in line with the Carbon Net Zero Roadmap.

Energy Management

In a world marked by multiple crises; energy security, economic independence, and sustainable development are more important than ever. While energy security highlights the need for countries to utilise their own resources and reduce external dependence, economic independence seeks to build financial structures resilient to external shocks.

Tekfen prioritises energy efficiency and emissions reduction efforts in line with global energy and climate policies. In this context, Türkiye's 2030 Energy Efficiency Strategy and 2024–2030 Action Plan are key policy tools supporting Tekfen's Carbon Net Zero target. Additionally, Toros Agri and Tekfen Tourism, both Group Companies, operate in accordance with the **ISO 50001 Energy Management System** certification.

Tekfen aims to increase the number of facilities certified to the ISO 50001 Energy Management System standard.

Tekfen conducts its activities in line with its Environment Policy, and Climate Change and Energy Efficiency Regulation, setting measurable targets to manage energy within a systematic framework. The Company identifies key energy usage points through Pareto Analyses and closely monitors their daily energy consumption. Variables affecting energy consumption are evaluated using regression analyses. This enables the continuous monitoring and improvement of energy performance.

The Company seeks to increase the number of facilities certified to the ISO 50001 Energy Management System standard.

In the field of energy efficiency, opportunities are identified through comprehensive energy audits conducted regularly at facilities, while energy-efficient equipment and new technologies are closely monitored. Additionally, Tekfen continues to enhance its energy independence by investing in self-consumption. Tekfen Manufacturing's Ceyhan Facility meets 70 percent of its electricity needs through self-consumption, thanks to a 1.2 MW Solar Power Plant (SPP) installed on a rooftop area of 11,300 m². The FNN Sustainability Centre, located at Tekfen Construction's Southeastern Anatolia Repair and Maintenance Workshop (GAT), also generates a significant portion of its energy from rooftop solar panels. Furthermore, measures such as automatic irrigation and LED lighting systems ensure the efficient use of natural resources, including water and energy. Toros Agri's Samsun and Mersin facilities generate electricity from waste heat, meeting a significant portion of their energy needs cleanly and on-site. Sustainability and energy-saving initiatives launched at Tekfen Tower in previous years also continued in 2024.

Tekfen Manufacturing Ceyhan Facility meets

70%

of its electricity needs with its 1.2 MW capacity Solar Power Plant.

RENEWABLE ENERGY

In line with its new strategic plan, Tekfen Holding has identified renewable energy solutions as a key driver of growth. **Tekfen Renewable Energy Solutions** (Tekfen Yenilenebilir Enerji Çözümleri A.Ş.) was established to support this new growth area, develop sustainable projects, and make pioneering investments by leveraging the experience of Tekfen Group Companies in fields such as engineering, construction, and agriculture. The Company's strategic roadmap includes a portfolio of wind and solar energy projects, as well as the establishment of one of Türkiye's first green ammonia plants.

Group Companies currently generate renewable energy to meet a portion of their own energy needs. Toros Agri's Gönen Renewable Energy and Meram Renewable Energy facilities produce biogas from organic waste and use this biogas to generate electricity.

To accelerate renewable energy investments, **the licensed 14.4 MW Marmara Wind Power Plant** in Balıkesir was acquired on 1 March 2024. On the same date, Toros Agri acquired the remaining 30 percent of Gönen Renewable Energy (Gönen Yenilenebilir Enerji Üretim A.Ş.), becoming the Company's sole owner. Tekfen's total installed renewable energy generation capacity is expected to reach 200 MW within five years. Efforts towards this goal are underway to increase the installed renewable energy capacity.

Tekfen aims to reduce energy intensity, enhance operational sustainability, and achieve a transformation aligned with climate targets through systematic energy management practices, efficiency-focused projects, and renewable energy investments. The practices implemented across various operational points of the Group Companies contribute to sustainable growth by promoting clean energy production and the efficient use of energy resources.

4.2. Operational Excellence

Operational excellence is a key pillar of Tekfen's sustainability approach. It is based on the efficient use of resources, the reduction of environmental impacts, and the expansion of the sustainable product and service portfolio through Integrated Management Systems. In this context, practices that generate environmental and economic value are being developed in both production and service processes. This section outlines how resource efficiency is achieved in operational processes and highlights practices for developing innovative, sustainable products and services with reduced environmental impact.

Resource Efficiency

Resource efficiency is pursued as part of Tekfen's objectives to reduce costs, minimise environmental impacts, and enhance sustainability through the most effective and optimised use of key resources such as energy, water, raw materials, and waste management in operational processes. While Tekfen enhances its competitiveness through efficient resource use, it is also committed to fulfilling its environmental responsibilities to the highest standard. To this end, key steps are being taken to improve cost advantages and reduce environmental impacts, while prioritising the effective management of resources in production and operational processes.

Tekfen's operational excellence approach involves the systematic and continuous improvement of all processes, based on national and international standards and industry best practices. Efficient use of resources is achieved through lean production principles and the effective management of quality processes, supporting the integration of operational excellence into the Company's culture. Key objectives include increasing customer satisfaction, strengthening employee loyalty, and reducing the environmental impact of activities.

Engineering and Contracting Group

The Engineering and Contracting Group implements project-based targets and systematic performance monitoring methods to enhance resource efficiency and continuously improve quality management. At the start of each year, quality performance criteria are defined by assessing the scope of activities and customer expectations specific to each project and workplace. These criteria include error rates, repetitive business processes, field test results, non-conformities, and material loss, with **Project Quality Index Scores** generated based on these indicators. These scores, monitored across 60 different quality indicators throughout 2024, were tracked monthly and reported to senior management and customers.

For continuous improvement, these quality targets have been made more challenging and expanded with new criteria over the years. In this way, more realistic results were obtained, and improvement measures were implemented in a planned manner. The **Cumulative Quality Index Score** reached 97.44 percent at the end of 2024, with performance stability maintained.

Aiming to enhance the role of digitalisation in resource utilisation, the Group continued to improve the digital monitoring systems for steel manufacturing processes, launched in 2021. These efforts resulted in simplification, cost reduction, and improved efficiency. To ensure the sustainability of corporate memory, the Electronic Document Management System (EDMS) was integrated into operations in line with customer requirements, and information management processes were strengthened. These efforts contribute to the efficient use of resources while reducing the Group's environmental impact.

Agricultural Industry Group

In 2024, Toros Agri continued its efforts to increase resource-use efficiency as part of its lean management approach and Six Sigma methodology. As part of the Six Sigma projects aimed at analysing processes, reducing variability in business operations, and optimising quality outcomes, a total of 64 projects (59 Green Belt, five Black Belt) were successfully completed through the Fourth Wave Green Belt process.

Toros Agri holds the IFA "Protect & Sustain" certificate at the "Excellence" level, awarded in 2018 in recognition of its monitoring, measuring, and continuous improvement of the environmental, social, and economic footprint across the entire value chain. Toros Agri remains the first and only company in Türkiye to hold this title, making it an internationally recognised company.

INDUSTRY STEWARDSHIP CHAMPION

protect&sustain IFA'S PRODUCT STEWARDSHIP INITIATIVE

You can find more information on resource efficiency and operational excellence approaches, as well as details of relevant applications and projects in the **"Energy Management"** and **"Circular Economy and Waste Management"** sections of the report.

Sustainable Products and Services

Through Toros Agri, its main Group Company in the agricultural industry, Tekfen offers numerous products that support sustainable agricultural practices. In 2024, 87,000 metric tons of water-soluble specialty fertilisers were sold, which require less pesticide and water than traditional methods and are also widely used in **hydroponic** farming. Thanks to this performance, Toros Agri now leads the Turkish market in this product category, with a share of nearly 50 percent.

Producing organic and organomineral fertilisers essential for sustainable agricultural practices at its two facilities in Gönen and Meram, Toros Agri increased its sales by 21 percent in 2024, reaching 57,000 metric tons. In 2024, the Company continued to produce and sell micro-granular fertiliser, a product launched in 2023 to enhance fertiliser efficiency while supporting soil health. Accordingly, 383 metric tons were sold throughout the year, strengthening market presence in line with the growing demand for this product group.

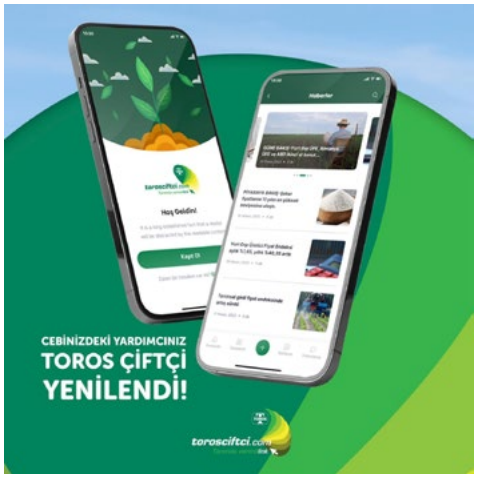
In addition to sustainable fertiliser solutions, Toros Agri continues its R&D efforts to develop biostimulant products that help plants withstand climate-related stress and drought-induced yield losses. While R&D studies were ongoing, a collaboration was established with the Spain-based Sustainable Agro Solutions (SAS) to commence supply operations. These products were available on the Turkish market by the end of 2024 to help enhance farmers' resilience to climate change.

"Toros Farmer" Mobile App

Launched by Toros Agri in 2016, the Toros Farmer mobile app was developed as a digital decision-support tool for farmers. Available free of charge on computers, smartphones, and tablets, the app provides users with production management tools based on critical information such as weather, soil, and plant data.

As part of the development project launched in 2023, the app was completely redesigned in terms of user experience and technical content, with the updated version launched at the start of 2024. With its advanced features, the app provides fertilisation recommendations based on the satellite coordinates of fields, current weather conditions, and soil-plant characteristics, thereby contributing to cost savings and increased productivity. Additionally, modules such as plant development analysis, water retention capacity, income-expense tracking, financial data, and "Ask the Agronomist" were integrated into the system. The Toros Farmer app enables farmers to access precision agriculture practices **quickly and easily** through the use of digital technologies. With the app's features continually updated in line with advancing technology, the goal is to achieve more efficient resource use, environmental sustainability, and responsible agricultural production. Developed by Toros Agri, Toros Farmer aims to provide a sustainable agricultural model that balances economic and ecological considerations.

In line with its goal of developing solutions to enhance sustainability in agricultural production, Toros Agri expands its product portfolio as well as its range of sustainable products and services through supporting tools such as digital platforms and farmer training programmes. Through its diverse fertiliser offerings, products that support climate adaptation, smart agricultural practices, and field-wide technical consultancy activities, efficiency and environmental responsibility in agriculture are addressed in a balanced way. Tekfen's holistic approach demonstrates that sustainable products and services not only generate economic value but also aim to deliver significant environmental benefits and social contributions.



Number of farmers using the Toros Farmer app in 2024:

33,468

Increase in number of users:

13%

Number of fields:

2,842

Total registered land:

109,822 decare

Registered dealers:

1,203

4.3. Circular Economy and Waste Management

Aware of the environmental impact of the engineering, construction, and agricultural industries, Tekfen regards waste management not only as an operational necessity but also as a fundamental element of environmental responsibility and climate change mitigation. The Group has long implemented practices such as reducing waste, separating it at the source, and reintegrating it into the economy through recycling and reuse. This approach has been further advanced by integrating circular economy principles into the Group's business practices. Tekfen goes beyond managing waste and aims to produce solutions that support the material cycle, increase recycling and reuse rates in its processes, and establish a continuously evolving framework open to the exchange of ideas.

The achievement of **Zero Waste Certification** for all facilities affiliated with the Engineering and Contracting Group and the Agricultural Industry Group by 2024 is a tangible reflection of this vision. In addition to managing waste in an environmentally and socially responsible manner across the Group, the circular economy approach, which treats waste as a resource, is positioned as a strategic priority for reducing risks and creating new opportunities.

Waste management activities at Tekfen are conducted as part of the **Environment Policy implemented across the Group**. This approach enables environmental sustainability to be addressed holistically, with waste reduction, separation, and disposal processes structured accordingly. All operations within the Engineering and Contracting Group and the Agricultural Industry Group are certified under the **ISO 14001 Environmental Management System**, and waste management processes are conducted in compliance with its requirements.

Engineering and Contracting Group

In projects carried out by the Engineering and Contracting Group, key priorities include the efficient use of resources and the recycling of waste in accordance with circular economy principles. In construction and production activities, systematic practices are implemented to minimise waste generation and maximise recycling of the resulting waste.

Metal, packaging, wooden pallets, oil, solvent and similar waste generated at production and construction sites are separated at the source as "hazardous" and "non-hazardous," classified using colour-coded waste bins and labelling systems, and collected in designated temporary waste storage areas. All these processes comply with the relevant national environmental legislation, including the Environmental Law and the Waste Management Regulation. Recyclable waste such as scrap metal, cardboard, plastic and wood is recycled to reduce environmental impact, while hazardous waste is delivered to licensed companies in accordance with legal requirements.

By reusing construction materials such as asphalt waste in temporary areas, the amount of waste is reduced and environmental impacts such as dust emissions are minimised. Additionally, steel parts in usable condition that emerge from assembly processes are stored in temporary warehouses and reused in future projects. Metal waste generated after production is systematically stored for reuse in future work orders according to its dimensions. This approach both reduces waste and ensures the circular recovery of raw materials within production processes.

Environmental impact assessments are regarded as essential in material management processes, particularly in the procurement of high-volume materials such as steel, carbon steel, stainless steel, pipes, and profiles. Accordingly, suppliers that can provide Life Cycle Analysis (LCA) data are given priority. This ensures that material selection processes are guided not only by technical and financial criteria but also by environmental sustainability considerations.

Resource-efficiency-focused approaches are adopted in production planning processes. Optimal cutting plans are prepared to minimise waste, particularly in the cutting of steel plates, pipes, and profiles. Stock management processes have been enhanced, and procedures for reusing surplus materials have been standardised. Additionally, paper consumption has been reduced through the widespread use of digital systems. Intact wooden pallets are reused and returned to the production areas.

All these practices demonstrate the Engineering and Contracting Group's commitment to integrating circular economy principles into its operations, while supporting environmental sustainability through efficient resource use and the reintegration of waste into the life cycle.

LCA
Life Cycle Assessment

Agricultural Industry Group

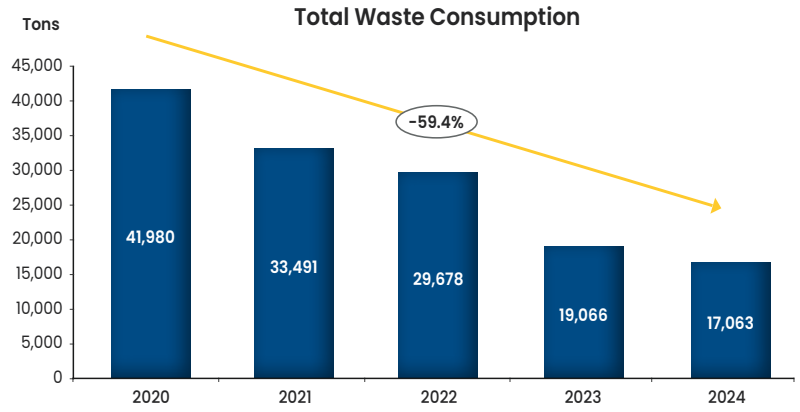
The Agricultural Industry Group regards reducing waste and increasing reuse and recycling rates in line with circular economy principles as a fundamental environmental priority, implementing comprehensive practices to achieve this goal across all production processes.

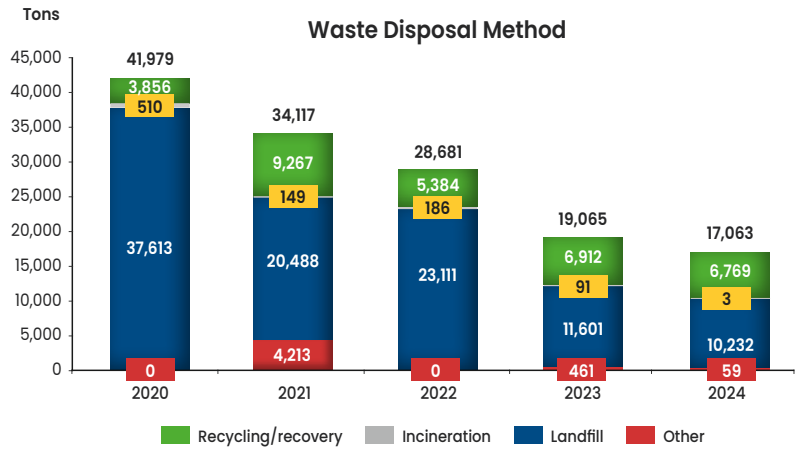
The Group's waste management strategy is shaped in accordance with its **Occupational Safety, Environment and Quality Policy**. Accessible through the QDMS system, the policy is updated at least once a year. In businesses with **ISO 9001**, **14001** and **45001** certification, waste management practices are carried out in full compliance with national environmental legislation.

The Group's waste management strategy focuses not only on disposal but also on **recycling resources and converting them into energy**. To this end, the target is to recycle or reuse at least 40 percent of waste. A notable practice in this area is the delivery of **sludge, bilge, and slop oils** generated at the Waste Receiving Facility to cement plants for energy recovery, integrating them into the industrial cycle. Additionally, the calorific value of waste oils is enhanced through the **separation process**, producing high-efficiency waste and contributing to the energy cycle.

QDMS

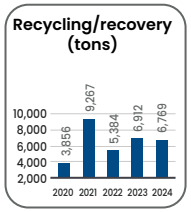
As a result of the strategic waste management measures implemented since 2020, the total amount of waste has steadily decreased, falling by 59.4 percent to 17,063 metric tons in 2024. The processes of waste reduction, recycling, and energy conversion continue in line with sustainability goals.

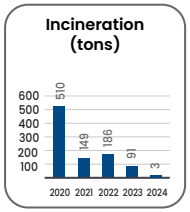


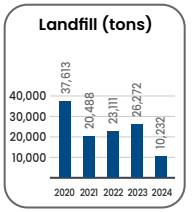


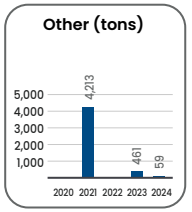
Waste Management

2024 PERFORMANCE (Tons)		PROGRESS	
Total amount of hazardous waste:	1,277.96	Total amount of hazardous waste:	↑
Total amount of non-hazardous waste:	15,785.01	Total amount of non-hazardous waste:	↓
Recycling/recovery:	6,768.95	Recycling/recovery:	↓
Incineration:	3.07	Incineration:	↓
Landfill:	10,232.29	Landfill:	↓
Other:	58.66	Other:	↓









An investment of over **TRY 30 million** in projects on circular economy and waste management by the end of 2024.

The Gönen and Meram Renewable Energy Facilities under the Agricultural Industry Group produce biogas and fertiliser from organic waste, representing a successful local circular economy model that helps prevent environmental pollution in their regions.

One of the most notable examples of circular economy practice is the utilisation of **phosphogypsum (PG) waste**. R&D activities are being conducted on the industrial and agricultural utilisation of phosphogypsum reserves at the Mersin and Samsun facilities. As a result of the efforts of the PG Working Group and the Toros Agri R&D Centre, this material was registered under the name **Toros Calcium Sulphate** and used as a soil conditioner in agricultural areas, enhancing yields and improving farmer profitability. Efforts are also ongoing to use PG as a raw material in developing value-added chemicals.

Below is a summary of the circular economy and waste management projects implemented in 2024.

Agri Tech "Pre-Incubation Centre" Programme

The "Agri Tech Pre-Incubation Programme," sponsored by Toros Agri in collaboration with the Izmir Agricultural Technology Centre and the Sustainable Agriculture Scientific R&D Cooperative, supports initiatives focused on sustainability and innovation in the agricultural industry. Concluded in 2024, the programme provided entrepreneurs with mentorship, guidance on business model development, and preparation for incubation processes, encouraging the implementation of innovative ideas that reduce environmental impacts in agriculture. In line with circular economy principles, the project has supported the development of solutions that promote resource efficiency, waste reduction, and sustainable production practices in agricultural technologies.

Utilisation of Fertiliser Waste by Recycling Phosphogypsum

The project led by the Toros Agri R&D Centre aims to recycle phosphogypsum, a byproduct of phosphoric acid production, within the framework of a circular economy approach. Since its launch in 2019, three doctoral dissertations have been completed to develop value-added products from this material, and the participating doctoral students have been employed with additional support. Carried out in collaboration with Ankara University and TÜBİTAK, the project supports the development of innovative solutions that address both academic and industrial needs. A total investment of **TRY 5.77 million** was made in the project from its inception until the end of 2024. The project also involves laboratory and pilot studies for recovering phosphogypsum and converting it into value-added products. In this respect, the project represents a key circular economy practice that supports waste reduction in fertiliser production and promotes the efficient use of resources.

Utilisation of Phosphogypsum in the Cement Industry (PG – Toros Agri – Çimsa Collaboration)

Launched by the Toros Agri R&D Centre in 2023, the project aims to utilise phosphogypsum, a by-product generated during phosphoric acid production, as a value-added raw material in the cement industry. As part of the project, comprehensive performance studies are being conducted in collaboration with cement industry companies to assess the usability of phosphogypsum in cement production. The project aims to reintegrate this by-product into industrial use and support circular economy practices. By the end of 2024, it had received an investment of **TRY 4.73 million**, with R&D studies ongoing to develop a new product.

Utilisation of Phosphogypsum in Agricultural Reclamation

Carried out by the Toros Agri R&D Centre, the project explored the potential use of phosphogypsum-derived calcium sulphate as a soil conditioner for agricultural lands affected by salinity. As part of the project, which aims to support efforts against drought, field trials were conducted over three years to analyse the effects of phosphogypsum on soil quality, crop quality, and agricultural yield. The scientific data obtained were shared with and reported to the International Fertilizer Association (IFA). Completed with an investment of **TRY 8.49 million**, the project produced significant findings on the use of phosphogypsum as an alternative plant nutrient.

