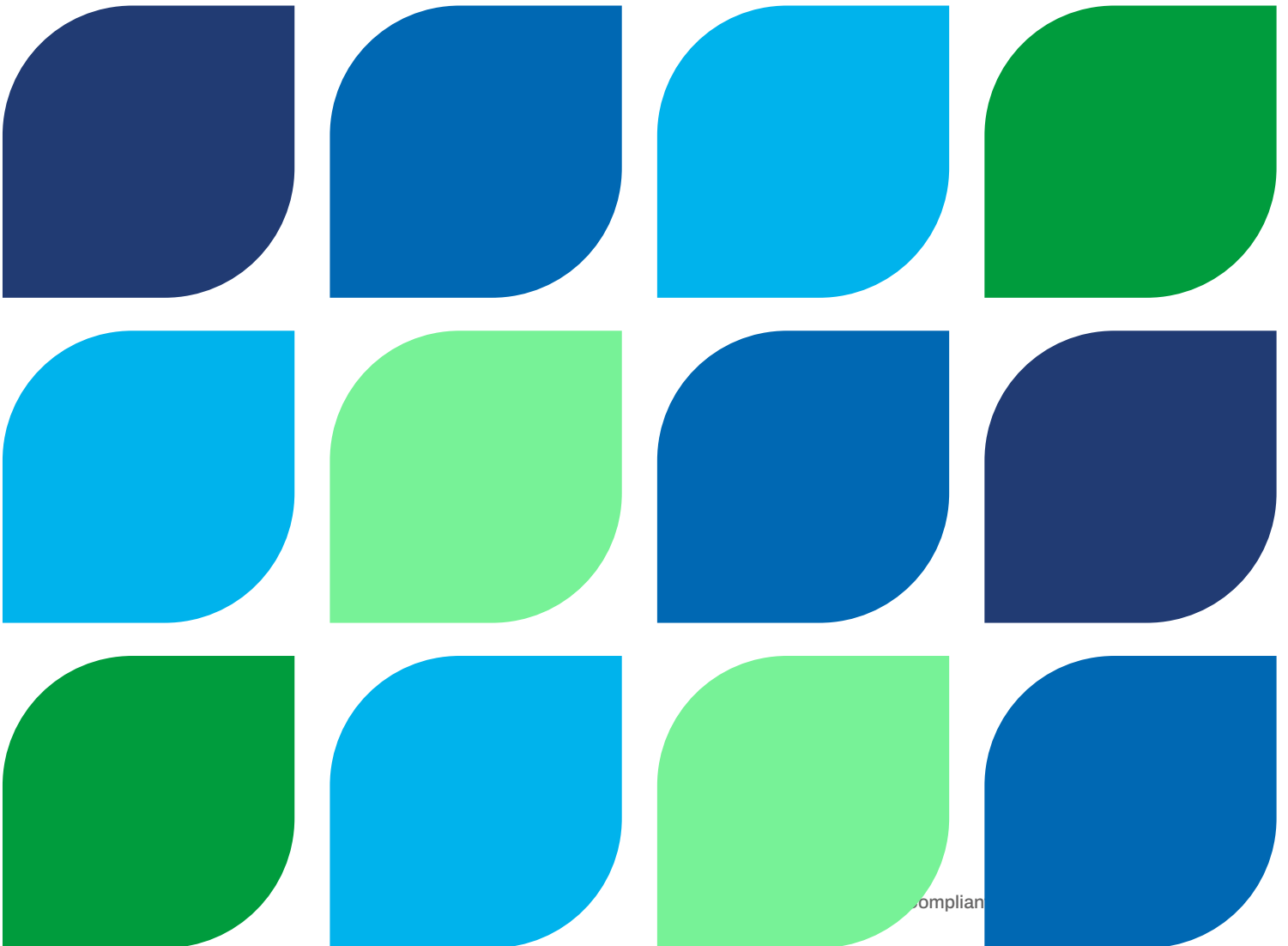




**TEKFEN HOLDING**

**2024**

**TSRS-Compliant  
Sustainability  
Report**



compliance





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# 1. About the Report

## 1.1. Purpose and Scope of the Report

The Turkish Sustainability Reporting Standards (TSRS), published in the Official Gazette dated 29 December 2023 and numbered 32414(M), were enacted by the Public Oversight, Accounting and Auditing Standards Authority (KGK) for accounting periods beginning on or after 1 January 2024. Tekfen Holding A.Ş. is required to report in accordance with the regulations and supervision of the Capital Markets Board, as it has exceeded the threshold values for at least two of the criteria specified in the Board Decision on the Scope of Application of TSRS for two consecutive reporting periods. Accordingly, the entire value chain, including Tekfen Holding's Group Companies, was analysed, and the first TSRS-compliant Sustainability Report was issued in 2024 in line with the requirements of TSRS 1<sup>1</sup> and TSRS 2<sup>2</sup>.

The data and information presented in the TSRS-compliant Sustainability Report cover activities from 1 January 2024 to 31 December 2024. The consolidated report includes information on Tekfen Holding A.Ş. and its subsidiaries.<sup>3</sup> Throughout this report, Tekfen Holding A.Ş. is referred to as “Tekfen Holding”, “Holding” or “Company”, while its subsidiaries are referred to as “Group Company”. Collectively, Tekfen Holding A.Ş., its subsidiaries, and ventures are referred to as “Tekfen Group” or “Group”.

Throughout this report, Tekfen Holding shares sustainability and climate disclosures that could reasonably be expected to affect its cash flows, access to financing, or cost of capital in the short, medium, or long term.

Tekfen Group operates in three main areas: Engineering and Contracting, Agricultural Industry, and Investment. Accordingly, the report was prepared

in accordance with the Industry-based Guidance on Implementing TSRS 2, particularly its “Volume 20 – Agricultural Products”, “Volume 47 – Chemicals”, “Volume 8 – Construction Materials” and “Volume 33 – Engineering and Construction Services.” This guide sets out potential methods for identifying, measuring, and disclosing climate risks and opportunities. Finally, the report's **Metrics and Targets** section provides detailed information specific to the descriptions and metrics outlined in these volumes.

## 1.2. Transitional Exemptions in Reporting

Tekfen Holding used the following transitional exemptions in its first TSRS-Compliant Sustainability Report.

**TSRS 1-E4:** In the first annual reporting period under TSRS, an enterprise is permitted to disclose sustainability-related financial information after issuing the relevant financial statements. Therefore, in the first reporting period, sustainability-related financial disclosures were published following the release of the financial statements for the period from 1 January 2024 to 31 December 2024.

**TSRS 1-E5:** In the first annual reporting period, an enterprise is only permitted to disclose information on climate risks and opportunities (in accordance with TSRS 2) and to apply the requirements of TSRS 1 solely to the extent that they are relevant to the disclosure of such climate risks and opportunities. Accordingly, the report focused solely on climate risks and opportunities. In the 2025 reporting period, the Company's sustainability-related financial disclosures will cover all sustainability risks and opportunities reasonably expected to affect its short-, medium-, and long-term prospects.

**TSRS 1-E3, TSRS 2-C3, TSRS 1-E6:** Disclosure of comparative information is not required for the first annual reporting period. In this context, the report includes information solely for 2024, with

no comparative disclosure on climate risks and opportunities.

**Board Decision on the Scope of Application of the Turkish Sustainability Reporting Standards – Interim Article 3:** Under the scope of application, an enterprise is not required to disclose its Scope 3 greenhouse gas emissions during the first two years of TSRS implementation. The report does not include any information on the Company's Scope 3 greenhouse gas emissions for 2024.

**Extension of Reporting Timeline:** In accordance with the Board Decision of the Public Oversight, Accounting and Auditing Standards Authority (KGK) dated 31 July 2025 and numbered 34548, the publication deadline for 2024 TSRS-compliant sustainability reports was extended to 31 October 2025. The report was published within the additional time granted under the Board Decision.

## 1.3. Compliance with Financial Disclosures

Tekfen Holding's sustainability and climate disclosures should be evaluated together with the Company's financial statements, which are prepared in accordance with the Turkish Financial Reporting Standards (“TFRS”). This report covers the 12-month period ending 31 December 2024 and aligns with the reporting period of the consolidated financial statements. [Click here](#) to view the Independently Audited Consolidated Financial Statements containing Tekfen Holding's financial information. In preparing its sustainability- and climate-related financial disclosures, Tekfen Holding evaluated its entire value chain, encompassing its own operations as well as the Company's subsidiaries and ventures. Ventures were included within the scope of consolidation through the use of disaggregated data. Unless otherwise stated, all data in the report are presented in Turkish lira (TRY), consistent with the currency used in the financial statements.

In its 2024 TSRS-compliant Sustainability Report, Tekfen Holding also addresses the impacts of risks that have not yet been reflected in the financial statements. This approach incorporates forward-looking elements in sustainability disclosures, along with the risks and opportunities that may emerge across the Company's value chain. To this end, certain strategically important information was included in the TSRS-compliant Sustainability Report, even though it does not appear in the financial statements.

## 1.4. Timeline

In line with the timelines adopted in its strategic decision-making processes, the Company defined the following time frames for the reasonable materialisation of sustainability and climate risks and opportunities. Further information can be found in the [Strategy](#) section of the report.

**Table 1: Time Frames Adopted in Strategic Decision-Making Processes**

Short-term	0–1 year
Medium-term	1–5 years
Long-term	5> years

## 1.5. Critical Assumptions and Measurement Uncertainties

For the TSRS-Compliant Sustainability Report, Tekfen Holding carried out comprehensive assessments, analyses, and projections based on data obtained from a variety of sources. Available data may be limited, as certain sustainability methodologies are still under development and inherently involve future-oriented predictions. This necessitated the use of forward-looking estimates and assumptions for elements that could not be measured or calculated directly. The critical assumptions and measurement uncertainties adopted by the Company are outlined below.

<sup>1</sup> General Requirements for Disclosure of Sustainability-related Financial Information

<sup>2</sup> Climate-related Disclosures

<sup>3</sup> Financial Statement Note 1 Group's Organisation and Area of Activity

Materiality Process	<p>A thorough assessment was conducted to identify the Group’s climate-related risks and opportunities and their potential implications, including those that could reasonably influence its financial expectations and guide the strategic decisions of key users. The <b>Financial Materiality</b> section of this report provides a detailed overview of these findings.</p> <p>In addition to financial impacts, the assessment also evaluated the extent to which the disclosure topics and metrics in the global standards were relevant and applicable to the Group, based on an analysis of external sources (such as S&amp;P Risk Atlas, Task Force on Climate-Related Financial Disclosures [TCFD], Sustainability Accounting Standards Board [SASB], etc.). These assessments were conducted with reference to past events and scenario analyses for the future.</p>
Scenario Analysis	<p>Climate-related scenario analyses were carried out using the most up-to-date and reliable sources available for the current reporting year. However, climate-related uncertainties and the inherent nature of future projections limit the precision of the analyses and affect the accuracy of the forecasts. Accordingly, the Company will update its climate scenario analysis annually.</p>
Determining Organisational Boundaries - Greenhouse Gas Emissions	<p>Tekfen Holding calculates and reports greenhouse gas emissions on a consolidated basis for all Group Companies, subsidiaries, and ventures, in accordance with its operational control approach.</p>
Greenhouse Gas Emission Metrics	<p>Tekfen Holding reports its greenhouse gas emissions on a consolidated basis in accordance with the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004). A third-party verification process is also conducted to enhance the reliability of the emissions data.</p> <p>Scope 1 and Scope 2 emissions are calculated using data from activities under the Company’s control. These data are multiplied by emission factors sourced first from company-specific references, followed by national and global sources. To estimate the emissions of its subsidiaries, Tekfen Holding performed greenhouse gas calculations using assumptions about energy consumption based on the number of employees in 2024.</p>

1.6. Limited Assurance Audit

Approved by the Board of Directors, the report was subjected to a limited assurance audit by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (EY) for the sustainability assurance required under the Turkish Sustainability Reporting Standards (TSRS), published in the Official Gazette on 29 December 2023, numbered 32414(M), by the Public Oversight, Accounting and Auditing Standards Authority (KGK).

The audit was conducted in accordance with the ISAE 3000 “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” and ISAE 3410 “Assurance Engagements on Greenhouse Gas Statements” standards, with the sustainability and climate information presented in the report subjected to a limited assurance audit.

The limited independent assurance statement is provided in the Appendix section of the report.

2. About Tekfen Holding

2.1. Holding Organisation and Areas of Activity

With a heritage dating back to 1956, Tekfen Group operates in three main areas: Engineering and Contracting, Agricultural Industry, and Investment. As of 2024, Tekfen Group comprises 30 subsidiaries, seven joint operations, one joint venture, and 13 financial investments, with revenues of **TRY 58.1 billion**, assets of **TRY 65.8 billion**, and a workforce of **12,611 employees**.

The Engineering and Contracting Group provides turnkey solutions to its customers based on engineering, procurement, and construction (EPC) and Design & Build models across various sectors, including pipelines, oil and gas terminals, refineries, offshore oil rigs, power plants, industrial and petrochemical facilities, tank farms, highways, subway lines, sports complexes, pump and compressor stations, steel structure production, and superstructure and infrastructure projects. In 2024, the Group generated **37.1 percent** of Tekfen Holding’s total revenues.

The Agricultural Industry Group operates in fruit cultivation, seed and sapling production, and the production and distribution of mineral, organic, organomineral, and next-generation specialty

fertilisers. The Group’s activities also include port and free zone management. In Türkiye, the Agricultural Industry Group operates two facilities that convert regional organic waste into electricity and subsequently into fertilisers through composting. Toros Agri, the Group’s flagship company, is Türkiye’s largest fertiliser manufacturer in terms of total installed production capacity and output volume (tonnage). In 2024, the Group generated **61.6 percent of Tekfen Holding’s total revenues**.

