



Tekfen Holding
**2023 Sustainability
Report**



TEKFEN HOLDING

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Tekfen Holding **2023 Sustainability Report**



TEKFEN HOLDING

About the Report

This report, the sixth annual Sustainability Report from Tekfen Holding, shares Tekfen's performance in key impact and opportunity areas regarding sustainability issues, highlights the good practices of Tekfen Holding companies, and presents forward-looking goals as part of Tekfen's "Bridging Prosperity" vision and new strategic roadmap. The ultimate goal of building the future in line with the "Bridging Prosperity" vision is to create economic, social, and environmental value for all stakeholders.

The report has been prepared in accordance with GRI Standards for January 1–December 31, 2023. It includes data from Tekfen Holding's Engineering and Contracting Group (Tekfen Construction, Tekfen Engineering, Tekfen Manufacturing), Agricultural Industry Group (Toros Agri, Tekfen Agri, Alanar), and Investment Group (Tekfen Insurance, Tekfen Tourism).* Note that data from Tekfen Ventures, part of the Investment Group, is not included in the report; instead, its good practices are highlighted.

The report also showcases Tekfen's progress under the United Nations Global Compact, to which Tekfen is a signatory.

The Occupational Health and Safety (OHS) data encompasses the projects, workplaces, and facilities of companies classified as dangerous and very dangerous according to the NACE code. Subcontractors are also included in the OHS performance data. Tekfen employees and subcontractors obey the same Occupational Health and Safety (OHS) rules and are offered the same opportunities. Performance indicators are reported both collectively and separately for Tekfen and its subcontractors. Data on environmental performance includes all projects, workplaces, and facilities of companies under operational control.

Tekfen Holding adopts the entirety of the Sustainability Principles Compliance Outline published by the Capital Markets Board of Türkiye (CMB) and presents information about the principles that are complied with or partially complied with in its Annual Report.

Feel free to send your comments and suggestions regarding the Sustainability Report to surdurulebilirlik@tekfen.com.tr.

* These companies account for approximately 99% of Tekfen Holding's consolidated turnover.



TEKFEN HOLDING

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Message from the Chairman



Dear Stakeholders,

The year 2023 began with the passing of Ali Nihat Gökyiğit, our esteemed leader, the co-founder and honorary president of Tekfen. He was revered for being a source of inspiration for the Turkish business world with the value he placed on nature and people. We bid farewell to Gökyiğit, who devoted every moment of his life to generating economic, environmental, and social benefits, the building blocks of the contemporary sustainability concept.

2023 was a tough year globally, as well. Following the Russo-Ukrainian War's disruption to global supply chains and its economic impacts, the Hamas-Israel War broke out in 2023, fuelling uncertainty around the world. The fight against high inflation remained one of the key issues for economic administrations throughout the year. While central banks' tight monetary policies suppressed growth worldwide, economic and geopolitical risks continued to expose existing vulnerabilities. Challenges in food supply, volatility in food and energy prices, and the worsening effects of climate change were among the prominent topics in 2023. Meanwhile, the main developments shaping the Turkish economy were the significant hikes in interest rates and the transition to a tight monetary policy, starting in May.

2023 was also a busy year in terms of sustainability. The COP28 Climate Change Conference was held towards the end of the year. In a historic development, nearly 200 countries adopted the goals of moving away from fossil fuels in a fair manner and accelerating the actions and investments required for this transition within a rather critical next decade. With these news and other developments in recent years, we have moved beyond raising awareness for sustainability and ushered in a new era of increased hope for the future.

In light of the concrete steps taken around the world towards 2030 decarbonization targets, markets are positioning themselves accordingly, while stakeholders are encouraging companies to adopt a more sensitive approach to ESG issues. As consumers increasingly opt for more environmentally friendly and innovative solutions, manufacturers are reconsidering their technologies and processes in order to reduce their emissions. That being said, this transformation will not be an easy one. Achieving these goals requires individuals and institutions to take concerted steps for a positive impact on society and the planet.



National and international regulations will have a significant role in attaining global goals. The policies and mechanisms of the European Union, which has assumed a leading role in this regard, play a major role in promoting sustainable and responsible corporate behaviour across global value chains. As these policies gain traction around the world, companies failing to focus on sustainability will likely cease to exist.

Every company needs to be more transparent about its sustainability goals and performance. All signs inevitably point to sustainability for the future survival of companies, and the biggest risk that awaits them is their potential inability to come up with realistic and feasible plans when determining their goals in this area. Plans and goals that exceed a company's technological, human, financial, and managerial capacities can lead to wasted time and resources, as well as missed opportunities.

To that end, Tekfen's new strategic plan is of great importance, as it includes our sustainability goals set for 2023. The plan involves drawing on our experience and knowledge to restructure our Engineering and Contracting Group, positioning it to play a significant role in the industries of the future. It also outlines our Agricultural Industry Group's adoption of innovative technologies in the agriculture and fertiliser industries for it to become a regional solution partner for its stakeholders.

Creating synergy between different business lines with green hydrogen and green ammonia investments and including renewable energy as our new business line are also part of this plan. Our new strategic plan not only offers Tekfen strong leverage for the industries of the future but also provides us with a realistic and feasible roadmap for a sustainable future.

At Tekfen Holding, we strive to prevent the climate crisis and the social issues that ensue and to support our country's economic development. Following our new strategic plan, we will take our efforts to mitigate the impacts of the climate crisis one step further with new investments.

Guided by our vision to create value for all our stakeholders, we are forging ahead into the future with the transformative power of green innovation. I extend my sincerest gratitude to all stakeholders for their continued collaboration and support in achieving these goals.

Kind regards,

Mehmet N. Erten
Chairman

Message from the President



Dear Stakeholders,

In 2023, Tekfen Holding laid the foundation for a pivotal transformation. We have begun to make headway with our new strategic plan, which was initiated in June, by embracing our new mottos: “downsizing to grow” in the Contracting Group and “being a regional solution partner” in the Agricultural Industry Group. And across the Holding, we implemented significant organizational and administrative transformations with a focus on efficiency.

We followed global and industrial developments closely throughout the year. Our new strategy is moulded by the trends and regulations high on the agenda of our business lines, including low-carbon transformation,

climate technologies, and renewable energy investments. The importance of international collaborations and technological developments in building a sustainable future resilient to the effects of climate change was also emphasized in the annual meetings and conferences of the International Pipe Line and Offshore Contractors Association (IPLCA) and the International Fertilizer Association (IFA). We are proud to be members of these organizations that bring together key global players from different industries and shape market trends and developments worldwide.

Globally, we are witnessing a major transformation, as business models are being revised to adopt a sustainability-centric approach. The EU Green Deal and the Carbon Border Adjustment Mechanism are relevant to our Agricultural Industry Group, and the decarbonisation transformation and emerging investments in the oil and gas industry pertain to our Contracting Group. All these developments compel us to turn to new business models. Therefore, these global trends have set the agenda for our two main business lines and played a crucial role in defining Tekfen Holding’s new focus areas and aligning them with global priorities. To that end, we decided to concentrate on green hydrogen and green ammonia, the shared transformation areas of our two groups, where we have significant knowledge and experience. By pioneering a model that will be the first of its kind in Türkiye, we aim to create an ecosystem with all of our group companies throughout the value chain from renewable resources to green fertilisers.

As part of our five-year strategic plan that emphasizes creating value for all our stakeholders, we aim to boost our turnover from USD 1.8 billion to over USD 2 billion. Our goal of strengthening Tekfen’s financial performance aligns with the environmental and social sustainability goals we set in light of corporate governance principles and have determinedly worked toward so far. As part of these targets integrated into our strategic plan, we expect to neutralize our Scope 1 and Scope 2 emissions by 2030 and reach “net zero” by 2045, including our Scope 3 emissions. We have also created a roadmap to achieve these goals, and as such, we intend to make significant progress in renewable energy and green ammonia investments besides the circular economy, waste management and energy efficiency principles we have adopted to decarbonize our current operations. In 2023, we took a concrete step in our sustainability-focused growth strategies by establishing Tekfen Renewable Energy Solutions.

Complementing our main goals, we aim to lead and guide the transition to a low-carbon economy by interacting with all stakeholders in our main business lines. We are aware that stakeholder alignment is a critical issue in the transition to sustainable business models, especially for our Engineering and Contracting Group. Global oil and gas players, key stakeholders of the industry, are also leading organizations that undertake major commitments regarding net zero investments. Accordingly, various clean energy investments such as renewable energy facilities, electric vehicles, and



hydrogen are on the agenda of global energy companies. These investments create new opportunities in the field of EPC. This is where strategic focus comes into play. Our priority in these emerging industries is to focus on areas where we can channel our experience as quickly as possible. To that end, we at Tekfen want to transform our experience in refineries and industrial facilities into value with green hydrogen and green ammonia investments. While the installed low-carbon hydrogen capacity in the world was 1 GW as of 2023, it is expected to exceed 3,300 GW by 2050. Similarly, the length of hydrogen pipelines, which is 5,000 kilometres as of 2023, is estimated to reach 250,000 kilometres in 2050.

In our Agricultural Industry Group, we have set a novel strategic priority: reinforcing our industry-leading position as a local fertiliser brand with innovative solutions and differentiated brands, and making Toros Agri, the overarching company of the Group, into a sustainable “regional solution partner” for farmers. To serve this end, we closely follow market developments and prioritise the decarbonisation, decentralisation, and digitalisation, namely the 3D transformation of our business model with a focus on customer experience in order to maximize the value we create for all our stakeholders in the agriculture and food ecosystem and produce solutions for emerging expectations. By using the facilitating power of digital technology and tools, we seek to consolidate our journey from customer satisfaction to customer experience as a role model for the industry to advance environmental and social sustainability.

With that in mind, we created a transformation roadmap in agricultural production to support our production model, as well as our products and services, with sustainable business models. While we boost energy

efficiency in our facilities, reduce carbon emissions in production processes, and run lean transformation – 6 Sigma projects, all to reduce our carbon footprint, we also intend to remain a pioneer in the fertiliser industry’s low-carbon transition with our digital agriculture applications, next-generation climate friendly products, and application models supported by our R&D and innovation muscles. We do not limit our leading role in the industry’s transformation only to investments and production model transformations. Instead, we work towards the goals of sustainable agriculture, effective plant nutrient intake, agricultural productivity enhancement, reduction/prevention of greenhouse gas emissions, and reduction/reuse of waste through projects focused on good agricultural practices, innovation in agriculture, and farmer experience.

In order to ensure low-carbon and climate-resilient transformation throughout the value chain, starting with farmers, we foster environmental and social sustainability awareness both internally and externally. For instance, we launched the Sustainable Fertiliser Academy in collaboration with IFA to equip our human resources with green and digital transformation skills and competencies. We also produce digital solutions revolving around data-based field management and good agricultural practices that increase productivity. In addition, we continue to support farmer and agriculture sustainability with our Agricultural Technique and Digital Marketing teams, Toros Farmer Academy (Mobile Training Bus), Toros Farmer app, and next-generation climate friendly products.

Developing the skills and abilities of our employees, the backbone of our sustainability-oriented transformation strategy, is critical to achieving our sustainable growth goals. Through green skills trainings, we support

the career developments of our employees, raising their awareness of sustainability and environmental consciousness.

After making significant progress towards our sustainability vision in 2023, we will continue to contribute to a sustainable future in the coming period with our investments in low-carbon transition, circular economy, green ammonia, and green hydrogen. Our new strategy requires us to be more open to collaborations in various areas. In line with our strategic priorities and goals, we will closely follow and evaluate collaboration opportunities with a win-win approach. Nurturing the growth of our employees, aiding the development of our farmers and local communities, fostering the circular economy, and striving for carbon neutrality will be the main pillars of Tekfen Holding’s sustainability strategies.

I extend my heartfelt gratitude to all our stakeholders for joining us on this journey. Together, we remain dedicated to forging a more sustainable future.

Sincerely,

Hakan Göral
President, Tekfen Group Companies

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With a heritage dating back to 1956, Tekfen Group operates in three main areas: Engineering and Contracting, Agricultural Industry, and Investment. Tekfen Holding serves as the parent company of group companies, namely its subsidiaries and affiliates. In 2023, the Group reached TRY 43.1 billion in revenue and TRY 52.7 billion in asset size with 41 companies and 13 subsidiaries. Thanks to 68 years of experience, a staff of 11,878 employees (including subcontractors), and a culture of achieving excellence in business, Tekfen remains one of the leading and most respected corporations in Türkiye.

The founding partners of Tekfen Group have actively participated in various non-governmental organisations as founders, supporters, and managers in environmental, educational, and social responsibility areas. Tekfen is committed to carry on the legacy of its founders with a people-oriented, environmentally sensitive, and welfare-driven business culture.





Engineering and Contracting Group

To date, Tekfen Engineering and Contracting Group has successfully completed numerous projects across 20 countries. The Group offers turnkey solutions to its customers based on engineering, procurement and construction (EPC) and Design & Build models in various areas, such as pipelines, oil and gas terminals, refineries, offshore oil rigs, power plants, industrial and petrochemical plants, tank farms, highways, subway lines, sports complexes, pump and compressor stations, steel structure production, and superstructure and infrastructure projects.

In 2023, the Group generated 36.9% of Tekfen Holding's total revenues. Additional information about the Group's activities in 2023 is available in the [2023 Annual Report](#).



Agricultural Industry Group

Operating in one of Tekfen Holding's core business areas, the Tekfen Agricultural Industry Group offers a diverse array of products and services centred around agricultural activities. The Agricultural Industry Group, continually expanding through mutually supportive investments across various areas of opportunity, is Türkiye's largest private entity in this field, distinguished by its business volume, comprehensive product and service range, industry-leading practices, and market share. Operating in fruit cultivation, seed and sapling production, as well as the production and distribution of mineral, organic, organomineral, and next-generation specialty fertilisers, the Agricultural Industry Group has been serving Turkish agriculture for 42 years. The Group's activities also include port management and free zone management.

Toros Agri, the overarching company of the Group, is Türkiye's largest fertiliser producer in terms of total installed production capacity and production tonnage. In 2023, the Company ranked 64th in the Top 500 Industrial Organisations of Türkiye as announced by the Istanbul Chamber of Industry. With nearly 1,200 dealers and authorised resellers throughout Türkiye, the Company can deliver its products across the country.

In addition to producing ammonium nitrate (AN), calcium ammonium nitrate (CAN), diammonium phosphate (DAP), and compound (NPK) fertilisers at its three factories in Ceyhan, Mersin and Samsun as part of its mineral fertiliser production activities, Toros Agri also produces inhibitor-added and water-soluble fertilisers in its Mersin facility. Toros Agri acquired Toros Gönen Yenilenebilir Enerji A.Ş. in 2019 and established Toros Meram Yenilenebilir Enerji A.Ş. in 2020. These two facilities convert the organic waste in their regions into electricity and then into fertilisers through composting. They boast an annual production capacity of approximately 10 MWe in electricity and 110,000 metric tons in organic and organomineral fertilisers. Toros Agri have become one of the most prominent players of the organic and organomineral fertiliser market in Türkiye through both of these investments, which serve as successful instances of the circular economy. The company also responds to a significant need by nourishing the soils of our country that lack organic matter.

In 2017, Toros Agri established Türkiye's first R&D centre in the field of plant nutrition at the Mersin Production Facility to support its product portfolio with next-generation sustainable products and strengthen Turkish agriculture with technological innovations.



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Tekfen Agri, the Group's agricultural research, production, and marketing company, produces agricultural inputs such as seeds and saplings and engages in fruit cultivation activities. The Company's Agripark campus in Adana is Türkiye's first and one of the few high-tech agriculture centres. The R&D Centre at Agripark produces disease-free, quality seeds and seedlings using tissue culture methods and conducts rehabilitation work for farm seeds by utilising Türkiye's rich biological diversity.

Toros Agri operates with the mission of being an innovative, leading and sustainable solution partner that produces solutions to global and industrial challenges, including climate change, clean energy, protection of natural resources, and circular business models, in the agricultural and food value chain extending from production to consumption.

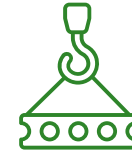
In 2023, the Agricultural Industry Group generated 62.3% of Tekfen Holding's total revenues. Additional information about the Group's activities in 2023 is available in the [2023 Annual Report](#).



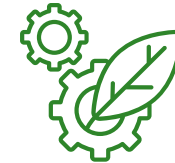
Investment Group

This Group encompasses companies that support Tekfen's investment-driven activities, including Tekfen Ventures, a corporate venture capital company that was restructured in line with strategic goals in 2023 and invests in early-stage technology firms, Tekfen Tourism and Business Inc., which operates in building and facility management services, and Tekfen Insurance Brokerage Services Inc., which provides insurance brokerage services.

Additional information about the Group's activities in 2023 is available in the [2023 Annual Report](#).



In 2023, the Engineering and Contracting Group generated **36.9%** of Tekfen Holding's total revenues.



In 2023, the Agricultural Industry Group generated **62.3%** of Tekfen Holding's total revenues.



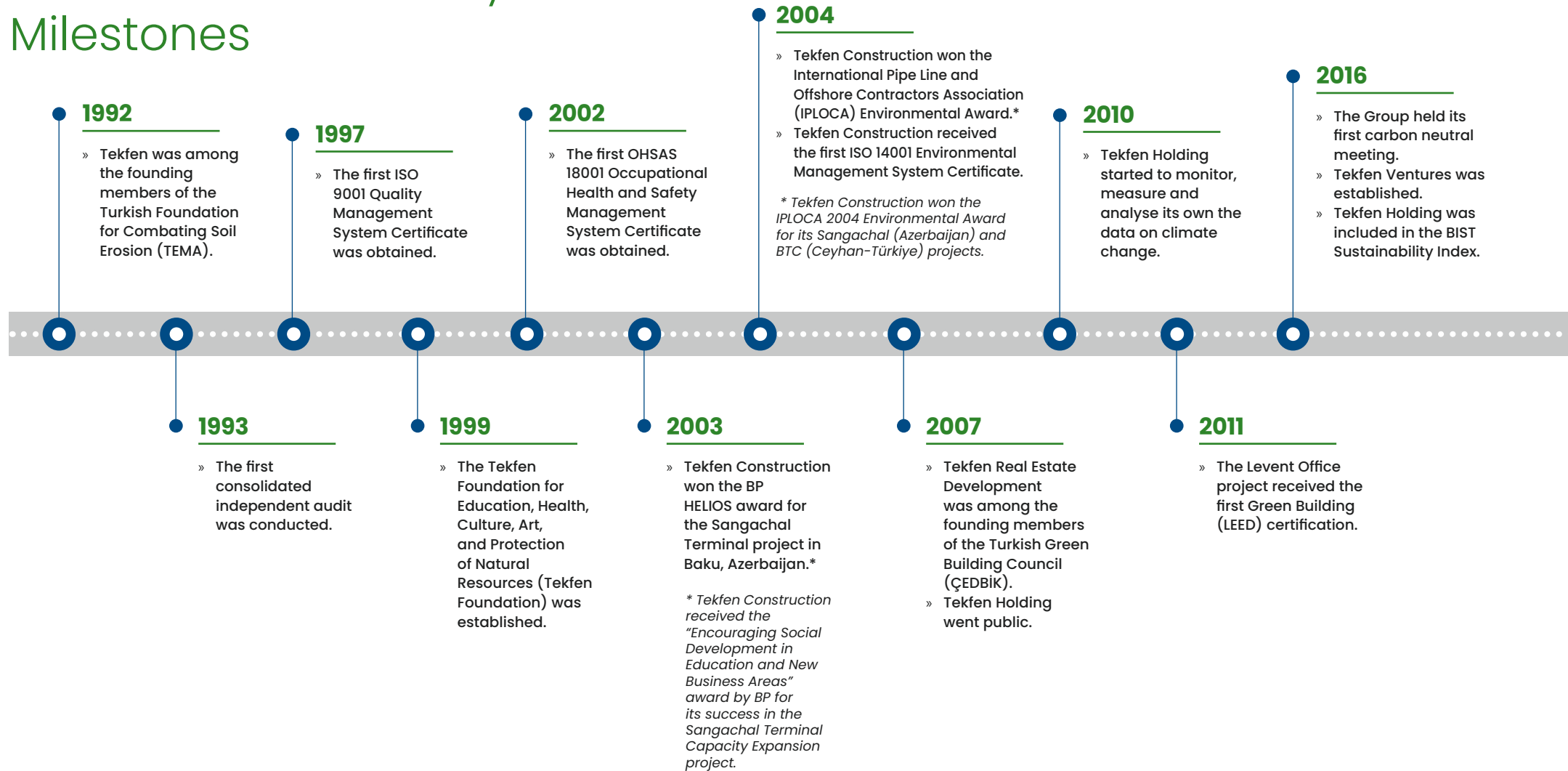
The Investment Group encompasses companies that support Tekfen's investment-driven activities.