Development of Biogas-Based Organomineral Fertiliser

The project, conducted in collaboration with the Toros Agri R&D Centre and the Gönen and Meram Biogas Facilities, aims to compost waste from biogas reactors into an organic resource and use it in the production of organomineral fertilisers, contributing to the circular economy. Launched in 2021, the project also evaluates the agronomic performance of these next-generation fertilisers in wheat farming through field trials. The products developed under the project, which received support through a call by the General Directorate of Agricultural Research and Policies (TAGEM) of the Ministry of Agriculture and Forestry, are being used in the fields of the Bahri Dağdaş International Agricultural Research Institute, accompanied by yield analyses. The project promotes the efficient use of waste and the adoption of sustainable agricultural practices.

Further information on projects and collaborations can be found in the "R&D and Innovation" section.

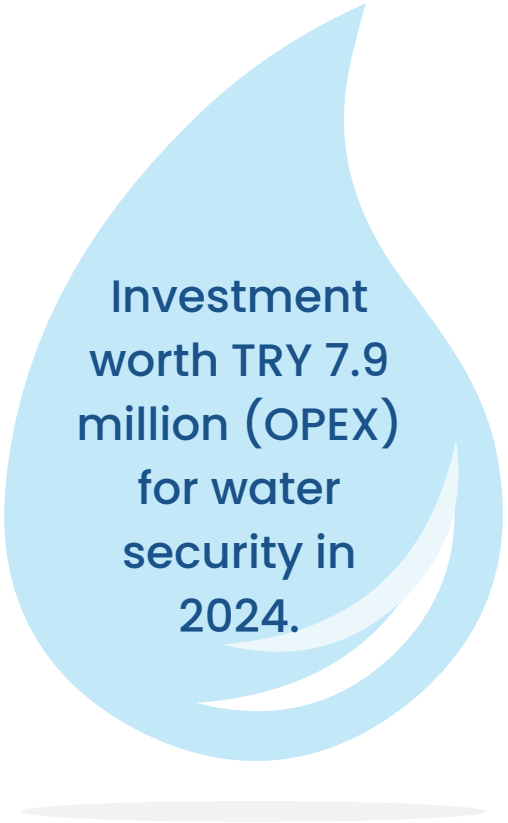
4.4. Water and Wastewater Management

The impacts of climate change place increasing pressure on water resources each year, making effective water management critical across all industries. According to the WRI Water Risk Atlas, many regions of Türkiye are expected to experience high (40–80%) or extremely high (over 80%) levels of water stress by 2030. Additionally, the "Changing Climate, Transforming Agriculture" report published by the Ministry of Agriculture and Forestry highlights that this situation will have serious consequences, particularly for agricultural production. The decline in agricultural productivity due to water stress could directly affect small-scale farmers, who make up Tekfen Agri's primary customer base.

Tekfen regards the protection of water resources as a key sustainability issue across all its activities. Fertiliser and fruit production within the Agricultural Industry Group, as well as large-scale projects undertaken by the Engineering and Contracting Group, clearly demonstrate the Group's reliance on water. In this context, we recognise water as one of the most valuable natural resources, regularly measuring our water footprint and disclosing it via the CDP platform.

Tekfen has been collecting data, conducting measurements, and performing analyses related to climate change since 2010. The Group has reported **data, risks, opportunities, and strategies related to climate change** to the CDP, the world's largest environmental reporting platform, since 2017, and those related to water security since 2018.

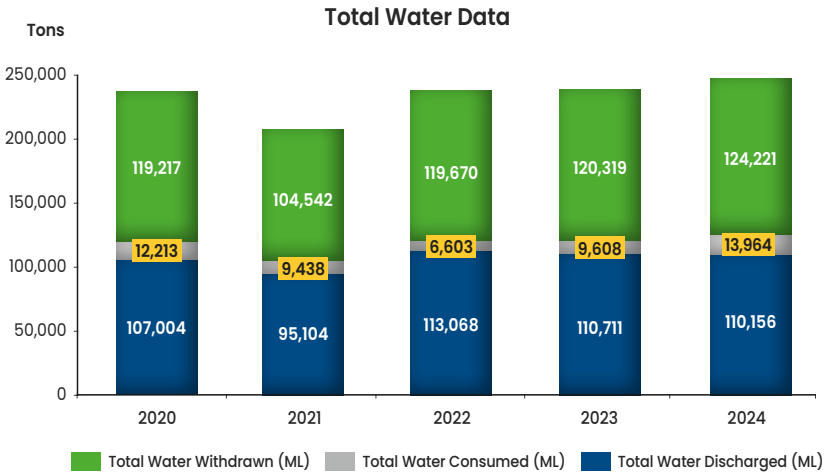
[1] WRI: Aqueduct Water Risk Atlas
[2] Ministry of Agriculture and Forestry, 2021: Climate Change and Agriculture Assessment Report



Tekfen's CDP Climate Change and Water Security ratings (2017–2023)

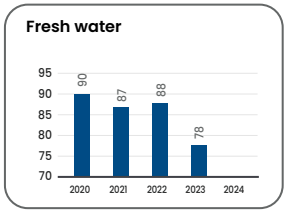
	2017	2018	2019	2020	2021	2022	2023
CDP Climate Change	B	B	A (-)	A	A (-)	B	B
CDP Water Security	-	B	A (-)	A	A	A (-)	B (-)

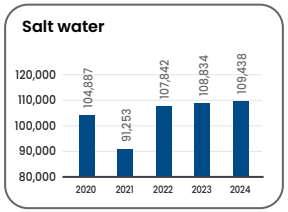
Due to its operations across diverse industries, Tekfen uses water for a variety of purposes. Water consumption is monitored across different applications, including agricultural production, process water use, cooling, and hydrostatic testing, with continuous improvement efforts aimed at increasing reuse, enhancing efficiency, and developing sustainable solutions. Recycling and reuse initiatives contribute significantly to reducing water consumption.

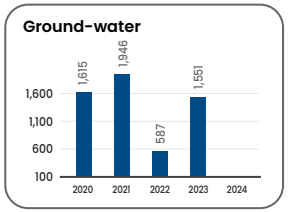


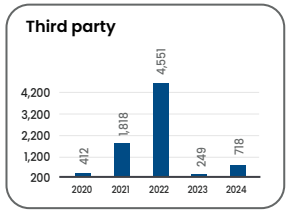
Water Pollution and Quality Management

2024 PERFORMANCE (Discharged Water)	2024 WATER SECURITY AND OPERATIONAL EXPENDITURES	PROGRESS
Surface waters (fresh water): **– megalitres** Surface waters (salt water): **109,438 megalitres** Ground-water: **0 megalitre** Third party sourced water: **718 megalitres** Total discharged: **110,156 megalitres**	Water security capital expenditures (CAPEX): **TRY 44.3 million** Water security operational expenditures (OPEX): **TRY 7.9 million**	Surface waters (fresh water): ↑ Surface waters (salt water): ↓ Ground-water: ↓ Third party sourced water: ↓ Total discharged: ↓









In 2024, total water withdrawal reached 124,221 megalitres, with consumption at 13,964 megalitres and discharge at 110,156 megalitres. This table shows that nearly 11.2 percent of the water withdrawn was consumed, while 88.7 percent was discharged. The amount of water reused, which was 1,098 megalitres in 2023, increased to 1,179 megalitres in 2024, representing nearly 0.95 percent of total withdrawals and 8.4 percent of consumption. Compared with 2023, withdrawals rose by 3.2 percent, consumption by 45.3 percent, and reuse by 7.4 percent, while discharge decreased by 0.5 percent. This trend indicates that water efficiency could be further improved by expanding reuse practices.

Water management is a strategic priority, particularly for the Agricultural Industry Group, which relies directly on water resources. Rising water stress is an environmental risk in this sector and a significant threat to operational sustainability.

Engineering and Contracting Group

The Engineering and Contracting Group conducts its water management activities in full compliance with all applicable national and local environmental legislation. Legal regulations on water use and wastewater discharge are carefully implemented across all our regions, with compliance prioritised and monitored in all processes.

Efficient water use and waste prevention are key objectives across the Group's sites and facilities. To this end, water consumption is restricted to essential areas (e.g., hydrostatic tests) and minimised in all other processes. In addition, water reuse systems are implemented wherever possible.

During project planning, preventive measures are taken against potential water risks by assessing the adequacy of water resources and water quality in the relevant regions. Water withdrawal, wastewater discharge, and recycling rates are regularly monitored across the Group, with data tracked through quarterly environmental performance reports.

Agricultural Industry Group

The Agricultural Industry Group considers water critical for maintaining operational sustainability and supporting the well-being of customers across the value chain. The Group takes a holistic approach to water management from environmental, quality, and Occupational Health and Safety (OHS) perspectives, continuously enhancing its impact through policies, procedures, recovery technologies, and sustainable agricultural practices.

Water Use and Efficiency Approaches

The Group's fertiliser production facilities use only the water required for each process, with no consumption or discharge occurring outside these processes.
Seal water used in pumps and similar equipment is recycled through closed-circuit systems. In addition, lean production projects, Six Sigma practices, and Kaizen initiatives are used to reduce water consumption, while water awareness is promoted by setting performance targets for employees.

Water efficiency is enhanced through innovative technologies incorporated into investment plans. A notable example is the "**Ammonia Unit Cooling Water Recovery Project**" commissioned in 2024 for lean production purposes.

Recycling practices carried out across the Group's facilities also make a significant contribution to water management. For instance:

- **At the Ceyhan Plant**, water used in coal storage and dust suppression by third-party coal companies on-

site is collected via on-site separators for recycling and reuse in the same processes.

- **At the Samsun Production Facility**, recycled environmental water and condensate are collected in a separate tank after pH and conductivity checks, then supplied to units that require process water.

Monitoring, Measurement and Reporting

In all operations, total water withdrawal, water quality, withdrawal by source, and water discharges are monitored and reported monthly. Water quality is monitored through regular sampling, with analyses conducted at accredited laboratories according to legal requirements.

- **The Samsun Production Facility** accounts for almost 97 percent of the Holding's total water discharge, with wastewater quantity and quality monitored by real-time sensors and reported directly to the Ministry of Environment, Urbanization and Climate Change.
- In facilities supplied with water by third parties, usage is measured through meters and verified via billing records.

Water use in agricultural production is also adjusted based on rainfall data, calculated according to the methodologies of the **Food and Agriculture Organization of the United Nations (FAO)**.

Pollutant Monitoring and Preventive Practices

A comprehensive water pollution control system is used at Toros Agri facilities in line with **ISO 14001:2015 Environmental Management System** and **Integrated Farm Assurance (IFA) certifications**. The main pollutants in fertiliser and acid production processes, such as cadmium, nitrate, phosphate, temperature and pH, are identified and monitored using both manual and automated systems. The key methods for controlling pollutant parameters are as follows:

Real-time monitoring stations:
At the Samsun Production Facility, wastewater parameters such as temperature and pH are monitored 24/7, and compliance with regulatory limits is ensured.

Automatic control systems and instructions:
Operational instructions for each production process are monitored to prevent and address potential deviations.

Chemical risk management:
Hazardous chemicals are tracked with data including CAS code, maximum quantity, and toxicity characteristics, and impermeable areas have been established to prevent spills and leaks.

Phosphorus and nitrate management:
Fertilisation processes are optimised to reduce the risk of nitrate pollution in groundwater, and awareness is promoted through the "Correct and Balanced Fertiliser Use" project.

Temperature and pH precautions:
Wastewater temperature and pH are monitored both on-site and online by public authorities, with discharge water tested continuously.

Pollutants with Potential Impact on the Aquatic Ecosystem and Management Approach

Kirletici	Kaynağı / Etkisi	Önlem/Teknoloji
Cadmium (Heavy Metal)	Sourced from phosphate rock, it has a high toxic effect.	State-of-the-art technologies are used in production, raw materials are strictly controlled, and water is tested regularly.
Nitrate (Nitrogen Derivatives)	Excessive or incorrect use of fertilisers may result in contamination of groundwater.	The "Correct and Balanced Fertiliser Use" training is provided, and farmers are guided to fertilise responsibly using the Toros Farmer app.
Phosphates	Algae proliferation and oxygen depletion can result from phosphoric acid and fertiliser production.	During production, raw materials are continuously analysed, and nitrogen and phosphate discharges are controlled to stay within limit values.
pH (Acidic/ Basic)	The pH value of wastewater may affect marine life.	The pH value is continuously measured and reported in real time to the Ministry of Environment. Discharges are kept within the legal limits.
Temperature	Water temperature can rise as a result of cooling water discharges.	The transition from water-cooled to air-cooled systems has been initiated. Wastewater temperature is monitored in real time, and environmental impacts are tracked regularly.

Collaborations

At Toros Agri and Tekfen Agri R&D Centres, efforts focus on developing drought-resistant seeds and specialty fertiliser formulations that improve water efficiency. Additionally, water management awareness is promoted across the value chain through the "**Toros Farmer**" app, which helps reduce water consumption, and through training activities targeted directly at farmers. Check out the "**Sustainable Products and Services**" section to learn more about the Toros Farmer app.

Additionally:

- **Support was provided to the Water Risks R&D Project** in collaboration with the Business Council for Sustainable Development Türkiye (BCSD Türkiye) and the Ankara University Water Management Institute. Supported by Toros Agri, the project aims to expand the use of drip irrigation systems, a pressurised irrigation method, in wheat and corn cultivation in Central Anatolia, increase water efficiency, save water, calculate the water footprint, evaluate irrigation methods economically, and share best practices with regional farmers through various activities. **Click here** to see the project's second phase report, which was published in February 2024.
- **On-site water saving practices are carried out in periodic collaborations with the Samsun Metropolitan Municipality.**

Transparency and Stakeholder Disclosure

In addition to the Annual Reports, annual Sustainability Reports, and CDP reporting, the Agricultural Industry Group's water management performance indicators are regularly shared with the public and investors through the "Pollutant Release and Transfer Register – Türkiye" (KSTK) of the Ministry of Environment, Urbanisation and Climate Change, as well as official surveys by the Turkish Statistical Institute.

4.5. Protection of Biodiversity and Nature

Operating in industries such as construction and agriculture, which have significant impacts on biodiversity, Tekfen is committed to minimising the negative effects of its activities on natural ecosystems in line with its **Biodiversity Policy**. The Company focuses on protecting ecosystems, maintaining species diversity, and ensuring the sustainability of natural habitats.

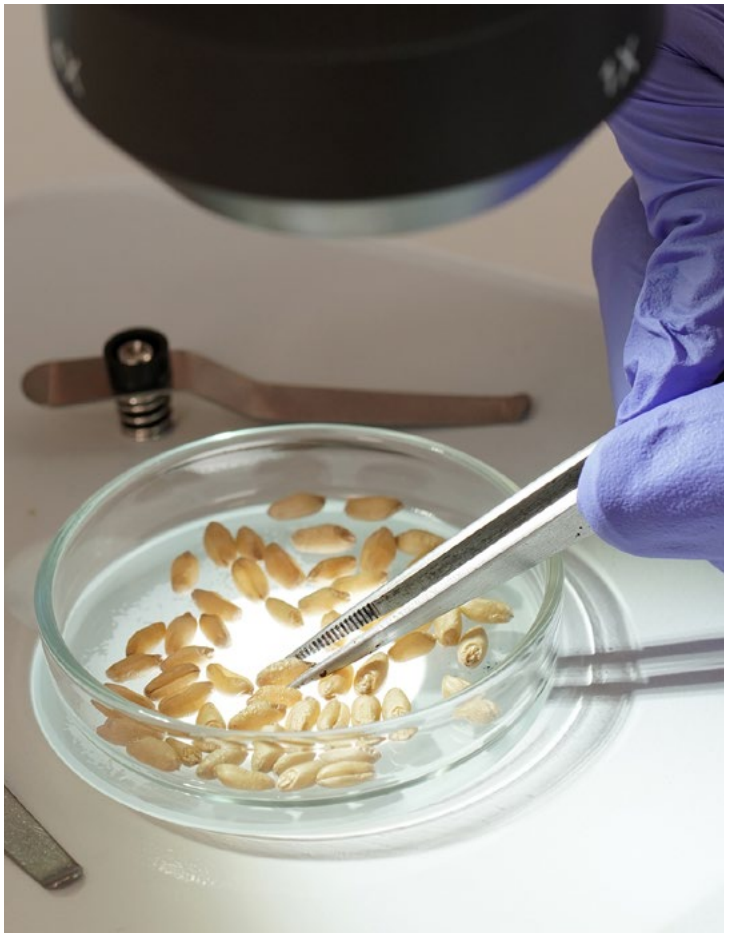
Tekfen Engineering and Contracting Group conducts comprehensive assessment and monitoring to protect biodiversity. As of 2024, studies targeting both flora and fauna aim to reduce environmental impacts and safeguard the habitats of sensitive species.

As part of fauna assessments, the migration patterns and habitats of bat species covered by EUROBATS (Agreement on the Conservation of Populations of European Bats) were identified, and measures were implemented to monitor and maintain habitat continuity along migration routes. For this purpose, camera traps and sound detectors were employed to monitor the movements of these species using collected data. For flora, alternative resources were used and protection measures implemented to prevent direct impacts in projects near limestone habitats hosting endemic and threatened species such as ***Stachys Marashica (CR)***, ***Cyclamen Pseudibericum (EN)*** and ***Centaurea Iycopifolia (VU)***.

Using biodiversity indicators, these studies ensure that activities near key natural areas are managed carefully and support the development of sustainable practices by monitoring the environmental impacts of project sites.

The impacts of the climate crisis can pose significant risks to the resilience, productivity, and diversity of plant species. In this context, the Tekfen Agri Agripark R&D Centre develops high-yield, high-quality plant varieties that are resilient to climate change and suited to regional conditions. The studies also aim to minimise nutrient loss in plants and supply farmers with disease-free seedlings and seeds.

Projects supporting sustainable agriculture in densely populated and highly urbanised regions include breeding bread and durum wheat, feed and malt barley, sesame, and potato seedlings, as well as producing banana plants in advanced subcultures. These projects help protect natural resources by developing plant varieties that are resilient to climate change.



Further details on R&D projects within the Agricultural Industry Group and studies by Tekfen Ventures' portfolio companies are available under "**R&D and Innovation**".

5

From Roots to Humanity for the Future

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In line with its “Bridging Prosperity” vision, Tekfen Group prioritises employee well-being, safety, and loyalty, creating a fair, inclusive, and sustainable work environment. The Group fosters individual potential through people-oriented policies and development opportunities, while maintaining a strong occupational health and safety culture with high standards. By adopting ethical values and ensuring legal compliance, it shapes the future of work as a responsible employer that contributes to sustainable development.

Relevant Stakeholders

• Employees • Shareholders, Investors and Analysts, Public Institutionsı • •Business and Solution Partners • Associations, Universities, Media and NGOs

5.1. Employee Rights

At the heart of the "Bridging Prosperity" vision is the aim of enhancing the welfare of all employees across the value chain. Tekfen regards its employees as its most valuable assets and implements people-oriented practices and policies to enhance their well-being, safety, and commitment. This approach goes beyond being central to corporate culture; it strengthens employee commitment and sustainably improves the working environment.

Tekfen has structured its policies on employees' social security and fringe benefits to support well-being, safety, and satisfaction, documenting them in regulations (Uniform Methods). Accordingly, personnel working at fixed workplaces in Türkiye are provided with Group Health Insurance and Personal Accident Insurance. Depending on their role and position, employees also receive additional benefits, such as company vehicles or transportation support. These practices aim to enhance job satisfaction and commitment by supporting employees in maintaining a healthy work-life balance.

When it comes to employee rights, Tekfen Group goes beyond legal obligations by recognising that every employee has a fundamental right to a decent, fair, safe, and supportive work environment. Aligned with this approach, the Human Resources, Fringe Benefits, Discipline, and Remote Working Uniform Methods ensure equal opportunities for all employees, transparent decision-making, and respect for individual differences. Practices such as health insurance, personal accident insurance, and social assistance improve working conditions and help employees maintain work-life balance, enhance their psychological well-being, and strengthen their sense of security. The Ethics Hotline, disciplinary procedures, and direct-access channels to management allow employees to report issues confidentially and securely, fostering a fair, collaborative, and ethically grounded work culture.

In Group Companies, unionised employees have their fundamental rights legally protected through Collective Labour Agreements signed with the relevant unions. These agreements typically last one and a half, two, or three years and ensure sustainable collaboration with trade unions, fully respecting employees' union rights. Unionised employees receive social assistance, including fuel support, food aid, clothing vouchers, holiday allowances, educational support, and family and child benefits. They also receive assistance for major life events such as birth, marriage, and death. In 2024, a total of **622** employees worked under Collective Bargaining Agreements in the Engineering and Contracting Group and the Agricultural Industry Group.

Across all offices, facilities, and projects, employee feedback is actively considered, and development-focused improvement initiatives are implemented through the mechanisms established by Human Resources regulations. Aligned with its focus on ethical principles, Tekfen uses the Ethics Hotline to allow employees to report violations, concerns, or suggestions easily and to communicate directly with the Ethics Committee.