The Investment Group comprises the companies that support Tekfen Holding’s investment-focused activities. The Group includes Tekfen Ventures, which invests in early-stage technology firms; Tekfen Turizm ve İşletmecilik A.Ş., which operates in asset and real estate management; Tekfen Sigorta Aracılık Hizmetleri A.Ş., which provides insurance brokerage services; and Tekfen Yenilenebilir Enerji Çözümleri A.Ş., established to focus on renewable energy solutions and investments. In 2024, the Group generated **1.3 percent** of Tekfen Holding’s total revenues.

Tekfen Holding shares have been traded on the stock exchange since 23 November 2007. The main areas of activity and capital participation rates of the companies subject to consolidation are outlined below. The changes in the Company’s activities during 2024 are also listed below.

Table 2: Tekfen Holding’s Areas of Activity and Shareholding Rates

Subsidiaries	Area of Activity	Country of Registration	Direct/Indirect Shareholding Rate 2024	Operational Group
Tekfen İnşaat ve Tesisat A.Ş. (Tekfen Construction and Installation)	Construction	Türkiye	100	Engineering and Contracting
Tekfen Mühendislik A.Ş. (Tekfen Engineering)	Engineering	Türkiye	100	Engineering and Contracting
Tekfen İmalat ve Mühendislik A.Ş. (Tekfen Manufacturing - Timaş)	Production	Türkiye	100	Engineering and Contracting
Tekfen Engineering UK Limited (Temaş UK)	Engineering	United Kingdom	100	Engineering and Contracting

Subsidiaries	Area of Activity	Country of Registration	Direct/Indirect Shareholding Rate 2024	Operational Group
Cenub Tikinti Servis ASC (Cenub Tikinti)	Construction	Azerbaijan	51	Engineering and Contracting
HMB Hallesche Mitteldeutsche Bau-Aktiengesellschaft (HMB)	Commerce	Germany	100	Engineering and Contracting
Denkmal in Dahlem Otto-Hahn-Platz GmbH (Denkmal Dahlem)	Construction	Germany	89	Engineering and Contracting
OOO Rusfen (Rusfen)	Construction	Russia	100	Engineering and Contracting
Gate Construction (Gate Construction)	Construction	Kazakhstan	100	Engineering and Contracting
Tekfen Construction and Installation W.L.L (Tekfen Construction)	Construction	Qatar	49	Engineering and Contracting
Eurl Tekfen Algeria (Tekfen Algeria) <sup>4</sup>	Construction	Algeria	-	Engineering and Contracting
Toros Tarım Sanayi ve Ticaret A.Ş. (Toros Agri)	Fertiliser – Terminal Operations	Türkiye	100	Agricultural Industry
Toros Adana Yumurtalık Serbest Bölgesi Kur. ve İşleticisi A.Ş. (Toros Adana Yumurtalık Free Zone Founder and Operator- Tayseb)	Services	Türkiye	100	Agricultural Industry
Toros Terminal Servisleri ve Denizcilik A.Ş. (Toros Terminal)	Services	Türkiye	100	Agricultural Industry
Toros Gemi Acenteliği ve Ticaret A.Ş. (Toros Shipping)	Shipping Agency	Türkiye	100	Agricultural Industry
Tekfen Tarımsal Araştırma Üretim ve Pazarlama A.Ş. (Tekfen Agri) <sup>5</sup>	Production	Türkiye	-	Agricultural Industry
Alanar Meyve ve Gıda Üretim Pazarlama Sanayi ve Tic. A.Ş. (Alanar Fruit)	Fruit Production	Türkiye	100	Agricultural Industry
Toros Gönen Yenilenebilir Enerji Üretim A.Ş. (Gönen Energy) <sup>6</sup>	Fertiliser – Power Generation	Türkiye	-	Agricultural Industry
Toros Meram Yenilenebilir Enerji Üretim A.Ş. (Meram Energy) <sup>7</sup>	Fertiliser – Power Generation	Türkiye	-	Agricultural Industry
Toros Agropont Romania S.A	Fertiliser Trade	Romania	100	Agricultural Industry
Tekfen Turizm ve İşletmecilik A.Ş. (Tekfen Tourism)	Services	Türkiye	100	Investment
Tekfen Sigorta Aracılık Hizmetleri A.Ş. (Tekfen Insurance)	Intermediary Services	Türkiye	100	Investment
Tekfen International Finance and Investments S.A. (Tekfen Finance)	Investment	Luxembourg	100	Investment
Tekfen Teknoloji Yatırım ve Ticaret A.Ş. (Tekfen Technology)	Investment	Türkiye	100	Investment
CFS Petrokimya Sanayi A.Ş. (CFS)	Investment	Türkiye	100	Agricultural Industry
Techinvestments MMC (Techinvestments)	Investment	Azerbaijan	100	Investment
Tekfen Ventures L.P. (Tekfen Ventures)	Investment	USA	100	Investment
Tekfen Venture Management LLC (Venture Management)	Management Service	USA	100	Investment

Subsidiaries	Area of Activity	Country of Registration	Direct/Indirect Shareholding Rate 2024	Operational Group
Tekfen Engineering USA Inc. (Temaş USA)	Engineering	USA	100	Engineering and Contracting
Tekfen Yenilenebilir Enerji Çözümleri A.Ş. (Tekfen Renewable Energy)	Energy	Türkiye	100	Investment
Tekfen Taşınmaz Tarım ve Yönetim A.Ş. (Tekfen Real Estate)	Investment	Türkiye	100	Investment
Tekfen Derince Gayrimenkul A.Ş. (Tekfen Derince)	Investment	Türkiye	100	Engineering and Contracting
Toros Taşınmaz Yatırım ve Yönetim A.Ş. (Toros Real Estate) <sup>8</sup>	Investment	Türkiye	-	Agricultural Industry
Tekmarmara Enerji Üretim A.Ş. (Tekmarmara) <sup>9</sup>	Energy	Türkiye	100	Investment
Babadag Enerji Üretim A.Ş. (Babadağ) <sup>10</sup>	Energy	Türkiye	100	Investment

Business Partnerships	Area of Activity	Country of Registration	Direct/Indirect Shareholding Rate 2024	Direct/Indirect Shareholding Rate 2023	Operational Group
Azfen Birge Müessesesi (Azfen)	Construction	Azerbaijan	40	40	Engineering and Contracting

<sup>4</sup> Eurl Tekfen Algeria (Tekfen Algeria) has been liquidated.

<sup>5</sup> Tekfen Tarımsal Araştırma Üretim ve Pazarlama A.Ş. ("Tekfen Agri") was transferred to Toros Agri, together with all its assets and liabilities, on 31 December 2024.

<sup>6</sup> Toros Gönen Yenilenebilir Enerji Üretim A.Ş. ("Gönen Energy") was transferred to Toros Agri, together with all its assets and liabilities, on 31 December 2024.

<sup>7</sup> Toros Meram Yenilenebilir Enerji Üretim A.Ş. ("Meram Energy") was transferred to Toros Agri, together with all its assets and liabilities, on 31 December 2024.

<sup>8</sup> Toros Taşınmaz Yatırım ve Yönetim A.Ş. ("Toros Real Estate") was transferred to Tekfen Real Estate, together with all its assets and liabilities, on 10 September 2024.

<sup>9</sup> Tekmarmara Enerji Üretim A.Ş. ("Tekmarmara") was established on 15 March 2024. The company was transferred to Babadağ, together with all its assets and liabilities, on 16 January 2025.

<sup>10</sup> Babadağ Enerji Üretim A.Ş. ("Babadağ") was acquired during the current year.

Tekfen Holding’s TSRS-compliant report considers the share of companies included in the financial consolidation in total turnover, with priority given to the climate risks and opportunities of the Agricultural Industry Group and the Engineering and Contracting Group, which are the largest contributors to the Company’s turnover.

2.2. Tekfen Holding’s Business Model and Value Chain

When preparing its climate-related financial disclosures, Tekfen Group takes into account its

entire value chain, including its own operations and those of the Group Companies. The Group operates across various industries and relies on numerous resources to deliver its products and services. To this end, it engages with a wide range of organisations and stakeholders. These include a range of upstream and downstream stakeholders, such as suppliers of raw and other materials, facility and equipment providers, employees, consultants, logistics partners involved in product distribution, and customers purchasing products and services.



Table 3: Tekfen Holding’s Business Model and Value Chain

Activity	Position in the Value Chain	Source Dependencies	Geographical Location
Tekfen İnşaat ve Tesisat A.Ş. (Tekfen Construction and Installation) <sup>11</sup>			
Proposal	Company operations	Human and intellectual	Türkiye
Design & Engineering	Upstream	Human and intellectual	Türkiye
Project Management	Company operations	Human, financial, physical and intellectual	Türkiye, Azerbaijan, Saudi Arabia, Qatar, Kuwait, Iraq, Kazakhstan
Procurement of Materials	Upstream	Financial	Türkiye, Azerbaijan, Saudi Arabia, Qatar, Kuwait, Iraq, Kazakhstan
Transport	Upstream	Financial	Türkiye, Azerbaijan, Saudi Arabia, Qatar, Kuwait, Iraq, Kazakhstan
Manufacturing	Company operations	Human, financial and physical	Türkiye, Azerbaijan, Saudi Arabia, Qatar, Kuwait, Iraq, Kazakhstan
Construction	Company operations	Human, financial and physical	Türkiye, Azerbaijan, Saudi Arabia, Qatar, Kuwait, Iraq, Kazakhstan
Commissioning / Handover	Company operations, downstream	Human and physical	Türkiye, Azerbaijan, Saudi Arabia, Qatar, Kuwait, Iraq, Kazakhstan
Use and Commissioning	Company operations, downstream	Physical	Türkiye, Azerbaijan, Saudi Arabia, Qatar, Kuwait, Iraq, Kazakhstan
Modernisation / Renovation / Demolition	Company operations, downstream	Physical, financial and human	Türkiye, Azerbaijan, Saudi Arabia, Qatar, Kuwait, Iraq, Kazakhstan
Tekfen Mühendislik A.Ş. (Tekfen Engineering) <sup>12</sup>			
Tekfen Engineering	Company operations	Human and financial	Türkiye
Proposal	Company operations	Human and intellectual	Türkiye, Azerbaijan, Uganda, Iraq, Kenya, United Kingdom
Project Management	Company operations	Physical, financial and human	Türkiye
Delivery	Downstream	Physical, financial and human	Türkiye
Tekfen İmalat ve Mühendislik A.Ş. (Tekfen Manufacturing) <sup>13</sup>			
Tekfen Manufacturing	Company operations	Physical, human and financial	Türkiye
Proposal	Company operations	Physical, human and financial	Türkiye
Design & Engineering	Company operations	Physical, human and financial	Türkiye
Project Management	Company operations	Physical, human and financial	Türkiye
Procurement of Materials	Upstream	Physical and financial	Türkiye
Transport	Upstream	Physical and financial	Türkiye
Manufacturing and Assembly	Company operations	Physical, human and financial	Türkiye, Azerbaijan, Saudi Arabia, Qatar, Kuwait, Iraq, Kazakhstan
Commissioning / Handover	Company operations, downstream	Physical, human and financial	Türkiye, Azerbaijan, Saudi Arabia, Qatar, Kuwait, Iraq, Kazakhstan
Modernisation and Renovation	Company operations, downstream	Physical, human and financial	Türkiye, Azerbaijan, Saudi Arabia, Qatar, Kuwait, Iraq, Kazakhstan
Toros Tarım Sanayi ve Ticaret A.Ş. (Toros Agri) <sup>14</sup>			
Procurement of Raw Materials	Upstream	Physical and financial	Türkiye, Libya, Egypt, Trinidad, USA, Saudi Arabia, Algeria, Russia, Jordan, Tunisia, Bulgaria, Morocco, Italy, Greece, Turkmenistan
Fertiliser Production	Company operations	Physical, human and financial	Türkiye (Samsun, Adana, Mersin)
Power Generation			
Bag Production	Company operations	Physical, human and financial	Adana
Packaging and Distribution	Downstream	Physical, human and financial	Türkiye (Samsun, Adana, Mersin), Romania
Retail (Dealers)	Downstream	Physical, human and financial	Türkiye, Romania

Activity	Position in the Value Chain	Source Dependencies	Geographical Location
Toros Gönen (Power Generation)	Company operations	Physical, human and financial	Türkiye
Toros Meram (Power Generation)	Company operations	Physical, human and financial	Türkiye
Sales and Distribution (Regions)	Company operations	Physical, human and financial	Türkiye
Exports	Company operations	Physical, human and financial	USA, Germany, Austria, Azerbaijan, Brazil, Czech Republic, Dubai, Morocco, India, Spain, Israel, Italy, Montenegro, Kenya, Cyprus, Lithuania, Poland, Romania, Tanzania, Ukraine, Greece, France, Netherlands, United Kingdom, Malaysia, Norway, Singapore, Slovakia
Romania Agriport	Company operations	Physical, human and financial	Romania
Agricultural Production	Company operations	Physical, human and financial	Türkiye
Alanar	Company operations	Physical, human and financial	Türkiye
Procurement of Packaging Materials	Upstream	Physical and financial	Türkiye
Sales of Manufactured Products	Downstream	Physical and financial	Türkiye
Toros Adana Yumurtalık Serbest Bölgesi Kurucu ve İşleticisi A.Ş. (Toros Adana Yumurtalık Free Zone Founder and Operator) <sup>15</sup>			
TAYSEB	Company operations	Physical, human and financial	Türkiye
Toros Terminal Servisleri ve Denizcilik A.Ş. (Toros Terminal) <sup>16</sup>			
Toros Agri Port Management Operations (Samsun-Ceyhan Ports)	Company operations	Physical, human and financial	Türkiye
Pilotage and Towage Services	Upstream	Physical, human and financial	Türkiye
Agency Services	Company operations	Physical, human and financial	Türkiye
Warehousing Services	Company operations	Physical, human and financial	Türkiye
Handling	Company operations	Physical, human and financial	Türkiye
Investment Group <sup>17</sup>			
Babadağ	Company operations	Financial	Türkiye
Tekfen Tourism	Company operations	Physical and human	Türkiye
Tekfen Insurance	Company operations	Human and intellectual	Türkiye
Tekfen Ventures			
Investment	Company operations	Human and intellectual	USA

<sup>11</sup> Heavy construction works, refineries, petrochemical plants, large industrial processing plants, pipelines, marine structures, power plants, and other contracting activities.