Global Footprint



- | | | | |
|---|----------------------|---|--------------|
|  | Germany |  | Kenya |
|  | Australia |  | Egypt |
|  | Azerbaijan |  | Nigeria |
|  | Belgium |  | Uzbekistan |
|  | United Arab Emirates |  | Poland |
|  | Brazil |  | Romania |
|  | Bulgaria |  | Russia |
|  | Morocco |  | Sudan |
|  | France |  | Saudi Arabia |
|  | Ghana |  | Türkiye |
|  | Georgia |  | Turkmenistan |
|  | Iraq |  | Uganda |
|  | Qatar |  | Oman |
|  | Kazakhstan |  | Yemen |

Tekfen's Sustainability Milestones



2018

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

2020

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

2022

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

2017

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

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

2019

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

2021

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

2023

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

Strategic Sustainability Approach

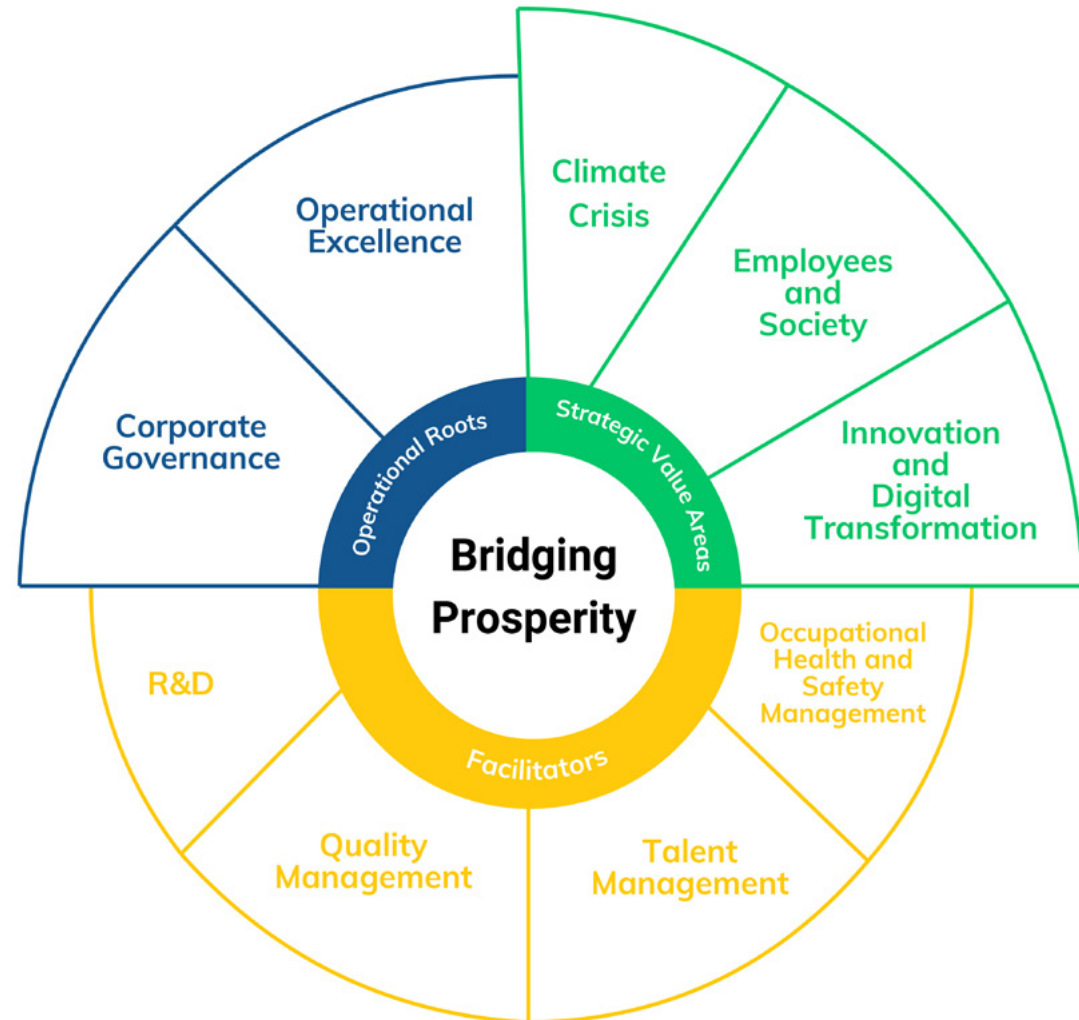
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Our Sustainability Vision: “Bridging Prosperity”

Tekfen’s sustainability vision is based on the concept of “Bridging Prosperity.” The main goal of all its economic activities is to improve social welfare and quality of life for all members of society. Tekfen Holding’s areas of activity directly overlap with the fundamental elements of social welfare, such as food security, infrastructure services, and energy. Tekfen serves as a bridge that enables all its stakeholders to access the essential constituents of a better life and a better well-being and lays the foundation for a sustainable future.

Tekfen’s sustainability efforts are shaped within the framework of the company’s comprehensive vision for the future. In this vision, sustainability is considered not only a goal but also an integral part of all corporate strategies and operations. While integrating sustainability principles into its business processes, the company also includes environmental and social responsibilities in its strategic planning. The net zero carbon target, in particular, has become one of the cornerstones of Tekfen’s corporate strategy. To that end, a long-term sustainability roadmap has been established by aligning net zero targets with the strategic plan’s main goals. With this integration, Tekfen has ultimately two aims: reducing its environmental impact and playing a leading role in the industry.



Why “Bridging Prosperity”?

We, at Tekfen Group, are proud to be an essential building block of the Turkish economy, creating value and jobs for 68 years. Since our inception, we have embraced the motto, “do what you know best in the best way possible.” This philosophy also dovetails with our guiding belief that “the future belongs to those who build it.” By centring our business culture on people, social benefit, and the environment, we continuously strive for a sustainable future.

Our main business lines — agricultural industry and engineering and contracting — both “bridge prosperity.” At the Engineering and Contracting Group, we contribute to the development of countries with infrastructure projects such as highways and pipelines, industrial facilities such as refineries and terminals, and superstructure projects such as stadiums and high-rise buildings. We build facilities and undertake projects that meet the vital needs of societies and raise their living standards.

We offer exceptional inputs to our farmers with high-quality and disease-free seeds and saplings, which are essential for quality production in agriculture. We also provide a much higher yield to farmers with our fertilisers which play a critical role in plant nutrition, a key element of food safety. While supporting agricultural production with our fruit orchards, we supply fresh fruits to tables in many countries around the world.

With the Tekfen Foundation, we provide scholarships to successful young people to give them a brighter future and add value to social life with our initiatives for culture and arts.

We strive to build a brighter, more prosperous, and more sustainable future with all our activities, practices, priorities, and goals.

We regard human life as our top priority, and we aim to minimize our overall impact on the environment. We strive to constantly improve ourselves and make investments that will enable us to use our resources in the most efficient way possible. We closely follow the megatrends that are rapidly transforming our world, such as the climate crisis, population growth, demographic and social change, urbanization, and technological developments. Besides integrating digital transformation and innovation into our business, we also allocate resources to initiatives that will enhance our activities with new technologies. We are proud to be setting an example for our industries with our good practices and remarkable performance in occupational health and safety.

As a group that serves the welfare and development of societies with deep historical roots, our primary responsibility is to become a pillar of a sustainable future. There are no better words than “Bridging Prosperity” to express our quest for sustainability...



We strive to build a **brighter, more prosperous, and more sustainable future** with all our activities, practices, priorities, and goals.

Sustainability Governance Structure

At Tekfen Holding, the establishment, implementation, and monitoring of the sustainability strategy are carried out under the supervision of the Corporate Governance Committee. Since Tekfen has made sustainability activities a part of its corporate strategies, the Corporate Governance Committee follows a comprehensive approach in creating its sustainability vision with the goal of securing the long-term success of the company and complying with global sustainability standards. This structure ensures that the company's sustainability efforts are strategically embraced at the highest level. The active participation of senior management encourages the adoption of sustainability goals in decision-making processes and by employees at all levels, ultimately promoting their integration into business processes. Accordingly, Tekfen's sustainability strategies are implemented with a broad sense of participation and responsibility across the company in line with global trends.

In 2023, the Sustainability Committee operating under the Corporate Governance Committee was led by the President of Tekfen Group Companies. The five main working groups established under the Sustainability Committee have commenced their activities to achieve the company's sustainability goals. Their focus areas include Environment, People and Society, Innovation, Sustainable Finance, and Sustainable Production. These groups were designed to create an interdisciplinary structure that leverages employee engagement and employees' different competencies across group companies. Each group aims to evaluate their expertise and knowledge in their relevant fields from a broader perspective and produce more innovative and effective solutions.

The Agendas of Working Groups

In 2023, the five working groups continued their activities after being restructured in light of sectoral and global developments. They have exchanged ideas and information on the following agenda items.



The Environment Working Group's agenda

Energy Efficiency Projects:

- » Developing projects that will optimize energy consumption throughout the Group, especially at the facilities of the Agricultural Industry Group and the sites of the Engineering and Contracting Group; and promoting energy-saving practices.
- » Building energy-efficiency awareness in the premises.

Waste Management:

- » Minimizing waste, improving recycling processes, and internalizing circular economy principles for waste management, which is considered an important risk and opportunity for both business lines.

Water Use and Conservation Strategies:

- » Supporting the goal of reducing water footprint by developing projects for the efficient use and protection of water resources across all locations where the Group operates.

Protection of Biodiversity:

- » Supporting the development of biodiversity protection strategies in the Agricultural Industry Group under the leadership of Tekfen Agri; and exchanging ideas on R&D activities.

Environmental Compliance and Regulatory Monitoring:

- » Fostering awareness to ensure compliance with national and international environmental legislation in Tekfen's operations and strategies.

Environmental Awareness Programmes:

- » Organizing training and awareness campaigns to increase environmental awareness throughout the Group and among all internal and external stakeholders.



The People and Society Working Group's agenda

Interactions with Internal and External Stakeholders:

- » Developing project ideas to help Tekfen establish a strong communication network with employees, suppliers, and other stakeholders in all areas of activity and across all countries of operation, to improve its relationships, and to generate benefits.

Diversity and Inclusion Policies:

- » Developing ideas to encourage diversity in the workforce and create an inclusive work culture across all locations where Tekfen operates.

Occupational Health and Safety:

- » Developing project proposals to have Tekfen improve its practices in occupational health and safety, an issue that is embedded in the Group's operational roots.

Alignment with Global Trends:

- » Following international standards and raising awareness on issues such as human rights, labour policies, and gender equality.



The Innovation Working Group's agenda

Developing Innovative Solutions:

- » Conducting research to create sustainable solutions that can be integrated into Tekfen's areas of activity and/or used to support horizontal/vertical integration.

Digital Transformation Strategies:

- » Formulating project ideas to encourage and promote digitalisation in Tekfen's operations and business processes.

Supporting R&D Activities:

- » Supporting the research and development projects that form the basis of innovation for Tekfen.



The Sustainable Finance Working Group's agenda:

Raising Awareness About Sustainable Finance:

- » Fostering awareness of sustainable finance practices across Tekfen.

Use of Green Financing Instruments:

- » Supporting sustainability projects in line with Tekfen's investment plan for green transformation; and developing ideas to integrate green financing instruments.

Risk Management:

- » Ensuring that sustainability risks are integrated into the corporate risk management system, and generating ideas that will increase Tekfen's resilience, particularly against climate change risks.



The Sustainable Production Working Group's agenda

Carbon Footprint:

- » Producing ideas and projects to reduce carbon emissions in the operations of the Engineering and Contracting Group and the processes of the Agricultural Industry Group.

Circular Economy Practices:

- » Exchanging ideas on practices that encourage recycling, reuse, and material cycling across all areas of activity.

Sustainable Supply Chain Management:

- » Coming up with ideas to adopt sustainable sourcing and production methods that respect environmental and social standards through collaborations with suppliers.

Material Issues

As part of its 2023 reporting, Tekfen Holding conducted a double materiality analysis to better assess the impact of its sustainability strategies. This study entailed addressing both financing and sustainability risks and opportunities, underlining the strategic importance of environmental and social impacts for the company.

Developments in current sustainability reporting standards, global trends, our long-term vision, and good practices were considered while determining material issues. As part of the Materiality Analysis updated with a double materiality approach, material issues for Tekfen were identified, and feedback was collected on the said issues through a stakeholder participation survey.

Materiality Analysis Steps:

A) Identification of stakeholder groups:

White-collar employees, blue-collar employees, senior management and the Holding's Board of Directors, suppliers and customers, investors, public institutions, academic institutions, non-governmental organisations, industry associations, and dealers.

B) Identification of material issues:

An extensive list of topics was prepared following literature reviews and external trend analyses. Topics were listed under the headings of environmental, social, and governance.

C) Surveys and interviews:

Online surveys and face-to-face interviews were conducted with stakeholder groups.

Tekfen Holding Materiality Analysis Graph



An analysis of survey responses, executive interviews, and external trends have revealed the following material issues:

VERY HIGH PRIORITY	HIGH PRIORITY	PRIORITY
1 Transition to a net-zero emission economy	10 Investment in employee development	26 Sustainability in the supply chain
2 Renewable energy production/use	11 Digital transformation	27 Water management
3 R&D and innovation	12 Occupational health and safety	28 Biodiversity
4 Carbon intensity in operations	13 Integrated risk management	29 Sustainable and regenerative agriculture
5 Energy efficiency	14 Waste management and zero waste	30 Supply continuity
6 Sustainable products and services	15 Resource efficiency	31 Information security and cyber security
7 Carbon intensity of products	16 Circular economy	
8 Responsible portfolio management	17 Corporate transparency	
9 Transparent, accountable, and responsible management	18 Business ethics and compliance	
	19 Product and service quality	
	20 Local socio-economic development	
	21 Natural resource use	
	22 Human rights and working conditions	
	23 Diversity, equal opportunity, and inclusion	
	24 Support for farmers and local communities	
	25 Resilience to disasters and business continuity	

Tekfen's top 3 priorities

1.



Transition to a net-zero emission economy

2.



Renewable energy production/use

3.



R&D and innovation



The issues highlighted by the double materiality lens and defined as top priority serve as the basis of our updated strategic plan and the "Bridging Prosperity" vision. With this year's update, the three top material issues were identified as "transition to a net zero emission economy", "renewable energy production/use," and "R&D and innovation," which form the backbone of Tekfen's growth strategy. Once again, achieving success in these areas depends on our attainment of another goal, "increasing synergy within the Group." The value that the Group will create in green hydrogen and green ammonia by using its ecosystem of engineering, construction, production, and agriculture businesses is essential in its sustainability-focused growth strategy.

Tekfen's sixth Sustainability Report focuses on top material issues, while also covering material issues with less severity. Developments in 2023 are presented to stakeholders under the two main headings of the report, namely "operational roots" and "strategic drivers." Issues under each heading include the following:

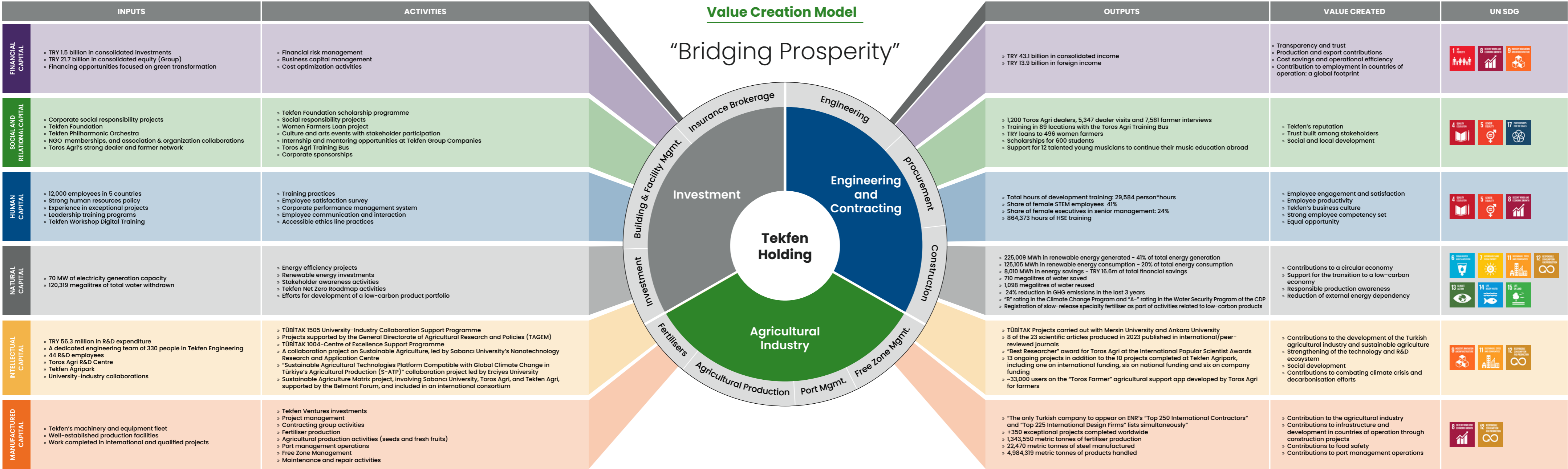


Operational Roots

Tekfen Holding has remained one of Türkiye's leading companies for 68 years owing to a strong corporate governance structure, and thus, governance will continue to be a vital building block of its future. The concept of "transparent, responsible, and accountable management," which is among the top material issues revealed by the double materiality analysis, is critical for the Group to achieve its sustainability goals. Accordingly, this heading covers Tekfen's way of doing business, relations with its stakeholders, corporate governance priorities, and developments regarding operational excellence.

Strategic Drivers

Based on the double materiality analysis, "the climate crisis", "employees and society", and "innovation" were identified as Tekfen Holding's main strategic drivers for creating value, as they come with significant risks and opportunities in terms of sustainability. Developments and results regarding high-priority material issues are included under this heading.

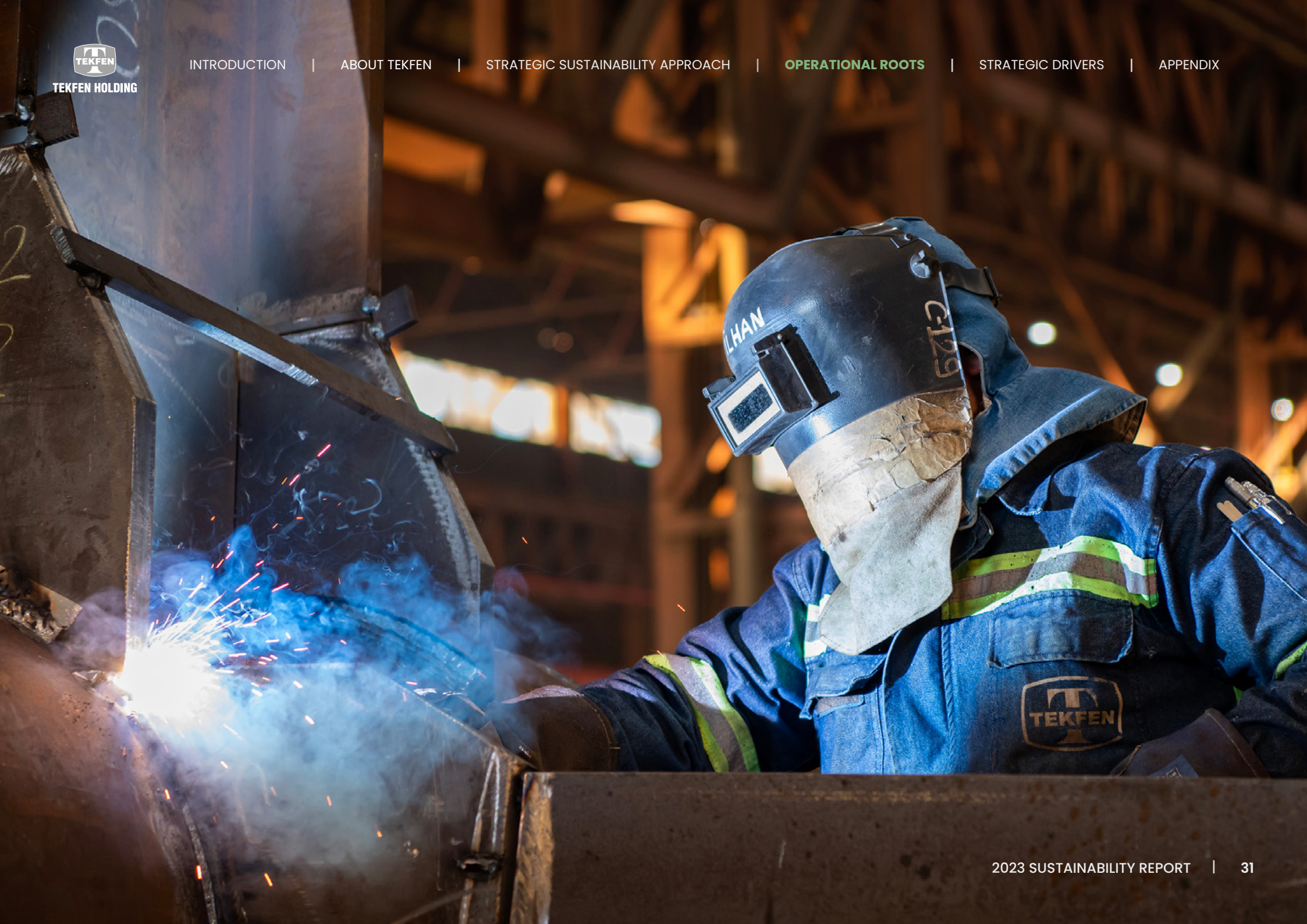


Operational Roots

Founded in 1956 as an engineering and consultancy company, Tekfen combines the experience and knowledge it has gained in the engineering, contracting, agricultural production, and investment industries with core values such as reliability, honesty, and quality, adding value to economic development, its stakeholders, and society.