Tekfen regards employee satisfaction and well-being not merely as a corporate policy, but as a core component of its sustainable development goals and long-term success strategy. In this context, Tekfen prioritises

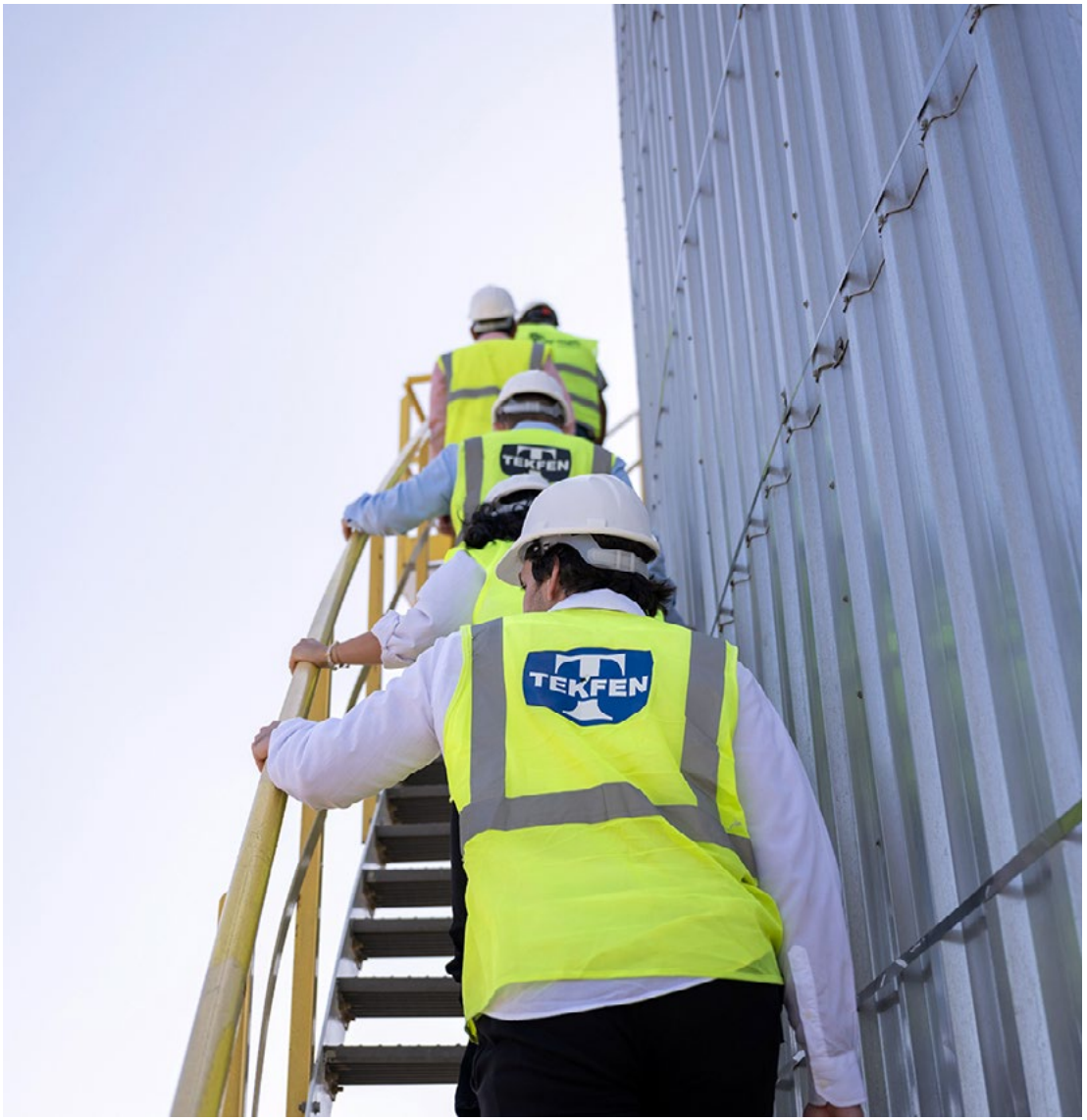
Employment provided under Collective Bargaining Agreements in 2024:

622 people

fostering a more inclusive, fair, and healthy working environment by continuously enhancing its people-focused approach. Practices implemented to this end ensure physical safety while protecting the physical, mental, and social well-being of employees. Hybrid and remote working models are offered on the premises, and flexible working conditions support a healthy work-life balance. Additionally, full compliance with labour laws is maintained in every country, and employees are fully granted all their legal rights.

As part of the Business Ethics Uniform Method, Tekfen maintains a zero-tolerance policy towards child labour and forced labour. Modern slavery, child labour, and human trafficking are strictly prohibited at every stage of the Company's operations and throughout its supply chain. The Group is committed to adhering to national and international legislation, including the International Labour Organization (ILO) conventions and the Labour Law.

New employees are recruited with a focus on voluntary employment and compliance with legal requirements regarding age and work competence. The Company allows its employees to leave their jobs at any time and expects all stakeholders in its supply chain to uphold the same ethical standards.



5.2. Equality, Diversity and Inclusion

Tekfen embraces equality, diversity, and inclusion as part of its corporate culture and applies these principles across all its activities. It is committed to providing equal opportunities to all employees and candidates in recruitment and employment processes, based on the principles of fairness, equality, and transparency. Similarly, equal opportunity is upheld as a fundamental principle in recruitment, promotion, and job transfer processes. Only the knowledge, skills, and competencies required for the role are considered, and discrimination based on race, gender, age, language, religion, political views, or other personal characteristics is not tolerated. These core principles lie at the heart of Tekfen's Human Resources policies.

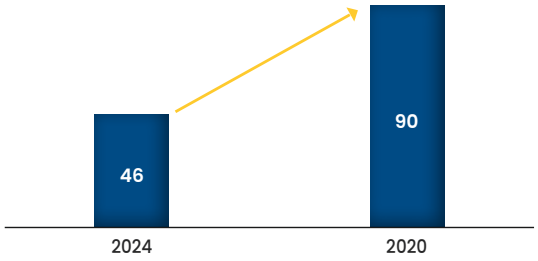
Tekfen firmly rejects discrimination in the employment of disabled individuals, assessing disabled candidates solely on the qualifications required for the role. Employees can report any instance of discrimination through the Ethics Hotline, which operates on principles of confidentiality and non-retaliation. All reports are thoroughly reviewed. This helps foster a fair and inclusive business environment.

Gender equality is carefully upheld in remuneration and promotion processes. All employees are evaluated using objective criteria based on the competencies and performance required for the role, with compensation increases determined through fair systems informed by sectoral market data. In these processes, discrimination based on gender or personal characteristics is never tolerated.

Operating in line with its core principles of equality and diversity, Tekfen continued its operations in 2024 with a total of **7,359** employees (excluding subcontractors), encompassing the Engineering and Contracting Group, Agricultural Industry Group, and Investment Group. This represents a **16-percent** year-on-year increase in the number of employees. The Company aims to provide a work environment that promotes diversity. Various training and development programmes are offered, particularly to support female employees in taking on more active roles in the workplace. The implementation of special projects to increase female representation in STEM (Science, Technology, Engineering, and Mathematics) fields reflects Tekfen's commitment to diversity.

Accordingly, Tekfen Group's HR practices are founded on the principles of equality, diversity, and inclusiveness, providing all employees with a fair and transparent working environment that respects human rights. To this end, Tekfen upholds its vision of being an organisation that not only meets today's needs but also develops a sustainable and inclusive workforce for the future.

Female Employees in STEM Roles*



* Consolidated data for the Engineering and Contracting Group, Agricultural Industry Group, and Investment Group.

Total number of employees in 2024 (excluding subcontractors)

7,359

Increase compared to 2023

16%

5.3. Talent Management and Development

Tekfen Group, which regards employee development as a strategic priority, implements its training policies in accordance with job descriptions, performance evaluations, and career planning. Development needs are systematically identified and addressed through training sessions planned each year. Training activities across the Group are coordinated by the Holding's Human Resources department to ensure consistency and alignment.

Programmes are carefully designed to develop corporate competencies, with training initiatives planned in line with this strategy. Employees are also offered modular training programmes that hold national and international recognition. A training plan covering performance reviews, career planning, and competency development is established for white-collar employees, with training needs identified based on annual targets, promotion paths, and role-specific competencies. Blue-collar employees are primarily supported through training focused on occupational health and safety, technical competence, legal requirements, and vocational development.

Tekfen also undertakes projects to preserve its digital memory through online platforms, enabling employees to make more informed decisions based on past experiences, successes, and lessons learned from failures, thereby strengthening their decision-making competence.

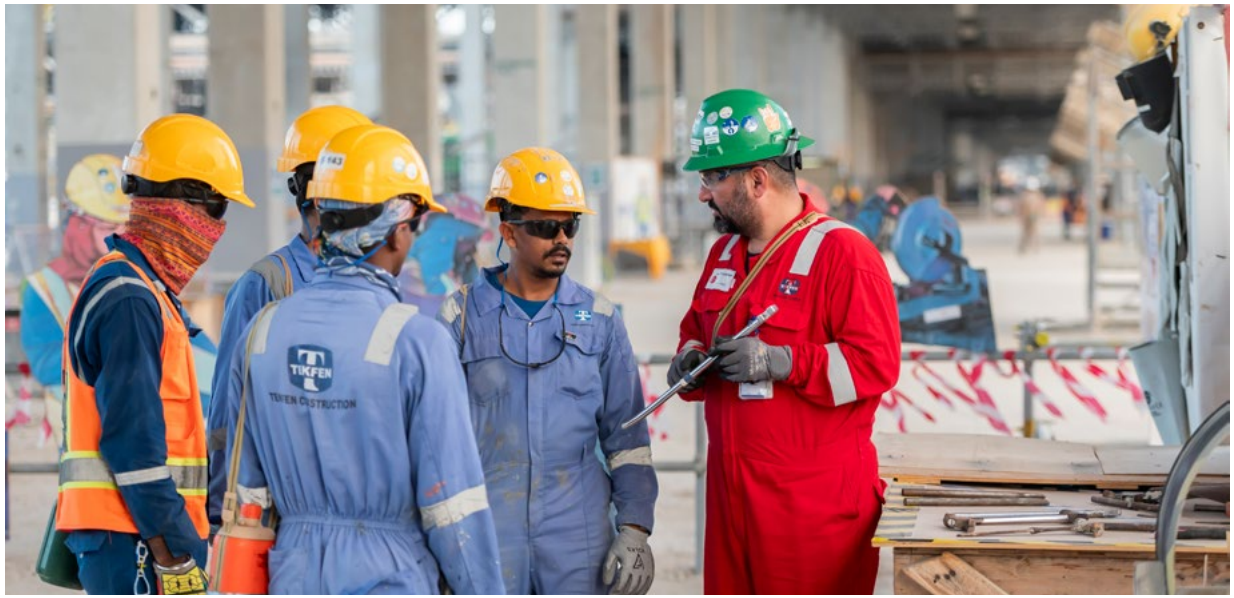
Training programmes are structured around the themes of technical expertise, professional development, and sustainability, helping employees contribute effectively to achieving corporate goals. Technical training is planned according to employees' areas of expertise, while vocational training is designed to support their functional development. Additionally, themes such as ethics, human rights, environmental awareness, and sustainability are incorporated as integral parts of orientation and corporate awareness programmes. Training programmes for managers cover topics including leadership development, ethical principles, and human rights. They also address topics such as sustainability-focused diversity, transparency, and ethical behaviour. Training processes are conducted alongside performance reviews and career planning, with training outcomes incorporated into individual development plans.

Active participation in training is regarded as essential for promotion and succession planning. Training plans are developed based on the areas for growth identified through performance review results. The Leadership Programme, run in collaboration with universities, is organised with the participation of senior executives from the Group Companies. These programmes cover topics including coaching, problem-solving, feedback techniques, and time management.

Sustainability training is also offered through the Learning Management System (LMS), providing comprehensive coverage of environmental, social, and economic sustainability. Additionally, Group Companies provide sector-specific training on topics such as plant nutrition, energy management, waste management, resource use, critical loading and unloading, and similar areas, fostering sustainability awareness within the corporate culture. In 2024, a total of **22,423** hours of training was delivered across the Group,

Training provided across the Group in 2024:

22,423 hours



reflecting Tekfen's commitment to employee development.

The effectiveness of training is carefully measured through post-training surveys and pre- and post-tests for technical training participants, with the quality of training regularly monitored. Tekfen Group's talent management strategy is implemented as a holistic system integrating recruitment, performance reviews, training, and career development. Employee participation is further encouraged through the provision of budgets for postgraduate education.

As a company that prioritises its employees, Tekfen evaluates performance using an objective, development-focused method. The Company views maximising employees' individual potential and supporting their career development within a systematic framework as essential for sustaining corporate success and achieving strategic goals, shaping its talent management processes with a sustainability-focused approach to this end. Designed in line with this vision, the **Uniform Performance, Career, and Compensation Management Method** serves not merely as a Human Resources regulation but also as a cornerstone supporting the Company's sustainable growth. Performance management, career planning, training, and succession practices implemented in this context enhance individual skills while ensuring corporate continuity.

Designed according to the principles of fairness, transparency, and growth mindset, the regulation provides an institutional framework for evaluating each employee's knowledge, skills, and contributions using objective criteria. Through fair evaluation, all employees have equal access to opportunities, with decisions on promotion, career development, and compensation increases based solely on the competencies required for the role and performance outcomes. The principle of transparency ensures that performance targets and evaluation criteria are defined in advance and communicated clearly to employees, creating a traceable, reliable, and systematically conducted process. Meanwhile, developing a growth mindset means taking a holistic view and going beyond performance results to focus on enhancing individual competencies, unlocking potential, and preparing employees for the future.

Employee performance lies at the heart of Tekfen's Human Resources strategy. It is also regarded as a holistic and sustainable development mechanism that extends beyond merely measuring individual success. Managers systematically monitor employees' progress against targets throughout the year. The evaluation process concludes with one-on-one feedback interviews conducted at the end of the year. In these meetings, employees receive structured, personalised, and constructive feedback based on their strengths, areas for development, and long-term career aspirations. Here, performance management serves as a strategic tool, evaluating past performance while planning future development and guidance opportunities. This interactive and ever-evolving structure encourages individual performance improvement, boosts employee motivation, and strengthens their sense of belonging.

Performance review results are used effectively to determine compensation increases, promotion decisions, training plans, and career progression. This creates a robust framework that supports both individual development and business continuity.

Succession Planning, implemented as part of a holistic talent management approach, reflects Tekfen's strategic vision for its future workforce. The system is built on identifying high-potential employees. This process discovers potential candidates for strategic positions, develops tailored roadmaps for each employee, and provides training plans suited to their roles.

In 2024, the succession plan was comprehensively restructured to align with organisational needs, evolving business dynamics, and long-term strategic goals. The aim is to preserve corporate knowledge, ensure sustainable leadership, and maintain business continuity.

Tekfen's **compensation approach** complements its strategic people management framework with a performance-based structure that reflects employee experience, aligns with competitive market standards, and supports the Company's overall people management strategy. Built on the principles of transparency, fairness, and sustainability, this structure balances rewarding individual contributions with maintaining equitable pay across the Company. Compensation increases are determined using the **Salary Admin Tool (SAT)** matrix, which integrates employees' annual performance review results and is informed by sectoral comparisons.

The system goes beyond serving as an operational tool for short-term salary adjustments; it also aims to retain qualified talent, reward performance according to corporate standards, and maintain continuity in Human Resources management. Structured to be competitive and transparent, the model facilitates effective workforce planning and contributes to a measurable improvement in organisational efficiency.

Tekfen views its remuneration policy not merely as a cost factor, but as a holistic tool for managing the Company's strategic capital. In this context, a sustainable compensation management approach is adopted through a systematic framework, balancing internal equity with alignment to the external market. Accordingly, the opportunities offered to employees are aligned with the Company's long-term goals, enhancing corporate capacity, retaining skilled talent, and ensuring stable management of strategic positions.

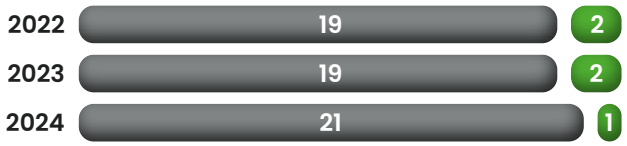
In 2024, **862** employees in the Group Companies underwent management evaluation.

Another priority for Tekfen in talent management is the recruitment of young talent. This involves active engagement in career events, with young talent offered internship programmes, the Tekfen Foundation scholarship programme, and rotation and promotion opportunities within the Group. Tekfen Holding recruited two of 19 interns in 2022, two of 19 interns in 2023, and one of 21 interns in 2024. Tekfen showcases its company and culture to young talent by participating in university career fairs and aims to reach a broader audience

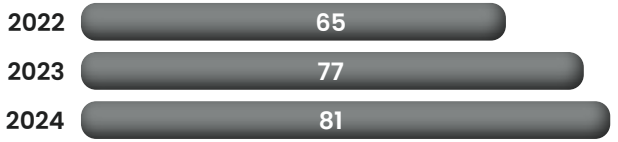
Number of employees who underwent management evaluation across the Group in 2024:

862

Interns hired



Vocational high school students provided with internship opportunities



through social media platforms. Vocational high school students are also assessed on-site as part of the internship programmes. In this context, internship opportunities were offered to 65 students in 2022, 77 students in 2023, and 81 students in 2024, with four students already employed full-time.

Tekfen's training and development approach is designed to maximise both individual and corporate competencies and is implemented through a comprehensive, integrated, and forward-looking framework that addresses critical issues such as sustainability, ethical values, and human rights.

Tekfen Workshop

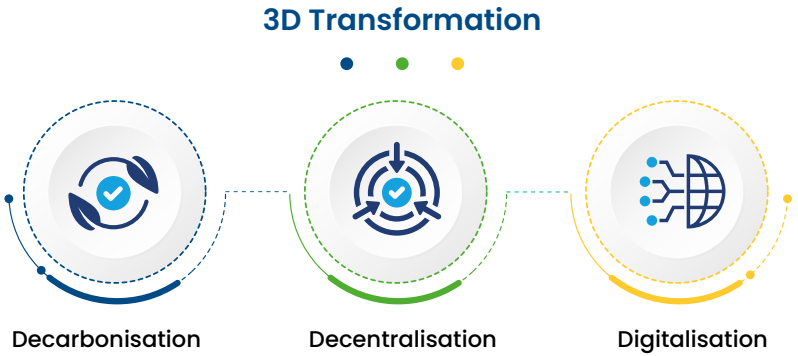
Tekfen considers supporting the personal and professional development of its employees to be fundamental for sustainability. Accordingly, the Human Resources Development Department aims to enhance employees' knowledge, skills, and leadership potential through training, workshops, and development programmes. **Tekfen Workshop** provides a hands-on, interactive learning experience, supporting employee growth in areas such as leadership, communication, creativity, innovation, and teamwork, while fostering a learning community that reinforces the corporate culture. Training content is delivered through a catalogue that is continuously updated to reflect employee needs and organisational priorities. In addition to physical and online classroom training, a system accommodating different learning styles has been developed using e-learning modules and seminars. As part of e-learning, employees' awareness of corporate issues is enhanced through content on key topics such as sustainability, business ethics, occupational health and safety, and the protection of personal data and information security.

Toros Agri Sustainable Fertiliser Academy

Toros Agri established the Sustainable Fertiliser Academy (Toros-IFA Sustainability Academy) in collaboration with the International Fertilizer Association (IFA) to drive the industry's transformation by integrating its sustainability vision with human resources development. The academy aims to raise employees' awareness of green and digital transformation issues, enhance their competencies, and foster a learning culture aligned with the Company's 3D Transformation (Decarbonisation, Decentralisation, Digitalisation) strategy.

Founded in 2023, the Sustainable Fertiliser Academy was designed as a learning platform promoting sustainable production and consumption practices in the fertiliser industry, aiming to reduce environmental impacts and enhance agricultural productivity. The initiative commenced operations in 2024, seeking to support the sustainable development of farmers and local communities by prioritising education and innovation.

The Academy's curriculum was developed in Turkish and English and delivered through training programmes for employees across all Toros Agri facilities, including those in central functions and operationally critical roles. These training programmes are structured in phases to help all employees develop a shared understanding aligned with the sustainability agenda. They also support the Company's long-term strategic goals by enhancing employees' knowledge and competencies within the framework of the 3D Transformation.



5.4. Occupational Health and Safety

Tekfen regards providing a safe and healthy working environment for all employees, including subcontractors, as a fundamental responsibility across all its industries. The company upholds this commitment through its **Occupational Health and Safety (OHS) Policy**. In 2024, OHS activities continued in line with the "zero accident" target, following the relevant management systems, legal regulations, and internal procedures.

Tekfen has established a robust OHS system encompassing all its stakeholders, ensuring full compliance with legislation and international standards through its professional teams. By leveraging the strengths of this system, such as continuous improvement, data-driven decision-making, training, and technology integration, a safe working culture is sustained across the Group, supporting long-term success. OHS performance is regularly monitored, with monthly reviews conducted using the collected data and reported to the Board of Directors and senior management.

All Group Companies classified as hazardous or very hazardous workplaces hold ISO 45001 Occupational Health and Safety Management System certification. These standards are applied across all facilities and projects. Performance criteria include the outcomes of internal audits, third-party audits, and emergency drills, all of which are carefully evaluated.

Tekfen conducts its OHS processes systematically, in compliance with legal regulations, and with a focus on continuous improvement. In this regard, the OHS Policy, Health-Safety-Environment (HSE) Uniform Method, and related regulations issued by Tekfen Holding provide guidance for developing an OHS culture and fostering a shared understanding, outlining principles and guidelines mandatory for all Group Companies.

All these activities help cultivate an OHS culture across Tekfen while promoting safer working conditions on-site. The total recordable injury rate across the Group, including Tekfen and its subcontractors, was **3.34** in 2023 and **2.74** in 2024, demonstrating the Group's strong commitment to OHS.

İOHS efforts extend beyond technical measures, supported by training and awareness activities that equip employees with the knowledge and skills required for their roles. Through this approach, Tekfen emphasises ensuring a safe working environment and fostering an OHS culture throughout the company.

To this end, Tekfen Workshop offers online, face-to-face, on-site, and hands-on training. It also provides training tailored to specific facilities or projects. Following the training, participants undergo a success evaluation and are awarded certificates.