<sup>12</sup> Engineering and consultancy activities.

<sup>13</sup> Structural Steel Fabrication, pipe spool fabrication, modular fabrication, storage tanks, pressure spherical tanks, pressure vessels fabrication.

<sup>14</sup> Fertiliser production; power generation; fertiliser sales through dealerships; production of wheat, barley, and potato seeds, as well as various fruits; production and export of fresh fruits; supply of branded bags for wheat and barley and cardboard boxes for fruits; and sales of packaged products.

<sup>15</sup> Utility Services (electricity, water, natural gas, telephone, internet, food, security, emergency response, cleaning, waste management, environmental lighting, domestic and industrial wastewater treatment, machinery and equipment rental, etc.)

<sup>16</sup> It receives services from experts on local sea conditions and port infrastructure during ship entries, exits, and manoeuvres at the port. Toros Agri does not provide pilotage, towage, or similar services for ships. The company provides services such as Bulk Solid Cargo, General Cargo, and Bulk Liquid Cargo Handling, Storage Services for Third Parties, Third-Party Use, etc. Toros Gemi Acenteliği ve Ticaret A.Ş. (Toros Shipping), a subsidiary of Toros Agri, has been providing shipping agency services on behalf of ships and shipowners for all vessels carrying imported or purchased raw materials, or exported fertiliser cargo, for Toros Agri's own production and commercial activities since 2005. An additional capacity of 60,000 tonnes was added to the existing 60,000-tonne enclosed grain warehouse for use by third-party companies, with customs permits nearing completion. Furthermore, the existing coal site with a capacity of 300,000 tonnes and fuel tanks converted to hold 45,000 m³ of fuel oil are awaiting customs approval as warehouses. Handling services are provided for both Toros Agri's production activities and third-party Bulk Solid Cargo, General Cargo, and Liquid Cargo products.

<sup>17</sup> Insurance Agency Services, Renewable Energy Production (RES), Tekfen Tower, Bomonti Apartments, Yalıkavak, Kağıthane Office, Taksim Residence, HQs of the Holding and Group Companies at Tekfen Site, Utility Services, and Investment Activities.

3. Governance

3.1. Sustainability Governance

At Tekfen Holding, the **Board of Directors** holds the highest level of governance responsibility for sustainability-related matters. The Board ensures that the Company's sustainability strategy is established, policies are defined, necessary resources are allocated, and climate risks and opportunities are managed in accordance with the Company's strategy.

The Board defines the Company's strategy for addressing sustainability and climate-related risks and opportunities. Sustainability and climate issues are discussed in depth during Board meetings, where the Holding's targets in these areas are approved and progress is monitored.

In 2024, the Board meetings focused on climate-related risks and opportunities that could reasonably affect the Group's short-, medium-, and long-term expectations regarding cash flows, access to financing, and cost of capital. Key areas of progress and emerging trends were also discussed during these meetings. Under the strategic guidance of the Board of Directors, in 2024, Tekfen Holding established a **Low-Carbon Transformation Roadmap**. To this end, the Company decided to begin opting for low-emission raw materials, regardless of cost. See the [Strategy](#) section of the report for more information on Tekfen Holding's Low-Carbon Transformation Roadmap.

The Board of Directors consists of 10 members with broad expertise across various disciplines, including construction, finance, machinery, communications, chemistry, sustainability, and political science. The extensive knowledge and experience of these members enable them to make significant contributions to the Company's strategic decision-making processes. Given Tekfen Holding's diverse areas of activity, it is essential that the Board comprises members with broad sectoral insight to develop strategies that effectively address risks and opportunities. Detailed information on the CVs of the Board of Directors is available on the Company's [website](#). The competency matrix of the Board of Directors is also provided below.

Self-assessments were conducted to evaluate competency, taking into account the education, experience, responsibilities, and professional activities of each Board member. The ratio above was calculated by dividing the number of members who are competent in the relevant area by the total number of Board members (10).

In the coming period, the Company plans to provide training to the Board of Directors and Senior Management to help raise their awareness on sustainability and climate-related risks and opportunities.

Table 4: Competency Matrix of the Board of Directors

Experience	Number of Members with Relevant Experience	Ratio of Members with Relevant Experience
Finance	9	90%
Risk & Audit	6	60%
Legal & Tax	3	30%
Digital Technologies	3	30%
Mergers & Acquisitions	6	60%
Engineering	2	20%
Sustainability (ESG)	5	50%

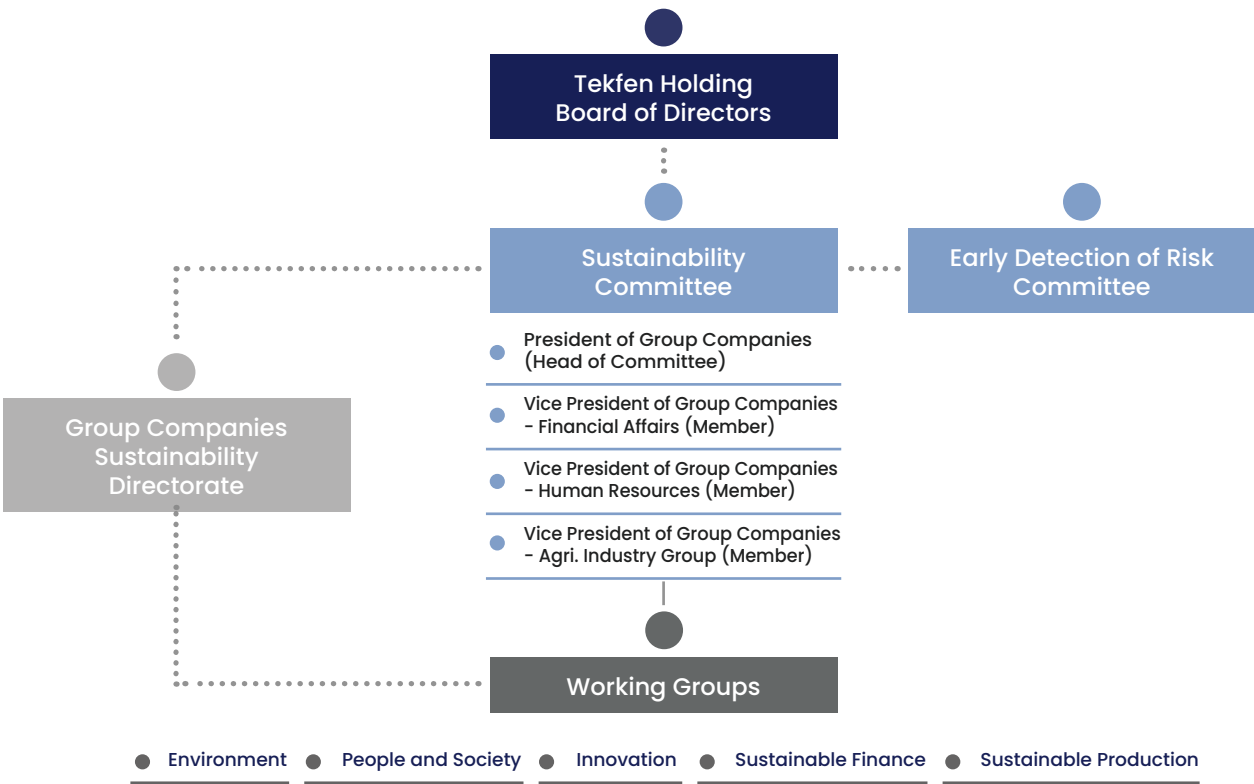
The Board of Directors has delegated responsibility for overseeing and guiding the development, implementation, and monitoring of the sustainability strategy to the **Sustainability Committee**. Additionally, sustainability- and climate-related risks and opportunities are regularly monitored by the **Early Detection of Risk Committee** as part of the corporate risk management process.

**Five main Working Groups** (Environment, People and Society, Innovation, Sustainable Finance, and Sustainable Production) have been established under the Sustainability Committee to support sustainability management at Tekfen Holding.

An overview of the Group's sustainability governance is provided below.

To enable more effective oversight of climate-related matters by the Board of Directors, comprehensive

controls and procedures have been developed to identify and assess relevant risks and opportunities, with the overall framework for this process outlined in the **Corporate Risk Management** regulation. Tekfen addresses the identification and assessment of sustainability and climate-related risks and opportunities in its **Sustainability Risk and Opportunity Management** regulation, in accordance with the principles of the Corporate Risk Management regulation. Additionally, its **Sustainability Policy** specifies how risks and opportunities are managed. In this way, sustainability and climate-related risks are managed comprehensively through the Board of Directors, the Sustainability Committee, and the Early Detection of Risk Committee. At the same time, the Group Internal Audit Department evaluates the effectiveness of risk management processes, controls, and other measures as part of its annual internal audit activities. The integration of climate risks into Internal Audit processes was completed in 2025.



### 3.2. Committees Supporting Board Oversight and Audit for Sustainability and Climate-Related Issues

#### Sustainability Committee

Tekfen Holding has been committed to an integrated and unifying sustainability approach; therefore, in 2017, it established a Sustainability Committee. This committee comprises representatives from Group Companies and aims to ensure the consistent implementation of sustainability initiatives across the entire organisation. It leads strategy development for the continuous improvement of Tekfen Holding's environmental, social, and governance (ESG) performance through regular meetings and activities.

The Sustainability Committee is responsible for developing the strategies, roadmaps, targets, policies, and reporting mechanisms necessary to realise the Company's sustainability vision. It also oversees the integration of corporate sustainability priorities and ESG policies into business processes. Progress and results of the roadmap are reported annually to both the Corporate Governance Committee and the Board of Directors.

The Sustainability Committee is chaired by the President of Group Companies. The Committee convenes at least twice a year and as required. In 2024, it met twice with full attendance.

#### Sustainability Working Groups

The Sustainability Working Groups were designed to create an interdisciplinary structure that leverages employee engagement and the diverse competencies of employees across Group Companies. Each group aims to apply their expertise and knowledge in their respective fields from a broader perspective, generating more innovative and effective solutions. The Sustainable Finance Working Group, for instance, actively focuses on integrating sustainability risks into the corporate risk management system. It develops innovative ideas and strategies to enhance Tekfen Holding's resilience, particularly against climate change risks.

The duties and responsibilities of the Sustainability Committee and Working Groups are outlined in the Corporate Risk Management regulation and the Sustainability Risk and Opportunity Management regulation. Comprising employees from Tekfen Holding and Group Companies, the Sustainability Working Groups identify sustainability and climate risks and opportunities related to their companies' activities. In collaboration with risk managers, they develop risk inventories, monitor progress, and update the inventories when necessary.

#### Early Detection of Risk Committee

Tekfen Holding adopts a prudent risk management framework to effectively monitor and manage any risks associated with its areas of activity. For this purpose, the Tekfen Group Companies, through a collaborative process coordinated by Tekfen Holding, have established a common approach and reporting method to manage potential risks they may encounter. Further information is available in the [Risk Management](#) section of the report.

Sustainability and climate opportunities at Tekfen Holding and Group Companies are regularly evaluated by the Early Identification of Risk Committee. The Committee focuses on the early identification of risks that the Company may face in relation to regulatory and legal requirements, which could threaten its existence, development, and continuity. To this end, it is responsible for accurately linking sustainability and climate risks to the Company's strategy and performance targets, and for ensuring these risks are considered in management decisions. The Committee monitors trends in relevant risks and periodically reports to the Board of Directors on the identification, assessment, and management of these risks in line with Company-wide standards, as well as on the mitigation and monitoring of their potential negative impacts. In doing so, it contributes to the Company's strategic decision-making processes. It also reviews risk model criteria, including risk tolerance, impact, and probability, and the risk scoring limits on the risk map, before presentation to the Board of Directors.

Following these findings, the necessary measures are implemented promptly to minimise risks and manage them effectively. The Committee conducts a comprehensive analysis of all risks, taking into account the Company's risk tolerance and strategic priorities. These analyses are carried out through in-depth evaluation and classification of potential threats. The findings are presented to the Board of Directors through detailed reports on a bi-monthly basis, supporting the Company's strategic decision-making processes.

The Early Detection of Risk Committee convenes bimonthly, six times a year, and additionally as required. The Committee is chaired by an independent Board member and convened four times in 2024. The attendance rate was 92 percent.

### 3.3. Management Level Responsibilities for Sustainability and Climate-Related Issues

To ensure that operational responsibilities for sustainability and climate-related issues are carried out effectively, the Board of Directors has delegated these duties to specific management positions. The Board supervises the roles and activities of these managers carefully through the relevant committees to ensure proper implementation of business processes. The President of Tekfen Group Companies holds key executive authority in implementing sustainability and climate strategies and is responsible for managing decision-making processes in this area.

The President is supported by a multidisciplinary management team in achieving sustainability goals and executing climate strategies. The management team provides the President of Tekfen Group Companies with information and expertise at least quarterly on climate change adaptation, environmental impact reduction, and the achievement of the Company's sustainability goals, supporting the effective implementation of high-level strategies. Detailed risk management responsibilities of the management team are provided below.