Tekfen Holding achieves its sustainability goals effectively and sets an example with its good practices in corporate governance. Adopting the principles of transparency and accountability, the company values not only financial success but also the social and environmental impact of its activities. Its strong governance structure and sincere relations with stakeholders enable Tekfen to develop long-term strategies and attain sustainable growth. This approach is one of the fundamental elements that distinguishes Tekfen from other companies in the industry and supports its success story. In light of its corporate governance approach, Tekfen ensures efficiency and quality at all stages of the production and value chain with standardised management processes. In addition to creating cost advantages through operational excellence, it aims to reduce environmental impact and increase customer and employee satisfaction.

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1. Corporate Governance

Tekfen regards its commitment to corporate governance principles as the core foundation of the Group. With a structure consisting of diverse companies and a wide stakeholder network, Tekfen boasts an extensive sphere of influence, and its strong corporate governance approach stands out as one of the most critical elements of this structure. Therefore, corporate governance is a top priority for internal stakeholders and essential for business continuity and protecting the rights of all stakeholders.

Tekfen Holding's Board of Directors consists of 11 members, four of whom are independent. The Board has two female members, one of whom is independent. Various committees under the Board of Directors operate in areas such as strategy development, monitoring of action plans, and performance evaluation. **The Audit Committee, Corporate Governance Committee, Early Detection of Risk Committee, and Remuneration Committee** meet periodically and present their evaluations and reports to the Board of Directors. The Chair of the Board of Directors and the CEO are separate roles, as per the Corporate Governance Principles.

Additional information about Corporate Governance is available in the [2023 Annual Report](#).

A. Risk Management

Being able to run risk management processes correctly and effectively is the key to success in this environment of uncertainty. Due to the company's geographical location and lines of business, the environmental, social, and governance (ESG) risks directly affect Tekfen at global, regional, and national levels.

Tekfen minimizes the impacts of these risks with its risk management system. To ensure effective management of ESG risks and opportunities, the company meticulously identifies and evaluates each impact created by its value chain, defines it in detail, and develops a comprehensive approach to managing them.

Group Companies, under the coordination of Tekfen Holding, implement a uniform reporting method to manage potential risks in their own fields. Corporate Risk Management is carried out in line with the Committee of Sponsoring Organizations (COSO) principles.

Tekfen Holding and its group companies have established written procedures for managing risks. A governance structure has been created to oversee risk management activities and reporting. The risk reports for each Group Company are submitted to the Holding after the approval of the relevant Board of Directors. Then, following the Risk Management Department's analyses, the reports are sent to the Early Detection of Risk Committee, which convenes every two months.

Tekfen addresses its risks under five main headings: financial, operational, strategic, reputational, and compliance. In addition to these headings, subjects such as climate change, the water crisis, occupational health and safety, human rights, code of conduct, compliance, business continuity, cybersecurity, the Law on the Protection of Personal Data, and executive succession management are also monitored as part of risk management activities.

Risk Type	Definition	Management
Financial Risks	Collection risk (credit risk): Risks that may affect the full and timely collection of accounts receivable.	Sales of goods and services against cash payment where possible, requesting collateral from customers, asking for bank guarantees/liabilities, and rating customers according to their risk status.
	Liquidity risk: Risks that may occur when liquid assets are not sufficient to meet due liabilities.	Working with strong consolidated cash availability, regularly monitoring critical indicators as part of balance sheet management to ensure asset and liability maturity alignment, emphasising stock management policies and balancing trade receivables with trade payables, and minimising financing needs through a strong equity structure.
	Market risks: Financial losses that may be incurred due to fluctuations in market parameters.	Using derivatives to hedge currency risk and aiming to secure fixed purchase prices for raw materials and intermediate goods.
Operational Risks	Risks that Tekfen companies may encounter while conducting their operations across all relevant industries. They are related to issues such as business continuity, information security, disasters, environmental and occupational safety, human resources, supply chain and production, and project management.	In principle, the measures for managing these risks are considered an integral part of the efforts of the departments responsible for the initial stage of the relevant activity. In addition, the "Uniform Methods" published centrally by Tekfen Holding regulate the basic rules that companies must follow while conducting their activities. Additionally, operations are constantly audited by the internal audit departments within Tekfen Holding and its Group companies. The audit monitors both the companies' own regulations and Tekfen's Uniform Methods to ensure that any operational risks are managed properly.
Strategic Risks	Risks that may affect the fulfilment of the company's long-term goals and targets. They are related to issues arising from macroeconomic, political, demographic, social, environmental, and other factors in the regions where Tekfen operates, as well as sustainability risks such as climate and water crises, industry and competitive trends, internal resource allocation, entering new areas of activity, mergers and acquisitions, product development processes, and business opportunities.	These issues are evaluated and monitored by the Board of Directors, senior management, and expert committees, and then action is taken as necessary. If needed, consultancy firms with proven international competence and expertise are engaged.
Reputational Risks	Any issues that could potentially harm the company's reputation. These are risks that may adversely affect the company and potentially impact its employees, customers, or other stakeholders due to errors or malicious acts arising from internal or external factors.	Tekfen Group of Companies regards its reputation as a key intangible asset. Reputational risk management focuses on stakeholder relations and communication, as well as corporate image management. To that end, reputational risks facing shareholders, customers, suppliers, employees, and society are managed through corporate communication and corporate governance activities.
Compliance Risks	Risks arising from intentional or unintentional non-compliance with legislation, contracts, or the company's internal guidelines.	The Legal and Compliance units in the Holding and Group Companies work in coordination with the relevant operational units on each case to manage the risks that may arise from behaviours that do not comply with national and international legislation, internal procedures, and codes of conduct. Additionally, in 2018, the Tekfen Group made significant progress in managing compliance risks with the introduction of its "Ethics Hotline".

B. Internal Audit

Internal audit activities within the Group are carried out by the Tekfen Holding Internal Audit Department. Responsible for all Group companies, the Internal Audit Department executes all audit activities required per international standards and uniform intra-group practices. Internal Audit Department reports to Tekfen Holding Board of Directors through the Audit Committee to ensure that internal audit activities are conducted independently and impartially. In internal audit activities for companies, the Department also assumes responsibility towards the Board of Directors of the relevant company.

The Audit Committee supervises the operation and effectiveness of the partnership's accounting system, the public disclosure of financial information, independent auditing, and the internal control system in accordance with the capital markets legislation and regulatory principles.

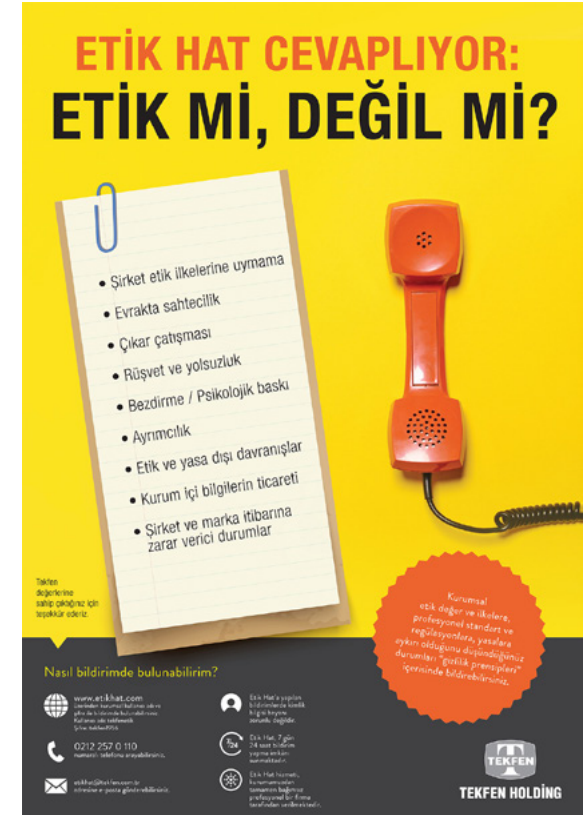
Additional information about the Internal Audit Committee is available in the [2023 Annual Report](#).

C. Code of Conduct and Compliance

Tekfen's Ethics Policy forms the foundation of Tekfen's business conduct and corporate culture. Relations with employees, suppliers, customers, shareholders, and all other stakeholders are conducted with honesty, responsibility, and respect for rights, in accordance with ethical principles. Company policies are available under the **"Policies"** section on Tekfen Holding's website. Tekfen Construction publishes its Ethics Policy in English, Russian, and French to ensure accessibility for all stakeholders and employees.

Tekfen does not favour any political opinions or institutions. Accordingly, no payments are made to political parties, organisations, or their representatives.

In line with the Universal Declaration of Human Rights and other human rights declarations, the Group opposes all forms of discrimination, including those based on race, colour, sex, language, religion, age, political or other opinions, national or social origin, disability, sexual orientation, marital status, and union membership. According to the Tekfen **Human Rights Policy**, respecting human rights, personality, and dignity are essential to social sustainability. Additionally, the **Supply Chain Policy** ensures that the suppliers and subcontractors of the Group Companies adhere to Tekfen's ethics and human rights principles.



Compliance with Ethical Principles

All notifications regarding ethical violations can be made anonymously in Turkish or English through the “Ethics Hotline”, established in 2018, by calling +90 212 257 0 110, sending an email to etikhat@teksen.com.tr or visiting www.etikhat.com. All channels are available 24/7. Notifications are collected by an independent company. Tekfen Holding has an Ethics Committee, which is chaired by a Member of the Board of Directors and includes the Internal Audit Director. Notifications for Tekfen Construction can be made by emailing ethics@teksen.com.tr or through the website.

All Group Companies have a Compliance Officer and a Compliance Committee appointed by the Company's

Board of Directors. These individuals and committees collaborate with the Ethics Committee and report to both the Company's Board of Directors and the Tekfen Holding Ethics Committee every month. All notifications made to the Ethics Hotline are assessed by the Ethics Committee according to ethical and disciplinary rules. In 2023, a total of 46 notifications were received through all ethical reporting channels, with 43 resolved within the year.

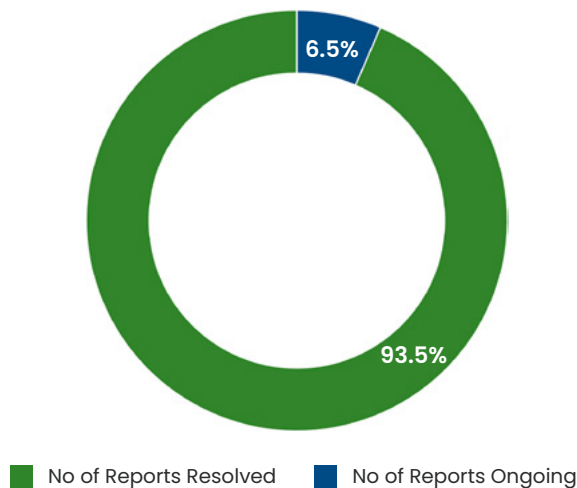
Training

Code of conduct training is crucial for ensuring compliance with principles and fostering an in-house ethical culture. In 2023, a total of 1,224 Group employees received 762 person-hours of business ethics training. The training includes discussions of anti-corruption and

anti-bribery. To raise the code of conduct awareness, Tekfen Construction informs its employees every month on various issues, such as behaviour in the workplace, equality of opportunity, conflicts of interest, and competition laws.

Tekfen requires its contractors, subcontractors, and suppliers to adopt its values and business practices. It also conducts merit assessments to encourage these parties to train their employees on these subjects. Accordingly, in 2023, 79 suppliers were given 190 person-hours of business ethics training.

Reports to the Ethics Line



In 2023, a total of **1,224 Group employees** received **762 person-hours** of business ethics training.

In 2023, **79 suppliers** were given **190 person-hours** of business ethics training.

D. Stakeholder Management

1. Customer Loyalty

Tekfen maintains its strong bond with the customers through a sustainable and constantly evolving approach. Group Companies conduct annual customer satisfaction surveys to ensure close and regular monitoring of customer satisfaction.

Tekfen Construction

Tekfen Construction conducts biannual surveys in active projects and reports the results to senior management in order to measure customer satisfaction, identify areas of improvement, and plan any necessary actions. Customer satisfaction rate (quality) was 83.90% in the first half of 2023, and 84.66% in the second half of the year.

Tekfen Engineering

Tekfen Engineering improves the effectiveness of its quality management system with the participation of all employees and ensures successful customer management in its projects. To ensure and measure customer satisfaction, a satisfaction survey is sent to customers, and the results are evaluated accordingly.

Toros Agri

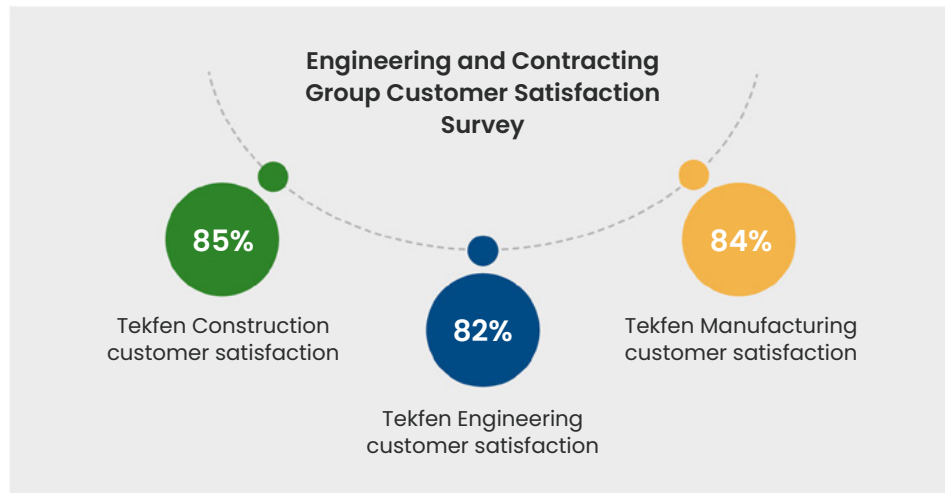
Toros Agri continues to expand its current product and service portfolio with a focus on sustainability, closely follow innovations, and help end users obtain higher quality products, services, and efficiency. The company maintains and improves its well-established and effective communication with all customers and farmers.

Showcasing its vision of becoming the farmers' top choice as a sustainable agricultural solution partner, in 2023, Toros Agri completed its Toros Farmer Survey by conducting face-to-face interviews with 1,501 farmers in 32 provinces, 105 districts, and 404 villages across Türkiye, covering different agricultural product groups, land sizes, local and geographical characteristics, and production behaviours. This comprehensive survey, the first of its kind in Türkiye with an extensive scope and diverse sample pool, sought to gain insights into consumer perceptions and trends, thereby shedding light on decision-making processes and restructuring customer experiences. It examined the farming practices, optimal agricultural input expectations, and agricultural knowledge of farmers. It further delved into their usage and inclination towards agricultural inputs, machinery, and vehicles, financing preferences, and the factors that influence their satisfaction or dissatisfaction with supplier companies. Additionally, the survey explored their evaluations of sales channels, and technological adoption and habits alongside their demographic profiles.

Survey answers to the specific questions about Toros Agri can be summarized as follows:

- The brand awareness rate of Toros Agri was 85%.
- "Reliability" ranked first in the strengths of Toros Agri dealers. Ease of payment and product availability were also considered to be significant strengths.
- The satisfaction rate among Toros Agri Mobile Training Bus participants was 94%.

The survey results and subsequent analyses have enabled Toros Agri to develop projects revolving around customer experience to improve current products and services. You can learn more about the projects and practices for farmers and dealers in the "Social Investments" section.





2. Supplier Management

In addition to the direct environmental, social, and economic impact of its activities, Tekfen also considers its indirect impact stemming from suppliers. Tekfen's expectations from suppliers as part of its sustainability strategy are established in the "[Supply Chain Policy](#)." Tekfen is currently working on developing a supply chain management system that integrates ethical and environmentally responsible practices into a competitive and successful model.

Tekfen Construction

Pursuing a sustainable purchasing strategy, Tekfen Construction manages its relations with all suppliers through interactive and participatory systems. In line with this strategy, the Supplier Management System (SMS) serves as an environment for integrated operations such as Tekfen Construction's supplier records, self-assessments, and e-bidding and e-tender systems. The SMS is available to companies all over the world on Tekfen Construction's official website. Suppliers seeking to participate in the system are expected to comply with Tekfen's explicitly stated conditions by responding to some survey questions during registration. These documents and conditions represent Tekfen Construction's sustainable, transparent, legal, and contemporary procurement approach.

Toros Agri

In 2023, to ensure compliance with the Net Zero Roadmap Scope 3 targets, Toros Agri continued to determine critical production and operational risks that could impact the value created for all stakeholders across the end-to-end value chain, to update its emission reduction strategies in consideration of carbon footprint reduction, green transformation, and responsible purchasing opportunities, and to map priority actions. For the first step of these activities, critical risks related to production and operations across the supply chain were evaluated from an ESG perspective, and a map was created for risk indicators to be monitored according to their impact on business continuity. Conceptual design activities are underway for a Supply Chain Risk Management solution and platform that utilises big data analytics to provide instant risk analyses, compliance monitoring, and a data-based decision support system. This platform will be integrated with current ERP solutions and compatible with the relevant risk indicators.

2. Operational Excellence

Tekfen's operational excellence approach consists of the following elements:

- Systematizing and continuously improving all processes in line with national and international standards and best industry practices.
- Making operational excellence a part of Tekfen's culture by ensuring lean production, quality management processes, and effective and efficient use of resources.
- Continuously improving the quality of services offered to customers.
- Increasing employee and customer loyalty and reducing the environmental impact of operations.

Tekfen conducts all of its operations in accordance with national and international standards.

The documentation obtained by group companies as part of the Integrated Management System are as follows:

Tekfen Construction

ISO 45001	Occupational Health and Safety Management System
ISO 14001	Environmental Management System
ISO 9001	Quality Management System
ISO 3834-2	Welded Manufacturing Qualification Management System
ISO 1090-1	Steel and Aluminium Construction Applications
ISO 27001	Information Security Management System

Toros Agri

ISO 45001	Occupational Health and Safety Management System
ISO 14001	Environmental Management System
ISO 9001	Quality Management System
ISO 50001	Energy Management System
ISO 27001	Information Security Management System
IFA	IFA Project & Sustain Excellence Certification

Tekfen Tourism

ISO 50001	Energy Management System
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Tekfen Engineering

ISO 45001	Occupational Health and Safety Management System
ISO 14001	Environmental Management System
ISO 9001	Quality Management System

Tekfen Manufacturing

ISO 45001	Occupational Health and Safety Management System
ISO 14001	Environmental Management System
ISO 9001	Quality Management System
ISO 27001	Information Security Management System
ASME	Quality Control System (U)
ASME	Quality Control System (U2)
ASME	Quality Control System (S)
NB	National Board Certificate of Authorization (Pressure Vessels and Boilers)
ISO 3834-2	Welded Manufacturing Qualification Management System

Tekfen Construction

At the beginning of each year, Tekfen Construction determines quality performance criteria such as error rates, repetitive work volumes, field test results, non-compliance, and material loss on a project/workplace basis by considering project and workplace capabilities and customer expectations.