In 2024, OHS training hours increased by **5.16 percent** year-on-year, reaching a total of **909,006 hours**, to enhance awareness and ensure that employees and subcontractors feel safe in their work environments.

Theoretical and practical training in first aid and fire safety is provided through authorised institutions. This ensures that employees are well-prepared for potential emergencies.

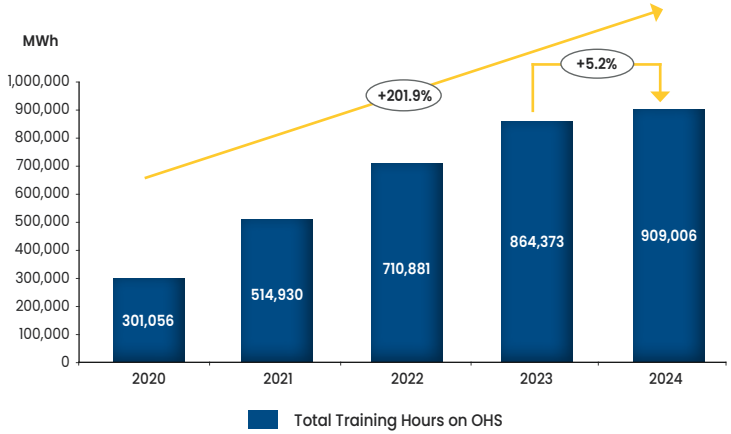
Process safety training programmes are conducted across all Toros Agri facilities in accordance with legal regulations and scheduled for specific timeframes. In addition to on-the-job training, employees' awareness of process safety is enhanced through "toolbox" sessions conducted prior to field work. Furthermore, accidents and incidents occurring at the facilities are transparently shared with all employees, aiming to strengthen the safety culture through informative training conducted after drills.

Beyond legal requirements, compliance is maintained with the International Fertilizer Association's (IFA) "Product Stewardship" initiative in the areas of OHS, environment, product safety, and security. To this end, from raw material supply to delivery to end users, Tekfen strives to ensure safety in all processes by preventing product misuse, minimise environmental impact and promote sustainability through efficient working conditions. As a result of these efforts, Toros Agri became the first company in Türkiye to receive the IFA's "Protect & Sustain" certificate. Following ongoing efforts and audits in 2024, the certification was renewed at the "Excellence" level.

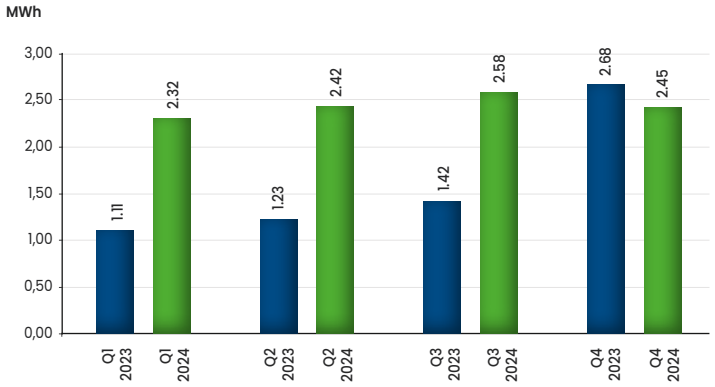
Data on OHS, environmental, and process safety activities are collected, analysed, and reported through digital applications, with the continuity and effectiveness of OHS processes ensured by monitoring corrective and preventive actions via these systems.

Tekfen established a comprehensive OHS system encompassing all stakeholders, ensuring full compliance with legislation and international standards through these activities. This system's strengths, such as continuous improvement, data-driven decision-making, training, and technology integration, enables the Group to maintain a safe working culture and focus on sustainable success.

OHS Trainings



Training Rates (2023–2024) Quarterly Comparisons



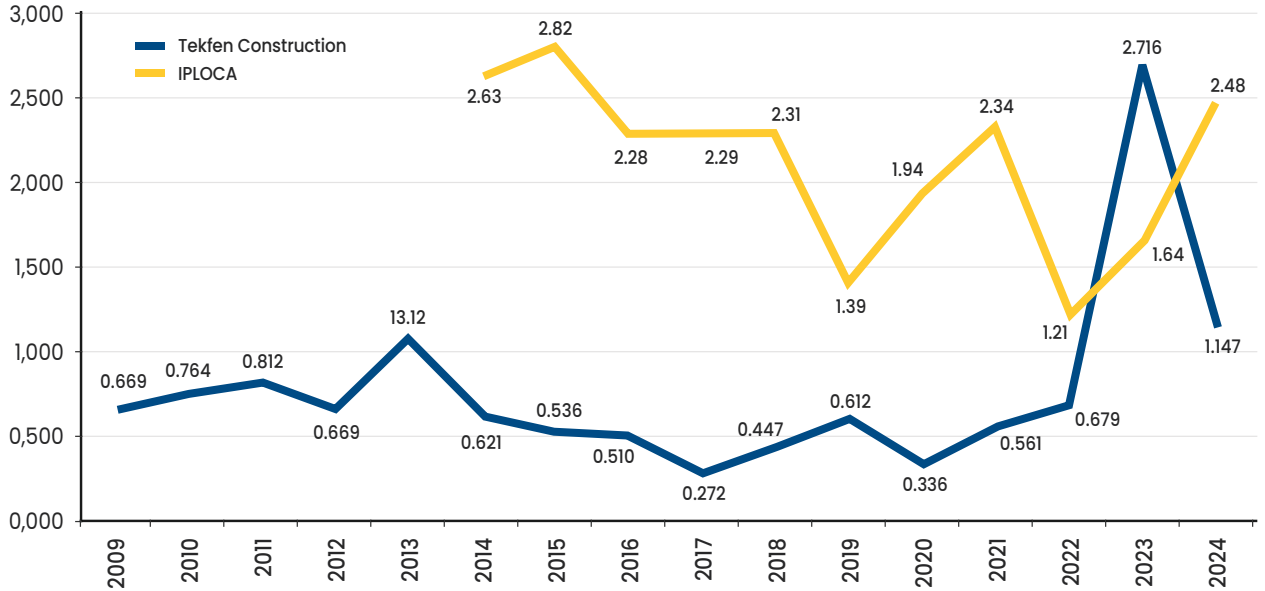
Tekfen Construction's Accident-Free Performance Highlights in 2024

- **TÜPRAŞ İzmir Refinery FCC Revamp Project (Türkiye):** 1 million work hours without lost-time incidents
- **TÜPRAŞ Kırıkkale Refinery Firefighting Systems Modernisation (Türkiye):** 1 million person-hours with zero OHS incidents

Tekfen attaches importance to industrial collaboration on OHS issues and continues to actively participate in joint projects and events with relevant industry organisations. Additionally, OHS indicators are monitored in comparison with published international industry averages.

Since 1967, Tekfen Construction has been a member of the International Pipe Line and Offshore Contractors Association (IPLOCA), one of the most respected organisations in the global contracting industry, with 250 members across more than 40 countries. As of 2024, the President of Tekfen Group Companies serves as Regional Director on IPLOCA's Board of Directors and as Speakers Project Leader on the same Board.

Indicators of Total Recordable Injury Rates (TRIR) by Industry
Tekfen Construction (Tekfen İnşaat ve Tesisat A.Ş.) & IPLOCA



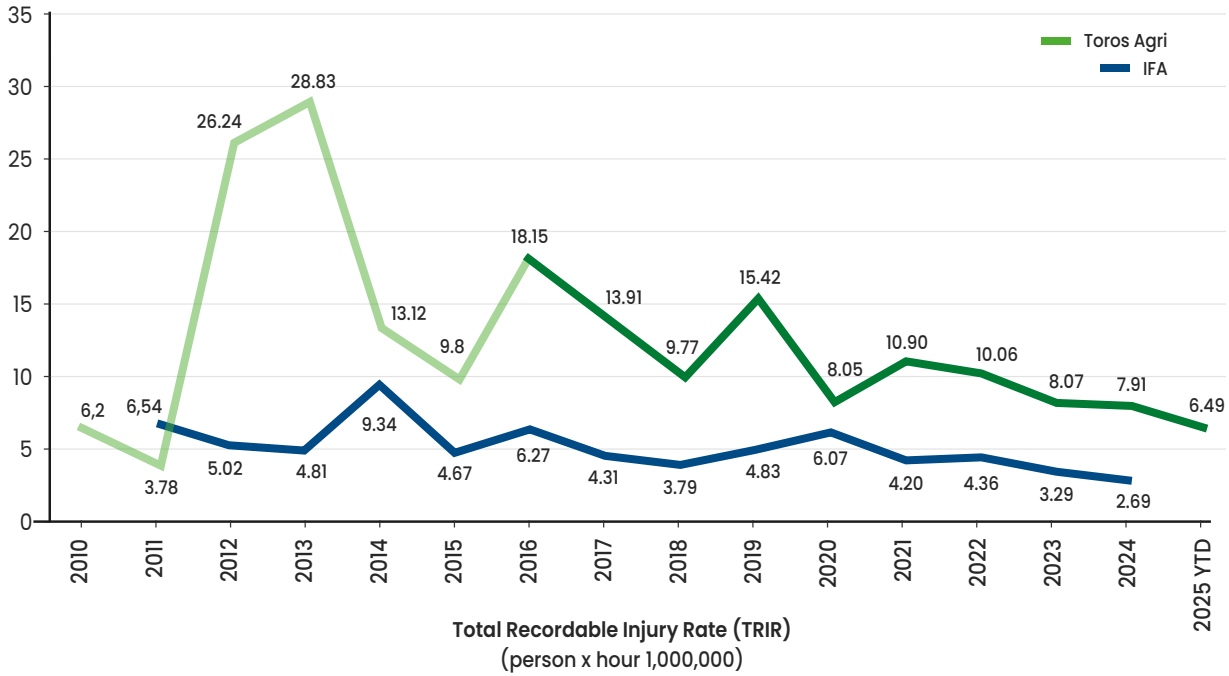
Total Recordable Injury Rate (TRIR)
(person x hour 1,000,000)

The International Fertilizer Association (IFA), the sole organisation representing the fertiliser industry globally since 1927, continues its efforts with a focus on developing innovative practices, particularly to support the sustainability of the fertiliser industry, and enhancing the sharing of knowledge and experience within the sector. Toros Agri, Türkiye's largest fertiliser producer, has been an active member of the IFA since it began production in 1981.

Erhan Öner, a member of Tekfen Holding, served as IFA President from 1993 to 1995, while Esin Mete held the same position from 2013 to 2014. In 2024, Toros Agri's Corporate Sustainability, Risk and Governance Director served as Vice President of the IFA's Sustainability Committee.

While implementing OHS, environmental, product safety, and security practices, Toros Agri carries out its processes across the entire value chain, from raw material procurement to field operations, in line with its sustainability strategies, and continues to play an active role in sectoral events organised by the IFA.

Indicators of Total Recordable Injury Rates (TRIR) by Industry
Toros Agri & IFA



6

From Roots to Stakeholders for the Future

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Tekfen aims to create economic, environmental, and social value by establishing trust-based communication with its stakeholders. Prioritising customer satisfaction, the Company adopts ethical and responsible supply chain management and enhances service quality through digital transformation. Enhancing quality through operational excellence and lean processes, the Tekfen Foundation makes social investments in education, women's entrepreneurship, and culture and the arts. Tekfen supports farmers' productivity through agricultural training and digital solutions and fosters a sustainable ecosystem through inclusive stakeholder management.

Relevant Stakeholders

• Business and Solution Partners • Associations, Universities, Media and NGOs

6.1. Stakeholder Ecosystem

Tekfen shapes its sustainability journey through trust-based, transparent, and ongoing communication with all its stakeholders. As a group operating in the engineering, contracting, agricultural, and investment industries, Tekfen considers the needs and expectations of its stakeholders in every field of operation and upholds this as a fundamental principle. This approach is positioned as a strategic element supporting the Company's long-term success and forms the basis for creating shared value.

Having made significant progress in its strategic priorities under its "Bridging Prosperity" vision, Tekfen strives for a sustainable, stakeholder-focused, end-to-end transformation across all areas of activity. Strategic steps are guided by insights and feedback received from stakeholders. The Company plays a leading role in creating value for the transition to a low-carbon economy by developing sustainable business models that integrate economic, environmental, and social benefits.

Tekfen has established an extensive network of interactions, particularly within the agricultural and food ecosystem, spanning farmers, suppliers, business partners, and end users. By leveraging this network, Tekfen aims to contribute to societal well-being. Supported by field-focused communication tools, surveys, training programmes, and joint projects, this approach introduces sustainable solutions that benefit the stakeholders receiving the service and extend positive impacts to the wider social system.

By expanding its solution partnership approach to encompass commercial, social, and environmental responsibilities, Tekfen establishes a participatory and transformative structure within its business processes. In this way, the Company implements a stakeholder management approach that addresses the needs of both the present and the future.

In all these processes, open communication, accountability, mutual trust, and the creation of sustainable value form the foundation of Tekfen's stakeholder relations. Thanks to this strategic approach, Tekfen builds a strong and resilient stakeholder ecosystem that contributes to a sustainable future for both the business world and society.

Open communication, accountability, mutual trust, and the creation of sustainable value form the foundation of Tekfen's stakeholder relations.

METHODS OF COMMUNICATION WITH STAKEHOLDERS				
Group	**Significance for Tekfen**	**Value Created for Stakeholders**	**Communication Method**	**Frequency**
Employees	Tekfen places its employees at the core of its sustainability strategy, embracing a people-oriented approach that recognises them as its most valuable asset. The company is committed to fostering an inclusive and equitable corporate culture that upholds human rights and ensures a safe, fulfilling, and developmentally supportive work environment for its employees.	• **Career and Development:** Continuous training, leadership development, and rotation opportunities are offered to enhance employees' skills and competencies. • **Fair Compensation and Fringe Benefits:** Transparent and equitable remuneration policies are in place, complemented by competitive fringe benefits and social support packages. • **Working Conditions:** An inclusive, healthy and safe working environment is maintained with due regard for ethical principles. Occupational health and safety (OHS) standards are continuously enhanced in alignment with international norms. Diversity and inclusion policies are enacted to ensure equal opportunities and cultivate a corporate culture that benefits from individual differences. • **Participation and Communication:** Employee involvement in decision-making is actively encouraged, supported by a feedback culture fostered through open communication channels. • **Employee Satisfaction and Welfare:** Work-life balance is prioritised, employee satisfaction is monitored regularly, and improvement actions are implemented accordingly.	Information mailings	Continuous
			Corporate websites	Continuous
			Field visits, trainings, workshops and events	Continuous
			Internal customer survey	Annually
			Sustainability reports	Annually
			Quarterly reports	Quarterly
			T-Newsletter	Quarterly
			Stakeholder analysis	Once a year
Public Institutions	Public institutions are key stakeholders in defining compliance obligations, guided by legal regulations, national and international agreements, principles, frameworks and published reports. The Company conducts its operations in alignment with its sustainability goals, supported by ongoing communication and collaboration with public institutions.	• **Legal Compliance:** All activities are conducted in full compliance with national and international legal regulations, environmental legislation, occupational health and safety standards, and sector-specific requirements. • **Reporting and Transparency:** Regular reporting is conducted in accordance with reports, directives and regulations issued by public institutions, ensuring accountability through transparent, accurate and timely information sharing. • **Risk Management and Proactive Compliance:** Regulatory changes are closely monitored, and potential non-compliance risks are proactively managed to safeguard both the company and the public. • **Collaboration and Participation:** Policy development is supported through active participation in consultation processes and sector dialogue mechanisms organised by public institutions. • **Social Benefit and Cohesion:** Social, environmental and economic contributions are made in accordance with the priorities of public institutions, positioning the Company as a dependable stakeholder committed to serving the public interest.	Meetings and conferences	When required
			One-on-one interviews	When required
			Corporate websites	Continuous
			Quarterly reports	Quarterly
			Sustainability reports	Annually
			T-Newsletter	Quarterly
			Stakeholder analysis	Once a year
Suppliers and Subcontractors	This stakeholder group plays a vital role in advancing Tekfen's goals. Building robust supply chain partnerships and upholding quality standards are essential to achieving Tekfen's strategic objectives.	• **Quality and Product Safety:** Ensuring a sustainable and reliable supply of products and services • **Ethics and Human Rights:** Building trustworthy stakeholder relationships based on fair trade principles and a steadfast commitment to respecting human rights • **Responsible Production:** Designing environmentally sustainable production processes	One-on-one interviews	Continuous
			Corporate websites	Continuous
			Audits and trainings	Daily
			Quarterly reports	Quarterly
			Sustainability reports	Annually
			T-Newsletter	Quarterly
			Stakeholder analysis	Once a year
Associations, Universities, Media and NGOs	Tekfen advances social impact, innovation and sustainable development through collaboration with non-governmental organisations, academic institutions, media and professional associations.	• **Social Investments:** Implementing social responsibility projects and contributing to social welfare • **Innovation and R&D:** Developing innovative solutions through collaborative projects • **Sustainable Agriculture and Impact:** Transitioning to sustainable agricultural practices and raising awareness • **Equality and Diversity:** Supporting inclusive policies • **Talent Development:** Nurturing and empowering young talent • **Ethics and Human Rights:** Promoting common standards and fostering ethical practices	Collaborations	Continuous
			Corporate websites	Continuous
			Participation in meetings and working groups	At least once a month
			Press releases, fact sheets, newsletters and press conferences	When required
			Social media accounts	Continuous
			Seminars and conferences	At least once a month
			Strategic collaborations	When required
			Quarterly reports	Quarterly
			Sustainability reports	Annually
			T-Newsletter	Quarterly
			Stakeholder analysis	Once a year

METHODS OF COMMUNICATION WITH STAKEHOLDERS

Group	Significance for Tekfen	Value Created for Stakeholders	Communication Method	Frequency
Shareholders, Investors and Analysts	Transparent and comprehensive communication of its value creation model, business strategy and performance is strategically vital for Tekfen.	• **Economic Contributions:** Creating long-term value and delivering sustainable profit • **Quality and Product Safety:** Maintaining high standards across operations and products • **Ethical Principles and Human Rights:** Fostering a responsible business culture • **Circular Economy:** Applying circular economy principles through sustainable resource use • **Innovation and R&D:** Developing new business models and low-carbon solutions	General assembly meetings	Once a year
			Material event disclosures	When required
			One-on-one interviews and correspondence	Continuous
			Teleconferences	Quarterly
			Quarterly investor presentation	Quarterly
			Conferences and roadshows	At least 10 times a year
			Quarterly reports	Quarterly
			Sustainability reports	Annually
			T-Newsletter	Quarterly
			Stakeholder analysis	Once a year
Customers, Farmers and Users	Customers and farmers are central to Tekfen's value chain, with product quality, customer satisfaction and sustainable production serving as key drivers of the Company's success.	• **Customer satisfaction:** Providing access to reliable products and services • **Economic impact:** Enhancing production efficiency and delivering cost advantages • **Quality and product safety:** Upholding rigorous standards across operations and outputs • **Circular economy:** Embracing circular economy principles through sustainable resource use • **Combating climate change:** Supporting emission reduction via products that enable carbon savings	One-on-one interviews	Continuous
			Toros Farmers Academy Training Bus	Continuous
			Customer surveys	At least once a year
			Toros Farmer app	Continuous
			Corporate websites	Continuous
			Quarterly reports	Quarterly
			Sustainability reports	Annually
			T-Newsletter	Quarterly
			Stakeholder analysis	Once a year
Business and Solution Partners (National and international collaborations and partnerships)	Operating across diverse industries, Tekfen enhances its market competitiveness through partnerships with national and international business collaborators. Joint investments help optimise capital costs, facilitating easier access to financing resources. Collaborations with international business partners expedite Tekfen's access to innovative solutions. This facilitates the exchange of knowledge and technologies in key transformation areas, including green hydrogen, green ammonia and sustainable agricultural technologies.	• **Economic impact:** Achieving cost optimisation • **Quality and product safety:** Ensuring collaborative efforts meet international standards • **Customer relationship management:** Broadening market access • **Innovation and R&D:** Facilitating technology transfer and delivering innovative solutions • **Combating climate change:** Developing joint projects that support carbon reduction	One-on-one interviews	Continuous
			Teleconferences	Continuous
			Quarterly reports	Quarterly
			Sustainability reports	Annually
			T-Newsletter	Quarterly
			Stakeholder analysis	Once a year
Dealers	Dealers are Tekfen's most important representatives on the ground. They support customer engagement by helping Tekfen understand market needs and gather valuable feedback.	• **Customer relationship management:** Responding promptly to local customer needs • **Quality and product safety:** Delivering reliable products and services • **Economic impact and growth:** Supporting local economic development • **Marketing and responsible consumption:** Ensuring market access through responsible production and distribution • **Combating climate change:** Introducing environmentally friendly products to the marketplace	One-on-one interviews and field visits	Continuous
			Vendor portal	Continuous
			Corporate websites	Continuous
			Quarterly reports	Quarterly
			Sustainability reports	Annually
			T-Newsletter	Quarterly
			Stakeholder analysis	Once a year

6.2. Customer Satisfaction

Customer satisfaction and loyalty are key sustainability priorities for Tekfen. The Company views its customers as both business partners and long-term strategic stakeholders. Tekfen's customer satisfaction strategy is based on a service approach that fully honours its commitments and ensures consistent quality.

In 2024, Tekfen continued to strengthen its enduring business relationships with customers, guided by the principle of continuous improvement. Customer expectations and demands are closely monitored through regular satisfaction surveys conducted across the Group Companies, and areas for improvement are identified accordingly. By taking prompt and effective measures to address identified areas for improvement, customer satisfaction is maximised, and service quality is continuously enhanced.