#### General Manager and Deputy General Managers of Group Companies

The General Manager and Deputy General Managers serve as effective leaders in integrating risk awareness, including sustainability and climate risks, into all Company activities. They guide administrative units with practices that enhance risk management performance. They coordinate with their reporting units to manage risks within their areas of responsibility and provide regular reports to the Company Risk Officer. They also support efforts to identify sustainability and climate-related risks and opportunities. They oversee sustainability and climate risks in their areas of responsibility and ensure that adequate resources are identified and managed to address them.

#### Managers

Managers incorporate all risks, including sustainability and climate risks, into major decisions in coordination with Senior Management and manage the risks within their areas of responsibility on a daily basis.

#### Group Internal Audit Department

The Group Internal Audit Department adopts an extensive risk management and control perspective to support overall operational management, while evaluating the effectiveness of existing risk management processes, including controls and other mitigation measures. To this end, it provides reasonable assurance regarding the accuracy and integrity of the information presented in sustainability and climate risk reports used in decision-making processes.

#### Group Companies Risk Officer

The Group Companies Risk Officer participates in and supports the efforts of the Sustainability Working Groups regarding sustainability risks and opportunities.

### 3.4. Remuneration Processes

The Remuneration Committee at Tekfen Holding takes a strategic approach by considering the Company's long-term goals when determining the



principles, criteria, and practices for the remuneration of Board Members and executives with administrative responsibilities. The Committee ensures that the remuneration criteria are objective and measurable, develops recommendations based on their fulfilment, and submits these recommendations to the Board of Directors.

In line with the remuneration strategy, the salaries of senior managers are not directly linked to sustainability and climate targets. Sustainability targets set out in performance cards are incorporated into the overall performance evaluation. Consequently, they are indirectly reflected in assessments and may influence bonuses. The

Company targets set for the President of Tekfen Group Companies influence the entire organisational hierarchy, and the successful achievement of these targets has a direct impact on all employees. These interconnected targets and their achievement are continuously monitored and evaluated using specially developed software. The successful achievement of the annually reviewed targets contributes to both individual performance scores and the Company's overall success, providing employees with financial rewards such as salary increases and bonuses. Sustainability and climate targets are included in employee scorecards as part of the overall performance evaluation, indirectly influencing wages and bonuses.

# 4. Strategy

Tekfen Holding identifies climate-related risks and opportunities reasonably expected to affect its future financial viability as part of the Corporate Risk Management regulation and the **Sustainability Risk and Opportunity Management** regulation, and manages them in line with its strategic objectives. Accordingly, it evaluates climate risks and opportunities across financial, operational, strategic, reputational, and compliance dimensions; analyses their short-, medium-, and long-term impacts and probabilities; and provides strategic guidance. The time frames set by Tekfen Holding align with the climate targets. These time frames can be found below:

- **Short term (0–1 year):** Tekfen Holding defines the short term as up to one year, encompassing comprehensive OPEX (Operating Expenses) and CAPEX (Capital Expenditures) plans for both corporate governance and risk management.
- **Medium term (1–5 years):** In its Strategic Plan, Tekfen Holding defines the medium term as a period of up to five years. It was determined based on national and international legal regulations, the global sustainability agenda, and climate targets.

- **Long term (>5 years):** Tekfen Holding defines the long term as a period exceeding five years for all business processes, including risk management.

The Company categorises climate risks into physical and transition risks. Tekfen Holding's climate risk categories and their descriptions are provided below.

Tekfen Holding assessed climate risks and opportunities across its entire value chain and prepared a comprehensive climate risk and opportunity inventory. In determining the climate-related risks and opportunities that could reasonably affect the Company's financial position, the Holding considered past events, current conditions, and future forecasts, using reasonable and supportable information. It assessed whether resource inputs and their relationships and interdependencies within the value chain are exposed to any risks or present any potential opportunities. The Group then conducted a climate scenario analysis to evaluate climate risks in greater depth. Within this framework, the changes and impacts of climate risks and opportunities over time were analysed. When assessing transition risks in its scenario analyses, the Company used the optimistic

Table 5: Climate Risk Categories

Risk Category	Subcategory	Description
Transition Risks	Policy and Legal Risks	Changes in climate policies, such as carbon pricing mechanisms and energy efficiency regulations
	Technology Risks	Risks arising from the development of new technologies and their replacement of existing ones
	Market Risks	Changes in demand for certain products and services resulting from climate risks and opportunities
	Reputational Risks	Changes in customer or community perceptions of the organisation's contribution to the transition to a low-carbon economy
Physical Risks	Acute Risks	Increases in the frequency and severity of extreme weather events, such as hurricanes or floods
	Chronic Risks	Long-term climate changes, such as sea level rise or prolonged heatwaves

and pessimistic temperature increase projections from the International Energy Agency's (IEA) World Energy Outlook 2024 report (IEA STEPS, IEA APS, and IEA NZE). According to the IEA, the best-case scenario with limited temperature increases projects the highest carbon prices. The Company based its assessment of physical risks on scenario analyses published by the Intergovernmental Panel on Climate Change (IPCC). See the [Climate Resilience](#) section of the report on detailed information about Tekfen Holding's climate scenario.

The assessment concluded that no climate risk exceeds the financial materiality threshold determined by the Company. Accordingly, no climate risk would require the Company to make a significant adjustment to the book value of assets or liabilities reported in the financial statements in the next financial reporting period.

However, although it does not exceed the financial materiality threshold, Tekfen Holding has elaborated

on the climate risk with high potential to impact the Company's strategy in the coming period in the [Climate Risks](#) section. Tekfen Holding also evaluated potential climate opportunities. In this context, opportunities to increase technological investments and develop a sustainable product and service portfolio for competitive advantage in existing markets, as well as broader business opportunities in the global market, were evaluated as part of the transition to a low-carbon economy. While Tekfen Holding provides a general framework for climate opportunities in this report, it does not disclose details publicly, as these opportunities contain sensitive information on commercial strategies, competitive advantage, and investment plans. However, the climate opportunity for Green Ammonia and Green Hydrogen investments, which are expected to contribute to the Company's Low-Carbon Roadmap upon implementation as part of its five-year strategic plan, is detailed in the [Climate Opportunities](#) section.

4.1. Climate Risks

Brief Definition of Risk	Negative Impacts of the Carbon Border Adjustment Mechanism (CBAM) on the Agricultural Industry Group.
Description of Risk	Regulations such as the EU's Carbon Border Adjustment Mechanism and the Emissions Trading System, expected to come into force in Türkiye, create direct and indirect financial liabilities for the fertiliser industry.
Category and Type of Risk	Transition / Legal and Regulation.
Maturity of Risk	Medium-term.
Value Chain	Company Operations and Upstream Operations (Suppliers).

Current and Projected Impacts on the Business Model and Value Chain	<p>With the completion of the EU CBAM transition, EU importers will be required to report the quantity of fertiliser products they import into the EU, the greenhouse gas emissions generated during their production, and the carbon price to be paid in the country of origin each quarter. Additionally, the Climate Law came into effect in Türkiye in 2025. Under this law, the process of preparing legislation for the Emissions Trading System (ETS) is still ongoing. The ETS planned for implementation in Türkiye is regarded as an important, market-oriented tool for achieving low-carbon development targets. In addition to assessing the effects of the CBAM, Tekfen Holding will begin analysing the impacts of the ETS on its business model and value chain.</p> <p>As part of the impact of these regulations on Tekfen's business model, it is anticipated that increased operational costs from carbon taxes will be directly reflected in production processes, leading to higher product costs and, consequently, increased product prices.</p> <p>From a value chain perspective, suppliers subject to similar regulations may increase the costs of raw materials and intermediate products, which could affect the overall production process. The Company's adaptation to these new regulations may necessitate a review of its innovation and sustainability strategies.</p>
Risk Concentration	Risks are concentrated in the Samsun, Ceyhan and Mersin facilities.
Severity	3
Probability	4
Risk Score	12
Type of Impact	Potential
Risk Metric	<ul style="list-style-type: none"><li>Carbon Emissions (metric ton CO<sub>2</sub> equivalent)</li><li>Product Carbon Intensity According to the CBAM Methodology (kg CO<sub>2</sub>/metric ton product)</li><li>Exports to the EU (metric ton)</li><li>Toros Agri CBAM Cost and ETS Carbon Price</li></ul>
Impacts on Strategy and Decision-Making Processes	<p>Tekfen Holding is adopting new business models to advance its decarbonisation transformation. To that end, it plans to focus on green hydrogen and green ammonia, the shared transformation areas of its agricultural industry and engineering and contracting business lines, the latter boasting experience in refineries and industrial facilities. The goal is to create an ecosystem involving all Group Companies across the value chain, extending from renewable resources to green fertiliser. Accordingly, Tekfen Holding plans to increase spending on research and development and allocate resources to business development activities.</p>



<b>Risk Mitigation and Adaptation Efforts</b>		<p>Tekfen Holding has been closely monitoring regulations and pursuing adaptation efforts since 2020. Carbon emissions per metric ton of nitrogenous fertiliser exported by Toros Agri were calculated, and CBAM reporting was completed for Romania Agroport exports throughout 2024. The data obtained was shared with the relevant EU importers. Tekfen Holding has also completed its Low-Carbon Roadmap, aimed at decarbonising its business model.</p> <p>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 levels, and adapting to emissions trading systems. Toros Agri's efforts to reduce greenhouse gas emissions from production processes at its Gönen, Meram, and Samsun facilities are ongoing, as are the internationally recognised Gold Standard (GS) and Global Carbon Council (GCC) carbon certification processes. The aim is to document emission reductions and support the Company's decarbonisation targets. Credits obtained in this way can be used for carbon sales or as allowances to offset the Company's emissions.</p>
<b>Assets and Activities Vulnerable to Risk</b>		Ammonia demand, energy-intensive production activities, fossil fuel-dependent operations, and exports to the EU were identified as high-risk areas. Accordingly, the share of operations vulnerable to transition risk at Tekfen Holding was estimated at 37 percent.
<b>Financial Impacts</b>	<b>Current Financial Impact</b>	Since the CBAM is set to come into force in 2026, there is no financial impact in the current period. The Company's financial performance and cash flows were unaffected by this risk.
	<b>Type of Projected Financial Impact</b>	Increase in operational costs (indirect).
	<b>Projected Financial Impact</b>	<p>The methodological approach for the calculations of the projected financial impacts is provided in the <a href="#">Projected Financial Impact Calculation Methodology</a> section. Tekfen Holding conducted a climate scenario analysis for the CBAM, taking into account estimated carbon price increases in 2027, 2030, and 2035.</p> <p>If the optimistic scenario materialises in the medium term, the projected financial impact on operational costs could approach the financial materiality threshold.</p> <p>The potential medium- and long-term financial impact of additional liabilities from carbon taxes could raise Tekfen Holding's operational costs. Rising operational costs may negatively affect the Company's net cash flow. However, the strategies and investment decisions implemented as part of the Low-Carbon Roadmap will help reduce direct costs. The Group's investments to decarbonise its assets and operations are expected to gradually reduce its greenhouse gas emissions and the financial impact of carbon pricing.</p>
<b>Measurement Uncertainties</b>		During the preparation of the report, the lack of clarity around carbon pricing mechanisms, uncertainties regarding CBAM pricing and implementation, and fluctuations in market conditions made it difficult to precisely estimate the financial burdens the CBAM will impose and their impact on the Company's operational strategies.

4.2. Projected Financial Impact Calculation Methodology

Tekfen Holding made the following assumptions in its calculations of the CBAM transition risk.

- Greenhouse gas emissions in the European Union from industries such as fertiliser production are projected to gradually decrease in terms of emissions per unit of production (emission intensity) until 2035.

- Toros Agri's four main fertiliser types with the highest export volumes (Ammonium Nitrate – AN, Calcium Ammonium Nitrate – CAN, Diammonium Phosphate – DAP, and Compound Fertiliser) were included in the emission intensity calculations. In this context, emissions per metric ton were calculated for Toros Agri's fertiliser product group. The average emission intensities for 2027, 2030, and 2035, based on the European Union's emission reduction projections, are shown in the table below. The EU aims to eliminate emissions from fertiliser production by 2035.

Product Group	EU Average Emission Intensity (tCO <sub>2</sub> /metric ton fertiliser)		
	2027	2030	2035
Diammonium Phosphate (DAP)	0.51	0.27	0.00
Ammonium Nitrate (AN)	1.10	0.57	0.00
Compound Fertiliser (NP-20.20.0)	0.70	0.37	0.00
Calcium Ammonium Nitrate (CAN)	0.60	0.31	0.00

\* Source: JRC Technical Report - Table 20. Emission intensities of products in the fertilisers industry (Page: 153,154)

- Based on historical data, it was assumed that 30 percent of Toros Agri's total exports are destined for the EU. Accordingly, the financial liabilities to be accrued under the CBAM, based on the volume of exports to the EU by product group, were determined.
- Climate scenario analyses comprised the optimistic scenario (STEPS), the base scenario (APS), and the pessimistic scenario (NZE 2050). To that end, carbon prices per metric ton were determined for the years 2027, 2030 and 2035, as shown in the table below.

Carbon Prices (USD/tCO <sub>2</sub> )	2027	2030	2035
Optimistic Scenario (STEPS)	126	140	180
Base Scenario (APS)	78	88	113
Pessimistic Scenarios (NZE 2050)	19	21	24

Total carbon costs were calculated for each scenario analysis. The relevant calculations were based on the current emission levels of Toros Agri's facilities. Due to existing uncertainties, efforts to quantify the current and future impacts of climate risks were not expressed

quantitatively in this report. However, Tekfen Holding aims to incorporate quantitative analyses in future reporting periods. Additionally, CBAM-related costs may decrease if new investments are made to support Toros Agri's transition to a low-carbon economy.