“Project Quality Index Scores,” consisting of 63 different quality targets, including Asphalt Works, Mechanical Superstructure Works, Construction Works, Earth Works, Structural Steel Works, Piping and Construction Works with Pipeline Welding, Tank Works, Welder Performance, Electrical and Instrument Works, Maintenance Works, and Quality Assurance, are monitored monthly. Results are reported to Tekfen Construction senior management and customers in the form of a “Monthly Quality Index Score”, and a “Cumulative Quality Index Score” at the end of the year.

Activities to ensure quality are carried out based on continuous improvement. Over the years, significant progress has been made in obtaining more realistic results and planning and managing continuous improvement activities. This was made possible by setting more challenging goals and introducing additional criteria into the existing 63 quality targets. The Cumulative Quality Index (Performance) Score was 95.9% in 2022, and 96.1% in 2023.

Tekfen Construction carries out digitalization projects in the short, medium, and long term in line with customer expectations and updated business strategies. Accordingly, the company is currently working towards updating user screens in steel manufacturing processes launched in 2021, simplifying steel manufacturing processes extending up to project assembly phases, reducing costs, and increasing efficiency.

To highlight the importance of corporate memory, the recently launched Electronic Document Management System (EDMS) is still operated in conjunction with the EDMs used in projects upon customer demands. This ensures the continuity of corporate memory.

Toros Agri

The “Lean Management” and “6-Sigma” activities initiated by Toros Agri to boost efficiency in business processes and resource use continued in 2023. The goal of the “6-Sigma” projects is to analyse all processes, reduce variability, increase quality, and optimize outputs. In 2023, the Fourth Wave Green Belt project was concluded, and the number of completed 6-Sigma projects reached 64, consisting of 59 Green Belt and 5 Black Belt projects.

The company maintains its level of “Excellence” as part of its “Protect & Sustain” certification, which was issued by the IFA in 2018 to verify the effectiveness of monitoring, measuring and continuous improvement efforts related to environmental, social, and economic footprint across the entire value chain. Toros Agri remains the only company in Türkiye and one of the few in the world to have obtained that title.



Strategic Drivers

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The areas that play a key role in the future success and sustainable growth of Tekfen Group are specified as "Strategic Drivers" under the Sustainability Strategy. The three main headings determined in this context are "Climate Crisis," "Innovation," and "Employees and Society." These are also the main subjects high on the global sustainability agenda.



1. Climate Crisis

According to the World Economic Forum's **2023 Global Risks Report**, environmental risks represent the first four of the top 10 issues posing the greatest risk over the next decade. Additionally, the climate crisis increases the likelihood and severity of extreme weather events, critical changes in Earth's systems, biodiversity loss, and ecosystem collapse. In response to the uncertainty caused by this situation, countries have accelerated the low-carbon transformation in various ways. For instance, in 2019, the European Union announced the Green Deal, aimed at increasing resource efficiency through a transition to a clean, circular economy. Developments such as the COVID-19 pandemic and the Russia-Ukraine War have highlighted the concept of strategic autonomy and accelerated the green energy transformation.

Tekfen operates in carbon-intensive industries and considers the risks posed by the climate crisis. According to the updated Materiality Analysis, five out of the nine top-priority material issues are related to the climate crisis. This situation indicates that the managers and stakeholders of Tekfen Holding and its group companies are aware of the risks and potential impacts of the climate crisis. To ensure business continuity and reduce its climate impact, Tekfen is identifying opportunities and taking steps today to transition to carbon-free business models for the future. To achieve this, Tekfen has developed a new strategy and expanded its activities to support the net-zero economy with the goal of implementing sustainability-focused investments.

A. Trends, Risks, and Opportunities

While shaping its future strategies, Tekfen has thoroughly examined the global trends brought about by climate change in its industries. Potential impacts of the climate crisis on the existing operations and future business models were evaluated, and the risks and opportunities that may be encountered in this process were identified. To that end, the current risks, actions, and opportunities for the main business lines are summarized in the table as follows:





	Risks	Actions	Opportunities
Engineering and Contracting	Delays in construction processes, safety risks at project sites, and increases in input costs caused by extreme weather events.	Tekfen develops practices to improve the conditions of all employees and subcontractors, especially those working on site under various climatic conditions. For the protection of employee health, especially in extreme climatic conditions, weather conditions are regularly monitored, and temperature differences are tackled with air-conditioned cooling and heating. Additionally, night shift arrangements are put into place during summer in order to reduce the direct heating effects of UV rays and the sun.	<ul style="list-style-type: none">• New market opportunities introduced by green transformation investment plans in the contracting industry• Ensuring cost advantage with the adaptation of recyclable and reusable materials to the construction industry• Increasing need for more resilient infrastructure projects due to extreme weather events and climate change• Increased strategic collaborations between suppliers and contracting companies through the adoption of a circular economy• Innovative technologies for improving water efficiency, protecting water resources, and using water sustainably
	Challenges in complying with environmental regulations due to the high-emission nature of the contracting industry.	To carry out energy efficiency projects across all facilities and sites, Tekfen meticulously monitors the legislation and environmental regulations in its countries of operation and shapes its compliance strategies accordingly. It also implements low-carbon energy production solutions to reduce its carbon footprint wherever possible.	
	Challenges in adapting to energy efficiency practices and integrating renewable energy systems in multinational projects due to local regulations in the contracting industry.		
	Delayed decarbonisation of the industry due to inadequate waste management processes and lack of sustainable material use in construction projects.	Depending on the relevant location and infrastructure conditions, Tekfen directs waste to recycling facilities and carries out disposal in accordance with local environmental legislation. In waste management processes, all recyclable and non-recyclable waste are recorded, and the process is managed in a transparent and traceable manner. Furthermore, recyclable materials are prioritised in line with work requirements, contributing to environmental sustainability goals.	
	Operational disruptions caused by decreased water resources and deterioration of water quality due to environmental factors.	Measures are taken to save water across camps and temporary facilities. Purification systems are used where applicable, water efficiency is prioritised in the selection of installations, and training sessions on water saving are conducted. Additionally, the water used in hydrotests is reused to the extent permitted by the relevant administrative specifications, ensuring resource efficiency.	

	Risks	Actions	Opportunities
Agricultural Industry	Non-compliance with national and international regulations aimed at reducing the environmental impact and carbon footprint of the agriculture and food industries.	<p>Pursuing its mission to be an industry pioneer in developing sustainable business models and creating notable impact in its operational areas, Toros Agri closely follows major regulatory developments such as "From Farm to Table," "Circular Economy Action Plan," "Biodiversity Strategy," "Hydrogen Strategy," "Carbon Border Adjustment Mechanism (CBAM)" and "Emission System (ETS)" as part of the main strategies and targets of the EU Green Deal. The company has been systematically carrying out preparation and adaptation activities for these developments since 2020. Accordingly, Toros Agri has launched the "Low-Carbon Transformation Roadmap" and "3D Transformation Program" for the decarbonisation, decentralisation, and digitalisation of its current business model with a focus on customer experience in order to monitor and manage environmental and social sustainability risks and opportunities in all areas comprising the company's products, services, and activities. Updated in 2023 in consideration of strategic goals, market dynamics, and stakeholder expectations, these efforts have been enhanced with the identification of priority projects and investment needs across the entire value chain.</p> <p>Additionally, as part of early compliance with and adaptation to the CBAM and ETS, the Gold Standard and Global Carbon Council (GCC) carbon certification processes are currently ongoing for projects aimed at reducing greenhouse gas emissions resulting from the production process at Toros Agri's Gönen, Meram, and Samsun facilities.</p>	<ul style="list-style-type: none"> • Providing competitive advantage in existing and new markets and increasing the value created for all stakeholders through product, production, and business model transformations supporting the transition to a low-carbon economy in line with Tekfen's sustainable growth strategies for combatting climate change. • Toros Agri's R&D activities aiming to ensure effective plant nutrition, reclamation of infertile agricultural lands, source reduction, and waste repurposing for compliance with the main strategies and targets of the EU Green Deal; Toros Agri's portfolio expansion with next-generation environmentally friendly products produced with green hydrogen/ green ammonia; and its efforts to increase its presence in existing and new markets and ensure raw material security.
	Deterioration of water, soil and air quality due to the climate crisis and the impact on biodiversity.	<p>Tekfen believes in the power of R&D and innovation for the future of agriculture, and consequently, puts a special emphasis on Toros Agri, the overarching company of the Tekfen Agricultural Industry Group. Considering the results of the 2023 Materiality Analysis and stakeholder expectations, Toros Agri aims to respond to evolving ways of doing business in a sustainable, inclusive and flexible manner. To that end, the main focus areas and risk reduction measures have been grouped under the following five main headings:</p> <ul style="list-style-type: none"> • Continuing investments in good/precision agricultural practices and digital agriculture that support environmental and social sustainability and enhance soil and crop productivity; • Diversifying product and service portfolio with next-generation products, technologies, and collaborations that reduce plant nutrient losses, enrich infertile agricultural soils, and enable waste management in line with the principle of circular economy; • Enriching the customer experience with data analytics, technology, and data-based on-site practices that strengthen the interaction channels between the producer and the end consumer in order to increase the overall value for customers; • Completing the integration of ESG into the supply chain; • Developing human resources with green and digital transformation awareness and competencies. <p>Tekfen Agri follows a biodiversity policy previously announced to all its stakeholders.</p>	



	Risks	Actions	Opportunities
Agricultural Industry	The negative impact of extreme weather events and natural disasters on the entire global value chain, from procurement to production, logistics, and storage.	Supply chain crises affect Tekfen Agricultural Industry Group in its operations, especially in access to raw materials. The supply chain disruptions brought about by the pandemic, international tensions, and other economic fluctuations have had a negative impact on Tekfen Group Companies, and Toros Agri in particular. Accordingly, Tekfen has included investment and cooperation opportunities aimed at ensuring cost optimization, reducing external dependency, and accelerating access to critical raw materials in its strategic investment plan renewed in 2023.	<ul style="list-style-type: none"> Reducing energy and natural resource consumption through the implementation of energy efficiency projects and circular business models in facilities as part of Lean Production efforts. Toros Agri's utilisation of green finance funding incentives with investments focused on green and digital transformation. Supporting biodiversity with tissue cultures produced by Tekfen Agri as part of its R&D activities.
	The impact of the climate crisis and challenges in resource access on the socio-economic situation of farmers, and ultimately, their changing needs.	Toros Agri has adopted the strategy of serving as a solution partner for farmers based on its trust-based relationship with stakeholders. With this strategy, besides its products, it aims to offer value-added solutions to customers. The company conducted the Toros Farmer Survey in 2023 to understand changing farmer expectations and inclinations due to the impact of recent national and international developments. The survey includes valuable information on the demographic profiles of farmers, as well as their production behaviours, expectations for optimal agricultural input, knowledge of agricultural and cultivation activities, inclinations towards agricultural inputs, machinery, and vehicles, financing preferences, the factors that influence their satisfaction or dissatisfaction with suppliers, their evaluations of sales channels, and technological adoption and habits. It aims to reveal and restructure the processes along the path from customer satisfaction to customer experience.	
	Increasing demand for low-carbon fertilisers in line with global "net zero" targets.	Toros Agri examines the risks associated with the decreased use of chemical fertilisers and its negative impact on the market in line with the 2030 EU Green Deal targets and develops new strategies. It focuses on diversifying its product portfolio and developing next-generation fertilisers (organic, organomineral, slow-release, phosphorus, microbial and/or microbial-added, and nano fertilisers).	
	Decreased efficiency in agricultural production due to water scarcity and changing rainfall patterns.	Toros Agri's strategy includes expanding its product portfolio by considering the importance of water-soluble fertilisers in order to reduce the negative impacts of water scarcity and changing rainfall patterns on agricultural productivity. With this strategy, it aims to produce and market fertiliser varieties that optimize the water and nutrient uptake of plants and support high productivity, even at low water consumption. Innovative products compatible with precise irrigation and fertilisation techniques that will help farmers adapt more quickly to changing climate conditions are released, as well. These steps are part of Toros Agri's long-term strategies seeking to contribute to sustainability and efficiency goals in agriculture.	

B. Tekfen Holding's Targets for Low-Carbon Transformation

The medium and long-term emission reduction targets set for Tekfen in 2020 were reviewed and revised in 2023. The current medium- and long-term targets of the Group are:

TARGET 1

Total Scope 1+2 emissions to be carbon neutral by the end of 2030

TARGET 2

Total Scope 1+2 emissions to be net zero by the end of 2045

TARGET 3

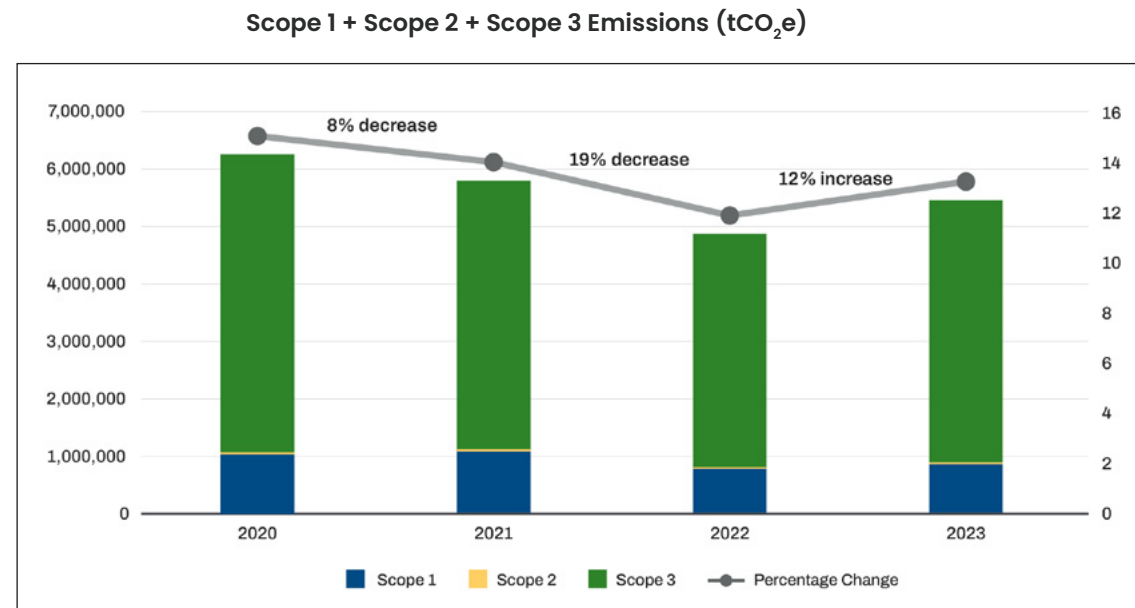
Total Scope 3 emissions to be net zero by 2045

The company develops its future plans in accordance with the "Low-Carbon Transformation Roadmap," aiming for net-zero emissions. It implements GHG reduction measures and investments in response to rising carbon taxes and the Emissions Trading System (ETS).

The net-zero target and the associated investments as part of Tekfen's "Creating Value for All Stakeholders" approach are effective in reducing the Group's environmental impacts in line with global regulations. Efforts are underway to transform the target of achieving net zero emissions into Science-Based Targets.

2023 is identified as the base year in the emission inventory prepared as per the ISO14064:1 guidance. The company's emission inventories were also prepared in 2019, 2020, 2021, and 2022, but the scope of emission sources was expanded with the inventory review activities in 2023.

Since 2017, Tekfen has reported data, risks, opportunities, and strategies related to climate change to the Carbon Disclosure Project (CDP). It has also reported on water security since 2018. In 2023, Tekfen received a "B" rating in the Climate Change Program and an "A-" rating in the Water Security Program from the CDP.



**Engineering and Contracting Group**

Tekfen Engineering is actively involved in the pre-feasibility activities for the Green Ammonia Investment planned by Tekfen Renewable Energy Solutions for Toros Agri's Mersin Plant. As the Owner's Engineer, the Company is responsible for preparing the Request for Information (RFI) form, compiling a list of potential suppliers, issuing Requests for Proposal (RFP) to companies, and evaluating and reporting on the received offers from both technical and commercial perspectives. Once the project is realised, Tekfen Manufacturing will be responsible for executing project-specific manufacturing activities, thereby gaining valuable experience in this new business line.

Agricultural Industry Group

Ammonia, typically produced by combining nitrogen extracted from the air with hydrogen derived from fossil fuel sources, is the most crucial raw material for nitrogen fertiliser production. This process results in high GHG emissions due to chemical reactions and substantial energy requirements. Therefore, employing alternative methods for hydrogen production is critical for reducing the industry's GHG emissions.

Toros Agri uses imported ammonia in its production processes. Tekfen Renewable Energy Solutions is currently conducting concept design and pre-feasibility activities to produce green ammonia using renewable energy at Toros Agri's Mersin Facility. This green ammonia will be used for Toros Agri's fertiliser production. The Group's green ammonia investments and strengthening of its low-carbon raw material and product portfolio in agricultural production will take Tekfen one step further in combating the climate crisis.

In 2023, Toros Agri initiated the necessary steps to verify emission reduction processes at its facilities as part of its preparations for the Carbon Border Adjustment Mechanism (CBAM) and Emissions Trading System (ETS). To obtain the Voluntary Emission Reduction (VER) certificate, Gönen Renewable Energy Inc. completed the validation and verification processes in accordance with the Gold Standard and reached the final stage of reporting. Additionally, processes are ongoing for Meram Renewable Energy Inc. and the facility generating power from waste heat at Toros Agri's Samsun Plant.

One of the main objectives of the Tekfen Agricultural Industry Group is to ensure that agricultural production and food safety remain unaffected during the transition to carbon-free business models. To that end, activities for Toros Agri's "Low-Carbon Transformation Roadmap" continued in 2023, with field studies conducted to achieve net zero by 2045 in Scope 1+2 emissions, and priority investments identified. Toros Agri's planned Catalytic N₂O Reduction System Installation/Renovation investment, aiming to capture the N₂O emissions released during nitric acid production, will reduce the company's emissions in this process by at least 90%. This will ultimately reduce its total emissions and support compliance with national and international environmental sustainability and climate targets.

In addition, a project was launched in 2023 for on-site measurement of the impact of Toros Agri's slow-release "Smart Urea" product on base carbon emissions. The ultimate goal of the project was to reduce Scope 3 emissions resulting from product use. Conducted in a pilot farm that widely uses modern agricultural techniques and good agricultural practices, the process

was managed on a platform that measures the environmental impacts of agricultural practices and provides suggestions for improvement based on emission algorithms. The base carbon measurement calculations showed that emissions per metric tonne were halved in the pilot area where slow-release products and modern agricultural techniques were used.

Investment Group

Tekfen Ventures primarily focuses on start-ups in the key industries where the Tekfen Group operates. Its priority investment areas include agriculture, manufacturing, construction, real estate, and urban technologies. This fosters potential synergies and collaboration opportunities between Tekfen Ventures' portfolio companies and Tekfen Group Companies.

Tekfen Ventures' portfolio includes Pivot Bio and Phospholutions, two start-ups contributing to the net-zero economy in the fight against the climate crisis. Pivot Bio, established with the vision of transforming traditional food production processes, uses microbes to produce nitrogen and enhance its uptake by plants. This innovative approach helps mitigate issues such as increased emissions and loss of surface water. In 2023, Pivot Bio's emissions reduction was equivalent to the emissions from 44,000 households. The agri-tech firm Phospholutions offers RhizoSorb, a patented soil amendment that enhances phosphorus absorption by crops. RhizoSorb is used to increase the efficiency of phosphorus fertilisers and reduce their environmental impact. Its reduction potential on US corn production acres is equivalent to 3.4 billion kg of CO₂ annually.