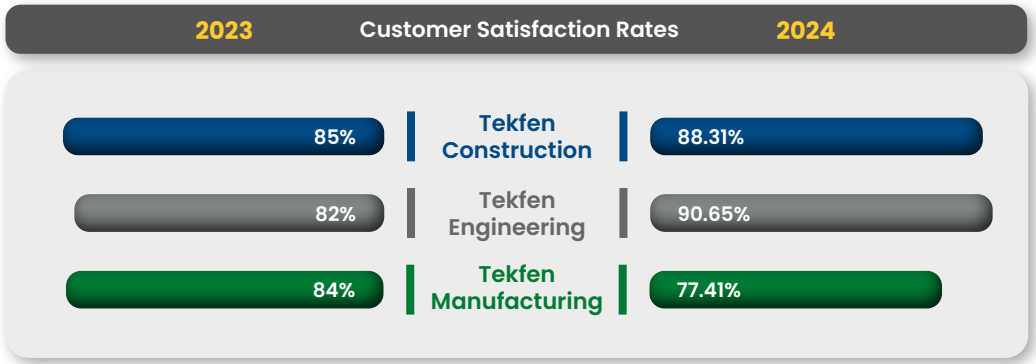
Encouraging the participation of all stakeholders to enhance the effectiveness of integrated management systems, the Engineering and Contracting Group has fostered a strong culture of collaboration with its customers to elevate Quality and Health-Safety-Environment (HSE) standards and support the continuous improvement of processes. With a customer-oriented management approach aimed at fully meeting customer needs, the Group conducts comprehensive surveys twice a year across its active projects to monitor satisfaction and enhance service quality. These surveys provide detailed insights into customers' expectations and needs and help identify areas requiring improvement. Data obtained from customer feedback is analysed meticulously and shared regularly with senior management.

Data-driven improvement strategies support the establishment of sustainable customer relationships by reinforcing the customer-oriented service approach, ensuring successful project completion, and maintaining the Group's leading position in the industry. The causes of decreases in customer satisfaction rates are analysed, necessary action plans are developed, and improvements are implemented accordingly.

In 2024, Tekfen Construction achieved a customer satisfaction rate of **88.31 percent**, based on the annual average of survey results. Among the Group Companies, customer satisfaction was **90.65 percent** for Tekfen Engineering, and **77.41 percent** for Tekfen Manufacturing.

Tekfen's customer-oriented approach extends beyond construction and engineering; it is also a core strategy for **Toros Agri**. Toros Agri, which has long met the needs of dealers and farmers through its regional sales network, sustained its effective communication activities in 2024, expanding its product and service range to support sustainability. The Company continues to enhance agricultural productivity by providing end users with higher quality products and services.

Consistently supporting farmers in line with its "where there is agriculture in Türkiye, there is Toros Agri" approach, Toros Agri was recognised in 2024 for the most successful marketing and public opinion survey of



the year for its comprehensive **"Toros Farmer Survey"**. The survey, covering agricultural product groups, land sizes, local characteristics, and production habits across Türkiye in 2023, was conducted with 1,501 farmers in 32 provinces across seven regions, providing up-to-date and holistic data on farmers' expectations and needs. The information gathered through face-to-face interviews served as the basis for the sustainability-focused development of the product and service portfolio. This valuable study received the Golden Owl Award in the **"Discoverers of the Unseen"** category at the 12th Owl Awards organised by the Turkish Researchers' Association (TUAD) in 2024, as well as the Platinum Owl Award, presented to the project most highly regarded by the jury. These awards demonstrate that Toros Agri is fulfilling its mission to provide sustainable, pioneering, and innovative solutions to the challenges faced by the industry.

Additionally, the "**Toros Agri Training Bus"** has been reaching farmers across every region of Türkiye on a scheduled basis since 2018. Specially designed to give farmers easy access to visual information, the bus delivers basic guidance on sustainable agriculture through teams of academic consultants and expert agricultural engineers. In line with the 4R Nutrient Stewardship principle (Right Source, Right Rate, Right Time, and Right Place), farmers are guided on correct and balanced fertilisation techniques to promote efficiency and environmentally responsible agricultural practices.

Embracing continuous improvement in customer relations, Toros Agri took a significant step towards digital transformation in 2024 by completing the Customer Relationship Management (CRM) project, aimed at enhancing customer satisfaction and loyalty while adding value to business processes. The project aims to achieve the following objectives through systems based on "Salesforce":

- Increase customer satisfaction and loyalty by enhancing the customer experience.
- Improve the quality of products and services by collecting and utilising customer feedback.
- Shorten the sales cycle by streamlining and accelerating sales processes.
- Enable sales teams to work more efficiently through mobile solutions and boost sales volume.
- Reach customers directly and effectively through personalised marketing campaigns.
- Establish data-driven marketing strategies and improve conversion rates.
- Increase operational efficiency by optimising business processes through automation and integration.
- Manage all customer relations on a single platform and enhance communication between teams.
- Support fast, accurate, and strategic decision-making through data analytics and reporting tools.
- Identify industry trends in advance using data-driven predictions and develop appropriate strategies.

The scope of the award-winning "Toros Farmer Survey" study...

7 regions

32 provinces

1,501 farmers

6.3. Supply Chain Management

As a core element of its sustainability strategy, Tekfen ensures that its suppliers and subcontractors comply with human and employee rights, as well as environmental and social responsibility principles. This approach is clearly outlined in the **Supply Chain Policy** and rigorously implemented across all Group Companies. Tekfen seeks to ensure that both its own operations and those of its business partners are conducted with the same sense of responsibility, establishing a transparent, ethical, and sustainable supply chain management system.

The Company manages its supply chain processes with a holistic approach, taking into account both the direct impacts of its activities and the indirect environmental, social, and economic impacts generated through its suppliers. By combining ethical, environmentally responsible, and transparent practices with innovative and competitive business models, Tekfen strengthens its supply chain through initiatives such as capacity building, training programmes, and joint development projects that support sustainable development goals.

Pursuing a sustainable procurement strategy, Tekfen Construction manages its relationships with all suppliers through interactive and participatory digital systems. The Supplier Management System (SMS) implemented in this context consolidates processes such as supplier records, self-assessments, e-offers, and e-tendering on a single digital platform. Before joining the system, which is accessible to companies worldwide, suppliers complete detailed surveys on compliance criteria. During this process, suppliers are provided with digital support and guidance to boost participation and reinforce Tekfen Construction's modern, transparent, and compliant procurement approach.

By integrating the sustainability approach across its entire value chain, Toros Agri took a major step in 2024 by implementing the Supply Chain Risk Management solution. The system aims to identify risks from an Environmental, Social and Governance (ESG) perspective across the supply chain and to monitor them within the supplier network. It systematically manages the analysis, mitigation, and ongoing monitoring of these risks step by step. This solution is expected to deliver key benefits, including ensuring operational continuity by detecting potential disruptions in advance and streamlining compliance and reporting processes. Integrated with the existing ERP (Enterprise Resource Planning) solutions, data analytics strongly supports instant risk analysis, compliance monitoring, and data-driven decision-making processes.

These digital infrastructure efforts enable risk management, while enhancing supplier performance, monitoring compliance with sustainability criteria, and increasing operational efficiency.

6.4. Product and Service Quality

The operational excellence approach is implemented through a multi-dimensional strategy, encompassing lean production, effective quality management, efficient resource use, and minimisation of environmental impacts.

In 2024, Tekfen continued aligning all its operations with industry best practices and quality standards. The Company preserved quality and efficiency at every stage by focusing on manageable turnover growth, sustainable profitability, and financial stability. Accordingly, the "downsizing to grow" strategy implemented in the Engineering and Contracting Group created a leaner, more agile structure with higher performance, while service quality was made more sustainable by focusing resources on the right areas.

Increasing synergy between Group Companies and integrating common functions has simplified and accelerated processes, enabling faster, more flexible, and higher-quality solutions to customer demands. Measures such as structuring overseas offices, enhancing organisational efficiency, and expanding digital systems have directly improved the quality-of-service processes.

Operating in the agricultural industry, the Agricultural Industry Group delivered innovative and sustainable solutions throughout 2024 using a solution partnership approach. As part of its "3D Transformation" strategy, it enhanced product quality and service value through initiatives in digitalisation, carbon emission reduction, and customer experience improvement.

Tekfen's approach to product and service quality is guided by technical competence, a commitment to ethical values, trust-based stakeholder relationships, and a strong sense of social responsibility. Accordingly, Tekfen continues to regard quality as a guarantee for both the present and the future.

In 2024, Tekfen continued aligning all its operations with industry best practices and quality standards.

6.5. Social Investments

Embracing social responsibility as a core aspect of its corporate identity, Tekfen implements systematic and sustainable projects in areas of social benefit, including education, healthcare, culture and arts, and environmental protection, through the Tekfen Foundation, established in 1999. Operating as a public interest organisation since 2004, the Foundation aims to build a better future by drawing inspiration from its founding partners. In this context, the Foundation makes valuable contributions to education, a fundamental need in Türkiye, and to culture and arts, a crucial element for social development. Tekfen Group Companies also participate in various social responsibility projects in line with their individual goals and priorities. As of 2024, a total of TRY 5,194,000 has been allocated to aid and donations.

Since its inception, Tekfen has focused on contributing to societal development, aiming to create shared value by prioritising the public interest in its projects. The projects implemented go beyond addressing social and environmental issues, serving as building blocks that reflect Tekfen's commitment to society and its sense of responsibility.

Total aid and donations of Group Companies in 2024:

TRY 5,194,000

Contribution to Education and Supporting Young Talents

The Tekfen Foundation regards supporting education as a fundamental mission for building a stronger, more hopeful future. In line with this, it provides non-refundable scholarships to high-achieving high school and university students in need of financial assistance. Having supported the education of over 3,000 students to date, the Foundation awarded scholarships to a total of 473 students in the 2024–2025 academic year, including 84 high school students and 389 university students.

Additionally, the Tekfen Foundation provides internship opportunities at Tekfen Group Companies to better prepare young people for professional life, and organises annual Scholarship Holders' Meetings to strengthen the connections among scholarship recipients. The event allows scholarship holders to meet one another and interact with Tekfen executives to exchange knowledge and experiences.

Launched in 2019, the Foundation's Music Scholarship Program supports classical music and fosters emerging talent, enabling young musicians to study at some of the world's most prestigious academies. In a separate partnership with Istanbul Technical University (ITU), the Tekfen Foundation co-selects three students each year under ITU's "Achievement Scholarship" initiative. These students have received continuous support since the 2022–2023 academic year and will continue to do so until graduation.

In 2024, the Tekfen Foundation continued its scholarship programmes, provided school aid, and offered institutional support to the Education Reform Initiative (ERG).

Through this comprehensive support in education, the Tekfen Foundation advances its goal of educating future leaders, scientists, and artists, while contributing to social progress and sustainable development.

Total number of students supported by the Tekfen Foundation scholarship to date

+3 thousand

Student receiving a scholarship in the 2024-2025 academic year

473

Microfinance Programmes

The Tekfen Foundation provides microloans to low-income women entrepreneurs to help them participate more actively in economic life and create alternative income sources. Launched in Soma after the 2014 mining disaster, the initiative has since expanded to Mersin and Bartın.

The programme helps women establish and grow their own businesses, supporting their personal development and strengthening their family economies. So far, 3,206 women entrepreneurs in Soma, Mersin, and Bartın have participated in production processes through microloan support. In 2024 alone, **722** women received support to start or expand their businesses.

Tekfen Foundation's microloan programme is more than a financing tool; it is an important social investment that fosters social development. So far, the Foundation has provided a total of **TRY 38,862,797** in microloans to women entrepreneurs through this programme. The Foundation continues its efforts to strengthen the role of women in economic life and support social sustainability.

Women Farmers Loan Project

Tekfen Foundation launched the Women Farmer Loan project in 2021 to support women's entrepreneurship in agriculture, extending its reach beyond city centres. The project, conducted in collaboration with the Waste Prevention Foundation of Türkiye (TISVA) and Toros Agri, aims to promote rural development through empowering women.

The project was launched as a pilot in the Aegean Region, with the Mediterranean Region added to the programme in 2023. Following the earthquakes in Kahramanmaraş in 2023, the programme was extended to include the Reyhanlı and İskenderun districts of Hatay province.

The Women Farmer Loan is a support model for women who wish to engage in agricultural production but have limited access to financial resources. The programme goes beyond providing financing, aiming also to enhance the knowledge and skills of women farmers through technical training delivered by Toros Agri's agricultural engineers, enabling them to produce more efficiently and sustainably.

In 2024, the Women Farmers Loan Project provided a total of **TRY 2,599,000** in support to **166** women farmers, **98 from the Aegean Region and 68 from Hatay**. Since the project's inception, a total of 662 women farmers have benefited from this initiative, with total loans amounting to TRY 8,191,500.

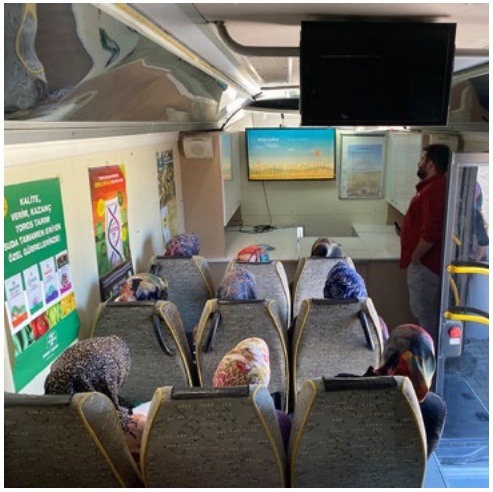
Number of female farmers supported in 2024

166

Amount of support provided in 2024

2.6

million TRY



Toros Farmers Academy

Toros Agri, which has supported farmers with agricultural productivity products since its establishment, aims to improve farmers' living standards through its focus on proper fertiliser use and training. Having provided farmers with free training and soil analysis for many years, Toros Agri launched the Toros Farmer Academy project in 2018 to promote sustainable agricultural practices.

The Toros Agri Training Bus, specially designed for this project, travels to agricultural regions across Türkiye, offering farmers training on correct and balanced fertiliser use and sustainable agricultural techniques. In 2024, the training bus held **75** events, with teams of academic consultants and expert agricultural engineers delivering comprehensive training to farmers and dealers in various districts and villages.

The Toros Farmer Academy makes a significant contribution to promoting sustainability and efficiency in agriculture by enhancing farmers' knowledge and practical skills.

The Toros Agri Training Bus visited 75 agricultural regions, providing farmers with training on the correct and balanced use of fertilisers.

Agricultural Techniques and Digital Marketing Project

Toros Agri launched the **"Agricultural Technique and Digital Marketing"** project in 2018 to help farmers maximise the use of technology and modern methods in agricultural production. The efforts carried out as part of this project focus on transferring technical knowledge to meet farmers' needs and on the effective use of digital tools.

Throughout 2024, the project team **visited a total of 4,101 dealers across Türkiye**, establishing close contact with stakeholders in the agricultural industry. Additionally, through **one-on-one interviews with 8,389 farmers**, comprehensive information and training were provided on key topics such as balanced plant nutrition management, leaf and soil sampling, product demonstrations, and the importance of zinc-enriched fertilisers.

As part of these activities, **29** meetings and presentations were organised, and **eight** drone demonstrations were conducted to raise awareness of methods to increase agricultural productivity. Drone technology provides the opportunity to collect rapid and precise data in agricultural areas while enabling effective assessment of plant health.

One-on-one interviews with farmers:

8,389

Dealer visit:

166

Project meeting and presentation:

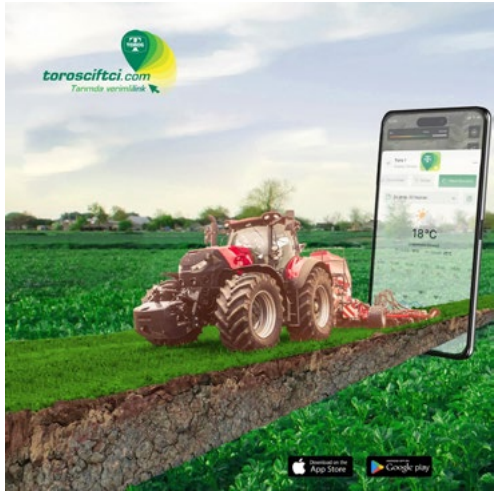
29

Number of users of the Toros Farmer application:

33,468

Drone activity:

8



Toros Farmer App

The **Toros Farmer** mobile application, described under "Sustainable Products and Services," is a pioneering initiative that exemplifies the integration of technology into agriculture and encourages farmers to adopt more conscious, efficient, and sustainable production methods.

Art and Culture

The Tekfen Philharmonic, which holds a prominent place in Türkiye's cultural and artistic landscape, fosters regional collaboration by supporting cultural diversity and reinforces the vision of sustainability through artistic production. With numerous major performances in 2024 under the direction of Aziz Shokhakimov, its Principal Conductor and Artistic Director, the orchestra continues to promote and sustain classical music.

In this context, the concerts held at Albert Long Hall as part of the "O da Tekfen" project, launched in 2022 in collaboration with Boğaziçi University, continued in 2024. Additionally, concerts were held at Notre Dame de Sion French High School as part of collaborations with various educational institutions, supporting young people's access to the arts. These multi-faceted activities of the Tekfen Philharmonic highlight the importance of culture and the arts in sustainable development, strengthen social ties through regional artistic collaborations, and make a significant contribution to passing cultural heritage on to future generations.

7

From Roots to the Future

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Tekfen develops innovative and environmentally friendly projects in engineering and agriculture through its R&D and innovation investments, while enhancing operational efficiency through digitalisation and artificial intelligence. By safeguarding its information assets with robust digital infrastructure and cybersecurity, the Group enhances customer experience and promotes sustainability in the supply chain through digital solutions.

Relevant Stakeholders

• Employees • Public Institutions • Suppliers and Subcontractors • Associations, Universities, Media and NGOs • Shareholders, Investors and Analysts • Customers, Farmers and Users • Business and Solution Partners (National and international collaborations and partnerships) • Dealers

7.1. R&D and Innovation

Tekfen's innovative approach and capabilities are underpinned by R&D and innovation activities carried out in alignment with its sustainability strategies. We regularly invest in innovative technologies to boost competitiveness, ensure customer satisfaction, and continuously enhance service quality. To this end, TRY 57 million has been allocated to R&D activities for 2024. The goal is to increase R&D investments in the development of low-carbon products by at least 25 percent by 2030.

R&D activities are conducted within the Engineering and Contracting Group and the Agricultural Industry Group. Within the Engineering and Contracting Group, R&D investments enhance efficiency in business processes and contribute to completing contracting projects more quickly and with fewer errors through digitalisation and automation. Innovative projects in the Agricultural Industry Group prioritise responding and adapting to climate change, protecting biodiversity and natural resources, promoting a circular economy, and managing water and wastewater effectively. Most of these projects are conducted in collaboration with a range of institutions and organisations. This approach allows Tekfen to develop solutions tailored to both current and future needs and supports its vision of building a sustainable future through practical measures.

In line with its "Bridging Prosperity" vision, Tekfen aims to expand access to safe, high-quality, and sustainable agricultural products through innovative farming practices. The company prioritises contributing to sustainable development and creating economic, environmental, and social value for all stakeholders, implementing production and full traceability systems in line with the "Sustainable Agriculture Principles" across all its production processes.

To promote the internal R&D culture and facilitate information sharing, the **Toros R&D Bulletin** and the **Innovative** innovation bulletin are published regularly, increasing employee awareness. Additionally, existing R&D achievements and projects are regularly shared with the public via **Toros Agri's website**.

Tekfen's innovative approach and capabilities are underpinned by R&D and innovation activities carried out in alignment with its sustainability strategies.

Toros Agri R&D Centre

Representing Toros Agri's science-based innovative approach, the R&D Centre was established in 2017 at the Mersin Production Facility as Türkiye's first R&D Centre dedicated to plant nutrients. Operating with the vision of enhancing agricultural productivity and supporting sustainable farming, the centre undertakes R&D projects in areas such as combating climate change, adapting to the Green Deal, improving production processes, and reducing environmental impacts. The centre contributes to the development of products not currently manufactured in Türkiye, aiming to boost domestic production, with a focus on energy efficiency, reducing nutrient losses, improving soil quality, and exploring circular economy opportunities. In this context, the Toros Agri R&D Centre continues to support the future of sustainable agriculture by developing collaborations with various institutions, universities, and research organisations at both national and international levels.

The R&D Centre continues its work with a dynamic team driving innovative research and development activities. The centre employs a total of 23 R&D personnel with a diverse range of academic backgrounds and professional expertise. This valuable team comprises one associate professor, three PhD holders, one PhD candidate, five researchers with master's degrees, one master's student, seven bachelor's graduates, two holders of associate degrees, and three technical high school graduates.

To date, the Toros Agri R&D Centre has successfully carried out 24 projects. Two of these projects were concluded with national and international support, and the resulting knowledge and experience further reinforced the sustainable agriculture approach. With 11 ongoing projects, the centre's innovation journey continues at full pace. Five of these projects are externally funded, while six are financed through internal resources.
The R&D Centre's pioneering work in science and technology aims to enhance the competence of the country's researchers and engineers while also providing sustainable solutions for the future.

As part of this approach, the Toros Agri R&D Centre placed strong emphasis on projects that support sustainable agriculture, develop environmentally friendly production technologies, and aim to enhance domestic production capacity in 2024. The budget allocated to R&D and innovation reached TRY 61.8 million, with TRY 38.1 million allocated directly to environmental projects.

Projects and Collaborations

Toros Agri R&D Centre develops projects, internally funded and/or externally supported, to promote the use of phosphogypsum, a by-product of phosphoric acid production, across various industries and reintroduce it into the circular economy. Industries with high phosphogypsum consumption are prioritised, including chemical fertiliser development, the cement industry and agriculture, with collaboration undertaken alongside leading institutions in each relevant industry. Doctoral dissertation studies focused on developing value-added products from phosphogypsum have been completed. Studies are also ongoing on alternative products using phosphogypsum as a raw material.