4.3. Climate Opportunities

Brief Definition of Opportunity	Development of Sustainable Products and Services.
Description of Opportunity	<p>While the global green hydrogen and green ammonia market faces challenges such as high costs, low demand, and the limited nature of binding purchasing agreements, Tekfen Holding anticipates a long-term climate opportunity in this area. The Company's strategic roadmap includes a portfolio of wind and solar energy projects, along with the establishment of one of Türkiye's first green ammonia plants.</p> <p>The Group is more resilient to market fluctuations thanks to its integrated structure and the buyer capacity it will create within its own value chain. Moreover, investments in green hydrogen and green ammonia support strategic growth and enhance access to financing at a time when global climate policies are becoming increasingly stringent, carbon costs are rising, and demand for green products is growing rapidly.<sup>11</sup></p>
Category of Opportunity	Products and Services.
Maturity of Opportunity	Medium- and Long-Term.
Value Chain	Company Operations and Downstream Operations (Customers).
Current and Projected Impacts on the Business Model and Value Chain	<p>Tekfen Holding has set the strategic goal of becoming one of Türkiye's leading players in the green hydrogen and green ammonia markets. Thanks to its integrated ecosystem, the Company can rapidly incorporate developments in this field into its business model by establishing a structure that spans the value chain from production to consumption. In this context, an integrated value chain is planned, beginning with renewable electricity, progressing to the production of green hydrogen via electrolysis, followed by conversion to green ammonia, and culminating in storage for use in fertiliser production. Accordingly, the Company aims to secure its ammonia supply and strengthen its competitive position in overseas markets. This model helps reduce external supply chain dependency, lower carbon emissions, and ensure cost predictability. Additionally, Tekfen Holding can seize new export opportunities by expanding its sustainable product portfolio to meet growing global demand and enhance its competitive advantage by complying with international regulations such as the EU Green Deal and CBAM.</p>
Opportunity Concentration	Tekfen Holding's ecosystem encompassing Engineering, Procurement, and Construction (EPC) and fertiliser production.

<sup>11</sup> 1H 2025 Hydrogen Outlook – BNEF, The Year Of Natural Selection, April 7 2025; Hydrogen Market Outlook 2025 – Helsinki Briefing, 10 June 2025

Severity	3
Probability	4
Risk Score	12
Type of Impact	Potential
Opportunity Metric	Capital expenditure (CAPEX) investments.
Impacts on Strategy and Decision-Making Processes	<p>The transition to a low-carbon economy has become a priority in Tekfen Holding's investment strategies. To that end, projects such as green hydrogen and green ammonia facilities not only contribute to reducing carbon emissions, but also play a critical role in achieving the Company's net zero target. With these investments, Tekfen Holding aims to offer low-carbon alternatives to traditional fossil-based inputs used in energy-intensive sectors, reducing emissions in both company operations and the downstream value chain. These investments are evaluated according to criteria such as carbon reduction, energy efficiency, regulatory compliance, access to green financing, and financial returns. Tekfen Holding reinforces its long-term sustainable growth model by aligning investment decisions with climate opportunities.</p>
Actions Toward Opportunity	<p>Tekfen Holding has developed a strategic plan to become an EPC service provider for green transformation investments, leveraging its engineering expertise and EPC experience gained in the oil and gas industries. Closely monitoring global projects, the Company has established a task force to participate in bidding processes. Additionally, Tekfen Holding actively monitors industry trends by conducting business development projects with global electrolyser manufacturers. Toros Agri utilises imported ammonia in its production processes. Meanwhile, Tekfen Renewable Energy Solutions conducts concept design and pre-feasibility studies for green ammonia production at its Mersin Plant, using renewable energy to ensure that this input is sourced domestically and sustainably. In this context, the evaluation process for the potential 5 MW green ammonia investment is ongoing, while the technical and commercial feasibility assessment for the 60 MW green ammonia investment has been completed.</p>
Vulnerable Assets and Activities in Terms of Opportunity	High-cost and long-term investment requirements for green hydrogen and ammonia projects.



Financial Impacts	Current Financial Impact	The investment is planned to be carried out under a Joint Venture (JV) to balance risks and strengthen financial and technological capacity. This structure aims to create synergy between Tekfen Holding’s EPC experience and the financial strength, technological access, and market knowledge of potential business partners. No CAPEX investment was planned during the reporting period for the 5 MW green ammonia project. Preliminary engineering studies have been completed for a green ammonia facility, which aims to produce 50,000 metric tons annually with an electrolyser capacity of nearly 60 MW, and a CAPEX investment of USD 0.35 million has been realised. The Front-End Engineering Design (FEED) phase has begun, and efforts to reach the investment decision are currently underway.
	Projected Financial Impact	<p>In the short term, the green hydrogen and green ammonia facility investment envisaged in the project requires high CAPEX, which may initially result in significant cash outflows and depreciation. This is expected to put temporary pressure on the financial statements.</p> <p>Strategic returns on investment are expected to materialise in the medium and long term. Gaining access to the global market will allow Tekfen Holding to create new revenue streams and expand its export volume. The investment will also strengthen the Company’s financial resilience by diversifying profitability from existing activities, while potentially increasing its sustainable growth potential.</p>

4.4. Climate Resilience

Tekfen Holding uses climate scenario analyses to forecast the impact of climate change on its business strategy and enhance its climate resilience. Sources used for climate scenario analyses are reviewed annually. The scenario analysis aligns with the latest international agreement and includes a range of scenarios, from optimistic ones that envisage limiting global warming to 1.5°C, to pessimistic ones projecting higher temperature rises where the increase cannot be contained within 2°C. IEA scenarios assess transition risks based on resource capacity, the energy transition, and carbon reduction policies. In contrast, IPCC scenarios cover extreme weather events and related physical risks, such as changes in air temperature and precipitation intensity and volume, which may result from rising greenhouse gas emissions. These comprehensive scenarios are analysed to enhance resilience to climate change across all Tekfen Holding operations. They are also considered in shaping the Holding’s strategic

decisions and financial planning over the medium and long term. In this context, assessments based on climate scenarios help to understand potential impacts both before and after investment decisions. The Holding aligns its investment plans with the Low-Carbon Transformation Roadmap, taking the effects of climate change into account.

Climate scenario analyses were carried out by reviewing sources for the current reporting year (1 January 2024 – 31 December 2024). Estimates of climate uncertainties will be reviewed annually to assess whether the results need updating, taking into account current climate policies, macroeconomic trends, and technological developments.

	Optimistic Scenario (1.5°C Temperature Increase)		Pessimistic Scenario (4°C Temperature Increase)	
Climate policies considered in the scenario analysis				
	Carbon Border Adjustments	Energy Policies	Carbon Border Adjustments	Energy Policies
Key Assumption	While CO <sub>2</sub> prices are rising rapidly in developed countries with net-zero emission commitments, the increase is more gradual in developing countries.	The number of developed and developing countries committing to net zero (Net Zero Pledges) to limit temperature rise is increasing, accelerating the transition to clean energy.	This includes current and projected carbon pricing initiatives, as well as measures from countries such as Canada, Chile, Colombia, China, and Korea, alongside EU practices.	According to the IEA Climate Pledges Explorer, current Nationally Determined Contributions (NDCs) remain below the level required to meet long-term climate goals.
Qualitative Metric	While CO <sub>2</sub> prices are rising rapidly in developed countries with net-zero emission commitments, the increase is more gradual in developing countries. In the lowest-income regions, CO <sub>2</sub> reductions are achieved through direct policies.	According to the State of Energy Policy report, the European Union and 98 countries have committed to achieving carbon or climate neutrality by September 2024. While not yet backed by policy or law, these commitments cover nearly 87 percent of global CO <sub>2</sub> emissions.	In this scenario, market-based mechanisms are expected to continue rising, while carbon taxes and other non-market mechanisms are anticipated to remain stable, with only pre-planned increases.	As of 2023, 35 countries, accounting for around one-fifth of CO <sub>2</sub> emissions in the energy sector, have implemented new energy regulations. The most significant updates in these regulations include the latest fuel efficiency and emissions standards for passenger cars and trucks, along with new measures to reduce greenhouse gas emissions from fossil fuel power plants in the United States.
Quantitative Metric	In developed economies with Net Zero pledges, the carbon price per metric ton is projected to reach USD 140 by 2030 and USD 250 by 2050.	Not available.	By 2050, the carbon price applied to electricity, industry, and energy production under the EU Emissions Trading System (EU ETS) is expected to reach around USD 160 per metric ton of CO <sub>2</sub> . The projected values are USD 140 for 2030 and USD 149 for 2040.	Current NDC targets aim to reduce CO <sub>2</sub> emissions from the energy sector to 32 Gt by 2030. Accordingly, a decrease of nearly 9.6 percent is expected by 2030 compared with 2022. That being said, emissions increased by an average of 297.6 Mt per year during the 2010-2022 period, which is why achieving the 2030 targets will require an average annual reduction of 447.2 Mt from 2022 onwards.
Reference Scenarios	Climate scenario compatible with the Paris Agreement: NZE 2050		Climate scenario incompatible with the Paris Agreement: STEPS (Stated Policies Scenario)	
References	IEA WEO (2024)		IEA WEO (2024) & State of Energy Report (09/2024, <a href="https://www.iea.org/data-and-statistics/data-tools/climate-pledges-explorer">https://www.iea.org/data-and-statistics/data-tools/climate-pledges-explorer</a> )	

	Optimistic Scenario (1.5°C Temperature Increase)		Pessimistic Scenario (4°C Temperature Increase)	
Energy use considered in the scenario analysis				
	Clean Energy Demand	Final Energy Consumption	Clean Energy Demand	Final Energy Consumption
Key Assumption	More effective processes that improve energy efficiency are supported by policies and regulations, such as minimum energy performance standards. Under a 1.5°C scenario, annual improvements in energy intensity are expected to more than double by 2035.	Increasing energy efficiency through improved technology and processes, shifting away from energy-intensive options to meet demand, and adopting renewable trends will reduce final energy consumption.	New trade policies targeting clean energy technologies will be implemented to boost domestic production and diversify global supply chains.	High energy demand resulting from insufficient technological development, limited progress in energy efficiency, and continued reliance on energy-intensive resources such as fossil fuels will drive up final consumption.
Qualitative Metric	The acceleration of the transition to clean energy depends on falling clean energy prices and a reduction in uncertainties surrounding energy security.	Total global energy demand has risen by nearly 15 percent over the past decade.	Tariff reductions are generally implemented in Asia-Pacific countries (China, India, Malaysia, and the Philippines), as well as in Argentina and Egypt. Switzerland is the only developed economy to have removed import tariffs on industrial products related to clean energy technologies. These commercial measures aim to lower consumer prices, strengthen business and industrial ties, and facilitate trade.	Annual population growth is projected to be around 85 percent of the average level between 2013 and 2023 during the 2023–2035 period. Nevertheless, demand for essential energy services, such as lighting, cooling, and mobility, will continue to grow significantly, though not as rapidly as before.
Quantitative Metric	It is predicted that the share of electricity in final consumption will rise from 20 percent in 2024 to 36 percent in 2035, and that 90 percent of energy demand will be met by renewable sources by 2050.	Currently at 445 exajoules (EJ), global final energy consumption is estimated to fall by 15 percent by 2035 and by 23 percent by 2050.	Under this scenario, current action plans project global greenhouse gas emissions to fall by only 2.6 percent in 2030 compared to 2019. However, to limit global warming to 1.5°C by 2030, emissions must be reduced by 43 percent compared to 2019.	Global final energy consumption currently stands at 445 exajoules (EJ). According to the STEPS scenario, consumption will steadily rise to over 530 EJ by 2050. Between 2023 and 2035, the annual average growth rate of final energy consumption is expected to fall to 0.5 percent, three times slower than previously. However, this slowdown is not due to weakening economic growth, as global GDP is expected to grow at an average annual rate of 3 percent between 2023 and 2035, consistent with the past decade.
Reference Scenarios	Climate scenario compatible with the Paris Agreement: NZE 2050		Climate scenario incompatible with the Paris Agreement: STEPS (Stated Policies Scenario)	
References	IEA WEO (2024)		IEA WEO (2024) & UN Climate Action	

	Optimistic Scenario (1.5°C Temperature Increase)		Pessimistic Scenario (4°C Temperature Increase)	
Technological developments considered in the scenario analysis				
	Electrification	Carbon Capture, Utilisation and Storage (CCUS)	Electrification	Carbon Capture, Utilisation and Storage (CCUS)
Key Assumption	The share of electricity in total final consumption is rising faster than ever. This trend reflects the growing electrification of transportation and industry. Much of the growth in demand is coming from emerging markets and developing economies.	Over the past decade, the share of fossil fuels in the global energy mix has declined by 2 percent, falling to 80 percent in 2023. By contrast, the 15-percent increase in energy supply comes from clean energy options, including carbon capture, utilisation, and storage technologies.	If clean energy costs do not fall and uncertainties around energy security persist, the transition to electrification will slow. The operations where electrification can be applied remain limited, and existing activities continue to rely largely on conventional methods.	While the share of fossil fuels in the global energy mix remains high, most of the increased energy demand is met by fossil fuels, owing to the limited development of carbon capture and clean energy technologies.
Qualitative Metric	Accelerating electrification and reducing the carbon intensity of power grids are crucial for improving efficiency and cutting emissions.	Clean energy investments offer numerous economic and environmental benefits, in addition to addressing climate change. Countries including Australia, Indonesia, Japan, and Korea have enacted laws to promote new CCUS projects.	According to the STEPS scenario, clean energy is projected to satisfy nearly all of the increase in total energy demand between 2023 and 2035.	While high-income countries focus on advanced technologies, developing countries drive rapid economic growth through fossil fuels. This scenario envisages a strong focus on economic development and heavy reliance on fossil fuels. Emission levels are high, mitigation challenges are significant, and adaptation challenges are low.
Quantitative Metric	The projected share of electric vehicle (EV) sales in total land vehicle sales exceeds 90 percent by 2035, while total electricity demand is expected to reach 66,000 TWh by 2050.	CCUS technologies with fossil fuels, along with low-emission hydrogen and ammonia, are expected to contribute significantly to decarbonisation, generating an additional 1,100 TWh of energy by 2035 compared with the 4°C scenario.	According to the STEPS scenario, the share of electricity in final consumption is currently around 20 percent and is expected to rise to 26 percent by 2035.	Not available.
Reference Scenarios	Climate scenarios compatible with the Paris Agreement: NZE 2050		Climate scenario incompatible with the Paris Agreement: STEPS (Stated Policies Scenario)	
References	IEA WEO (2024)		IEA WEO (2024) & IPCC (SSP5)	

The optimistic scenario analysis for a 1.5°C temperature rise examined climate policies, energy use, and technological developments. CO<sub>2</sub> prices are expected to rise rapidly in developed countries committed to net-zero emissions under carbon border adjustments, while the increase is likely to be more moderate in developing countries. In this context, the

carbon price per metric ton in developed economies is projected to reach USD 115 by 2030 and USD 250 by 2050. As the transition to clean energy accelerates in line with climate policies, energy efficiency policies and processes are expected to improve more than twofold by 2035. The share of electricity in final consumption is anticipated to rise to 36 percent



during this period and to 90 percent by 2050. Accelerating electrification and reducing carbon emissions play a key role in technological progress, with electric vehicle sales expected to exceed 90 percent by 2035. The reduction of fossil fuels in the energy mix and the expansion of clean energy options through carbon capture technologies contribute significantly to decarbonisation.