C. Energy Efficiency and Renewable Energy

In the current multi-crisis environment, energy security is becoming increasingly important for economic independence and sustainable progress. Energy security highlights the necessity for countries to have their own energy resources and reduce foreign dependency while economic independence ensures that national economies are minimally affected by external factors. Sustainable development aims for long-term progress by balancing environmental and economic factors.

In line with global developments, Tekfen prioritises energy efficiency and emission reduction projects.

Energy Efficiency

The Türkiye Energy Efficiency 2030 Strategy and 2024–2030 Action Plan contribute significantly to Tekfen’s Net-Zero target. Aligned with these strategies and action plans, Tekfen undertakes various projects to enhance energy efficiency and reduce carbon emissions. Through regular energy efficiency activities at facilities, we closely monitor energy-efficient equipment and technologies and identify opportunities for further improvements. For example, the Sulphuric Acid Unit at Toros Agri’s Samsun Plant harnesses waste heat to generate power, thereby meeting the plant’s electricity needs. In addition, the project launched in 2022 to recover the water used as coolant in ammonia storage was completed in 2023,

reducing energy costs in the process. In 2023, the various projects undertaken to achieve this goal led to 7,946 MWh in energy savings and TRY 16,150,000 in financial savings.

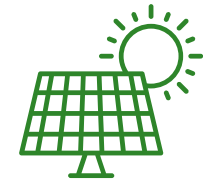
Renewable Energy

The FNN Sustainability Centre at Tekfen Construction’s GAT facility in Ceyhan, Adana, meets part of its electricity needs through rooftop solar panels. Similarly, Tekfen Construction’s Ceyhan Fabrication Facility meets part of its electricity needs with rooftop solar panels. Installed on a 11,300-square-metre area with 3,720 panels, the solar power plant generates 1.5 million kWh of power annually. In 2023, both facilities achieved 2,208 MWh in electricity savings and TRY 9,286,638 in financial savings.

Feasibility activities are underway at various facilities to replace fossil fuel-powered machinery with electrification technologies (e.g. heat pumps) in the medium term.



Through various projects, **7,946 MWh of energy and 16,150,000 TL of monetary savings** were achieved in 2023.



In 2023, The FNN Sustainability Centre and Ceyhan Fabrication Facility achieved **2,208 MWh electricity and TRY 9,286,638 financial savings**.



The Gönen Renewable Energy Inc. and Meram Renewable Energy Inc. companies, both under Toros Agri and boasting a total installed capacity of 10 MW, produce biogas from organic waste and generate energy from it, supplying renewable energy to the grid.

In 2023, Tekfen Holding reinforced its commitment to renewable energy by establishing Tekfen Renewable Energy Solutions with a total installed electricity generation capacity of 70 MW. Tekfen aims to accelerate the Group's green energy transition by investing in wind and solar power projects through this new company.

Toros Agri Samsun Production Plant (left); FNN Sustainability Centre (right); Gönen Renewable Energy Plant (below)



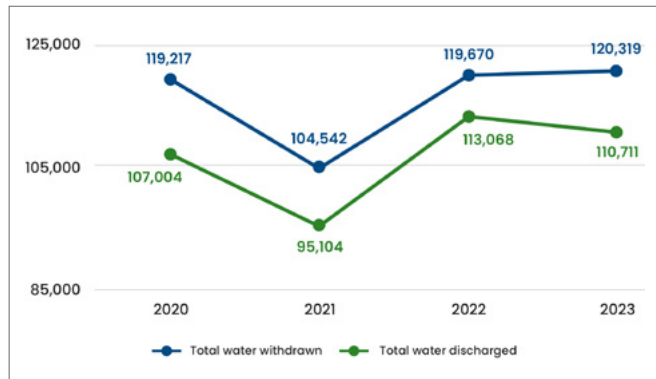
D. Water Management and Water Security

Tekfen operates across several water-intensive industries. In the Agricultural Industry Group, the key areas of water dependency are fertiliser and fruit production, while in the Engineering and Contracting Group, it is certain large-scale projects. Tekfen regularly monitors its water footprint and declares it annually through CDP.

Water Use and Resources

Due to operations in diverse industries, water is used for different purposes across Tekfen's operations, such as agricultural production, cooling, and hydrostatic testing. For increased water reuse rates and optimised water consumption, water management strategies and measures taken for efficient use of water within the Group are regularly reviewed, more effective solutions are developed, and recycling and/or reuse projects are carried out accordingly.

Total Amount of Water Withdrawn and Discharged (Megalitres)



Water Security

Tekfen works to identify water-related risks and opportunities, manage water efficiently, and reduce its water footprint across the value chain. The increased water stress and decreased agricultural productivity resulting from the climate crisis make water risks a higher priority for the Agricultural Industry Group compared to the other group companies.

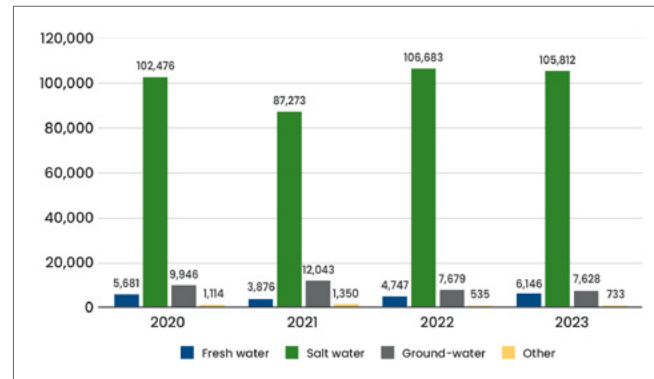
The agriculture industry accounts for a significant portion of global water consumption due to the irrigation needs of crops. Accordingly, technologies that enhance water efficiency and sustainable water management practices are becoming increasingly important in the agriculture industry. In addition to improving water efficiency in its own operations, Tekfen also undertakes innovative efforts to reduce the water footprint in its value chain resulting from agricultural activities and product use. The activities at Toros Agri and Tekfen Agri R&D Centres aim to develop products and drought-resistant seeds that

are compatible with changing climatic conditions. Toros Agri also focuses on the production and sale of specialty water-soluble fertilisers. Specialty fertilisers that require less water enable farmers to use water more efficiently. Additionally, Toros Agri contributes to water efficiency and strives to prevent nitrate pollution through the “**Toros Farmer**” app and face-to-face farmer training. These resources help farmers apply the right fertiliser at the right time, in the right place, and in the right amount (4R).

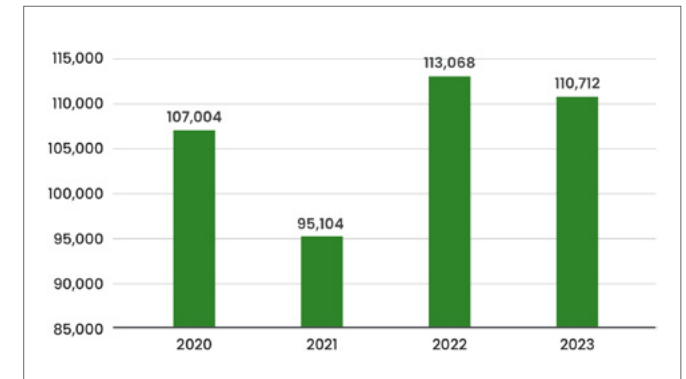
To use water effectively and efficiently in its operations, Tekfen Agri invests in innovative technologies that monitor plant water needs and employs smart irrigation systems. Alanar orchards exclusively use drip irrigation and mini sprinklers and are equipped with soil moisture sensors and weather stations.

The project initiated to recover the water used as a coolant for ammonia storage at the Toros Agri Samsun Plant resulted in 709,535 m³ of water savings in 2023.

Amount of Water Withdrawn by Source (megalitres)



Total Discharged Water (megalitres)



Additionally, Toros Agri supports the Business Council for Sustainable Development Türkiye (BCSD Türkiye) in researching wheat water consumption, irrigation methods, water footprint, and other related fields as part of the Water Risks R&D Project Phase II.

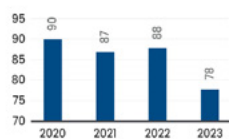
Water Pollution and Quality Management

Tekfen regularly monitors and measures water withdrawal, discharge, and quality. Water quality is assessed through chemical and microbiological analyses. Discharge limits for physical treatment facilities at all fixed locations within the Group are also monitored. These processes are meticulously managed under the Company's water management policies.

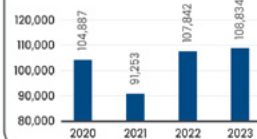
Water Pollution and Quality Management

2023 PERFORMANCE (Discharged Water)	2023 WATER SECURITY AND OPERATIONAL EXPENDITURES	PROGRESS
Surface waters (fresh water): 78 megalitres Surface waters (salt water): 108,834 megalitres Ground-water: 1,551 megalitres Third party sourced water: 249 megalitres Total discharged: 110,712 megalitres	Water security capital expenditures (CAPEX): 27.4 million TRY Water security operational expenditures (OPEX): 1.5 milyon TRY	Surface waters (fresh water): ↑ Surface waters (salt water): ↓ Ground-water: ↓ Third party sourced water: ↓ Total discharged: ↑

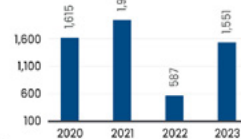
Fresh water



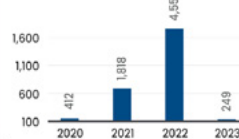
Salt water



Ground-water



Third party



In 2023, Tekfen received a “B” rating in the Climate Change Program and an “A-” rating in the Water Security Program from the CDP.

E. Waste Management

According to the [Global Waste Management Outlook](#), the existing practices will lead to soaring waste generation, especially in regions lacking sufficient waste management capacity. This will inevitably have negative consequences on the environment and public health and drive climate change and plastic pollution in the seas. If no action is taken for global waste management, the cost of waste management is expected to reach USD 640.3 billion by 2050.

Tekfen continues to study environmental and financial risks that may arise if effective waste management practices are not implemented.

Engineering and Contracting Group

Tekfen Construction reuses most of the waste generated during its various construction projects and recycles any remaining unused waste. The Group reduces dust formation by applying reclaimed asphalt at temporary construction sites. Ceyhan and Derince Manufacturing Facilities hold Basic Level Zero-Waste Certification as part of the Zero-Waste Management System.

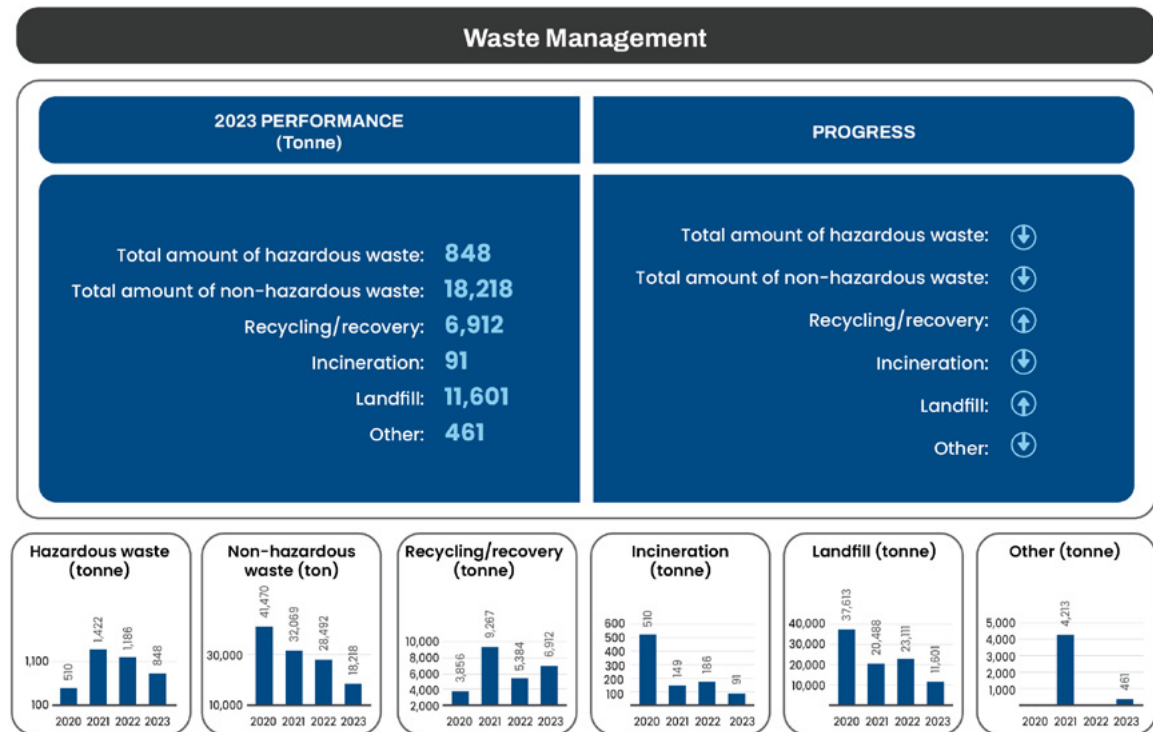
Agricultural Industry Group

Toros Agri, through its recycling efforts and Zero-Waste Management System, received Basic Level Zero Waste Certification for its Ceyhan, Samsun, and Mersin Facilities, Torba Factory, and Gönen and Meram Facilities.

Toros Agri undertakes various projects to manage waste effectively and support the circular economy by utilising by-products generated during its operations. These include phosphogypsum (PG), a by-product resulting from fertiliser production. Although phosphogypsum is classified as non-hazardous or inert waste, direct incorporation into soil or water can potentially lead to environmental pollution. A PG Working Group, including the R&D team, was established to explore the use of phosphogypsum reserves from the Mersin and Samsun

Plants in alternative industrial applications. The working group's agenda covers transforming phosphogypsum into high-value products, using it as a raw material across various industries or as soil regulator to enhance agricultural efficiency.

Toros Agri R&D Centre is supported as part of the TUBITAK 2244 programme with the "Waste Recycling in Fertiliser Production" project launched in 2019. As part of the program, two doctoral dissertations on the recycling of



PG have been completed and the outputs of the studies have been published in international peer-reviewed journals. Toros Agri is also involved in the PG Working Group of the International Fertilizer Association (IFA) and closely monitors the PG activities in the fertiliser industry. The Company collaborates with domestic and foreign institutions for PG assessments.

Gönen and Meram Facilities generate biogas and energy from organic waste. Producing organic and organomineral fertiliser from gasified waste supports the circular economy.

F. Biodiversity

Tekfen, operating in industries that impact biodiversity, such as construction and agriculture, is committed to taking necessary measures for the conservation of ecosystems and species during its activities in line with its [Biodiversity Policy](#).

To that end, the Contracting Group carries out activities such as wildlife observation and protection practices, the relocation of species found in project areas to similar habitats, and rehabilitation.

Extreme weather events driven by the climate crisis threaten to reduce resilience, productivity, and biodiversity among plant species. Toros Agri R&D Centre and Tekfen Agri Agripark R&D Centre conduct projects aimed at enhancing productivity and climate resilience, reducing plant nutrient loss rates, and supplying farmers with disease-free, high-yield, and high-quality seeds and saplings. R&D activities are supplemented with various projects that enhance crop adaptation to the soil, ensure resistance to climate change, and improve sustainable agricultural production in regions with intense urbanisation and population growth. These initiatives encompass the breeding of bread and durum wheat, feed and malt barley, sesame, and potato seedlings, as well as banana plant production in advanced subcultures, and similar projects.

For more details on the R&D projects of the Agricultural Industry Group and the activities of Tekfen Ventures' portfolio companies, please refer to our [2023 Annual Report](#).



2. Innovation and Digital Transformation

Innovation and digital transformation, essential for process management as well as developing new products and services, is among the fundamental elements of corporate sustainability. While innovative technologies and digitalisation directly impact productivity and efficiency, they also play a key role in producing solutions to environmental problems such as climate crisis, water scarcity, and pollution. Innovation also contributes to a circular economy by creating new business lines and models in line with changing trends.

In 2023, Tekfen continued its efforts for “Innovation and Digital Transformation,” a key element in its sustainability strategy.

A. R&D and Innovation

R&D and innovation activities that represent Tekfen’s innovative mindset and power are in tune with the sustainability strategy targets. Tekfen invests in innovative technologies to ensure service quality and customer satisfaction, increase competitiveness, and achieve its green transformation goals. A budget of TRY 56 million was allocated for R&D activities in 2023.

Innovative projects, new engineering practices, digitisation, and automation shorten the business processes in contracting projects, minimize error rates, and contribute to safer working environments by reducing occupational health and safety-related risks. In the agriculture industry, key areas of innovation include developing seeds resistant to changing climatic conditions and drought, responsible use of natural resources, innovative production methods to increase agricultural productivity, advanced agricultural technologies, and low-carbon fertilisers and harvesting methods.

Toros Agri R&D Centre

Representing Toros Agri’s science-based innovative approach and power, the R&D Centre was established in 2017 in the Mersin Production Facility as the first R&D Centre working on plant nutrients in Türkiye. The priority goals of the Centre employing a total of 25 R&D personnel are developing products that align with the sustainable agriculture strategy based on market demands and contributing to the agricultural industry.



The Centre develops next-generation fertilisers, including organomineral, microbial, and slow-release fertilisers. It focuses on effective plant nutrient (phosphorus) uptake, creating new value-added products from phosphogypsum in agricultural areas and/or different industries, and eliminating the caking issue in certain fertiliser types.

The projects conducted at the Toros Agri R&D Centre led to the submission of 23 articles to international peer-reviewed journals in 2023, with eight of them being published. Ali Yetgin, a specialist at the R&D Centre, received the “Best Researcher Award” at the International Popular Scientist Awards for his article published in “Acta Ecologica Sinica,” a journal by Elsevier, one of the world’s most prestigious publishers.

Tekfen Agri Agripark R&D Centre

Tekfen Agri Agripark R&D Centre aims to introduce technological innovations to Turkish agriculture and develop sustainable agricultural technologies. The Centre undertakes activities such as potato seed production, wheat breeding projects, and seed registration and certification. Agripark produces disease-free seeds and saplings and develops crop seed varieties.

Innovation projects help improve products in terms of cost and quality, increase national and international collaborations, and support activities related to intellectual property rights. The Centre, guided by science and technology, develops innovative solutions in the agriculture industry and secures these innovations with patent applications.

Tekfen Agri Agripark R&D Centre employs 19 R&D personnel.



FNN Sustainability Centre

The FNN Sustainability Centre, designed by Architect Emre Acar and built using circular production techniques in Ceyhan, Adana, derives its name from the FNN Engineering Consultancy Company, established in Ankara in 1956 by Feyyaz Berker, Nihat Gökyiğit, and Necati Akçağlılar, Tekfen’s three founding partners. The Centre is located in an area with various industrial production facilities and an intense traffic of international maritime transportation. As a pioneering initiative uniting the know-how of agricultural and industrial organizations in the region, the research capacity of universities, and the vision of Tekfen’s founders to contribute to Türkiye’s development, the FNN Sustainability Centre received LEED Platinum Certification thanks to excellent compliance with the international criteria set by the U.S. Green Building Council.

Despite Adana’s hot climate, the Centre demonstrates outstanding energy and water efficiency, effectively combining comfort with significant savings. The building meets part of its electricity needs through rooftop solar panels and achieves a 50% water efficiency rate thanks to rainwater and condensate water systems.

Toros Agri R&D Centre (opposite page); Tekfen Agri Agripark R&D Centre (left)

Projects and Collaborations

Agricultural Industry Group

The main goal in Toros Agri's R&D activities is to carry out projects focusing on products, natural resources and application models that will facilitate green transformation. To achieve this, the company embarks on various initiatives: promoting sustainable agriculture in plant nutrition and fertilisers, bolstering the product portfolio with next-generation products in compliance with evolving local and EU legislation, introducing cutting-edge technologies to Turkish agriculture, enhancing the physical and chemical efficacy, durability, and shelf life of existing fertiliser types, refining production processes, and locally manufacturing products currently not produced in Türkiye.