A research project on the use of phosphogypsum in the construction and cement industry was launched in collaboration with the cement sector. Studies on the purification and enrichment of phosphogypsum content have been conducted in line with industry requirements. Meanwhile, comprehensive greenhouse and field studies, conducted over three years, investigated the use of phosphogypsum as a soil conditioner in the reclamation of agricultural lands, both alone and in combination with various fertilisers, examining its impact on crop yield and its long-term effects on soil structure in detail. Preparations are underway to publish the project outcomes.

Tekfen also studies the use of effective plant nutrients in accordance with the principles of the Green Deal. In this context, the Fertiliser Development Project to Reduce Phosphorus Fixation aims to ensure effective phosphorus uptake in soil. Launched in 2020, the project seeks to increase plants' utilisation of phosphorus in fertilisers by using phosphate resources more efficiently and economically. As part of the project, the integration of additives to prevent phosphorus fixation into fertilisers is studied, along with the effects of these additive fertilisers on crop yield, farmer profitability, natural resources, and the sustainability of agriculture. In collaboration with Tekfen Ventures and Phospholutions, a soil technology company, polymeric coating agents and additives are being incorporated into the phosphate fertilisers produced by Toros. Greenhouse and field trials of the resulting products are then conducted to assess their impact on agricultural productivity and phosphorus use efficiency. The project aims to develop two new products, confirm their manufacturability, and ensure effective phosphorus use by testing their performance in the field in Türkiye.

Budget allocated for R&D and innovation in 2024

61.8

million TRY

The portion allocated to environmentally focused projects

38.1

million TRY

Studies are ongoing to develop a fertiliser with a controlled or slow-release mechanism as an alternative to urea fertiliser, which will also support effective plant nutrition and contribute to the reduction of Scope 3 emissions.

Another ongoing project focuses on a high-nitrogen organomineral fertiliser, developed using organic materials derived from composted biogas plant waste to support the circular economy. As part of the project, registration applications were submitted for three different formulations. R&D field trials were established to evaluate the effects of these products on crop yield. Additionally, a TAGEM project is underway, examining the effects on crop yield of NP compound fertilisers produced using compost from biogas plant waste, in collaboration with the Bahri Dağdaş International Agricultural Research Institute and Çukurova University.

A project is also underway to coat fertilisers with environmentally friendly materials to preserve their physical properties after production and maintain their quality during storage. In the project conducted in collaboration with Mersin University and TÜBİTAK, three scholarship recipients participated as part of the **TÜBİTAK 2244 – Industrial PhD Fellowship Programme**. One PhD student has graduated, while two others are still completing their dissertations. The project conducts basic research for the industry and contributes to the vision of sustainable agriculture.

Based on the results of 8 field trials conducted in 2024, registration applications were submitted for 4 different products.

The Centre carefully conducts both internally funded and externally supported research projects. In 2024, Toros Agri continued its participation in the TÜBİTAK 2244 – Industrial PhD Fellowship Programme, with **ongoing research on anti-caking agents, slow-release nano-fertilisers, and the reuse of phosphogypsum**. The R&D Centre aims to enhance the experience and expertise of its researchers. As part of this programme, TÜBİTAK provides employment support for two researchers who have completed their PhDs.

Moreover, the "Sustainable Agricultural Technologies Platform Compatible with Global Climate Change in Türkiye's Agricultural Production" (S-ATP) is one of 20 high-tech platforms selected for support under the TÜBİTAK 1004 – Centre of Excellence Support Programme. The platform is coordinated by Erciyes University. Within this valuable platform, project activities continue in partnership with Çukurova University and Erciyes University under the sub-project titled "Development of Agriculturally Important Microorganisms," which focuses on developing microbial fertilisers, paving the way for sustainable agricultural technologies. The projects undertaken by the R&D Centre play an important role in Toros Agri's sustainable agriculture goals.

In addition to nationally supported studies, collaborations are being developed and project initiatives undertaken with various international consortia to advance sustainable agricultural activities.

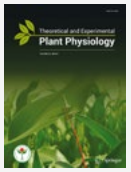
Eight field trials conducted in 2024 aimed to increase agricultural productivity by implementing innovative sustainable farming practices. Based on the results, registration applications were submitted for four different products. The registration of these products strengthens the goal of delivering new and innovative solutions to the domestic agricultural industry.

The development and refinement of fertilisation methods through these projects increases farmers' productivity and represents a significant step toward achieving environmental sustainability. The work carried out by the R&D Centre contributes to building the technological infrastructure needed to support local agriculture and produce healthier food. These innovative approaches also pave the way for developing solutions to address major contemporary challenges, such as climate change.

Accordingly, the Toros Agri R&D Centre aims to make significant contributions to the sustainable development of the agriculture and food industry while continuing its scientific and technological research.

Scientific Publications and Academic Contributions

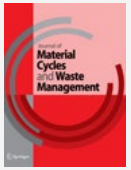
In 2024, the Toros Agri R&D Centre made significant contributions to scientific publications through its projects. During the year, **16 publications were submitted to international peer-reviewed journals, 10 of which were published within the same year**. The published studies are primarily based on experimental research and scientific findings from R&D projects conducted under the TÜBİTAK 2244 Programme. Additionally, **five studies on various topics were presented at international conferences**, with their abstracts published during the year.



"An Overall Review on Influence of Root Architecture on Soil Carbon Sequestration Potential", ***Theoretical and Experimental Plant Physiology***

"Exploring the Link Between the Gut Mycobiome and Neurological Disorders", ***Advanced Gut & Microbiome Research***

"Investigating Medicinal Plants for Antimicrobial Benefits in a Changing Climate", ***International Journal of Secondary Metabolite***



"Development of Industrial Waste Management Approaches for Adaptation to Circular Economy Strategy: The Case of Phosphogypsum-derived Hydroxyapatite", ***Journal of Material Cycles and Waste Management***

"Sustainable Transition in the Fertilizer Industry: Alternative Routes to Low-carbon Fertilizer Production", ***International Journal of Environmental Science and Technology***

You can learn more about similar R&D projects under **"Reacting and Adapting to Climate Change"**, **"Circular Economy and Waste Management"**, **"Product and Service Quality"** and **"Protection of Biodiversity and Nature"**.

Other studies

Another key aspect of R&D activities is the development of plant nutrition products that both enhance agricultural yields and support food safety. Toros Agri has developed zinc- and boron-enriched fertilisers for different soil and plant types and has registered special formulations for crops such as sunflower, olive, and tea. The products that have completed field trials are now available on the market.

Through the collaborative work of the PG Working Group—comprising representatives from the R&D Centre, relevant operational units, and facility leadership—and supported by academic and institutional partnerships, the phosphogypsum by-product was officially registered as a soil conditioner under the name Toros Calcium Sulphate. Field applications showed that the product contributed to higher grain yields and increased farmer profitability through lower costs.

These technology-focused approaches are also evident in the commercialisation process and the creation of intellectual property rights. Since its establishment, the R&D Centre has filed 14 patent applications and 14 utility model applications, three of which have been registered. Farmer and dealer feedback is regularly assessed during the product development process, with user experience prioritised at all stages, from laboratory studies to market release. This approach results in scientific innovations as well as practical products that are in demand.

10

international scientific publications from R&D projects

Tekfen Agri Agripark R&D Centre

The Tekfen Agri Agripark R&D Centre employs 19 experts, including two PhD holders, one PhD candidate, five with master's degrees, and 11 with bachelor's degrees. The centre focuses on developing sustainable agricultural technologies that will shape the future of Turkish agriculture and produces innovative solutions to add value to the industry. The centre's studies in key areas such as **potato seed production**, **wheat breeding**, and **seed registration and certification** are supported by the production of disease-free, high-yield seeds and saplings.

Specialising in field crop breeding, the centre focuses on innovation projects designed to enhance product quality and production efficiency. The centre's priorities include developing **national and international** collaborations, promoting patent studies related to **intellectual property rights**, and supporting the commercialisation of agricultural R&D activities. To date, 12 projects have been successfully completed. By integrating science and technology into production, Agripark continues to make innovative contributions to the agricultural industry.

Of the 12 ongoing projects at the Agripark R&D Centre, six are externally supported, including one international and five national projects.

7.2. Digital Transformation

Tekfen Holding views digital transformation not merely as a technological process but as a strategic step that leverages the strength of its roots to shape the future and support corporate efficiency and sustainability. The year 2024 marked a year of transformation for all Group Companies, with the strengthening of digital infrastructure, the expansion of next-generation technologies, and the shift to data-driven decision-making processes. Digitalisation is regarded as a multi-dimensional approach aimed at optimising operational processes and strengthening corporate governance through artificial intelligence, data analytics, and innovative solutions. In this context, the Company aims to complete its corporate digitalisation efforts by 2028.

Throughout 2024, the Group has strengthened organisational alignment and sustainability by implementing secure, integrated, and innovative management approaches, particularly through the standardisation of ERP and software systems across all companies. The core focus areas of Tekfen's digital transformation strategy include:

Tekfen Holding supports the efficient operation of its Group Companies and adds value to their products and services through digital practices.

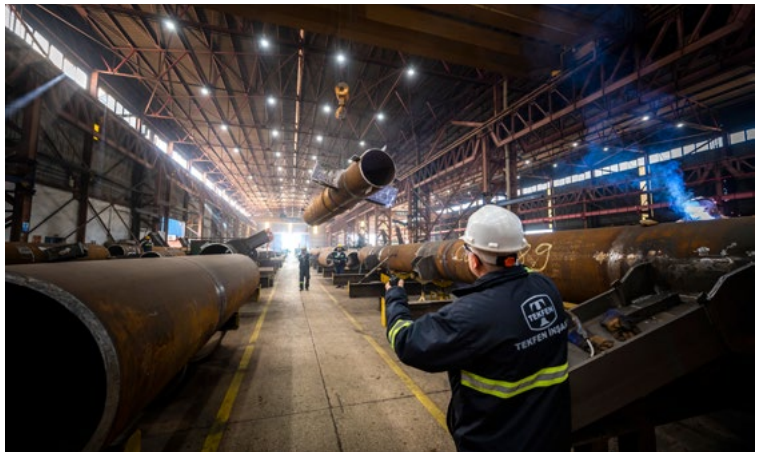
Tekfen Holding

In 2024, Tekfen Holding continued its intensive efforts to advance digital transformation, enhance technological infrastructure, raise cybersecurity standards, and improve the efficiency of corporate business processes. These transformation activities across the Group strengthened consolidation between companies, improved operational efficiency, and supported budget management.

Other key practices implemented across the Group can be summarised as follows:

- **Cyber Incident Response Structuring:** Cyber Incident Response Team was restructured to operate 24/7, and incident response procedures were further strengthened.
- **Cyber Security Infrastructure:** Necessary technological infrastructure investments were made to monitor the resilience of Group Companies against cyber threats.
- **Organisational Application and Reporting Developments:** Comprehensive improvements were made in Human Resources, finance, procurement, and budgeting functions, **with automation levels increased through integration with RPA (Robotic Process Automation) and artificial intelligence**.
- **AI Assistant:** Launched as a pilot to support faster adaptation to digital transformation within the organisation, the AI Assistant helped employees work more effectively with digital tools.
- **Disaster Recovery Centre:** A Disaster Recovery Centre, fully compatible with the main data centre, was established to ensure the uninterrupted operation of critical systems. Business continuity was ensured through the integration of the Disaster Recovery Centre, enabling synchronisation between the Istanbul and Adana data centres and cloud systems.

  By enabling digital decision-making mechanisms, the need for physical travel between countries and locations was reduced, contributing to a lower carbon footprint.
- Network infrastructure was upgraded across all Group companies to ensure high-speed connectivity, improving data flow and overall user experience.
- Tekfen Holding's Human Resources Training Unit collaborates with department managers to plan **annual training** for all employees, with assignments carried out systematically.



Thanks to RPA and process integrations, time savings of up to 90 percent were achieved, with an average annual gain of 15,000 person-hours across the Group.

Engineering and Contracting Group

The Engineering and Contracting Group implements numerous technological infrastructures and applications in line with its digital transformation vision, undertaking extensive projects aimed at operational excellence, sustainability, and process efficiency.

The Innovation and Process Improvement Board is a functional body that evaluates information technology projects, R&D decisions, improvement initiatives in construction, mechanical, modernization, production, and robotics, and the Company's technology-related investment decisions. Working towards tangible and applicable investments, the Board evaluates new project requests and the progress of ongoing projects, while coordinating with business units.

In this context, significant achievements have been made in the following key areas:

Decision Support and Reporting Systems

- Tekfen Construction, Manufacturing, and Engineering infrastructures were consolidated to enhance efficiency and achieve significant cost savings.
- A unified monitoring platform was established to oversee operations across both headquarters and sites.
- A total of 6,672 systems, hardware, and software assets were recorded across headquarters, sustainability operations, and factories in the relevant fields and regions.
- All technological assets of the companies were made traceable.
- Endpoint security was strengthened, and system vulnerabilities were minimised through centralised management.

Process Automation and Tekfen Robotek

- Tekfen Robotek's infrastructure was designed to integrate **RPA (Robotic Process Automation)** technology with digital platforms, including Microsoft Teams, WhatsApp, and WebBot. This structure has enabled the automation of repetitive processes in many departments, including Human Resources (timekeeping), Information Technologies, Operations, and Financial Affairs (contracts, progress payments, and payments). Thanks to the widespread use of the RPA infrastructure, a field project that processes 500–600 payment transactions daily reduced its manual processing time from 5–6 hours to just 20 minutes through automation.
- The corporate ChatGPT infrastructure was also integrated with robotic processes, automation with natural language processing support was developed, user

interaction was accelerated through chatbot-based applications, and alert-tracking mechanisms were implemented.

- For the first time, a mobile version of T-Suite was developed entirely in-house and deployed across the organisation. The integration of the T-Suite Timesheet module aimed to ensure that engineering personnel record their hours across different platforms, with processes unified by linking T-Suite systems to the Oracle EBS leave module.
- As part of the infrastructure transformation efforts, application databases were consolidated on a central server infrastructure, balancing system load and achieving significant savings in licensing costs. This centralised structure provides a more reliable and streamlined framework by standardising data access, while also enabling more efficient management of integration processes with next-generation technologies.
- In the evaluation process initiated to enhance the effective use of Oracle ERP and software infrastructure, incompatibilities between existing business processes and the system are identified, and factors hindering the system's efficient operation are revealed. Based on the findings, change management is supported, and the most suitable structure is designed for the Contracting Group. These activities are carried out by a committee comprising all business units, and research and development for system adaptation is ongoing.

Integration of Artificial Intelligence and Corporate Information

- In-house documents were uploaded to the artificial intelligence system, initiating the learning process. The speed and accuracy of information access were improved using natural language processing technologies.
- The AI-supported Q&A interface, hosted on in-house servers, was integrated with various language models. The infrastructure was designed to enable data exchange with systems used in existing business processes. This allows users to access all systems through a single interface and easily retrieve the information or reports they need.
- Updated data models were uploaded to the system, and user-friendly interfaces were developed, enabling file uploads and automatic responses to relevant questions within documents.

Sustainability and Process Standardisation

- Digital processes carried out through ERP systems were compared with manual business processes, and initiatives were launched to measure the level of sustainability-focused digitalisation based on these comparisons.
- Process standardisation is carried out systematically with the relevant business units, taking into account the regulations applicable in different countries and project locations.
- In this way, business processes within the Contracting Group have been simplified across departments, reducing workforce requirements and creating a more efficient working model.

Enterprise Resource Planning (ERP) and Technological Updates

- Construction and infrastructure projects were integrated into the **Enterprise Resource Planning (ERP)** system, enabling holistic management of company resources and simplifying project management processes.
- The Oracle platform, an international enterprise software solution used in the ERP infrastructure, was migrated to the ODA 9 system to support business continuity, and the database was upgraded to version 19c, the latest release.
- User-friendly data entry forms and dashboards based on Oracle APEX for mobile phones and tablets, developed entirely in-house, have enabled business units to manage processes more efficiently.
- Decision-making processes were accelerated by digitalising the proposal and committee tracking processes on Oracle APEX.

- The T-Suite Timesheet module was introduced for engineering teams' person/hour entries. Additionally, integration between the Oracle EBS leave module and T-Suite was completed, providing a centralised and streamlined structure for Human Resources leave procedures.

Sectoral Practices and Integrations

- Digital transformation projects were implemented in processes specific to the contracting industry, including proposals, recruitment, planning, project execution, and cost estimation.
- The CMS (Construction Management System), which provides end-to-end digital tracking of planning, production, shipment, and assembly processes in steel construction projects, was developed and integrated with quality control systems.
- Piping processes were digitalised, and quality control procedures were systematically structured.
- Quality management processes based on employer requirements were transferred to the digital environment, simplifying and speeding up control and reporting procedures.
- The upgraded desk reservation system enabled more efficient and sustainable use of physical workspaces. Supporting the hybrid working model, the system prevented resource waste and reduced the organisation's carbon footprint.

Managerial Decision Support Systems and Business Intelligence

- Business Intelligence (BI) solutions were used to create dashboards that support managers in strategic decision-making processes. The system is continuously improved.
- The "Package Budget Management Module," developed to optimise procurement and budget management processes, is now actively used in the Contracting Group's C-Construction projects. This enables control of project cash flow through planned procurement and timely supply, reduces idle stock risk, and achieves cost advantages through bulk purchasing.

Corporate Legal and Security Monitoring Systems

- With the developed e-Legal module, Board decisions, power of attorney requests, and similar official processes were moved to the digital environment.
- Thanks to the HSE (Health, Safety, Environment) digital tracking module, incident, accident, and near-miss notifications from all locations are digitally monitored, and necessary actions are taken promptly through consolidated reports.

Dissemination and Project Management Approach

- In addition to IT projects, Tekfen's Business Solutions, Software, and Infrastructure Technologies Units execute an average of 60–70 digital projects each year through R&D, dissemination, and interdepartmental collaboration, following the project management methodology. This approach ensures that digital transformation extends beyond technological infrastructure to encompass the sustainable, measurable, and integrated management of business processes.

By enhancing system access and reporting speed for nearly 600 ERP users, decision-making processes were accelerated, and user efficiency and satisfaction were improved.

A systematic training approach is implemented to develop employees' technical and digital skills in order to support digitalization processes, and a comprehensive training plan is created for employees at the beginning of each year.

Agricultural Industry Group

In 2024, all information technology activities were aligned to support the **3D Transformation (Decarbonisation, Decentralisation, Digitalisation)**, a central pillar of the Agricultural Industry Group's corporate strategy. As part of this strategy, holistic and compatible projects are implemented in carbon reduction, decentralised business models, and digitalisation, aiming to enhance customer and employee experience, achieve operational excellence, optimise assets, and minimise risks through technology integration. The Information Technologies strategy is defined as a sustainable, lean, flexible, agile, scalable, and customer-focused framework, adopting an innovative and learning organisation model that enhances business processes through a proactive and participatory approach. In this context, it provides solutions tailored to the needs of the Agricultural Industry Group.

Integration between business units in digital transformation processes plays a crucial role in enhancing efficiency and sustainability. Close collaboration between IT teams, structured specifically for each business unit, and process owners ensures the effective execution of digital projects. Thanks to project management and communication tools, task distribution, time planning, and progress monitoring are conducted systematically. This structure improves the success rate of transformation projects by strengthening coordination between units.

Key highlights from the year include:

- **Customer Relationship Management (CRM) Project:** The Salesforce, Sales Cloud and Service Cloud platforms were fully configured and integrated to enhance the customer experience, boost satisfaction and encourage loyalty. Centralising customer data and enabling swift access via the Salesforce platform facilitates more effective and personalised engagement, while also streamlining lead tracking, opportunity management and sales forecasting.

The platform's advanced data analysis and reporting capabilities enable a deep understanding of customer behaviour, support strategic decision-making processes and offer a competitive advantage. As part of the project, sales teams were supported in working more efficiently with mobile processes by enhancing products and services based on the collection and evaluation of customer feedback. The objective was to enhance sales processes, reduce the sales cycle, expand direct customer access through personalised marketing campaigns, and boost conversion rates using data-driven marketing strategies.

- **AGRI-Tech Pre-Incubation Programme:** The AGRI Tech Pre-Incubation Programme, sponsored by Toros Agri, supports entrepreneurs developing sustainability-focused digital solutions in agriculture and promotes the transformation of innovative ideas into projects within the agricultural sector. The aim of the programme, which supports participants through mentoring, training, access to investors and more, is to award **USD 6,000 in seed capital** to the first three successful start-ups.
- **Qlik Sense Application:** Qlik Sense, a data analytics, visualisation and decision support tool, was implemented across production, sales and shipping data sets. Providing rapid analysis of large and complex data sets, the platform enhances decision-making processes and enables comprehensive, holistic insights by integrating data from multiple sources rather than relying on manual reporting.
- **Supply Chain Risk Management with Sphera:** The Sphera Supply Chain Risk Management (SCRM) platform, which facilitates the identification, assessment and prioritisation of potential risks across the supply chain, was launched. This has improved both operational efficiency and transparency across the supply chain. In addition, anticipating potential disruptions has enabled swift responses to risks.
- **Product Traceability with GTS:** The GTS Fertiliser Tracking System was fully integrated with SAP's production, shipping and logistics modules, leading to a reduced manual workload and cost savings in batch number and barcode printing and enhanced end-to-end product traceability.
- **Fiori Application:** The mobile Fiori application was launched to handle credit card refunds more swiftly and efficiently. With this innovative application, refund transactions can be conducted in a controlled and straightforward manner, with processing times reduced due to fewer manual interventions. In-house integration and real-time data tracking help reduce team workloads and enable quicker response times for customers.
- **Mobile Vehicle Tracking Application:** A mobile application for tracking shipping vehicles was deployed, with real-time insights into route progress, stop durations and estimated delivery times. This approach enhances efficiency in logistics operations and helps prevent potential delays.
- **Digitalisation of Maintenance and Repair Processes:** Approval workflows for maintenance and repair progress payments were designed and digitised through the SAP system, enhancing efficiency and traceability across business processes. Additionally, process transparency and auditability were improved through the system's logging and detailed reporting of maintenance order change records. This transformation has supported safer and more controlled management of maintenance processes.
- **Export Payments Tracking System and Process Automation:** A digital application was introduced to track the entry of export payments into the system according to their due dates, alerting users to any missing or overdue entries. The system enhances financial process control and legal compliance by ensuring export transactions are completed in a timely manner. Meanwhile, through RPA and process integration, tasks such as payments, progress claims, accounting entries, payroll, timekeeping, approvals and reporting were automated. This resulted in an estimated annual labour savings of 15,000 person-hours across the Group.