The pessimistic scenario analysis for a 4°C temperature rise examined conditions in which climate policies, energy use, and technological developments are insufficient. Current and projected carbon pricing systems will be insufficient to meet long-term climate targets in countries such as Canada, Chile, Colombia, China, Korea, and those

within the European Union. While carbon prices in the European Union Emissions Trading System are projected to reach USD 160 per metric ton of CO<sub>2</sub> by 2050, this level may still be insufficient to meet the targets. In terms of energy use, limited technological progress and continued reliance on fossil fuels will result in high energy demand and increased final consumption, with global energy use expected to exceed 530 exajoules by 2050. In terms of technological progress, persistently high clean energy costs combined with ongoing uncertainty about energy security is set to slow electrification. Under these conditions, the rise in energy demand is projected to be met largely by fossil fuels, with the share of electricity in final consumption expected to reach only 26 percent.

Climate Scenario Analysis Details

- Optimistic Scenario:** Based on the lowest carbon prices. Accordingly, the scenario used is STEPS, with the lowest carbon price applied.
- Base Scenario:** Based on average carbon prices. Accordingly, the scenario used is APS, with the average carbon price taken into account.
- Pessimistic Scenario:** Based on the highest carbon prices. Accordingly, the scenario used is NZE 2050, with carbon prices in developed economies taken into account.

In the optimistic scenario, developed economies project a carbon price of USD 115 per metric ton in 2030 and USD 250 in 2050, supporting Tekfen Holding's projections and plans to keep carbon costs at manageable levels. In the pessimistic scenario, carbon prices in the European Union Emissions Trading System are estimated to reach USD 160 per metric ton of CO<sub>2</sub> by 2050, and the time needed to tighten regulations could provide Tekfen Holding with ample opportunity to adapt. This could enable the Company to make the necessary investments to adapt to changing conditions. Accordingly, Tekfen Holding's strategic transition to more sustainable energy sources, improvements in energy efficiency, and investments in technologies that reduce its carbon footprint help limit the financial impact

of the CBAM and play a key role in maintaining the Company's competitiveness. One of Tekfen Holding's key investments in this process is its focus on producing green fertiliser using renewable energy sources. This green fertiliser production model, which relies on clean energy sources such as green hydrogen and green ammonia, is expected to be a significant step in fulfilling the Company's decarbonisation commitments.

Tekfen Holding updates its scenario analyses annually, taking into account the constantly evolving nature of climate risks. This approach allows for the early detection of potential impacts. Any significant climate risks arising in the coming period will be communicated to the public through reports.

5. Risk Management

Tekfen Holding conducts its risk and opportunity identification, evaluation, and monitoring processes in accordance with the **Corporate Risk Management Regulation**, which is structured in line with the ISO 31000 and COSO Risk Management Frameworks. To this end, the principles for managing climate risks and opportunities have been incorporated into the **Sustainability Risk and Opportunity Management Regulation**, in line with the Corporate Risk Management Regulation. In managing these risks, Group Companies direct all their efforts within the framework of the Corporate Risk Management Regulation and the Sustainability Risk and Opportunity Management Regulation.

Tekfen Holding's risk management process, which encompasses the identification and assessment of risks, is designed to address risks based on the risk appetite set by the Board of Directors. Group Companies are responsible for identifying and monitoring critical risks within their own organisations, making decisions on managing these risks, and reporting them periodically to the relevant authorities. Through these activities, the Company aims to foster a risk-aware culture among all employees. Risks are categorised as financial, operational, strategic, compliance, reputational, and sustainability and climate-related. With the addition of the Sustainability and Climate category, external risks beyond the Company's control are now taken into account. External risks include physical risks such as extreme weather events and long-term climate change, as well as regulatory changes, market fluctuations, and technological transformations.

Group Companies conduct risk assessments every two months, while high-risk projects, activities, locations, tasks, and operational areas are evaluated more frequently.

Since Tekfen Holding published its first TSRS-compliant Sustainability Report in 2024, there is no previous data available for comparison. However, the

processes implemented by the Holding to manage climate risks and opportunities are reviewed annually, and no changes have been made compared to the previous reporting period.

5.1. Integration of Climate-related Risks and Opportunities into Risk Management Processes

Tekfen Holding emphasises the critical importance of climate change and associated risks and strives to foster awareness and sensitivity on these issues. The Company promotes the development of a consistent and unified strategy in decisions related to the management of climate risks. Therefore, at Tekfen Holding, climate risks are identified through both bottom-up and top-down approaches.

The Company first assesses the impacts of climate risks identified through systematic methods and establishes a comprehensive risk register that includes factors potentially threatening the achievement of strategic objectives. In addition, the Company regularly analyses the industry and external environment in collaboration with Group Companies. Tekfen Holding follows a structured approach to identifying and assessing climate-



related risks and opportunities, drawing on various inputs and parameters such as 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 or international regulations or in the Company's strategic objectives. Efforts are underway to identify data sources for managing climate risks. The Holding and Group Companies develop their climate risk inventories using sources such as comparable industry risks, the S&P Risk Atlas, the Task Force on Climate-Related Financial Disclosures (TCFD), and international standards like the Sustainability Accounting Standards Board (SASB). Accordingly, Tekfen Holding mapped the relevant climate risks across its value chain and identified the areas likely to be affected.

Tekfen Holding has been regularly reporting its climate risks and greenhouse gas emissions through CDP (Carbon Disclosure Project) reports since 2017. In this context, data from the production activities of Group Companies largely serve as a resource for identifying, defining, and prioritising climate risks. Tekfen Holding classifies climate risks into two main categories: qualitative and quantitative. Qualitative risks relate to impacts that are difficult to measure, such as those arising from stakeholder expectations or political volatility, while quantitative risks represent tangible effects that can be directly measured and expressed numerically, such as economic losses or physical damage. Accordingly, the Company assesses the impacts and potential consequences of climate-related transition and physical risks through comprehensive scenario analyses.

These analyses provide detailed insights and opportunities for Tekfen Holding's operations, taking into account the short-, medium-, and long-term impacts of these risks on business processes under specific scenarios. To this end, the Company assessed its transition risks, resource capacity, energy transformation, and carbon reduction policies based on the scenarios of the International Energy Agency (IEA), while also taking into account the Intergovernmental Panel on Climate Change

(IPCC) scenarios, including extreme weather events and associated physical risks, such as changes in temperature and precipitation intensity, that may result from increased greenhouse gas emissions. While scenario analyses are intended to cover all of the Company's activities, they may occasionally focus on areas where the impact of transition risks is particularly significant. The time frames used in scenario analyses include the short, medium, and long terms as defined by the Company. The scenario analysis methodology comprises both qualitative and quantitative analyses. For example, while impacts on water resources are assessed quantitatively, climate-related transition risks are analysed using more qualitative methods. The Holding incorporates the results of these analyses into its corporate risk assessment processes. Further information on scenario analyses is provided in the [Strategy](#) section of the report.

Additionally, Tekfen Holding evaluates climate opportunities using a holistic approach, considering direct operations as well as the upstream (suppliers) and downstream (customers and end users) value chain. Climate opportunities are addressed across categories such as enhancing operational efficiency, optimising resource use, developing low-carbon products and services, and improving sustainability performance, with priorities set according to their potential impacts. These assessments are conducted in line with the Company's strategic objectives and integrated into decision-making processes, taking into account their financial and strategic impacts. The Company continues to pursue this goal and plans to incorporate climate scenario analyses into its opportunity assessments in the near future. This approach aims to further advance Tekfen Holding's sustainability and climate strategy while enabling more systematic monitoring of opportunities.

5.2. Assessing and Prioritising Risks

Tekfen Holding aims to conduct its climate risk assessments with consideration of various factors. Risks are assessed using both qualitative and, where appropriate, quantitative methods, according to criteria such as probability, severity, tolerance, and

appetite. The analyses are based on their initial gross impact and probability, as well as their net impact and probability after the implementation of existing controls.

By identifying climate-related physical and transition risks, the Company has developed strategies that can be extended to encompass short-, medium-, and long-term plans within its management framework. Sustainability and climate risks within the Company are analysed using the risk matrix outlined in the Corporate Risk Management Regulation. This method allows for assessing the impact and probability of relevant risks and determining risk levels based on this information.

The potential impact of a risk on the Company is evaluated in financial, reputational, strategic, operational, and compliance terms. A single risk may encompass multiple risk types. In such cases, the risk score with the highest impact is taken into account

- **Financial impact:** Assessment of potential financial impacts on EBITDA, company turnover, net profit, credit balance, and similar metrics. Further information on the assessment of financial impacts is provided in the [Financial Materiality](#) section of the report.
- **Reputation:** Assessment of situations that could damage the Company's reputation. This includes the negative impacts on employees, customers, ventures, and/or other key stakeholders.
- **Strategic:** Assessment of potential strategic impacts on management, planning, and key initiatives.
- **Operational:** Assessment of potential operational impacts on sales and marketing, performance, supply chain, production, people, information technology, potential accidents, and fixed assets.
- **Compliance:** Assessment of potential non-compliance with laws, regulations, and other internal or external legislation.

Figure 1: Risk Matrix

5 Very High					
4 High					
3 Medium					
2 Low					
1 Very Low					
	1 Very Unlikely	2 Unlikely	3 Possible	4 Likely	5 Very Likely



Tekfen Holding classifies climate risk impacts into two categories: actual and potential. While actual impacts include those that occurred during the current reporting period, potential impacts refer to those expected in the future based on climate scenario analyses and forecasting methodologies.

- For very high and high risks, action plans are developed by the risk owner, with Senior Management involved in their implementation.
- For medium risks, action plans are developed by the risk owner, with function managers (Deputy General Managers, Directors, and department managers, depending on the company) involved in their implementation.
- For low risks, action plans are developed and implemented by the risk owner.

Tekfen Holding's risk appetite is determined based on its understanding of risk, company strategies, total financial and operational risks, stakeholder expectations, and regulatory requirements. Tekfen Holding assesses options for avoiding or assuming risks across different risk categories. Risk appetite categories and the risk tolerance for each critical risk area defined within the Company are evaluated in three different ways:

- 1. Risk-averse:** The Company assumes as little risk as possible. It may forego higher returns to achieve greater protection from risk.
- 2. Risk tolerant:** The Company adopts a balanced approach to risk taking. It gives equal importance to both risk and return targets. Actions against risks are taken by comparing the cost of occurrence with the cost of risk prevention.
- 3. Risk taker:** The Company seeks to capitalise on business opportunities by accepting a certain level of risk and acknowledges that occasional losses or failures may occur. This strategy enables the Company to respond flexibly to market opportunities and innovations, demonstrating its willingness to accept higher risk to maximise long-term growth and development opportunities.

5.3. Financial Materiality

In evaluating information on sustainability and climate risks and opportunities, Tekfen Holding considers both quantitative and qualitative factors to determine whether the information is material. To this end, the Company focuses on information that could reasonably influence the decisions of existing and potential investors, lenders, and credit providers, who are the primary users of its financial reports. Quantitative criteria relate to factors that shape the strategic decisions of Tekfen senior management and investors, such as: turnover, reflecting the Company's operational success and growth potential; consolidated EBITDA margin, a key measure of profitability; and total assets, which are among the main capital elements representing the Company's financial strength and resilience to risks. Meanwhile, qualitative criteria address risks that could impact the Company strategically and reputationally. This includes risks that could lead to significant business losses or fines due to non-compliance with legislation, cause negative reputational effects in the international press and key markets, or strategically affect business plans to an extent that requires thorough examination.

When determining the financial materiality threshold, the Company aimed to ensure that primary users could better understand the potential impacts of sustainability and climate risks or opportunities on its short-, medium-, and long-term cash flows, cost of capital, and access to financial resources. In this context, performance indicators such as turnover reflect the Company's potential to achieve its long-term growth targets, considering the risks encountered and its capacity to respond to them. For the purposes of "materiality" as outlined in paragraphs 17–19 of TSRS, Senior Management is required to disclose significant information on sustainability risks and opportunities that could reasonably be expected to affect the future financial adequacy of the enterprises. To align the definitions with the conceptual framework of the TSRS, Tekfen Holding's materiality threshold was determined based on a specific percentage of turnover, along with qualitative materiality in accordance with the expectations

set out in paragraphs B13–B37. Sustainability and climate risks exceeding this threshold are considered significant for Tekfen Holding. Further information on climate risks can be found in the [Strategy](#) section of the report.