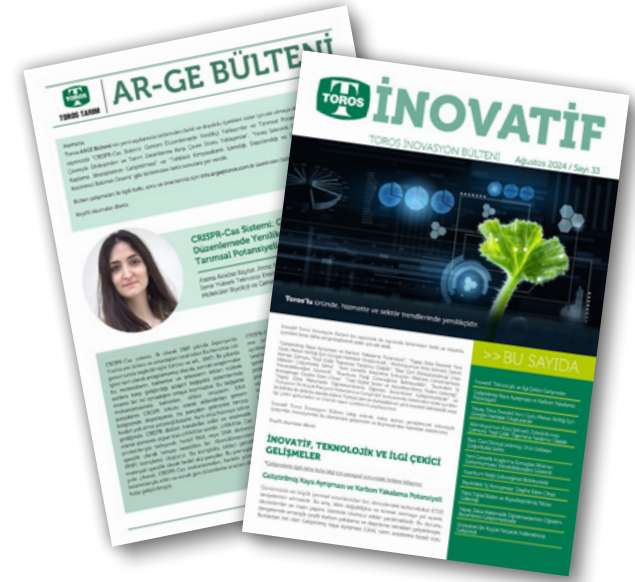
Investments are planned to enhance the existing infrastructure to achieve these goals, including establishing a microbiology laboratory for microbial fertiliser production. The Toros Agri R&D Centre has successfully completed 23 projects to date, including two supported by national and international sponsorships. Of the 12 ongoing projects, five are sponsored, and seven are funded by the company.

The Toros Agri R&D Centre's efforts have led to the registration of eight products to date. Additionally, the registration procedures for two slow-release urea formulations, Toros Urea Plus and Toros Poly Urea, which began in 2023, have also been completed. No sales of these products occurred during the reporting period. Registration applications for compost-added fertilisers have been filed following the studies carried out for organomineral fertilisers.

The Toros Agri R&D Centre collaborates with local and international organisations, scientific institutions, and universities on projects that support agricultural development in line with the vision of sustainable agriculture. Toros Agri has joined Science Direct, the TUBITAK Hydrogen Working Group, the Community Research and Development Information Service (CORDIS), the AGRIFOOD Digital Innovation Centre, and the International Fertilizer Association (IFA) to support these efforts.

Three TUBITAK 2244 projects are currently underway in cooperation with Mersin University and Ankara University, focusing on developing a competent workforce for the industry. Additionally, the company runs projects in collaboration with Çukurova University and the Bahri Dağdaş Research Institute. Under the TUBITAK 2244 programme, studies are ongoing to develop slow-release nanofertilisers, prevent caking in certain fertiliser types, and repurpose phosphogypsum waste into high-value-added products. Organomineral fertilisers are also studied as part of a project supported by TAGEM, in collaboration with Çukurova University and the Bahri Dağdaş Research Institute.

In 2023, Toros Agri R&D Centre participated as the Research Programme Manager Organisation in the S-ATP project (Sustainable Agricultural Technologies Platform Compatible with Global Climate Change in Türkiye's Agricultural Production). This project, coordinated by Erciyes University, was carried out under the TUBITAK 1004 – Centre of Excellence Support Programme. Overseeing the "Development of Agriculturally Important Microorganisms" project of the platform, Toros Agri works in collaboration with Çukurova University and Erciyes University.



The "SAM Consortium: Guiding the Pursuit for Sustainability by Co-Developing a Sustainable Agriculture Matrix" project, coordinated by the University of Maryland under the internationally supported Belmont Forum call, was successfully completed in 2023.

R&D Newsletter and Innovation Newsletters are regularly published to promote the in-house R&D culture. The latest achievements and activities are announced on the [Toros Agri website](#).

Tekfen Agri directly enhances agricultural productivity and quality by supplying farmers with high-quality seeds, seedlings, and saplings. Drawing on Anatolia's rich biodiversity, the Agripark R&D Centre helps shape the future of Turkish agriculture. In 2023, the Centre developed and registered new seed varieties and undertook several projects, including "Bread Wheat Breeding with Classical Hybridisation and DNA Markers," "Durum Wheat



Breeding with Classical Hybridisation and DNA Markers," "Triticale Breeding with Classical Hybridisation and DNA Markers," "Investigation of Barley's Adaptation to Harsh Environments and Utilisation of Local Genetic Diversity for Pre-Breeding," and "Einkorn Wheat Breeding."

Agripark emphasises the development of endemic products and continues to search for ways to reproduce and develop Turkish delicacies, such as Anamur bananas, under healthy conditions. It enjoys a privileged position in the production of blue-certified banana saplings in Türkiye.

Agripark uses traditional methods and accelerated breeding technology in wheat breeding and has so far developed 20 different species including 19 bread wheat varieties and one barley variety. In 2023, one bread wheat variety (Tekfen 2039) was registered by the Central Directorate of Seed Registration and Certification (TTSM) of the Turkish Ministry of Agriculture and Forestry. Tekfen 2039, which is suited for the Central Anatolia Region, stands out for its drought resistance, winter hardiness, red-grained quality, and high yield potential.

As of the end of 2023, there are currently 13 ongoing projects, with one on international funding, six on national funding, and six on company funding.

Investment Group

Tekfen Ventures forges ahead with global investments by meticulously analysing new technologies that will help realise Tekfen's core business strategy as well as innovative ventures in its industries. In line with this mission, the Company began preparations in 2023 for new investments, particularly in green hydrogen and green ammonia. These initiatives will create synergies among Tekfen's various lines of business and present new opportunities for the Group.

As of the end of 2023, Tekfen Ventures' portfolio comprises 10 ventures. Additional information about the Ventures is available in the [2023 Annual Report](#).



Investments in Tekfen Ventures' portfolio as of the end of 2023





B. Digitisation

Tekfen implements a variety of digitalisation practices in its processes to enhance operational efficiency across Group Companies. The integration of Robotic Process Automation (RPA) and Enterprise Resource Planning (ERP) systems enables the automation and acceleration of repetitive business processes and enhances productivity.

An Information Technologies (IT) Committee was established to coordinate Tekfen Group Company projects throughout the digital transformation journey. The Committee's primary activities include IT quality management standards, information security, and procurement. The IT Committee's strategy and objectives are monitored under the following headings:

- Achieving cost efficiency and energy savings in IT operational activities.
- Strengthening and developing business continuity efforts.
- Reducing carbon footprint through decreased workload and increased efficiency with RPA.
- Preventing energy and resource waste caused by cyber attacks by developing cyber security projects.
- Reducing carbon footprint in data centre operations by reducing hardware requirements with cloud technologies.
- Ensuring effective use of resources and operational efficiency through data analytics.
- Improving the digital twin platform (e.g. creating virtual models of physical assets) and optimising energy and resource consumption.
- Developing strategies to improve the energy efficiency of data centres.

The rise in technological advancements has been accompanied by a global surge in cyberattacks. Cybercrime and cybersecurity threats are now among the most significant global risks ([Global Risks Report 2023 - WEF](#)).

- Tekfen adheres to ISO 27001 standards for Information Security Management to ensure data privacy and security.
- New software solutions have been integrated to reduce security vulnerabilities associated with remote access by telecommuters. Additionally, work has commenced on developing an infrastructure to ensure continuous 24/7 monitoring of user and system security.
- Tekfen has also implemented systems to continuously monitor vulnerabilities and enable real-time response. This allows for detailed record-keeping of system activity logs.

Engineering and Contracting Group Digitalisation Projects

Project Name	Description
Tekfen Robotek	Automation of repetitive processes through the extensive deployment of RPA (Tekfen RoboTek) infrastructure, alongside enhanced productivity via ERP integration
General Electric MES	Integration with Manufacturing Execution Systems (MES) through General Electric technology
Digitalisation of workflow diagrams	Digitalisation of workflow diagrams for improved process efficiency
Continuous Integration / Continuous Delivery (CI/CD)	Implementation of CI/CD pipelines to streamline software development and deployment processes
TekApp – Bilge (Document Management Systems) integration	Integration of TekApp and Bilge Document Management Systems
RPA Automation	Automation of repetitive tasks with Robotic Process Automation (RPA) technology
RPA Systems	Improvements and optimisations to existing RPA systems
3D	3D modelling and visualisation for diverse applications
Digital Twin	Development of digital twins for real-time monitoring and simulation of physical assets

Agricultural Industry Group Digitalisation Projects

The agriculture industry has seen a significant uptake in the adoption of digital transformation and technologies. The Agricultural Industry Group, aligning with Tekfen's future strategy, aims to boost its investments in digital transformation, customer experience transformation, and R&D, with a special focus on accelerating digital agriculture applications. In pursuit of this goal, Toros Agri continues to carry out various projects by harnessing technological developments for farmer welfare and soil health.

All digital transformation activities were aligned to serve the 3D Transformation (Decarbonisation, Decentralization, Digitalisation) plan, one of the building blocks of our corporate strategy, and projects were completed in 2023 to serve this end.

Toros Farmer App

The **Toros Farmer App**, launched by Toros Agri in 2016 to help farmers benefit from technological advancements, was revamped in 2023 with expanded features. These include plant health monitoring via satellite images, weather and climate analysis, fertilisation recommendations, financial data, news updates, and the ability to add observers. The Toros Farmer app provides weather forecasts and soil and plant data, offering farmers valuable suggestions. By tracking weather conditions on a field basis, it aids in making timely and accurate production and operation decisions.

By the end of 2023, 14,370 fields belonging to 11,845 farmers were registered in the Toros Farmer Database. Including farmers and authorised dealer accounts, there are 13,110 users registered in the system.



Alanar Alansis Traceability Platform

The Alansis traceability platform, developed by Tekfen, monitors the production and shipment processes of harvested fruits using QR barcodes. The MAD (Fruit Purchase Digitisation) platform, integrated with Alansis, is a field control and traceability system that begins at fruit purchase points and includes financial transactions.



In 2023, Toros Agri successfully transitioned to a cutting-edge, secure, and robust Disaster Recovery infrastructure, significantly improving IT business continuity. Accordingly, network configurations were finalised, IT business impact analyses were conducted, dependencies were identified, and comprehensive documentation and procedures were prepared to establish an IT business continuity policy. Disaster recovery drills and recovery plans are scheduled to be implemented in 2024.

B2B Vendor Portal

The updated "Vendor Portal" application has received positive feedback from vendors. Enhanced with functions such as SAP integration, vendor user management, regional and customer representative integrations, bank integrations for credit card collections, announcements, and contact, survey, complaint and suggestion forms, the upgraded version has been provided with a modern interface. Launched in mobile alongside the web version, the new portal has significantly benefited the development of commercial activities with vendors.

To enhance access management security in the GRC Access Control application that recently went live, risk control matrices and rule sets have been established, and key improvements have been made, which includes securing risk owner approval for any risk violations, tracking and reporting actions taken when risks are accepted, and documenting audit logs.

Furthermore, the launch of the CCLM (Custom Code Life Cycle Management) application has automated code audits and provided a structured, controlled, and auditable infrastructure for change management.

Agricultural Industry Group Digitalisation Projects

Project Name	Description
Toros Çiftçi (Toros Farmer) App	Development of digital agriculture solutions for farmers
ALANSIS Traceability Platform	A platform to ensure traceability of agricultural products
GRC Access Control	A system for ensuring that access controls are managed based on risk control matrices and rule sets
SAP S/4 Hana Improvements and Optimizations	Update of SAP, the enterprise resource planning software used in all operational processes
CCLM (Custom Code Life Cycle Management) Application	A system for ensuring that the developed codes comply with generally accepted standards.

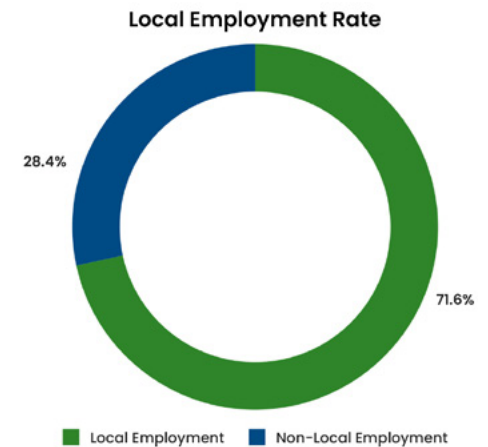
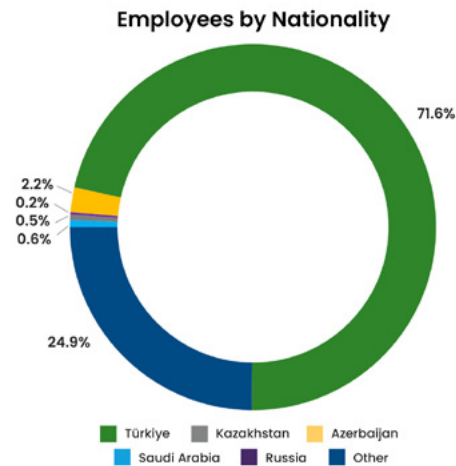
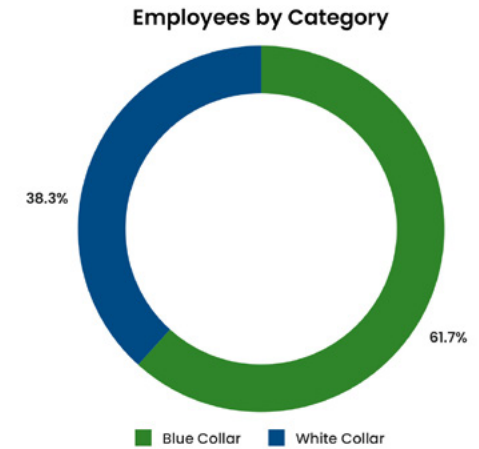
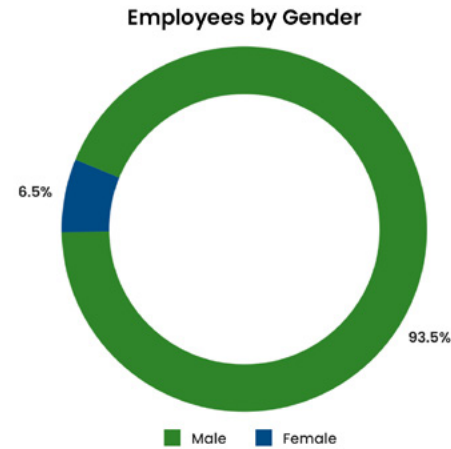
3. Employees and Society

Tekfen views its employees as its most valuable asset and believes their expertise is the strongest assurance of a sustainable future. Tekfen's culture is shaped by the pillars of promoting inclusivity, respecting human rights, and providing a modern working environment for employees.

Tekfen follows an inclusive, pluralist, and diverse human resources strategy and offers equal opportunities to its employees, regardless of their religion, language, or culture. As a family of 11,878 employees and subcontractors as of the end of 2023, Tekfen prioritises providing its employees with a fair, safe, healthy, and productive workplace that encourages development.

Tekfen respects fundamental human rights in all business processes and does not use child or forced labour. Considering a diverse workforce a strength, the Group offers equal opportunities to all employees and rejects discrimination based on religion, language, age, skin colour, ethnicity, sexual orientation, disability, marital status, and more.

Demographics of Employees in Tekfen Holding Group Companies



A. Talent Management

Talent gaps have been posing a threat for all companies around the world in recent years. Today, the global talent gap is at its highest level in 18 years. Three-quarters of employers are struggling to find the right talent to fill vacancies. (Source: [2024 Global Talent Shortage Report](#) - Manpower Group)

Tekfen Holding emphasizes talent management for better risk management and offers its employees opportunities for:

- Setting individual goals with the performance management system and evaluating the competencies needed to reach these goals.
- Making remote work regular by establishing a hybrid working model focused on organizational agility.
- Creating training programs to support the personal development of employees.
- Providing inventory applications and opportunities that measure the competencies of the managers according to their roles to establish the organization's future manager profile.

Tekfen has planned to integrate talent management strategies into the new strategic plan announced in 2023. Aiming for "green transformation," Tekfen includes green skills in its talent assessment and development systems.

Development Programs

Tekfen Workshop

Tekfen Workshops are open to all Tekfen employees, offering opportunities to enhance their knowledge through in-class training, virtual classroom sessions, e-learning modules, and seminars. The training catalogue for these activities is designed to meet employee needs and current trends, focusing on competency development and technical skills enhancement. The "Executive Development Programme," organised in collaboration with Koç University, and the "Navigating the VUCA Landscape with Coaching Skills" programme run in collaboration with Sabancı University with a focus on active listening and asking the right questions, were continued in 2023 (VUCA is an acronym for Volatility, Uncertainty, Complexity, and Ambiguity). As part of e-learning trainings, various technical, management, and development trainings are conducted, primarily in the areas of Sustainability, Business Ethics, Occupational Health and Safety, the Law on the Protection of Personal Data (LPPD), and information security.



2023 TRAINING OVERVIEW

Total annual training hours	29,584 person-hours
Average annual training hours per employee	4.67 person-hours
Tekfen Workshop Trainings	
Executive Development Programme	2,890 person-hours
Navigating the VUCA Landscape with Coaching Skills	790 person-hours
Other catalogue trainings	6,000 person-hours
e-Learning Trainings	
Business Ethics, LPPD, Information Security, Sustainability	4,232 person-hours
Internal Trainings (organised by Group Companies)	
Internal trainings	15,672 person-hours

Toros Agri Sustainable Fertiliser Academy

Toros Agri established the Sustainable Fertiliser Academy in collaboration with the International Fertilizer Association (IFA). The initiative aims to develop human resources with green and digital transformation skills and competencies across the Company, increase employees' awareness of sustainable practices, and support Tekfen's sustainability strategy with the 3D Transformation (Decarbonisation, Digitalisation, Decentralisation) plan. To serve this end, training sessions were planned in 2023 and initiated in 2024 to promote sustainable production and consumption practices in the fertiliser industry with an educational and innovation-oriented approach, reduce the industry's environmental impacts, increase agricultural productivity, and support the sustainable development of farmers and locals.

B. Performance Management

As part of the Performance Management System implemented across Tekfen Group Companies, employee performances are evaluated every year, and high-performing employees are rewarded. Balanced scorecards are developed for employees to align with company strategies. A balanced scorecard ensures that employees are not only meeting their immediate job requirements but also contributing to the long-term success of the organisation. After the performance evaluation results are received, necessary feedback is provided, and the process is finalised by mutual agreement.

C. Human Resources Policy

Diversity and Inclusion

Tekfen operates across an extensive geographical landscape in collaboration with various communities and cultures, and therefore, prioritises diversity, equality, and inclusion. Aligned with the Universal Declaration of Human Rights and other human rights declarations, the Group stands firmly against all forms of discrimination, including those based on race, colour, sex, language, religion, age, political or other opinions, national or social origin, disability, sexual orientation, marital status, and union membership. In addition to the matters included in Tekfen's [Human Rights Policy](#), such as non-discrimination, prohibition of child labour, right to collective bargaining and freedom of association and non-forced labour, the issues of gender equality and equal pay and opportunity are also tackled within the framework of social sustainability. From a perspective of diversity, equality, and inclusion, all Tekfen Group Companies, including their suppliers and subcontractors, must comply with the obligations, recommendations and sanctions stipulated in the policy.

Gender Equality

Tekfen ensures equal opportunities for both men and women in the workplace. Various training and development programmes are organised to enable female employees to take on more active roles in the workforce. The relevant numeric data are included in the "Performance Indicators" attachment of the report.

The Ceyhan Fabrication Plant, Adana



Inclusive Recruitment and Development Programmes

The company promotes diversity in its recruitment processes by actively seeking individuals with diverse talents and skills. Accordingly, candidates from diverse age groups and cultural backgrounds are given equal opportunities. Employees are also given regular training programmes and mentoring opportunities for career development. Internal hires are prioritized in recruitment. The relevant numeric data are included in the “Performance Indicators” attachment of the report.

Supporting Employees with Disabilities

Tekfen implements various supportive measures to ensure the active participation of individuals with disabilities in the workforce. To that end, the Company increases accessibility in workplaces and develops special solutions for the needs of employees with disabilities.

Cultural and Ethnic Diversity

The company fosters cultural diversity in the workplace by supporting employees from various cultural and ethnic backgrounds. Employees from different cultural backgrounds are encouraged to collaborate on international projects.

Intergenerational Dialogue and Inclusion

Tekfen supports employees across different age groups, fostering collaboration between young talents and experienced employees. With this approach, the company organises internal training and mentoring programmes to support the career development of young employees while providing opportunities for experienced employees to share their knowledge and expertise with the younger generation. Furthermore, students receiving Tekfen Foundation scholarships are provided with internship and mentoring opportunities and supported in becoming familiar with the Tekfen culture and gaining experience.