Annual labor savings achieved through RPA and process automation:

15

thousand person/hour

- **Automated Email System for Import-Related Vessel Notifications:** An automated email system for import-related vessel notifications was developed and deployed. This way, dozens of emails that were previously sent manually are now automatically forwarded by the SAP system, resulting in significant labour savings. By eliminating manual operations, employees were able to focus on strategic tasks, while process speed increased, and error rates declined.
- **Vendor Letter of Guarantee Maturity Reminder:** An automatic maturity reminder was implemented for vendor letters of guarantee. The application supported the orderly and effective management of financial processes by preventing disruptions in maturity dates. By minimising potential delays and risks, financial discipline was enhanced, process transparency and traceability were improved, and interdepartmental communication and coordination were strengthened.

Meanwhile:

- An application enabling the weekly automatic and controlled issuance of outgoing e-invoices was commissioned, reducing manual errors and accelerating processes.
- The server infrastructure was renewed, capacity and performance were increased, RAM and storage were expanded, and uninterrupted service was ensured through a redundant work system.
- Data backup systems were updated, and security and performance were enhanced through the integration of backbone switching and firewall devices.
- Optimisation of virtualisation and licensing significantly reduced costs based on the number of CPUs, cores and users.
- Network infrastructure improvements enhanced performance and security, reduced access times, and increased data transfer speeds.
- Tracking and managing IT assets became easier following the deployment of a new inventory programme.

Alanar Alansis Traceability Platform

The Alanar Alansis Traceability Platform enables digital tracking of the process from fruit production to the final consumer through the use of QR codes. Every product labelled at harvest becomes traceable throughout the production, storage and shipping processes. This approach optimises resource usage (such as water, fertiliser, and pesticides), while reducing waste and losses. The traceability system also helps reduce energy consumption and carbon emissions by enhancing the efficiency of logistics processes. By providing transparent product information to consumers, the system also promotes the adoption of sustainable and environmentally friendly production practices.

Vendor Portal

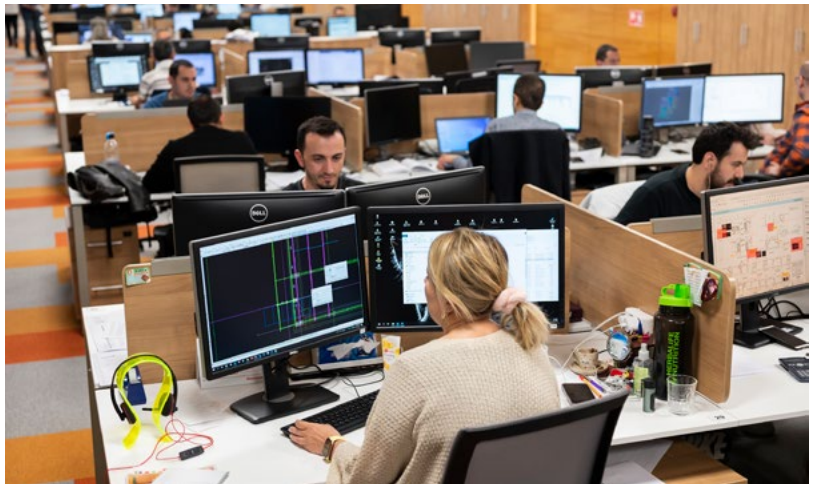
The vendor portal operates within a B2B framework and is supported by SAP, incorporating dealer user management as well as region and customer representative integrations. Financial transactions were streamlined through bank integrations for credit card collections, while user engagement was enhanced via modules for announcements, communication, surveys, and suggestions or complaints. The modern interface enables dealers to manage operational processes more efficiently, leading to reduced resource consumption. The new version of the portal received positive feedback for its improved user experience.

Additionally, the **Toros Farmer** app developed by Toros Agri provides farmers with precise agricultural information through digital technologies and supports more efficient resource use. Detailed information about the application's features and sustainable benefits is available under "**Sustainable Products and Services**".

Data Security and Confidentiality

Throughout 2024, Tekfen undertook extensive information security initiatives to safeguard its digital infrastructure and ensure the sustainable protection of its information assets. During the year, efforts aligned with the **ISO 27001:2022 Information Security, Cyber Security and Privacy Protection** standard were successfully completed, reinforcing both the technological infrastructure and digital service processes. The effectiveness of user support services improved significantly, with the IT Help Desk team resolving nearly 14,000 support requests throughout the year in line with established service level agreements. This contributed meaningfully to operational continuity and user satisfaction. Key data security and privacy initiatives implemented by Tekfen in 2024 included the following:

- To enhance cyber security maturity, cyber intelligence services were deployed to monitor current threat data, and capacity was reinforced to safeguard information assets.
- Employees received regular information security training, and cyber resilience was strengthened through social engineering simulations.
- The Data Loss Prevention Policy was revised, and the infrastructure was reinforced to ensure secure internet access.
- Security incidents are monitored using the SIEM (Security Information and Event Management System), and a 24/7 outsourced Security Operations Centre (SOC) service provides continuous intervention.
- System access for authorised users is controlled and logged using “Privileged Access Management” (PAM) solutions.
- Threats at endpoints are promptly identified and mitigated using “Endpoint Detection and Response” (EDR) systems.
- The leakage of critical data is prevented through the use of “Data Loss Prevention” (DLP) solutions.
- DNS security applications protect against domain-based attacks and ensure secure internet access.
- All employees participate in ongoing training programs to maintain and enhance information security awareness.



Engineering and Contracting Group

The Engineering and Contracting Group employs a multi-layered cybersecurity architecture to safeguard data against cyberattacks. Network security is ensured through industry-leading solutions, with external threats filtered by advanced firewalls and user authentication and access controls managed using modern systems. Security vulnerabilities in critical systems are identified through penetration test findings, necessary improvements are implemented, and all security components are continuously monitored via central management platforms. Deceptive environments and advanced threat simulations enable early detection of potential attacks and facilitate rapid intervention.

Advanced threat detection and response solutions are deployed at endpoints, while comprehensive security software safeguards systems on the server side. Data loss prevention solutions are active, and clients are managed through centralised device management tools. Connections are secured using multi-factor


FNN Sustainability Center, Ceyhan

authentication and certificate-based security protocols. Digital activities are logged using advanced SIEM systems and analysed by the outsourced **Security Operations Centre (SOC)**, which operates 24/7.

The effectiveness of IT infrastructure and processes is regularly assessed by independent audit firms including Deloitte, PwC, Ernst & Young and BDO, enhancing system security, operational efficiency and governance practices. The **Jira ITSM system** was implemented to enhance process traceability. Additionally, Authorised Economic Operator (AEO) audit processes were successfully completed, strengthening supply chain security.

Advanced access management systems are deployed to control and secure third-party consultant access. All access is logged and made auditable to ensure traceability and compliance. The main data centre in Istanbul is linked to a backup data centre in another city, supported by an instant backup system to ensure business continuity and data integrity. Remote access is enabled via encrypted tunnels. User authorisations are restricted, and only approved software is permitted.

This robust digital security infrastructure protects against threats while contributing to environmental sustainability through energy conservation and efficient resource use. Effective use of cloud technologies reduces the need for physical hardware, with system and software updates carried out automatically via central management tools. A secure and integrated remote working infrastructure reduces reliance on office resources and supports an environmentally friendly IT environment aligned with flexible working models.

Agricultural Industry Group

The Agricultural Industry Group implemented a comprehensive, multi-layered cybersecurity framework to safeguard data across its operations. The **Data Loss Prevention (DLP) System** was activated to ensure the protection of critical information, and vulnerability scanning tools were deployed to address the system vulnerabilities and deficiencies in the **Security Operations Centre (SOC)** structure.

Advanced security software was integrated into all employee devices, strengthening protection against malware, phishing attempts and related threats. Web security tools provide proactive defence through frequent updates and advanced analysis algorithms. These systems are designed to build a resilient structure capable of withstanding both current threats and emerging risks.

For infrastructure, next-generation firewalls were deployed with redundant configurations and broad license coverage, and **DDoS Attack Prevention Systems** were activated. **User and device authentication** was provided with the 802.1x protocol in the network structure, and **XDR solutions** were deployed to counter endpoint threats. Remote access security was strengthened, and VPN connections are now secured with **two-factor authentication**.

Web applications are isolated from the Company's core infrastructure and managed under the protection of a **Web Application Firewall (WAF)**. All configuration and data backups are stored in central systems, with logging processes conducted in compliance with Law No. 5651. For disaster recovery, the live SAP database is backed up across multiple geographical regions within national borders to maintain system continuity and ensure data integrity.

This holistic approach enabled the Agricultural Industry Group to achieve high information security standards and reinforce its digital infrastructure securely and sustainably, reducing operational risks.

8

Attachments

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8.1. Methods of Communication with Stakeholders

METHODS OF COMMUNICATION WITH STAKEHOLDERS				
Group	**Significance for Tekfen**	**Value Created for Stakeholders**	**Communication Method**	**Frequency**
Employees	Tekfen places its employees at the core of its sustainability strategy, embracing a people-oriented approach that recognises them as its most valuable asset. The company is committed to fostering an inclusive and equitable corporate culture that upholds human rights and ensures a safe, fulfilling, and developmentally supportive work environment for its employees.	• **Career and Development:** Continuous training, leadership development, and rotation opportunities are offered to enhance employees' skills and competencies. • **Fair Compensation and Fringe Benefits:** Transparent and equitable remuneration policies are in place, complemented by competitive fringe benefits and social support packages. • **Working Conditions:** An inclusive, healthy and safe working environment is maintained with due regard for ethical principles. Occupational health and safety (OHS) standards are continuously enhanced in alignment with international norms. Diversity and inclusion policies are enacted to ensure equal opportunities and cultivate a corporate culture that benefits from individual differences. • **Participation and Communication:** Employee involvement in decision-making is actively encouraged, supported by a feedback culture fostered through open communication channels. • **Employee Satisfaction and Welfare:** Work-life balance is prioritised, employee satisfaction is monitored regularly, and improvement actions are implemented accordingly.	Information mailings	Continuous
			Corporate websites	Continuous
			Field visits, trainings, workshops and events	Continuous
			Internal customer survey	Annually
			Sustainability reports	Annually
			Quarterly reports	Quarterly
			T-Newsletter	Quarterly
			Stakeholder analysis	Once a year
Public Institutions	Public institutions are key stakeholders in defining compliance obligations, guided by legal regulations, national and international agreements, principles, frameworks and published reports. The Company conducts its operations in alignment with its sustainability goals, supported by ongoing communication and collaboration with public institutions.	• **Legal Compliance:** All activities are conducted in full compliance with national and international legal regulations, environmental legislation, occupational health and safety standards, and sector-specific requirements. • **Reporting and Transparency:** Regular reporting is conducted in accordance with reports, directives and regulations issued by public institutions, ensuring accountability through transparent, accurate and timely information sharing. • **Risk Management and Proactive Compliance:** Regulatory changes are closely monitored, and potential non-compliance risks are proactively managed to safeguard both the company and the public. • **Collaboration and Participation:** Policy development is supported through active participation in consultation processes and sector dialogue mechanisms organised by public institutions. • **Social Benefit and Cohesion:** Social, environmental and economic contributions are made in accordance with the priorities of public institutions, positioning the Company as a dependable stakeholder committed to serving the public interest.	Meetings and conferences	When required
			One-on-one interviews	When required
			Corporate websites	Continuous
			Quarterly reports	Quarterly
			Sustainability reports	Annually
			T-Newsletter	Quarterly
			Stakeholder analysis	Once a year
Suppliers and Subcontractors	This stakeholder group plays a vital role in advancing Tekfen's goals. Building robust supply chain partnerships and upholding quality standards are essential to achieving Tekfen's strategic objectives.	• **Quality and Product Safety:** Ensuring a sustainable and reliable supply of products and services • **Ethics and Human Rights:** Building trustworthy stakeholder relationships based on fair trade principles and a steadfast commitment to respecting human rights • **Responsible Production:** Designing environmentally sustainable production processes	One-on-one interviews	Continuous
			Corporate websites	Continuous
			Audits and trainings	Daily
			Quarterly reports	Quarterly
			Sustainability reports	Annually
			T-Newsletter	Quarterly
			Stakeholder analysis	Once a year
Associations, Universities, Media and NGOs	Tekfen advances social impact, innovation and sustainable development through collaboration with non-governmental organisations, academic institutions, media and professional associations.	• **Social Investments:** Implementing social responsibility projects and contributing to social welfare • **Innovation and R&D:** Developing innovative solutions through collaborative projects • **Sustainable Agriculture and Impact:** Transitioning to sustainable agricultural practices and raising awareness • **Equality and Diversity:** Supporting inclusive policies • **Talent Development:** Nurturing and empowering young talent • **Ethics and Human Rights:** Promoting common standards and fostering ethical practices	Collaborations	Continuous
			Corporate websites	Continuous
			Participation in meetings and working groups	At least once a month
			Press releases, fact sheets, newsletters and press conferences	When required
			Social media accounts	Continuous
			Seminars and conferences	At least once a month
			Strategic collaborations	When required
			Quarterly reports	Quarterly
			Sustainability reports	Annually
			T-Newsletter	Quarterly
			Stakeholder analysis	Once a year

METHODS OF COMMUNICATION WITH STAKEHOLDERS

Group	Significance for Tekfen	Value Created for Stakeholders	Communication Method	Frequency
Shareholders, Investors and Analysts	Transparent and comprehensive communication of its value creation model, business strategy and performance is strategically vital for Tekfen.	• **Economic Contributions:** Creating long-term value and delivering sustainable profit • **Quality and Product Safety:** Maintaining high standards across operations and products • **Ethical Principles and Human Rights:** Fostering a responsible business culture • **Circular Economy:** Applying circular economy principles through sustainable resource use • **Innovation and R&D:** Developing new business models and low-carbon solutions	General assembly meetings	Once a year
			Material event disclosures	When required
			One-on-one interviews and correspondence	Continuous
			Teleconferences	Quarterly
			Quarterly investor presentation	Quarterly
			Conferences and roadshows	At least 10 times a year
			Quarterly reports	Quarterly
			Sustainability reports	Annually
			T-Newsletter	Quarterly
			Stakeholder analysis	Once a year
Customers, Farmers and Users	Customers and farmers are central to Tekfen's value chain, with product quality, customer satisfaction and sustainable production serving as key drivers of the Company's success.	• **Customer satisfaction:** Providing access to reliable products and services • **Economic impact:** Enhancing production efficiency and delivering cost advantages • **Quality and product safety:** Upholding rigorous standards across operations and outputs • **Circular economy:** Embracing circular economy principles through sustainable resource use • **Combating climate change:** Supporting emission reduction via products that enable carbon savings	One-on-one interviews	Continuous
			Toros Farmers Academy Training Bus	Continuous
			Customer surveys	At least once a year
			Toros Farmer app	Continuous
			Corporate websites	Continuous
			Quarterly reports	Quarterly
			Sustainability reports	Annually
			T-Newsletter	Quarterly
			Stakeholder analysis	Once a year
Business and Solution Partners (National and international collaborations and partnerships)	Operating across diverse industries, Tekfen enhances its market competitiveness through partnerships with national and international business collaborators. Joint investments help optimise capital costs, facilitating easier access to financing resources. Collaborations with international business partners expedite Tekfen's access to innovative solutions. This facilitates the exchange of knowledge and technologies in key transformation areas, including green hydrogen, green ammonia and sustainable agricultural technologies.	• **Economic impact:** Achieving cost optimisation • **Quality and product safety:** Ensuring collaborative efforts meet international standards • **Customer relationship management:** Broadening market access • **Innovation and R&D:** Facilitating technology transfer and delivering innovative solutions • **Combating climate change:** Developing joint projects that support carbon reduction	One-on-one interviews	Continuous
			Teleconferences	Continuous
			Quarterly reports	Quarterly
			Sustainability reports	Annually
			T-Newsletter	Quarterly
			Stakeholder analysis	Once a year
Dealers	Dealers are Tekfen's most important representatives on the ground. They support customer engagement by helping Tekfen understand market needs and gather valuable feedback.	• **Customer relationship management:** Responding promptly to local customer needs • **Quality and product safety:** Delivering reliable products and services • **Economic impact and growth:** Supporting local economic development • **Marketing and responsible consumption:** Ensuring market access through responsible production and distribution • **Combating climate change:** Introducing environmentally friendly products to the marketplace	One-on-one interviews and field visits	Continuous
			Vendor portal	Continuous
			Corporate websites	Continuous
			Quarterly reports	Quarterly
			Sustainability reports	Annually
			T-Newsletter	Quarterly
			Stakeholder analysis	Once a year

8.2. Environmental Performance Indicators

GHG Emissions (tCO_2e)	2020	2021	2022	2023	2024
Scope 1 Emissions	1,054,641	1,112,048	800,229	824,584	885,326
Scope 2 Emissions (Based on location)	32,976	33,133	25,483	31,547	30,675
Scope 2 Emissions (Based on market)	32,976	31,973	24,821	31,547	30,675
Scope 3 Emissions	5,179,127	4,656,128	4,057,451	4,706,594	4,704,745
Scope 1 + Scope 2	1,087,617	1,145,181	825,712	856,131	916,002

Emission Intensity (tCO_2e)	2020	2021	2022	2023	2024
Greenhouse Gas Emission Intensity (tCO_2/million USD turnover)	680.63	624.49	445.26	471.43	516.05
Greenhouse Gas Emission Intensity (tCO_2/number of employees)	58.97	69.15	69.04	72.08	72.63

Energy Generation (MWh)	2020	2021	2022	2023	2024
Heat Generation	678,390	554,013	378,510	46,804	41,004
Renewable Energy Generation (Waste Heat)	250,106	257,814	250,509	178,214	284,381
Renewable Energy Generation (Solar Energy)	69	167	167	4,419	27,725
Renewable Energy Generation (Biomass Energy)	16,378	37,814	41,046	42,376	657
Power Generation from Diesel	212,021	209,536	119,583	318,085	129,765
Total Power Generation	**478,574**	**505,331**	**411,305**	**543,094**	**442,529**
Power Sold	99,756	113,019	109,345	89,545	120,572

Energy Consumption (MWh)	2020	2021	2022	2023	2024
Natural gas	41,478	51,042	40,889	45,935	41,004
Coal	18,767	16,398	13,774	5,618	11,255
Fuel Oil	276	317	305	250	320
LPG	939	902	1,105	1,898	1,220
Diesel – Fixed facilities	212,021	209,536	119,533	115,717	55,010
Diesel – Mobile vehicle/equipment	529,871	409,746	283,490	226,373	74,755
Gasoline – Mobile vehicle	54,090	44,836	34,849	31,691	22,791
LNG	31,659	30,771	12,211	19,070	29,145
Total fuel consumption	**889,101**	**763,548**	**506,156**	**446,552**	**235,500**
Total purchased power	70,403	77,129	61,174	75,180	64,174
Renewable energy consumption (waste heat, biomass and solar)	166,767	182,776	141,164	125,105	220,844
Total energy consumption	**1,126,271**	**1,023,453**	**708,494**	**646,837**	**520,518**

Water Data (megalitres)	2020	2021	2022	2023	2024
Total Water Withdrawn	119,217	104,542	119,670	120,319	124,221
Total Water Consumed	12,213	9,438	6,603	9,608	13,964
Total Water Discharged	107,004	95,104	113,068	110,711	110,156
Water Reused	3,762	1,874	1,207	1,098	1,179

Amount of Water Withdrawn by Source (megalitres)	2020	2021	2022	2023	2024
Surface waters (fresh water)	5,681	3,876	4,747	6,146	4,526
Surface waters (salt water)	102,476	87,273	106,683	105,812	110,245
Groundwater	9,946	12,043	7,697	7,628	8,716
Production-sourced water	68	0	-	216	0
Third-party-sourced water	1,046	1,350	535	517	733
Total	**119,217**	**104,542**	**119,662**	**120,319**	**124,221**

Total Amount of Water Withdrawn by Water Quality (megalitres)	2020	2021	2022	2023	2024
Fresh water	16,741	17,269	12,979	6,663	5,259
Other	102,476	87,273	106,683	113,656	118,961
Total	**119,217**	**104,542**	**119,662**	**120,319**	**124,221**

Water by Discharge Points (megalitres)	2020	2021	2022	2023	2024
Surface waters (fresh water)	90	87	88	78	0
Surface waters (salt water)	104,887	91,253	107,842	108,834	109,438
Groundwater	1,615	1,946	587	1,551	0
Third-party	412	1,818	4,551	249	718
Total	**107,004**	**95,104**	**113,068**	**110,712**	**110,156**

Water Discharged	2020	2021	2022	2023	2024
Water discharged	-	-	113,068	110,712	110,156

Amount of Waste (metric tons)	2020	2021	2022	2023	2024
Total amount of hazardous waste	510	1,422	1,186	848	1,278
Total amount of non-hazardous waste	41,470	32,069	28,492	18,218	15,785
Toplam	**41,980**	**33,491**	**29,678**	**19,066**	**17,063**