Responsibilities for assessing climate risks and opportunities are carried out and reported to the Board of Directors, as outlined in the [Governance](#) section of the report. The following matters are considered when reporting risks and opportunities:

- Tekfen Holding's Corporate Risk Management Group Companies Directorate and Company Risk Officer provide "Corporate Risk Management Training" to every newly appointed senior executive.

- Each risk is monitored by all relevant parties until its potential impact is fully mitigated, the risk is no longer valid, or the risk materialises. Once these conditions are met, the risk is removed from the portfolio.
- The Holding's Internal Audit Department regularly attends risk committee meetings and evaluates whether the process is conducted in line with the established methodology and identified objectives.
- The efforts of the Early Detection of Risk Committee are assessed through "Independent Audits."

## 6. Metrics and Targets

### 6.1. Climate Metrics

#### 6.1.1. Greenhouse Gas Emission Metrics

Tekfen Holding adopts an operational control approach when defining its organisational boundaries and reports its greenhouse gas emissions based on this approach, in accordance with the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004). The Company conducts third-party verification of its greenhouse gas emissions in line with the GHG Protocol, accounting for all relevant gases, including CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, and SF<sub>6</sub>. Calculations are based on the IPCC Sixth Assessment Report (AR6) and Türkiye's National Inventory, and are published transparently.

As stated under the “Compliance with Financial Disclosures” heading in this report, Tekfen Holding presented its sustainability- and climate-related financial disclosures with reference to its own operations as well as its entire value chain, including subsidiaries and ventures. Accordingly, the activities of subsidiaries and ventures included in the financial

reports as of the end of 2024 were reviewed, and these organisations were included in the calculations of consolidated greenhouse gas emissions. The majority of the Company's revenue is generated by the Agricultural Industry Group and the Engineering and Contracting Group. To this end, greenhouse gas calculations were based on the number of active employees across companies in 2024, taking into account subsidiaries involved in Group activities with significant financial impact. Details of greenhouse gas emissions are provided below

Tekfen Holding calculates and reports greenhouse gas emissions on a consolidated basis for all Group Companies, subsidiaries, and ventures, in line with its operational control approach. The approach used to measure Scope 1 and Scope 2 emissions involves multiplying data from Company-controlled activities by activity-specific emission factors, sourced first from company-specific references and then from national and global sources. As of 2024, Tekfen Holding has upgraded the Tier-3 approach previously used for some Scope 1 activities to Tier-2, allowing for more precise calculations.

#### Scope 1 Direct Greenhouse Gas Emissions:

Direct greenhouse gas emissions are calculated by consolidating operations controlled by the Company. Direct emissions comprise stationary combustion, mobile combustion, leakage emissions, and process emissions. Once activity data are collected, direct emissions are calculated using relevant emission factors from sources specific to Türkiye, along with GWP and other values obtained from sources such as the IPCC. These activity data include the volume of natural gas used in stationary combustion, the fuel consumed in stationary sources such as generators and fire pumps, the gases leaking from cooling and fire-extinguishing equipment, and the fuel used in company vehicles for mobile combustion. These inputs are compiled from documents such as fuel bills submitted by supply providers in the relevant administrations and are recorded through the relevant Holding departments.

#### Scope 2 Indirect Greenhouse Gas Emissions:

Indirect greenhouse gas emissions resulting from the use of heating and cooling energy purchased by the Holding, in addition to its electricity consumption, are calculated. Location-based Scope 2 emissions are calculated using the national emission factor for total electricity consumption recorded on bills collected through the relevant departments. While no renewable energy certificates were purchased in 2024, Tekfen Holding continues to reduce the amount of electricity drawn from the grid by using renewable energy generated at its own facilities. As no certificate is obtained through this net metering practice, Tekfen Holding does not report market-based Scope 2 emissions.

Table 6: Tekfen Holding's Greenhouse Gas Emissions in 2024

Gross Greenhouse Gas Emissions (tCO <sub>2</sub> e)	Agricultural Industry	Engineering and Contracting	Investment Group	Total Group Emissions	Subsidiary and Venture Emissions	Total Group Emissions (Consolidated)
Scope 1 (metric ton CO <sub>2</sub> equivalent)	842,173.83	42,669.28	473.72	885,316.88	32.57	885,349.45
Scope 2 (Based on location) (metric ton CO <sub>2</sub> equivalent)	25,913.84	4,235.16	525.98	30,674.99	27.12	30,702.11
Scope 2 (Based on market) (metric ton CO <sub>2</sub> equivalent)	25,913.84	4,235.16	525.98	30,674.99	27.12	30,702.11
Scope 1 and Scope 2 (Total) (metric ton CO <sub>2</sub> equivalent)	868,087.72	46,904.44	999.71	915,991.87	59.69	916,051.56

6.1.2. Industry-Based Metrics

Activity Metrics

Activity Metrics – Volume 8 – Construction Materials				
Activity Metric	Category	Unit of Measure	Code	Tekfen's Response
Production by major product line	Quantitative	Metric tons (t)	EM-CM-000.A	1,645.28

Activity Metrics – Volume 20 – Agricultural Products				
Activity Metric	Category	Unit of Measure	Code	Tekfen's Response
Production by principal crop*	Quantitative	Metric tons (t)	FB-AG-000.A	1,603,140
Number of processing facilities	Quantitative	Number	FB-AG-000.B	5
Total land area under active production	Quantitative	Hectares	FB-AG-000.C	3,562,400
Cost of agricultural products sourced externally (TRY)	Quantitative	Presentation currency	FB-AG-000.D	5,003,693,559

\* Covers the Gönen, Samsun, Mersin, and Meram facilities.

Activity Metrics – Volume 33 – Engineering and Construction Services				
Activity Metric	Category	Unit of Measure	Code	Tekfen's Response
Number of active projects	Quantitative	Number	IF-EN-000.A	19
Number of commissioned projects	Quantitative	Number	IF-EN-000.B	5
Total backlog	Quantitative	Presentation currency	IF-EN-000.C	USD 837 million*

\* According to data in Tekfen's 2024 Annual Report, Tekfen Construction's year-end backlog for 2024 was USD 837 million.

Activity Metrics – Volume 47 – Chemicals				
Activity Metric	Category	Unit of Measure	Code	Tekfen's Response
Production by reportable segment*	Quantitative	Cubic metres (m3) or metric tons (t)	RT-CH-000.A	1,543,524

\* Production tonnage at Samsun, Ceyhan and Mersin (Chemical Fertiliser) facilities by reportable segment.

Sustainability Disclosure Topics and Metrics

Sustainability Disclosure Topics and Metrics					
Topic	Metric	Category	Unit of Measure	Code	Tekfen's Response
Greenhouse Gas Emissions	(1) Gross global Scope 1 emissions (2) Percentage covered under emissions-limiting regulations	Quantitative	Metric tons (t) CO <sub>2</sub> -e, Percentage (%)	FB-AG-110a.1 EM-CM-110a.1 RT-CH-110a.1 RT-CH-110a.2	(1) 885,316.88 (2) 95%
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	n/a	FB-AG-110a.2 EM-CM-110a.2	Described in the <a href="#">Greenhouse Gas Emissions</a> section.
	Fleet fuel consumed, percentage renewable	Quantitative	Gigajoule (GJ), Percentage (%)	FB-AG-110a.3	This metric cannot be disclosed due to the nature of Tekfen's activities.
Energy Management	(1) Operational energy consumed/Total energy consumed (2) Percentage grid electricity (3) Percentage alternative energy (4) Percentage renewable, and (5) Total self-generated energy	Quantitative	Gigajoule (GJ), Percentage (%)	FB-AG-130a.1 EM-CM-130a.1 RT-CH-130a.1	1) 1,125,866.57 2) 92.5% 3) 22.6% 4) 6.7% 5) 1,229,096.43
Water Management	(1) Total water withdrawn (2) Total water consumed; percentage of each in regions with High or Extremely High Water Stress	Quantitative	Thousand cubic metres (m³), Percentage (%)	FB-AG-140a.1 EM-CM-140a.1 RT-CH-140a.1	1) 123,380,989* 2) 13,777,987.21* 3) In areas experiencing high or extremely high water stress, the majority of the Agricultural Industry Group's water withdrawals (96%) occur at the Samsun, Mersin, and Ceyhan facilities. The rates by facility can be found below: • Samsun - 92.73% • Mersin - 3.14% • Ceyhan - 0.44%*
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	n/a	FB-AG-140a.2 RT-CH-140a.3	Detailed descriptions can be found in the <a href="#">Risk Management</a> section.
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Quantitative	Number	FB-AG-140a.3 RT-CH-140a.2	0
Ingredient Sourcing	Identification of principal crops and description of risks and opportunities presented by climate change	Discussion and Analysis	n/a	FB-AG-440a.1	This metric cannot be disclosed due to the nature of Tekfen's activities.
	Percentage of agricultural products sourced from regions with High or Extremely High Baseline Water Stress	Quantitative	Percentage (%) by cost	FB-AG-440a.2	This metric cannot be disclosed due to the nature of Tekfen's activities.
Air Quality	Air emissions of the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O), (2) SO <sub>x</sub> , (3) particulate matter (PM <sub>10</sub> ), (4) dioxins/furans, (5) volatile organic compounds (VOCs), (6) polycyclic aromatic hydrocarbons (PAHs), and (7) heavy metals	Quantitative	Metric tons (t)	EM-CM-120a.1	This metric cannot be disclosed due to the nature of Tekfen's activities.

\* It contains data from the Agricultural Industry Group.



Sustainability Disclosure Topics and Metrics					
Topic	Metric	Category	Unit of Measure	Code	Tekfen's Response
Waste Management	Amount of waste generated, percentage hazardous, and percentage recycled	Quantitative	Metric tons (t), Percentage (%)	EM-CM-150a.1	Amount of waste: 2,149.92 Hazardous waste: 44% Recycled waste: 29%
Product Innovation	Percentage of products that qualify for credits in sustainable building design and construction certifications	Quantitative	Percentage (%) by annual sales revenue	EM-CM-410a.1	This metric cannot be disclosed due to the nature of Tekfen's activities.
	Total addressable market and share of market for products that reduce energy, water or material impacts during usage or production	Quantitative	Presentation currency, Percentage (%)	EM-CM-410a.2	This metric cannot be disclosed due to the nature of Tekfen's activities.
Environmental Impacts of Project Development	Number of incidents of non-compliance with environmental permits, standards and regulations	Quantitative	Number	IF-EN-160a.1	0
	Discussion of processes to assess and manage environmental risks associated with project design, siting and construction	Discussion and Analysis	n/a	IF-EN-160a.2	This metric cannot be disclosed due to the nature of Tekfen's activities.
Structural Integrity and Safety	Amount of defect- and safety-related rework costs	Quantitative	Presentation currency	IF-EN-250a.1	This metric cannot be disclosed due to the nature of Tekfen's activities.
	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	Quantitative	Presentation currency	IF-EN-250a.2	This metric cannot be disclosed due to the nature of Tekfen's activities.
Lifecycle Impacts of Buildings and Infrastructure	Number of (1) commissioned projects certified to a third-party multi-attribute sustainability standard, and (2) Active projects seeking such certification	Quantitative	Number	IF-EN-410a.1	This metric cannot be disclosed due to the nature of Tekfen's activities.
	Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	Discussion and Analysis	n/a	IF-EN-410a.2	This metric cannot be disclosed due to the nature of Tekfen's activities.
Climate Impacts of Business Mix	Amount of backlog for (1) hydrocarbon-related projects, and (2) renewable energy projects	Quantitative	Presentation currency	IF-EN-410b.1	This metric cannot be disclosed due to the nature of Tekfen's activities.
	Amount of backlog cancellations associated with hydrocarbon-related projects	Quantitative	Presentation currency	IF-EN-410b.2	This metric cannot be disclosed due to the nature of Tekfen's activities.
	Amount of backlog for non-energy projects associated with climate change mitigation	Quantitative	Presentation currency	IF-EN-410b.3	This metric cannot be disclosed due to the nature of Tekfen's activities.
Product Design for Use-phase Efficiency	Revenue from products designed for use-phase resource efficiency	Quantitative	Presentation currency	RT-CH-410a.1	This metric cannot be disclosed due to the nature of Tekfen's activities.

6.2. Internal Carbon Pricing

In its investments, Tekfen Holding calculates internal carbon pricing based on (i) EU Emissions Trading System prices, (ii) potential allowance prices assessed as part of a prospective Turkish ETS using data from existing activities, and (iii) voluntary carbon offset prices. According to the Low Carbon and Climate Resilient Pathway Analysis for the Fertiliser Sector, published by the Ministry of Industry and Technology, the average greenhouse gas emissions from the top 10 percent of fertiliser facilities in Europe serve as a reference for the EU. According to data from the International Fertilizer Association (IFA), a facility exempt from any carbon tax is estimated to emit nearly 1.57 metric ton of CO<sub>2</sub> per metric ton of NH<sub>3</sub>. A typical ammonia plant in Europe emitting 1.9 metric ton of CO<sub>2</sub> per metric ton of NH<sub>3</sub> would exceed the reference value by 0.3 metric ton of CO<sub>2</sub>. At a carbon price of EUR 100 per metric ton of CO<sub>2</sub>, with no carbon tax in the country of origin, this would imply a cost of nearly EUR 30 per metric ton of NH<sub>3</sub> under the CBAM. The global average is approximately 2.2 metric ton of CO<sub>2</sub> per metric ton of NH<sub>3</sub>, making a carbon price of EUR 100 per metric ton CO<sub>2</sub> and a CBAM cost of nearly EUR 60 even more significant. Accordingly, EUR 60 (USD 65.81) is the minimum price, and EUR 100 (USD 109.68) is the maximum price.