EMPLOYEES BY NATIONALITY	2021		2022		2023	
	Share in total	Share in managerial positions	Share in total	Share in managerial positions	Share in total	Share in managerial positions
Türkiye	71.61%	93.90%	82.45%	90.35%	71.60%	90.06%
Russia	15.03%	0.90%	0.66%	0.54%	0.19%	0.00%
Kazakhstan	2.55%	2.70%	0.84%	3.75%	0.52%	3.51%
Azerbaijan	2.44%	0.10%	3.06%	0.27%	2.23%	0.88%
Saudi Arabia	2.15%	0.10%	1.21%	0.54%	0.58%	0.58%
Other	6.22%	2.30%	11.78%	4.56%	24.89%	6.14%



17th Traditional Tekfen Foundation Scholars Meeting (2023)

D. Occupational Health and Safety (OHS)

Together with its employees and contractors, Tekfen implements an OHS Management System aligned with international standards to achieve its “Zero Accident” target and carries out continuous improvement activities.

The OHS obligations and requirements across the Group are explained in the **HSE (Health, Safety, Environment) Policy**. Comprehensive measures are implemented to ensure a safe working environment and healthy work experience for employees of the Engineering and Contracting Group and the Agricultural Industry Group, the two divisions facing the highest OHS risks. Regular audit and surveillance reports are issued to enhance safety measures on construction sites, prevent accidents through technological solutions and training, and manage psychosocial risks. To minimise risks for employees in the Agricultural Industry Group, the Company ensures chemical safety, provides training for safe machine operation, conducts daily site inspections, performs internal and second-party OHS audits, prepares emergency plans, and utilises risk and process safety management systems.

Tekfen monitors the activities in all of its facilities and projects through OHS Committees as part of its Occupational Health and Safety efforts. These committees consist of 285 employees in total.

OHS Management System and Audits

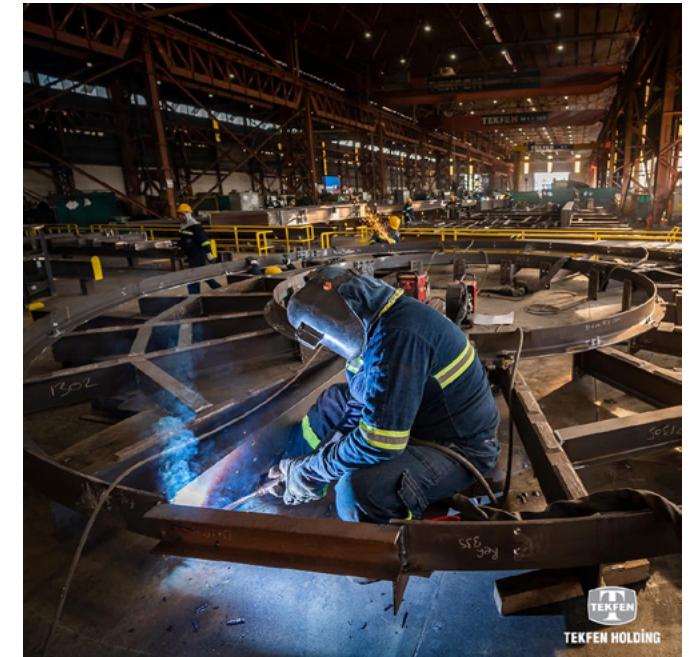
Tekfen’s OHS Management System has been established and implemented in accordance with the ISO 45001 standard. Tekfen closely monitors the HSE policy activities and OHS performances of Group Companies and reports them to the Board of Directors. In 2023, Tekfen Engineering successfully completed the ISO 9001, ISO 45001 and ISO 14001 audits, securing the continuation of these certifications. Additionally, Toros Agri successfully completed the recertification audits for its Integrated Management System (ISO 9001, ISO 14001, ISO 45001). There are 27 offices, facilities, and projects certified under the ISO 14001 and ISO 45001 standards, with a total of 10,039 employees, including subcontractors, working in these locations.



In 2023, a total of 864,373 person-hours of OHS training was provided, achieving an OHS training rate of 2.68%.

Training and Awareness-Raising Activities

To foster an OHS culture, Tekfen conducts regular site inspections, audits, and training activities. Tekfen Construction accelerated communication and follow-up processes by transferring OHS performance reports to digital media. In 2023, a total of 864,373 person-hours of OHS training was provided, achieving an OHS training rate of 2.68%.





OCCUPATIONAL HEALTH AND SAFETY INDICATORS	TEKFEN				SUBCONTRACTOR				TEKFEN + SUBCONTRACTOR			
	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
Total Hours Worked (Person-Hours)	26,151,821	24,400,948	15,970,488	19,094,888	30,741,326	26,821,056	19,368,826	13,199,931	56,893,148	51,222,004	35,339,314	32,294,819
Fatal Work Accidents (F)	1	-	-	-	-	1	-	1	1	1	-	1
Lost Work Day Cases (LWDC)	5	8	3	9	29	37	36	17	34	45	39	26
Restricted Work Cases (RWC)	6	5	6	33	2	1	1	2	8	6	7	35
Medical Treatment Cases (MTC)	5	15	11	31	11	7	8	15	16	22	19	46
Occupational Illness (OCC)	-	-	-	-	-	-	-	-	-	-	-	-
Lost-Time Injuries (LTI = F+LWDC)	6	8	3	9	29	38	36	18	35	46	39	27
Total Recordable Injuries (TRI = F+LWDC+RWC+MTC)	17	28	20	73	42	46	45	35	59	74	65	108
LTI Rate (LTIR = Number of Injuries Resulting in Lost Work Days x 1,000,000 / Total Hours Worked)	0.229	0.328	0.188	0.471	0.943	1.417	1.859	1.364	0.615	0.898	1.104	0.836
TRI Rate (TRIR = Total Number of Recordable Injuries x 1,000,000 / Total Person Hours)	0.650	1.147	1.252	3.823	1.366	1.715	2.323	2.652	1.037	1.445	1.839	3.344
HSE Training Rate (HSE Training/Total Worked Hours) x 100	0.42%	1.05%	1.06%	2.40%	0.62%	0.96%	1.28%	3.08%	0.53%	1.01%	1.19%	2.68%
HSE Training (Total Hours)	109,986	256,095	169,352	457,372	191,070	258,836	249,535	407,001	301,056	514,930	418,887	864,373

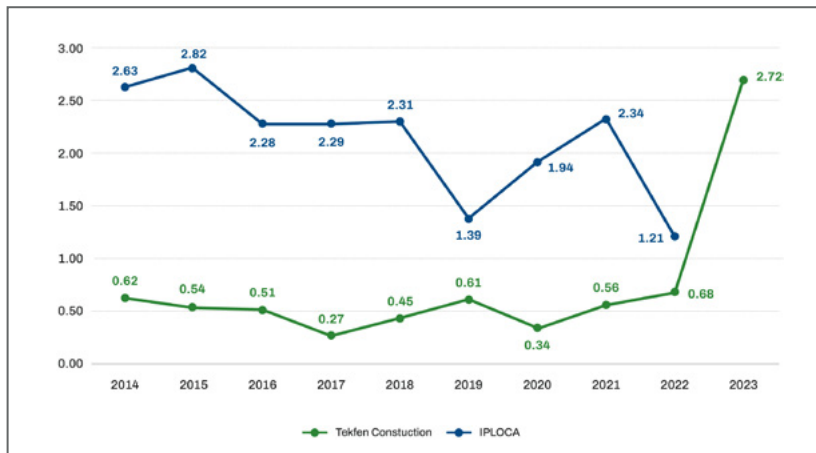
OHS Projects and Innovative Practices

- Tekfen Manufacturing conducts occupational safety inspections at the Derince Facility using an AI-supported imaging system. This system detects hazardous situations and enables the implementation of preventive measures.
- Tekfen Construction continued its efforts on developing the TekApp application.
- In 2023, the Toros Operational Risk and Process Safety Management System was launched, and Quantitative Risk Assessment (LOPA - Layers of Protection Analysis) activities, critical equipment list updates, the Major Accident Scenario Document, the Internal Emergency Plan, and the Safety Report update were completed.
- As part of BEKRA (SEVESO) Process Safety, DEKRA finalized re-evaluation activities in June 2023 and initiated efforts to provide improvement and development suggestions.

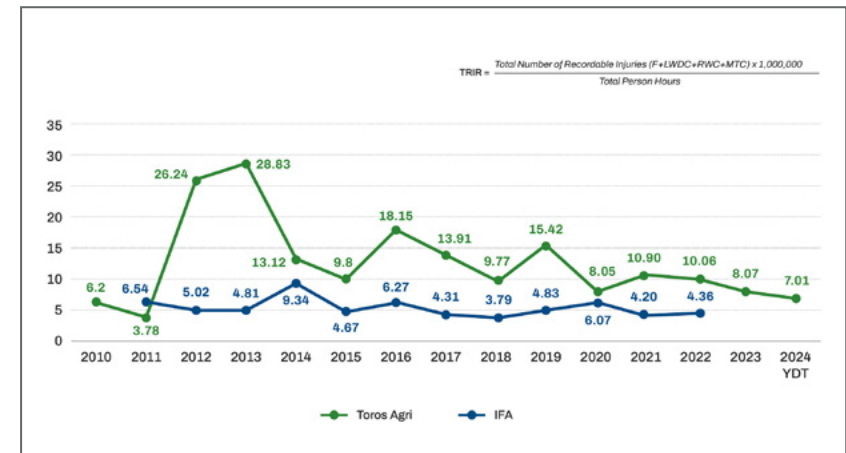


Industry Comparisons of Total Recordable Accident Rates

Tekfen Construction (Employees + Subcontractors) vs. IPLOCA (Employees + Subcontractors)



Toros Agri (Employees + Contractors) vs. IFA (Employees + Contractors)



E. Social Investments

Tekfen considers social responsibility an integral part of its corporate culture and runs projects on education, healthcare, culture and arts, and the protection of natural assets. Established in 1999, the Tekfen Foundation is the flagship foundation for Tekfen's social investment programmes. You can learn more about Tekfen's social investment projects in the [2023 Annual Report](#).

Women Farmers Loan Project

One of the primary challenges for women farmers seeking to engage in agricultural activities is accessing financial resources. The inability of many women to engage in farming due to a lack of financial resources is also linked to the global issue of food security, affecting every individual worldwide. Initiated in 2021 by the Tekfen Foundation, TISVA, and Toros Agri, the Women Farmer Loan aims to support the agricultural activities of women farmers, who are considered key stakeholders. This initiative contributes to the agenda of supporting

farmers and local communities, empowering women, and reducing inequalities, in alignment with the U.N. Sustainable Development Goals (SDGs). In addition to offering loans to aspiring female farmers, Toros Agri's agricultural engineers conduct training sessions that significantly boost productivity by enhancing the agricultural knowledge and awareness of female farmers.

Initially launched as a pilot project in the Aegean region, the initiative expanded to the Mediterranean in 2022. Following the 2023 Kahramanmaraş earthquakes, it was further extended to include Hatay, Reyhanlı, and Iskenderun. Starting from August 2023, Women Farmer Loans were made available to 106 women in the earthquake zone. In 2023, a total of 234 women farmers were granted loans, increasing the total number of recipients from the beginning of the project until the end of 2023 to 496.

The project also stands out as the first social responsibility initiative in Türkiye to undergo a nationwide Social Return on Investment (SROI) analysis.

Microfinance Programmes

The Tekfen Foundation not only supports women entrepreneurs through microfinance programmes but also provides micro-loans to low-income women via microfinance branches in Soma, Mersin, and Bartın. In 2023, the foundation supported family budgets by granting micro-loans to a total of 937 women. The total amount of loans provided to women entrepreneurs as part of the Microfinance Programme has reached TRY 29.40 million.



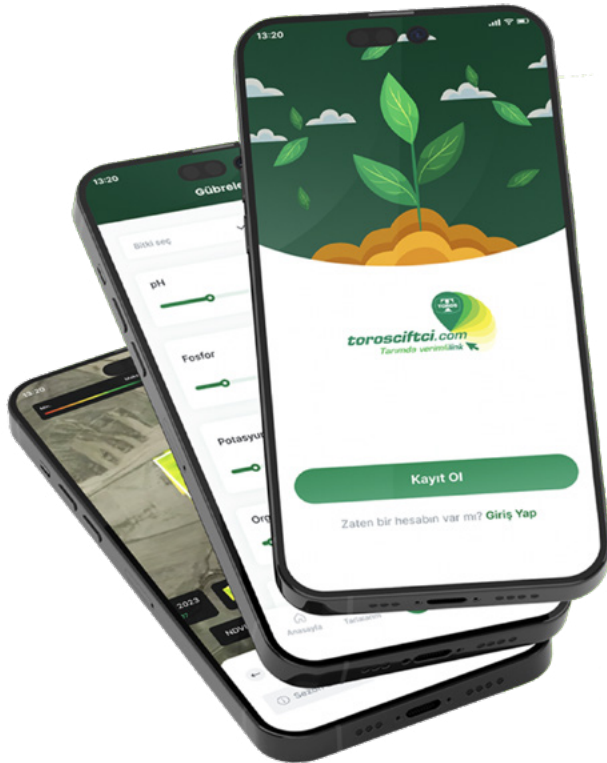
Toros Farmers Academy

Toros Agri, through the Farmers Academy project, conducts training sessions focused on sustainable agriculture techniques to enhance farmers' restorative practices and increase their awareness of proper fertiliser use. To support farmers and local communities as part of the project, the Toros Agri Training Bus travelled to agricultural areas to educate farmers on the correct and balanced use of fertilisers. In 2023, the project provided training and application support to farmers in 89 different locations. In addition to the Toros Agri Training Bus, the Agricultural Technique and Digital Marketing teams visited 184 agricultural institutions across Türkiye, engaging with 5,347 dealers and 7,581 farmers.

The Toros Farmer app, updated with new content in 2023, guides farmers in collecting and analysing agricultural data to make more informed decisions. The



app provides fertilisation recommendations to farmers based on current weather conditions, soil analyses, and plant characteristics using land coordinates, improving both cost efficiency and productivity. Toros Agri continually updates the app's features in line with evolving technologies, providing farmers with enhanced information through new content such as satellite imagery for plant growth analysis, water retention capacity, revenue-expense management, and financial data. Farmers using the app can monitor changes in plant growth and in external factors such as climate and sudden weather changes, which enables early interventions.



Stakeholder Access to Toros Agri Sustainable Fertiliser Academy

Toros Agri, in collaboration with the International Fertilizer Association (IFA), established the Sustainable Fertiliser Academy. This academy provides a dedicated platform for leaders in the fertiliser industry and the broader agricultural community to access valuable resources. Through this dedicated link, they can access information, data, and expert resources on sustainable production and consumption practices in the fertiliser industry. This includes insights and developments related to rethinking fertiliser production, plant nutrient use, and sustainable agricultural practices and solutions.

Earthquake Assistance and Disaster Management

Following the earthquakes in Kahramanmaraş on February 6, 2023, Tekfen Group Companies quickly mobilised to initiate relief and support efforts for the affected region. Tekfen Construction and Toros Agri worked in coordination with the Turkish Ministry of Interior Disaster and Emergency Management Presidency (AFAD) to send heavy machinery and transportation equipment to the region. Toros Rescue Team participated in search and rescue operations with AFAD teams. The Group dispatched containers, tents, portable toilets, and cleaning supplies to the earthquake zone. Additionally, the Tekfen Foundation supported rescue operations in collaboration with AKUT Search and Rescue Association and initiated a donation campaign for the earthquake victims.

Education and Scholarship Programmes

Standing out with its activities in the field of education, the Tekfen Foundation has contributed to the education of over 3,000 students to date by providing scholarships to high school and university students. Six hundred students were awarded scholarships in the 2022-2023 academic



year. Additionally, a music scholarship programme aiming to support classical music was launched in 2019 for young talents with bachelor's degrees in classical music instruments to continue their education abroad. The programme has granted scholarships to 12 students to date. Tekfen Foundation also provides scholarships to three students determined with Istanbul Technical University in their "Achievement Scholarship" programme.



Culture and Arts Projects

Cultural and artistic activities have a key place among the social contributions of Tekfen Foundation. Tekfen Philharmonic, one of Türkiye's premier classical music institutions, has been promoting world peace through music since 1992. In 2023, the orchestra performed at the Istanbul Music Festival and the Izmir Festival, celebrating the Centenary of our Republic with two special concerts that highlighted the lesser-known story of our National Anthem. The "O da Tekfen" programme, launched in 2022 in collaboration with Boğaziçi University to sustainably promote classical music, expanded its activities in 2023 with concerts in Istanbul and other cities. In 2023, Tekfen Holding continued its annual tradition of supporting a local group's performance at the Istanbul Theatre Festival.



Contributions to Health and Sports

Tekfen supports healthcare through various projects. In 2023, the Tekfen Foundation provided medical supplies to the volunteer surgical team in Samandağ and Istanbul University's Çapa Medical Faculty Hospital following the earthquake. Furthermore, Tekfen employees participated in the Istanbul Marathon and supported the TEMA Foundation's project to prevent forest fires.



Social Development and Local Contributions

Toros Agri carries out various projects to contribute to local development. It meets the maintenance, repair, and general needs of the schools opened by the Ceyhan Production Facility in its operational region and trains farmers to help raise their living standards and increase agricultural productivity.

Appendix

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APPENDIX 1. Methods of Communication with Stakeholders

Stakeholder Group	Communication Method	Communication Frequency
Employees	Company intranet portal Corporate websites OHS Board meetings Internal customer surveys Sustainability reports Activity reports T-Bulletin Stakeholder analysis	Perpetually Perpetually At least once a month Annually Annually Annually Quarterly At most every four years
Public Institutions	Meetings and conferences Corporate websites Activity reports Sustainability reports T-Bulletin	As needed Perpetually Quarterly Annually Quarterly
Business and Solution Partners	One-on-one interviews Corporate websites Activity reports Sustainability reports T-Bulletin Stakeholder analysis	Perpetually Perpetually Quarterly Annually Quarterly At most every four years
Suppliers	One-on-one interviews Corporate websites Audits and trainings Activity reports Sustainability reports T-Bulletin Stakeholder analysis	Perpetually Perpetually Daily Annually Annually Quarterly At most every four years

Stakeholder Group	Communication Method	Communication Frequency
Associations, Universities, Media and NGOs	Collaborations Corporate websites Participation in meetings and working groups Seminars and conferences Activity reports Sustainability reports T-Bulletin Stakeholder analysis	Perpetually Perpetually At least once in a month At least once in a month Quarterly Annually Quarterly At most every four years
Shareholders, Investors and Analysts	General Assembly meetings Special case announcements One-on-one meetings and correspondences Teleconferences Quarterly investor presentation Conferences and roadshows Activity reports Sustainability reports T-Bulletin Stakeholder analysis	Annually As needed Perpetually Perpetually Quarterly At least once a year Quarterly Annually Quarterly At most every four years
Customers	One-on-one interviews Corporate websites Activity reports Sustainability reports T-Bulletin Stakeholder analysis	Perpetually Perpetually Quarterly Annually Quarterly At most every four years

APPENDIX 2. Performance Indicators (Environmental)

GHG emissions (tCO ₂ e)	2020	2021	2022	2023
Scope 1	1,054,641	1,112,048	800,229	824,584
Scope 2 (Based on location)	32,976	33,133	25,483	31,547
Scope 2 (Market basis)	32,976	31,973	24,821	31,547
Scope 3	5,179,127	4,656,128	4,057,451	4,706,594
Scope 1 + Scope 2	1,087,617	1,145,181	825,712	856,131

Emission Intensity (tCO ₂)	2020	2021	2022	2023
Emission intensity (tCO ₂ /million US dollar turnover)	680.63	624.49	445.26	471.43
Emission intensity (tCO ₂ /Number of employees)	58.97	69.15	69.04	72.08

Energy Generation (MWh)	2020	2021	2022	2023
Heat generation	678,390	554,013	378,510	46,804
Renewable energy generation (Waste heat)	250,106	257,814	250,509	178,214
Renewable energy generation (Solar energy)	69	167	167	4,419
Renewable energy generation (Biomass energy)	16,378	37,814	41,046	42,376
Power generation from diesel	212,021	209,536	119,583	318,085
Total power generation	478,574	505,331	411,305	543,094
Power sold	99,756	113,019	109,345	89,545

Energy Consumption (MWh)	2020	2021	2022	2023
Natural gas	41,478	51,042	40,889	45,935
Coal	18,767	16,398	13,774	5,618
Fuel Oil	276	317	305	250
LPG	939	902	1,105	1,898
Diesel - Fixed facilities	212,021	209,536	119,533	115,717
Diesel - Mobile vehicle/equipment	529,871	409,746	283,490	226,373
Gasoline-Mobile vehicle	54,090	44,836	34,849	31,691
LNG	31,659	30,771	12,211	19,070
Total Fuel Consumption	889,101	763,548	506,156	448,575
Total purchased power	70,403	77,129	61,174	75,180
Renewable energy consumption (waste heat, biomass and solar)	166,767	182,776	141,164	125,105
Total Energy Consumption	1,126,271	1,023,453	708,494	648,859

Amount of Waste (metric tons)	2020	2021	2022	2023
Total amount of hazardous waste	510	1,422	1,186	848
Total amount of non-hazardous waste	41,470	32,069	28,492	18,218

Breakdown of waste by disposal method (metric tons)	2020	2021	2022	2023
Recycling / recovery	3,856	9,267	5,384	6,912
Incineration	510	149	186	91
Landfill	37,613	20,488	23,111	11,601
Other	0	4,213	0	461

Water Data (megalitres)	2020	2021	2022	2023
Total water withdrawn	119,217	104,542	119,670	120,319
Total water consumed	12,213	9,438	6,603	9,608
Total water discharged	107,004	95,104	113,068	110,711
Water reused	3,762	1,874	1,207	1,098

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

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

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

Total Amount of Water Discharged by the Water Quality of the Receiving Environment (megalitre)	2020	2021	2022	2023
Fresh water	2,117	3,850	5,226	1,878
Other water	104,887	91,253	107,842	108,834
Total	107,004	95,103	113,068	110,712

Distribution of Total Water Withdrawn in Regions with High/Very High Water Stress (megalitre)	2020	2021	2022	2023
Fresh water	12,222	13,108	8,621	6,046
Other water	0	0	0	0

* In 2023, 1 environmental violation occurred and a total of 879,056 TRY was paid.