Breakdown of Waste by Disposal Method (metric tons)	2020	2021	2022	2023	2024
Recycling/recovery	3,856	9,267	5,384	6,912	6,769
Incineration	510	149	186	91	3
Landfill	37,613	20,488	23,111	11,601	10,232
Other	-	4,213	-	461	59

8.3. Social Performance Indicators

		2020		2021		2022		2023		2024	
Number of Employees by Gender and Labour Category	**Unit**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**
Total number of employees (by gender)	#	570	5,678	570	5,383	431	4,435	410	5,927	383	6,976
Number of white-collar employees	#	550	2,597	552	2,437	417	2,041	401	2,028	354	1,831
Number of blue-collar employees	#	20	3,081	18	2,946	14	2,394	9	3,899	29	5,145
Total number of employees	#	**6,248**		**5,953**		**4,866**		**6,337**		**7,359**	
No. of employees covered by a collective bargaining agreement	#	797		682		881		1.289		622	

		2020		2021		2022		2023		2024	
Number of Employees by Gender and Age	**Unit**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**
Under 30	#	100	934	94	713	67	668	81	1,143	59	1,167
Aged 30–50	#	404	3,840	408	3,689	314	3,118	282	4,048	284	4,915
Over 50	#	66	904	68	981	50	649	47	736	59	875

		2020		2021		2022		2023		2024	
Number of Employees by Term of Employment	**Unit**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**
Worked for 0–5 years	#	351	3,261	292	2,751	230	2,755	204	4,087	182	5,247
Worked for 5–10 years	#	92	991	141	1,197	96	846	93	808	92	762
Worked for 10+ years	#	127	1,426	137	1,435	105	834	113	1,032	109	967

		2020		2021		2022		2023		2024	
Number of Senior Managers by Gender and Age	**Unit**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**
Under 30	#	15	116	19	116	13	81	0	1	0	0
Aged 30–50	#	47	236	49	269	44	233	37	228	3	21
Over 50	#	15	116	19	116	13	81	13	63	2	16

		2020		2021		2022		2023		2024	
Number of Employees Who Took and Returned from Parental Leave by Gender	**Unit**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**
Number of employees who took parental leave	#	15	52	2	50	11	26	10	53	16	114
Number of employees who returned from parental leave	#	8	52	2	50	5	23	8	53	13	113

		2020		2021		2022		2023		2024	
Number of Disabled Employees by Gender	**Unit**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**
Number of disabled employees	#	9	65	6	61	7	75	2	65	5	74

		2020		2021		2022		2023		2024	
Number of New Employees by Gender	**Unit**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**
Number of new hires	#	104	2,020	43	176	36	138	75	2,371	75	3,294
Total number of new hires	#	**2,124**		**219**		**174**		**2,446**		**3,369**	

		2020		2021		2022		2023		2024	
Number of Employees Who Resigned from Their Jobs by Gender	**Unit**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**
Number of employees who resigned during the year	#	106	2,106	171	3,324	274	3,544	79	551	48	285
Total number of employees who resigned during the year	#	2,212		3,495		3,818		630		333	
Employee turnover rate	%	35		59		78		10		4.5	
Voluntary turnover rate	%	0		30		14		6.7		14	
Total number of employees subject to performance evaluation	#	1,207		1,742		1,797		1,017		452	

	Unit	**2020**	**2021**	**2022**	**2023**	**2024**
Executive review	#	1,276	877	406	1,017	862
Multi-dimensional (360-degree) performance evaluation	#	1,276	773	223	1,017	862

		2020		2021		2022		2023		2024	
Other Indicators	**Unit**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**
First- and middle-level managers	#	272	371	47	273	47	273	109	509	121	505
Top-level managers	#	16	45	10	30	10	30	16	47	5	37
C-level managers	#	1	19	0	13	0	13	1	7	1	8
Non-managerial employees	#	451	4,843	374	4,119	374	4,119	285	5,371	266	6,416
Income-generating managerial employees	#	-	-	4	81	4	81	2	15	7	34
Employees in STEM positions	#	-	-	96	1,076	96	1,076	45	171	90	424
Internal hire rate	%	22		22		23		16		2	

Talent Management	Unit	2023	2024
Total annual training hours	person*hours	29,584	22,424
Average annual training hours per employee	person*hours	4,67	3,05

Tekfen Workshop Trainings	Unit	2023	2024
Executive Development Programme	person*hours	2,890	702
Navigating the VUCA Landscape with Coaching Skills	person*hours	790	0
Other catalogue trainings	person*hours	6,000	7,177

e-Learning Trainings	Unit	2023	2024
Business ethics, LPPD, information security, sustainability	person*hours	4,232	3,059

Internal Trainings (organised by Group Companies)	Unit	2023	2024
Internal trainings	person*hours	15,672	22,630

OHS Training	Unit	2020	2021	2022	2023	2024
Total hours of OHS training provided to employees	person*hours	301,056	514,930	710,881	864,373	909,006
OHS training rate	%	0.53	1.01	2.01	2.68	2.45

		TEKFEN HOLDING				
Occupational Health and Safety Indicators	**Unit**	**2020**	**2021**	**2022**	**2023**	**2024**
Total Hours Worked	#	**56,893,147**	**51,222,004**	**35,339,314**	**32,294,819**	**37,176,224**
Tekfen	#	26,151,821	24,400,948	15,970,488	19,094,888	23,721,241
Subcontractor	#	30,741,326	26,821,056	19,368,826	13,199,931	13,454,983
Fatal Work Accidents (F)	#	**1**	**1**	**0**	**1**	**0**
Tekfen	#	1	-	0	0	0
Subcontractor	#	-	1	0	1	0
Lost Workday Cases (LWDC)	#	**34**	**45**	**39**	**26**	**45**
Tekfen	#	5	8	3	9	17
Subcontractor	#	29	37	36	17	28
Restricted Work Cases (RWC)	#	**8**	**6**	**7**	**35**	**24**
Tekfen	#	6	5	6	33	16
Subcontractor	#	2	1	1	2	8
Medical Treatment Cases (MTC)	#	**16**	**22**	**19**	**46**	**33**
Tekfen	#	5	15	11	31	25
Subcontractor	#	11	7	8	15	8
Occupational Illnesses (OCC)	#	**0**	**0**	**0**	**0**	**0**
Tekfen	#	-	-	0	0	0
Subcontractor	#	-	-	0	0	0
Lost-Time Injuries (LTI=F+LWDC)	#	**35**	**46**	**39**	**27**	**45**
Tekfen	#	6	8	3	9	17
Subcontractor	#	29	38	36	18	28
Total Recordable Injuries	#	**59**	**74**	**65**	**108**	**102**
Tekfen	#	17	28	20	73	58
Subcontractor	#	42	46	45	35	44
LTI Rate	%	**0.06**	**0.09**	**0.11**	**0.08**	**0.12**
Tekfen	%	0.23	0.33	0.19	0.47	0.72
Subcontractor	%	0.94	1.42	1.86	1.36	2.08
TRI Rate	%	**1.04**	**1.44**	**1.84**	**3.34**	**2.74**
Tekfen	%	0.65	1.15	1.25	3.82	2.45
Subcontractor	%	1.37	1.72	2.32	2.65	3.27

8.4. Governance Performance Indicators

Economic Data (thousand TRY)[1]	Unit	2020	2021	2022	2023	2024*
Revenues[2]	#	11,827,382	16,569,232	79,397,367	62,279,333	58,189,882
Operating Expense[3]	#	11,991,735	16,747,638	75,967,136	66,693,364	54,773,452
Community Investment[4]	#	28,308	16,386	5,262	21,806	5,194
Economic Value Retained[5]	#	(-192,661)	(-194,792)	3,424,969	(-4,435,837)	3,411,236
Investment Expenditure[6]	#	567,726	556,115	2,694,317	2,101,282	2,375,365

[1] Covers Tekfen Holding and all Group Companies.
[2] Includes sales revenues, dividends, interest income, fixed asset sales profits, and rental income.
[3] Includes the cost of sales, marketing, sales distribution, general administration, research and development, interest, and tax expenses.
[4] Includes aids, donations and sponsorships.
[5] Economic Value Retained = Revenues - (Expenses + Community Investments)
[6] With reference to Capital Expenditures: Independent Audit Report - 4c

* Adjusted for purchasing power as of 31 December 2024.

Patent and Intellectual Property	Unit	2022	2023	2024
Number of patent applications in the reporting period	#	4	4	2
Number of patents obtained in the reporting period	#	-	-	-
Number of utility model applications	#	-	-	3
Number of utility models/products (plant, seed, fertiliser, etc.) obtained	#	1	2	-

Collaborations and Projects	Unit	2022	2023	2024
R&D projects conducted with universities/technoparks*	#	12	10	9
Publicly funded R&D projects	#	5	6	5
Projects with national/international funding	#	5	6	5
Number of sectoral collaborations and strategic partnerships	#	41	45	54

* Includes projects supported by universities, as well as projects carried out with equity and consultancy services provided by university lecturers or technopark companies.

Ethics Reports	Unit	2020	2021	2022	2023	2024
Ethics reports	#	31	98	116	46	24
Reports resolved	#	14	69	106	43	23

8.5. Corporate Memberships and Supported Initiatives

- Foreign Economic Relations Board (DEİK)
- Business Council for Sustainable Development (BCSD Türkiye)
- UN Global Compact Türkiye (Association of Global Compact Signatories)
- United Nations Global Compact (UNGC)
- Turkish Industry and Business Association (TUSIAD)
- Board Directors Association (YUD)
- Istanbul Chamber of Commerce (ITO)
- Corporate Communicators Association (KID)
- Istanbul Bar Association
- Union of Chambers and Commodity Exchanges of Türkiye
- Turkish Investor Relations Society (TUYID)
- Service Exporters' Association
- Ethics and Reputation Society (TEID)
- Istanbul Chamber of Certified Public Accountants (ISMMMO)
- Turkish Wind Energy Association (TWEA)
- International Pipeline Offshore Contractors Association (IPLOCA)
- Petroleum and Natural Gas Platform Association
- Adana Chamber of Industry
- Adana Chamber of Commerce
- Adana Chamber of Public Accountants
- Ceyhan Chamber of Commerce
- Chamber of Shipping (IMEAK)
- Chamber of Electrical Engineers
- International Fertilizer Association (IFA)
- Mersin Chamber of Commerce and Industry
- Turkish Chemical, Petroleum, Rubber and Plastics Industry Employers' Association (KİPLAS)
- Port Operators Association of Türkiye (TURKLIM)
- Istanbul Chamber of Industry (ISO)
- Samsun Chamber of Commerce and Industry
- Uludağ Exporters' Association
- Aegean Exporters' Association
- Mediterranean Exporters' Association
- Alaşehir Chamber of Commerce
- Malatya Chamber of Commerce
- Salihli Chamber of Commerce
- Maritime Association of Shipowners and Agents

In 2024, Tekfen Holding and its Group Companies paid TRY 6,121,688 in membership fees to partnered professional and nongovernmental organizations.

8.6. Achievements and Awards

Tekfen Construction and Contracting (TİTAŞ), operating under Tekfen Holding, was awarded the Quality Excellence Certificate for its Job-354 and Job-374 Al-Khor Expressway and Connection Roads Projects.

As part of the Central Bank of Azerbaijan Administrative Building Project (Job-376), Tekfen Construction and Contracting (TİTAŞ), operating under Tekfen Holding, received the Health, Safety, and Environment (HSE) Excellence Award.

The “Toros Farmer Survey,” conducted by Toros Agri, a subsidiary of Tekfen Holding’s Agricultural Industry Group, received both the Golden Owl Award and the Platinum Owl Award in the “Discoverers of the Unseen” category at the 12th Owl Awards, organised by the Turkish Researchers’ Association (TUAD).

8.7. GRI Content Index

Statement of Use : Tekfen Holding has reported in accordance with GRI Standards for the period from 1 January 2024 to 31 December 2024.
GRI Used : GRI 1: Foundation 2021

GRI Standard	Disclosure		LOCATION		Tekfen's Explanations
			Related Title	Page No	
GRI 2: General Disclosures 2021	2-1	Organisational details	About Tekfen	12-21	
	2-2	Entities included in the organisation's sustainability reporting	About the Report	4-9	
	2-3	Reporting period, frequency and contact point	About the Report	4-9	
	2-4	Restatements of information	Imprint		
	2-6	Activities, value chain and other business relationships	About Tekfen	32-33	
	2-7	Employees	Employee Rights, Attachments-Social Performance Indicators	77 / 126-130	
	2-8	Workers who are not employees	Stakeholder Ecosystem	89-91	
	2-9	Governance structure and composition	Corporate Governance	37-41	
	2-10	Nomination and selection of the highest governance body	Corporate Governance	37-41	
	2-11	Chair of the highest governance body	Corporate Governance	37-41	
	2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance	37-41	
	2-13	Delegation of responsibility for managing impacts	Corporate Governance	37-41	
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance	42-43	
	2-15	Conflicts of interest	Business Ethics and Anti-Corruption	44	
	2-17	Collective knowledge of the highest governance body	Corporate Governance	38,40	
	2-18	Evaluation of the performance of the highest governance body	-	-	Tekfen Holding 2024 Annual Report
	2-19	Remuneration policies	-	-	Tekfen Holding 2024 Annual Report

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GRI 2: General Disclosures 2021	2-20	Process to determine remuneration	-	-	Tekfen Holding 2024 Annual Report
	2-21	Annual total compensation ratio	-	-	Tekfen Holding 2024 Annual Report
	2-22	Statement on sustainable development strategy	Sustainability Governance	42-43	
	2-23	Policy commitments	Corporate Governance	37-41	
	2-24	Embedding policy commitments	Corporate Governance	37-41	
	2-25	Processes to remediate negative impacts	Business Ethics and Anti-Corruption	44	
	2-26	Mechanisms for seeking advice and raising concerns	Business Ethics and Anti-Corruption	44	
	2-27	Compliance with laws and regulations	Corporate Governance	37-41	
	2-28	Membership associations	Attachments	132	
	2-29	Approach to stakeholder engagement	Stakeholder Ecosystem	89	
	2-30	Collective bargaining agreements	Employee Rights	77	
Material Topics					
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Material Issues	26-29	
	3-2	List of material topics	Material Issues	30-31	
	3-3	Management of material topics	Material Issues	26-29	
Corporate Governance					
GRI 3: Material Topics 2021	3-3	Management of material topics	Material Issues	26-29	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Corporate Governance	37	
GRI 415: Public Policy 2016	415-1	Political contributions	Corporate Governance	37	The Company does not provide direct or indirect financial or political support.

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Effective Risk Management					
GRI 3: Material Topics 2021	3-3	Management of material topics	Material Issues	26-29	
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	Effective Risk Management	47	
	205-2	Communication and training about anti-corruption policies and procedures	Effective Risk Management	47	
	205-3	Confirmed incidents of corruption and actions taken	Effective Risk Management	47	
GRI 206: Anti-Competitive Behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Effective Risk Management	47	
Reacting and Adapting to Climate Change					
GRI 3: Material Topics 2021	3-3	Management of material topics	Material Issues	26-29	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Reacting and Adapting to Climate Change, Attachments-Environmental Performance Indicators	61-62 / 122	
	302-2	Energy consumption outside of the organisation	Reacting and Adapting to Climate Change, Attachments-Environmental Performance Indicators	61-62 / 122	
	302-3	Energy intensity	Reacting and Adapting to Climate Change, Attachments-Environmental Performance Indicators	61-62 / 122	
	302-4	Reduction of energy consumption	Reacting and Adapting to Climate Change, Attachments-Environmental Performance Indicators	61-62 / 122	
	302-5	Reductions in energy requirements of products and services	Reacting and Adapting to Climate Change, Attachments-Environmental Performance Indicators	61-62 / 122	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Reacting and Adapting to Climate Change, Attachments-Environmental Performance Indicators	55-56 / 122	
	305-2	Energy indirect (Scope 2) GHG emissions	Reacting and Adapting to Climate Change, Attachments-Environmental Performance Indicators	55-56 / 122	
	305-3	Other indirect (Scope 3) GHG emissions	Reacting and Adapting to Climate Change, Attachments-Environmental Performance Indicators	55-56 / 122	
	305-4	GHG emissions intensity	Reacting and Adapting to Climate Change, Attachments-Environmental Performance Indicators	55-56 / 122	
	305-5	Reduction of GHG emissions	Reacting and Adapting to Climate Change, Attachments-Environmental Performance Indicators	55-56 / 122	

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Operational Excellence					
GRI 3: Material Topics 2021	3-3	Management of material topics	Material Issues	26-29	
Circular Economy and Waste Management					
GRI 3: Material Topics 2021	3-3	Management of material topics	Material Issues	26-29	
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Circular Economy and Waste Management	66-69	
	301-2	Recycled input materials used	Circular Economy and Waste Management	66-69	
	301-3	Reclaimed products and their packaging materials	Circular Economy and Waste Management	66-69	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Circular Economy and Waste Management	66-69	
	306-2	Management of significant waste-related impacts	Circular Economy and Waste Management	66-69	
	306-3	Waste generated	Circular Economy and Waste Management, Attachments-Environmental Performance Indicators	66-69 / 122	
	306-4	Waste diverted from disposal	Circular Economy and Waste Management, Attachments-Environmental Performance Indicators	66-69 / 122	
	306-5	Waste directed to disposal	Circular Economy and Waste Management, Attachments-Environmental Performance Indicators	66-69 / 122	
Water and Wastewater Management					
GRI 3: Material Topics 2021	3-3	Management of material topics	Material Issues	26-29	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Water and Wastewater Management, Attachments-Environmental Performance Indicators	70-74 / 122	
	303-2	Management of water discharge-related impacts	Water and Wastewater Management, Attachments-Environmental Performance Indicators	70-74 / 122	
	303-3	Water withdrawal	Water and Wastewater Management, Attachments-Environmental Performance Indicators	70-74 / 122	
	303-4	Water discharge	Water and Wastewater Management, Attachments-Environmental Performance Indicators	70-74 / 122	
	303-5	Water consumption	Water and Wastewater Management, Attachments-Environmental Performance Indicators	70-74 / 122	

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Protection of Biodiversity and Nature					
GRI 3: Material Topics 2021	3-3	Management of material topics	Material Issues	26-29	
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas	Protection of Biodiversity and Nature	75	
	304-2	Significant impacts of activities, products and services on biodiversity	Protection of Biodiversity and Nature	75	
	304-3	Habitats protected or restored	Protection of Biodiversity and Nature	75	
Employee Rights					
GRI 3: Material Topics 2021	3-3	Management of material topics	Material Issues	26-29	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Employee Rights, Attachments-Social Performance Indicators	77 / 126	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Rights	77	
	401-3	Parental leave	Employee Rights, Attachments-Social Performance Indicators	77 / 126	
GRI 402: Labour/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Employee Rights	77	
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Employee Rights	77	No cases of discrimination were reported during the reporting period.
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	Employee Rights	77	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Employee Rights	77	
GRI 409: Forced and Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Employee Rights	77	

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Talent Management and Development					
GRI 3: Material Topics 2021	3-3	Management of material topics	Material Issues	26-29	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Talent Management and Development, Attachments-Social Performance Indicators	80 / 126	
	404-2	Programmes for upgrading employee skills and transition assistance programmes	Talent Management and Development, Attachments-Social Performance Indicators	80 / 126	
	404-3	Percentage of employees receiving regular performance and career development reviews	Talent Management and Development, Attachments-Social Performance Indicators	80 / 126	
Occupational Health and Safety					
GRI 3: Material Topics 2021	3-3	Management of material topics	Material Issues	26-29	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Occupational Health and Safety, Attachments-Social Performance Indicators	84-87 / 126	
	403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, Attachments-Social Performance Indicators	84-87 / 126	
	403-3	Occupational health services	Occupational Health and Safety, Attachments-Social Performance Indicators	84-87 / 126	
	403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, Attachments-Social Performance Indicators	84-87 / 126	
	403-5	Worker training on occupational health and safety	Occupational Health and Safety, Attachments-Social Performance Indicators	84-87 / 126	
	403-6	Promotion of worker health	Occupational Health and Safety, Attachments-Social Performance Indicators	84-87 / 126	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, Attachments-Social Performance Indicators	84-87 / 126	
	403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety, Attachments-Social Performance Indicators	84-87 / 126	
	403-9	Work-related injuries	Occupational Health and Safety, Attachments-Social Performance Indicators	84-87 / 126	
	403-10	Work-related ill health	Occupational Health and Safety, Attachments-Social Performance Indicators	84-87 / 126	

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Customer Satisfaction					
GRI 3: Material Topics 2021	3-3	Management of material topics	Material Issues	26-29	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Customer Satisfaction	92-93	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Customer Satisfaction	92-93	No health or safety non-conformities were reported in any products or services.
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Satisfaction	92-93	No non-conformities regarding breaches of customer data were reported.
Supply Chain Management					
GRI 3: Material Topics 2021	3-3	Management of material topics	Material Issues	26-29	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Supply Chain Management	94	
	308-2	Negative environmental impacts in the supply chain and actions taken	Supply Chain Management	94	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Supply Chain Management	94	
	414-2	Negative social impacts in the supply chain and actions taken	Supply Chain Management	94	
Product and Service Quality					
GRI 3: Material Topics 2021	3-3	Management of material topics	Material Issues	26-29	
GRI 417: Marketing and Labelling 2016	417-1	Requirements for product and service information and labelling	Product and Service Quality	95	
	417-2	Incidents of non-compliance concerning product and service information and labelling	Product and Service Quality	95	No non-conformities were reported regarding product and service information or labelling.
	417-3	Incidents of non-compliance concerning marketing communications	Product and Service Quality	95	No non-conformities were reported in marketing communications.

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R&D and Innovation					
GRI 3: Material Topics 2021	3-3	Management of material topics	Material Issues	26-29	
Digital Transformation					
GRI 3: Material Topics 2021	3-3	Management of material topics	Material Issues	26-29	