6.3. Climate Targets

Tekfen Holding develops its future plans in line with the Low-Carbon Transformation Roadmap, aiming for net-zero emissions. It implements GHG reduction measures and makes investments in response to rising carbon taxes and the ETS. To this end, Tekfen Holding established a roadmap that includes tangible medium- and long-term goals. This enables the integration of sustainability and climate issues into decision-making processes.

The Company's medium- and long-term targets for reducing absolute emissions are outlined below. Tekfen Holding's medium- and long-term climate targets are defined in line with the Company's strategies and risk management approach.

Reduction of Scope 1 and Scope 2 Emissions

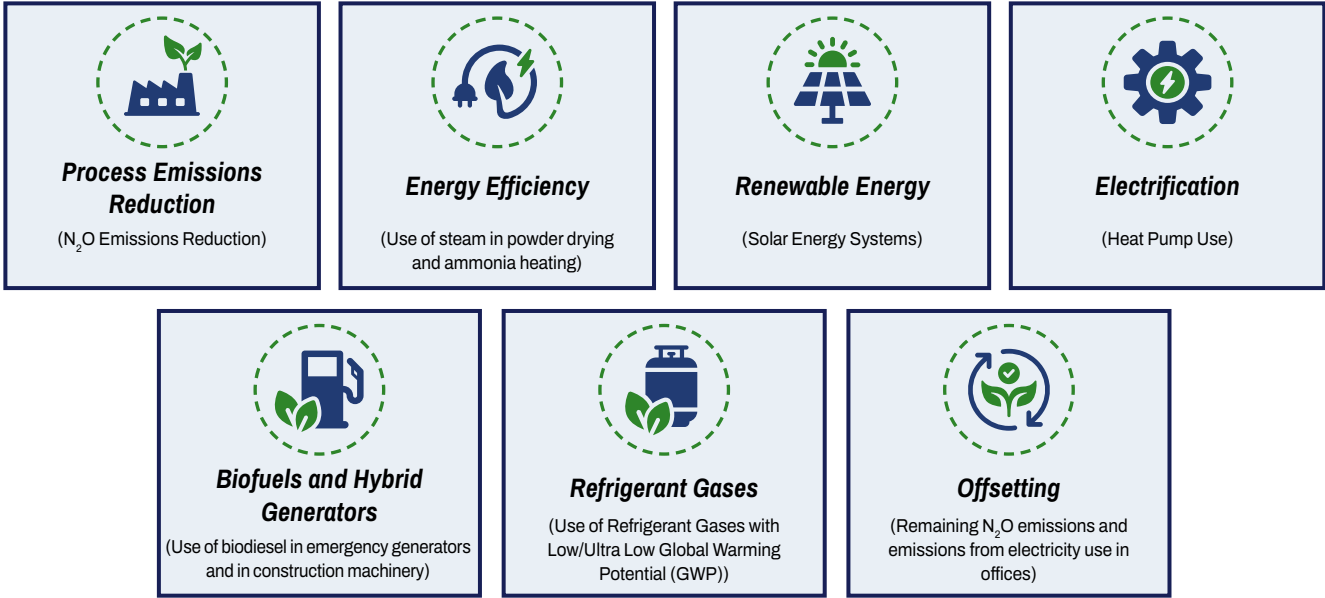
- To combat climate change, Tekfen Holding has set the following targets to reduce its operational emissions;
- Achieving carbon neutrality in Scope 1 and Scope 2 greenhouse gas emissions by 2030, relative to the 2023 base year; and
  - Achieving net-zero Scope 1 and Scope 2 greenhouse gas emissions by 2045, relative to the 2023 base year.

Description of Target	Type of Target	Purpose of Target	Performance Indicator	Base Year	Target Year		Targeted Performance (2024)
					2030 (Interim Target)	2045	
Reduction of Scope 1 and Scope 2 greenhouse gas emissions	Reduction of absolute emissions – Quantitative	Reduction	Scope 1 and Scope 2 emissions (metric ton CO <sub>2</sub> e)	2023	Carbon neutral	Net zero	6.99% increase (compared to the base year)

The target set by Tekfen Holding refers to the reduction of gross emissions, and the actions taken to achieve this target do not include the use of carbon credits or the purchase of renewable energy certificates.

The net-zero target, along with the investments undertaken or planned to achieve it, is proving effective in reducing the Group's environmental impact and ensuring compliance with global regulations. Efforts are ongoing to have the net-zero target included in the Science-Based Targets Initiative (SBTi).

Tekfen Group has identified seven strategic levers to attain its goal of reducing Scope 1 and Scope 2 emissions to net zero. A total of 61 decarbonisation projects have been identified under these levers, with detailed investment budgets allocated for each project. The projects cover a wide range of areas, including the modernisation of energy-saving equipment in existing facilities, 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 sources of Scope 1 and Scope 2 emissions.



Although the Draft Regulations on the Turkish Emissions Trading System (July 2025) and on Carbon Crediting and Offsetting (August 2025) have been opened for public consultation, the eligible types of carbon credits for emission reductions have yet to be finalised. To that end, Toros Agri has applied for and actively participates in carbon credit processes under the Gold Standard and GCC mechanisms. As of July 2025, nearly 200,000 carbon credits have been approved by the Gold Standard. The Company

continues its certification efforts for carbon credit retirement and sales to offset its own emissions. Once the regulations are finalised, Toros Agri's own carbon credits and/or other carbon credits will be considered and assessed accordingly.

In 2024, the Company sourced 6.7 percent of its total energy consumption from renewable energy. Progress is reviewed annually at Sustainability Committee meetings and reported to Senior

Management. There were no changes to Tekfen Holding's climate targets in 2024. As Tekfen Holding issued its TSRS-compliant Sustainability Report for the first time, no comparison is available regarding its progress on climate targets. Comparative information on progress towards the targets will be available in the next reporting period.

The Company continues to make progress toward its goals. Toros Agri's planned Catalytic N<sub>2</sub>O Reduction System installation and renovation, aimed at capturing N<sub>2</sub>O emissions released during nitric acid production, is expected to reduce emissions from this process by at least 90 percent. This will ultimately lower the Company's total emissions and support compliance with national and international environmental, sustainability, and climate targets.

## Events After the Reporting Period

The Turkish Climate Law was published after the end of the reporting period but before the approval date for the publication of this document. With the enactment of Türkiye's first Climate Law, the first draft regulation, on the Turkish Emissions Trading System, was published on 22 July 2025. These regulations are critical for establishing carbon pricing mechanisms in Türkiye, while effectively monitoring and reducing emissions. To that end, Tekfen Holding closely monitors new laws and regulations, reviews its corporate processes to ensure compliance with the obligations imposed by the legislation, and reinforces its internal systems and operational preparations.

As issues such as emission quotas, free allowances, and flexibility mechanisms become clearer, their potential impact on Tekfen Holding's financial statements, cost structure, and competitiveness will be analysed in greater detail. The Company strives to both meet its compliance obligations and advance its progress on the low-carbon transformation roadmap. Changes in the Company's capital structure after the end of the reporting period:

In its material event disclosure dated 10 March 2025, Can Kültür Sanat Eğitim Kurumları A.Ş. announced that it had acquired all shares held by Cansevil Akçağlılar, Founding Partner, increasing its total shareholding to 15.5085 percent.

On 11 March 2025, ARY Holding A.Ş. acquired 10.98 percent of the Company's shares. ARY Holding A.Ş. also acquired 100 percent of Ali Nihat Gökyiğit Yatırım Holding A.Ş., which owned an 8.88 percent stake in the Company. Accordingly, the 8.88-percent stake of Ali Nihat Gökyiğit Yatırım Holding A.Ş. is now indirectly controlled by ARY Holding A.Ş.

As part of investigation no. 2022/77716 launched by the Küçükçekmece Chief Public Prosecutor's Office, Decision No. 2025/7284 (Miscellaneous), dated 11 September 2025, of the Küçükçekmece 4th Criminal Court of Peace ordered the seizure of 17.56 percent of the Company shares owned by Can Group, in accordance with Article 128 of the Criminal Procedure Code and Article 17 of Law No. 5549. We were notified of the aforementioned Decision No. 2025/7284 (Miscellaneous) on 12 September 2025.

With the notification made by Can Kültür on 10 April 2025, it was announced that an agreement had been reached on the same date between Meltem Berker and Nilgün Şebnem Berker regarding the acquisition of shares representing 25.23 percent of the Company's capital. A share transfer agreement was signed between the parties on the same date, and the transfer is subject to authorisation under Law No. 4054 on the Protection of Competition. It was previously announced that the necessary application would be filed with the Competition Authority to obtain authorisation for the said share transfer.

Meanwhile, in accordance with the decision of the Küçükçekmece 4th Criminal Court of Peace dated 10 September 2025, numbered 2025/7178 (Miscellaneous), the Savings Deposit Insurance Fund (SDIF) was appointed as trustee for multiple companies, including Can Kültür.

According to the notification made to the Company by the Can Kültür Board of Directors, appointed by the SDIF Fund Board, upon the Competition

Authority’s approval of the aforementioned application, the transactions for the transfer of shares representing 25.23 percent of the Company’s capital were completed between the parties, resulting in an increase of Can Kültür’s share in the Company’s capital from 17.56 percent to 42.80 percent.

The partnership changes summarised above do not have a material impact on the Company’s governance structure.

# Limited Assurance Report



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(Convenience Translation of Independent Auditor’s Limited Assurance Report Originally Issued in Turkish)

**LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR ON THE INFORMATION PRESENTED UNDER THE TÜRKİYE SUSTAINABILITY REPORTING STANDARDS OF TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**  
**To the General Assembly of Tekfen Holding Anonim Şirketi;**

We have been assigned to perform limited assurance engagement on the information (“Sustainability Information”) presented in accordance with the Türkiye Sustainability Reporting Standards 1 “General Requirements for Disclosure of Sustainability-related Financial Information” and Türkiye Sustainability Reporting Standards 2 “Climate-Related Disclosures” of Tekfen Holding A.Ş. and its subsidiaries (collectively referred to as the “Group”) for the year ended December 31, 2024.

Our assurance engagement does not include the information related to prior periods and other information associated with Sustainability Information (including any images, audio files, website links or embedded videos).

**Our Limited Assurance Conclusion**

Based on the procedures performed and the evidence obtained, as summarized under the section “Summary of the Work we Performed as the Basis for our Assurance Conclusion”, nothing has come to our attention that causes us to believe that Group’s Sustainability Information for the year ending December 31, 2024, has not been prepared in accordance with the Türkiye Sustainability Reporting Standards (“TSRS”), as published by the Public Oversight Accounting and Auditing Standards Authority of Türkiye (“POA”) in the Official Gazette dated December 29, 2023 and numbered 32414(M). We do not provide any assurance conclusion regarding the information related to prior periods and any other information associated with the Sustainability Information (including any images, audio files, website links or embedded videos).

**Inherent Limitations in Preparing the Sustainability Information**

The Sustainability Information is subject to inherent uncertainties due to lack of scientific and economic information. The inadequacy of scientific data leads to uncertainties in the calculation of greenhouse gas emissions. Additionally, due to the lack of data regarding the likelihood, frequency, and impacts of potential physical and transition climate risks, the Sustainability Information is subject to uncertainties related to climate-related scenarios.



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#### Responsibilities of Management and Those Charged with Governance for the Sustainability Information

The Group Management is responsible for:

- Preparation of the sustainability information in accordance with Türkiye Sustainability Reporting Standards;
- Designing, implementing and maintaining internal control over information relevant to the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error
- Additionally, the Group Management is responsible for selecting and implementing appropriate sustainability reporting methodologies as well as making reasonable assumptions and suitable estimates.

Those charged with governance are responsible for overseeing the Group's sustainability reporting process.

#### Responsibilities of the Independent Auditor Regarding the Limited Assurance of Sustainability Information

Independent Auditor is responsible for:the following:

- Planning and performing the engagement to obtain limited assurance whether the Sustainability Information is free from material misstatement due to fraud or error;
- Conducting an independent conclusion based on the procedures we have performed and the evidence we have obtained; and
- Reporting conclusion to the Group Management.

Since we are responsible for providing an independent conclusion on the Sustainability Information prepared by management, we are not permitted to be involved in the preparation process of the Sustainability Information in order to ensure that our independence is not compromised.

#### Professional Standards Applied

We performed a limited assurance engagement in accordance with the Standard on Assurance Engagements 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and in respect of greenhouse gas emissions included in the Sustainability Information, in accordance with Standard on Assurance Engagements "3410 Assurance Engagements on Greenhouse Gas Statements", issued by POA.

#### Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Independent Auditors, issued by the POA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. Our firm applies Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our work was carried out by an independent and multidisciplinary team including assurance practitioners, sustainability and risk management specialists. We have used the work of our expert team to assess the reliability of the information and assumptions related to the Group's climate and sustainability-related risks and opportunities. We remain solely responsible for our assurance conclusion.

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#### Summary of Procedures Performed as a Basis for the Assurance Conclusion

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Sustainability Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Sustainability Information;

- Face-to-face and online interviews were conducted with the Group's key senior personnel to understand the processes in place for obtaining the Sustainability Information for the reporting period.
- The Group's internal documentation was used to review and assess the sustainability related information.
- The disclosure and presentation of sustainability-related information have been evaluated
- Through inquiries, obtained an understanding of Group's control environment, processes and information systems relevant to the preparation of the Sustainability Information, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.
- The appropriateness and consistency of the Group's estimation development methods were evaluated. However our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Group's estimates.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi  
A member firm of Ernst & Young Global Limited



Selvi Hardal, SMMM  
Partner

October 31, 2025  
İstanbul, Türkiye

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