APPENDIX 2. Performance Indicators (Social)

Talent Management	2020	2021	2022	2023
Leadership Training (Person-hours)	6,136	14,539	6,380	3,680
Total Training (Person-hours)	19,823	81,650	43,496	29,584

Employees Undergone Performance Evaluation	2020	2021	2022	2023
Executive Reviewed	1,276	877	406	1,017
From Multidimensional (360 Degree) Performance Evaluation. Last	1,276	773	223	1,017

Number of Employees by Gender and Labour Category	2020		2021		2022		2023	
	Female	Male	Female	Male	Female	Male	Female	Male
Number of white-collar employees	550	2,597	552	2,437	417	2,041	401	2,028
Number of blue-collar employees	20	3,081	18	2,946	14	2,394	9	3,899
Total number of employees (by gender)	570	5,678	570	5,383	431	4,435	410	5,927
Total number of employees	6,248		5,953		4,866		6,337	
Number of employees covered by collective labour agreement	797		682		881		1,289	

Number of Employees by Gender and Age	2020		2021		2022		2023	
	Female	Male	Female	Male	Female	Male	Female	Male
Under 30	100	934	94	713	67	668	81	1,143
Ages 30-50	404	3,840	408	3,689	314	3,118	282	4,048
Over 50	66	904	68	981	50	649	47	736

Number of Employees by Term of Employment	2020		2021		2022		2023	
	Female	Male	Female	Male	Female	Male	Female	Male
Worked for 0-5 years	351	3,261	292	2,751	230	2,755	204	4,087
Worked for 5-10 years	92	991	141	1,197	96	846	93	808
Worked for 10 years or more	127	1,426	137	1,435	105	834	113	1,032

Number of Employees with a Senior Management Title by Gender and Age	2020		2021		2022		2023	
	Female	Male	Female	Male	Female	Male	Female	Male
Under 30	15	116	19	116	13	81	0	1
Ages 30-50	47	236	49	269	44	233	37	228
Over 50	15	116	19	116	13	81	13	63

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

Number of Disabled Employees by Gender	2020		2021		2022		2023	
	Female	Male	Female	Male	Female	Male	Female	Male
Number of disabled employees	9	65	6	61	7	75	2	65

Number of New Employees by Gender	2020		2021		2022		2023	
	Female	Male	Female	Male	Female	Male	Female	Male
Number of employees hired during the year	104	2,020	43	176	36	138	75	2,371
Total number of employees hired during the year	2,124		219		174		2,446	

Number of Employees Who Quit Job	2020		2021		2022		2023	
	Female	Male	Female	Male	Female	Male	Female	Male
Number of employees who quit during the year	106	2,106	171	3,324	274	3,544	79	551
Total number of employees who quit during the year	2,212		3,495		3,818		630	
Employee turnover rate	35%		59%		78%		10%	
Voluntary turnover rate	0		30%		14%		6.7%	
Number of employees subject to performance evaluation	1,207		1,742		1,797		1,017	

Other Indicators	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
First and medium level managers	272	371	47	273	109	509
Top-level manager	16	45	10	30	16	47
C level manager	1	19	0	13	1	7
Non-managerial employees	451	4,843	374	4,119	285	5,371
Income-generating managerial employees			4	81	2	15
Employees in STEM positions			96	1,076	45	171
Internal hire rate	22%		23%		16%	

Managers by Nationality	2022	2023
Türkiye	337	308
Russia	2	0
Kazakhstan	14	12
Azerbaijan	1	3
Saudi Arabia	2	2
Other	17	17
Total	373	342

APPENDIX 2. Performance Indicators (Education)

2023 Education Data	
Total annual training hours	29,584 person-hours
Average training hours per employee per year	4.67 person-hours

Trainings Provided within the Scope of Tekfen Workshop	
Executive Development Program	2,890 person-hours
Managing the VUCA Era with Coaching Skills	790 person-hours
Other catalog trainings	6,000 person-hours

e-Learning Trainings	
Business Ethics, KVKK, Information Security, Sustainability	4,232 person-hours

In-Company Trainings (organized by Group Companies)	
In-company trainings	15,672 person-hours

APPENDIX 2. Performance Indicators (Occupational Health and Safety)

Occupational Health and Safety Indicators*	Tekfen + Subcontractor			
	2020	2021	2022	2023
Total Hours Worked (Person-Hours)	56,893,148	51,222,004	35,339,314	32,294,819
Fatal Work Accidents (F)	1	1	-	1
Lost Work Day Cases (LWDC)	34	45	39	26
Restricted Work Cases (RWC)	8	6	7	35
Medical Treatment Cases (MTC)	16	22	19	46
Occupational Illness (OCC)	-	-	-	-
Lost-Time Injuries (LTI = F+LWDC)	35	46	39	27
Total Recordable Injuries (TRI = F+LWDC+RWC+MTC)	59	74	65	108
LTI Rate (LTIR = Number of Injuries Resulting in Lost Workdays x 1,000,000 / Total Hours Worked)	0.615	0.898	1.104	0.836
TRI Rate (TRIR = Total Number of Recordable Injuries x 1,000,000 / Total Person Hours)	1.037	1.445	1.839	3.344
HSE Training Rate (HSE Training / Total Worked Hours) x 100	0.53%	1.01%	1.19%	2.68%
HSE Training (Total Hours)	301,056	514,930	418,887	864,373

Occupational Health and Safety Indicators*	Tekfen			
	2020	2021	2022	2023
Total Hours Worked (Person-Hours)	26,151,821	24,400,948	15,970,488	19,094,888
Fatal Work Accidents (F)	1	-	-	-
Lost Work Day Cases (LWDC)	5	8	3	9
Restricted Work Cases (RWC)	6	5	6	33
Medical Treatment Cases (MTC)	5	15	11	31
Occupational Illness (OCC)	-	-	-	-
Lost-Time Injuries (LTI = F+LWDC)	6	8	3	9
Total Recordable Injuries (TRI = F+LWDC+RWC+MTC)	17	28	20	73
LTI Rate (LTIR = Number of Injuries Resulting in Lost Workdays x 1,000,000 / Total Hours Worked)	0.229	0.328	0.188	0.471
TRI Rate (TRIR = Total Number of Recordable Injuries x 1,000,000 / Total Person Hours)	0.650	1.147	1.252	3.823
HSE Training Rate (HSE Training / Total Worked Hours) x 100	0.42%	1.05%	1.06%	2.40%
HSE Training (Total Hours)	109,986	256,095	169,352	457,372

Occupational Health and Safety Indicators*	Subcontractor			
	2020	2021	2022	2023
Total Hours Worked (Person-Hours)	30,741,326	26,821,056	19,368,826	13,199,931
Fatal Work Accidents (F)	-	1	-	1
Lost Work Day Cases (LWDC)	29	37	36	17
Restricted Work Cases (RWC)	2	1	1	2
Medical Treatment Cases (MTC)	11	7	8	15
Occupational Illness (OCC)	-	-	-	-
Lost-Time Injuries (LTI = F+LWDC)	29	38	36	18
Total Recordable Injuries (TRI = F+LWDC+RWC+MTC)	42	46	45	35
LTI Rate (LTIR = Number of Injuries Resulting in Lost Workdays x 1,000,000 / Total Hours Worked)	0.943	1.417	1.859	1.364
TRI Rate (TRIR = Total Number of Recordable Injuries x 1,000,000 / Total Person Hours)	1.366	1.715	2.323	2.652
HSE Training Rate (HSE Training / Total Worked Hours) x 100	0.62%	0.96%	1.28%	3.08%
HSE Training (Total Hours)	191,070	258,836	249,535	407,001

APPENDIX 2. Performance Indicators (Economic)

Economic Data (thousand TRY) ¹	2020	2021	2022*	2023**
Total Revenue ²	11,827,382	16,569,232	55,641,213	44,301,946
Operating Expenses ³	11,991,735	16,747,638	56,635,927	47,586,273
Community Investments ⁴	28,308	16,386	3,645	12,281
Economic Value Retained ⁵	(-192,661)	(-194,792)	(-998,359)	(-3,296,608)
Investment Expenditures ⁶	567,726	556,115	1,866,142	1,455,393

¹ Includes Tekfen Holding and all Group Companies.

² Including sales revenues, dividends, interest income, fixed asset sales profits and rental income.

³ Cost of sales includes marketing, sales distribution, general administration, research and development, interest and tax expenses.

⁴ Donations, aid and sponsorships are included.

⁵ Retained Economic Value = Revenues - (Expenses + Social Investments)

⁶ Capital Expenditures: Independent Audit Report - 4c is taken as reference.

* 2022 data has been adjusted financially with inflation.

** All amounts are expressed based on purchasing power as of December 31, 2023.

APPENDIX 3. Corporate Memberships and Collaboration Platforms

Tekfen Holding

- AISEC
- TUMPERA
- Foreign Economic Relations Board of Türkiye (DEİK)
- Learning and Development Association (TEGEP)
- Ethics and Reputation Society (TEİD)
- İstanbul Bar Association
- İstanbul Foundation for Culture and Arts (İKSV)
- İstanbul Chamber of Certified Public Accountants (İSMMMO)
- İstanbul Chamber of Commerce (İTO)
- İş Dünyası ve Sürdürülebilir Kalkınma Derneği (SKD)
- Corporate Communicators Association
- Global Compact Signatories Association
- The Institute of Internal Auditing - Turkey (TİDE)
- Türkiye Exporters Assembly (TİM)
- The Corporate Governance Association of Turkey (TKYD)
- Turkish Industry & Businessmen Association (TÜSİAD)
- United Nations Global Compact (UNGC)
- Young Presidents Organisation (YPO)
- Board Directors Association (YUD)

Group Companies

- Adana Chamber of Industry
- Adana Adana Chamber of Sworn-in Certified Public Accountants
- Ankara Chamber of Certified Public Accountants (ASMMMO)
- Balıkesir Chamber of Industry (BSO)
- Ceyhan Chamber of Commerce
- Steel Exporters' Association (ÇİB)
- Turkish Green Building Council (ÇEDBİK)
- Chamber of Shipping (İMEAK)
- Foreign Economic Relations Board of Türkiye (DEİK)
- World Energy Council Turkish National Committee
- Sapling Producers Sub-Association (FÜAB)
- Gönen Chamber of Commerce
- Hatay Chamber of Certified Public Accountants
- International Fertilizer Association (IFA)
- International Pipeline Offshore Contractors Association (IPLOCA)
- İstanbul Chamber of Certified Public Accountants (İSMMMO)
- İstanbul Chamber of Industry (İSO)
- İstanbul Chamber of Commerce (İTO)
- Mersin Chamber of Commerce and Industry

- Petroleum and Natural Gas Platform Association (PETFORM)
- Samsun Chamber of Commerce and Industry
- Sustainability Academy
- Samsun Chamber of Commerce and Industry
- Facility Management Association (TRFMA)
- Seed Industrialists and Producers Sub-Union (TSÜAB)
- The Turkish Employers' Association of Construction Industries (İNTES)
- Turkish Chemical Industry Employers' Union (KİPLAS)
- Port Operators Association of Turkey (TURKLİM)
- Turkish Employers' Association of Metal Industries (MESS)
- Turkish Contractors Association (TMB)
- Turkish Wind Energy Association (TÜREB)
- Maritime Association of Shipowners and Agents

* 4.38 million Turkish liras in membership fees was paid to the partnered professional organisations and nongovernmental organisations by Tekfen Holding and Group Companies in 2023.

APPENDIX 4. Awards and Achievements in 2023

- As ENR 2023 announced Tekfen Construction among the 'Top 250 International Contractors' and Tekfen Engineering in the 'Top 225 International Design Firms', Tekfen became the only Turkish company to appear on both lists.
- The ACE Oil Drilling and Production Platform, the world's first remotely operated platform using innovative technology, was launched at sea on 7 August 2023.
- In 2023, Tekfen Engineering successfully completed the PETKİM Jetty Project, which involved the modernisation of the superstructures, piping, electrical systems, automation, and loading arms on PETKİM Jetty 2 and Jetty 3.
- Tekfen Construction ranked 107th in the "Top 250 International Contractors" list compiled by Engineering News Record (ENR) in 2023.
- Tekfen Engineering ranked 208th in the "Top 225 International Design Firms" compiled by Engineering News Record (ENR) in 2023.
- Toros Agri climbed 10 places and ranked 46th in the Top 500 Industrial Organisations of Türkiye as announced by the Istanbul Chamber of Industry in 2023.
- Toros Agri merited IFA's "Protect & Sustain" certificate extension at the "Excellence" level and remained the only company in Türkiye and one of the few in the world to have obtained that title in 2023.
- In 2023, Toros Agri introduced its first micro-granulated fertiliser, "Toros Micro", which enables more concentrated and accurate dosage of nutritional elements, subsequently yielding higher efficiency.
- Eight out of the 23 scientific articles produced by the Toros Agri R&D Centre in 2023 were published in international peer-reviewed journals. R&D Centre specialist Ali Yetgin won the "Best Researcher Award" at the International Popular Scientist Awards for his article published in the "Acta Ecologica Sinica" journal.

GRI CONTENT INDEX

Statement of use : Tekfen Holding has reported in accordance with the GRI Standards for the January–December 2023 period.

GRI 1 used : GRI 1: Foundation 2021

GRI Standard	Notifications		Disclosure	Page No	Related Links and Tekfen Holding Notes
General Disclosures					
GRI 2: General Disclosures 2021	2-1	Organizational details	About Tekfen	10-17	
	2-2	Entities included in the organization's sustainability reporting	About Report	4	
	2-3	Reporting period, frequency and contact point	About Report	4	
	2-4	Restatements of information			Not available
	2-5	External assurance			No external assurance services were received
	2-6	Activities, value chain and other business relationships	Bridging Prosperity & The Value Creation Model	20-21	
	2-7	Employees	5. Strategic Drivers 3-Employees and Society	61-68	
	2-8	Workers who are not employees	5. Strategic Drivers 3-Employees and Society	61-68	
	2-9	Governance structure and composition	Tekfen Holding Annual Report 2023	194-211	https://www.tekfen.com.tr/en/Uploads/pdfs/2820241144363tekfen-fr-2023-eng-web-lr.pdf
	2-10	Nomination and selection of the highest governance body	Tekfen Holding Annual Report 2023	194-211	https://www.tekfen.com.tr/en/Uploads/pdfs/2820241144363tekfen-fr-2023-eng-web-lr.pdf
	2-11	Chair of the highest governance body	Tekfen Holding Annual Report 2023	194-211	https://www.tekfen.com.tr/en/Uploads/pdfs/2820241144363tekfen-fr-2023-eng-web-lr.pdf
	2-12	Role of the highest governance body in overseeing the management of impacts	3. Our Strategic Sustainability Approach / Sustainability Governance Approach	22-23	

GRI Standard	Notifications		Disclosure	Page No	Related Links and Tekfen Holding Notes
GRI 2: General Disclosures 2021	2-13	Delegation of responsibility for managing impacts	3. Our Strategic Sustainability Approach / Sustainability Governance Approach	22-23	
	2-14	Role of the highest governance body in sustainability reporting	3. Our Strategic Sustainability Approach / Sustainability Governance Approach	22-23	
	2-15	Conflicts of interest	Tekfen Holding Annual Report 2023	211	https://www.tekfen.com.tr/en/Uploads/pdfs/2820241144363tekfen-fr-2023-eng-web-lr.pdf
	2-16	Communication of critical concerns	3. Our Strategic Sustainability Approach / Sustainability Governance Approach 4. Operational Roots / Corporate Governance	22-23 / 32-36	
	2-17	Collective knowledge of the highest governance body	Tekfen Holding Annual Report 2023	205-206	https://www.tekfen.com.tr/en/Uploads/pdfs/2820241144363tekfen-fr-2023-eng-web-lr.pdf
	2-18	Evaluation of the performance of the highest governance body	Tekfen Holding Annual Report 2023	205-206	https://www.tekfen.com.tr/en/Uploads/pdfs/2820241144363tekfen-fr-2023-eng-web-lr.pdf
	2-19	Remuneration policies	Tekfen Holding website		https://www.tekfen.com.tr/en/remuneration-policy-4-12
	2-20	Process to determine remuneration	Tekfen Holding website		https://www.tekfen.com.tr/en/remuneration-policy-4-12
	2-21	Annual total compensation ratio			This information is treated as confidential and cannot be shared.
	2-22	Statement on sustainable development strategy	3. Our Strategic Sustainability Approach "Why 'Bridging Prosperity?'"	21	
	2-23	Policy commitments	Tekfen Holding website		https://www.tekfen.com.tr/en/policies-1-16
	2-24	Embedding policy commitments	4. Operational Roots / Corporate Governance	32	
	2-25	Processes to remediate negative impacts	4. Operational Roots / Corporate Governance	32	
	2-26	Mechanisms for seeking advice and raising concerns	4. Operational Roots / Corporate Governance / C- Ethics and Compliance	32	
	2-27	Compliance with laws and regulations	4. Operational Roots / Corporate Governance	32	
	2-28	Membership associations	Appendix 2-Performance Indicators / Corporate Memberships and Supported Initiatives	Appx-3	
	2-29	Approach to stakeholder engagement	3. Our Strategic Sustainability Approach / Material Topics 4. Operational Roots / Stakeholder Management Appendix 1-Communication Methods with Stakeholders	24 / 36 / Appx-1	
	2-30	Collective bargaining agreements	Appendix 2-Performance Indicators / Social Performance Indicators	Appx-2	

GRI Standard	Notifications		Disclosure	Page No	Related Links and Tekfen Holding Notes
Material Topics					
GRI 3: Material Topics 2021	3-1	Process to determine material topics	3. Our Strategic Sustainability Approach / Material Topics	24-27	
	3-2	List of material topics	3. Our Strategic Sustainability Approach / Material Topics	24-27	
	3-3	Management of material topics	3. Our Strategic Sustainability Approach / Material Topics	24-27	
Economic Performance					
GRI 3: Material Topics 2021	3-3	Management of material topics	4. Operational Roots	32-38	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	4. Operational Roots	32-38	
	201-2	Financial implications and other risks and opportunities due to climate change	4. Operational Roots	32-38	
Business Ethics and Compliance					
GRI 3: Material Topics 2021	3-3	Management of material topics	4. Operational Roots / Corporate Governance / C-Ethics and Compliance	34-35	
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	4. Operational Roots / Corporate Governance / C-Ethics and Compliance	34-35	
	205-3	Confirmed incidents of corruption and actions taken	4. Operational Roots / Corporate Governance / C-Ethics and Compliance	34-35	
Energy Efficiency					
GRI 3: Material Topics 2021	3-3	Management of material topics	5. Strategic Drivers / 1. Climate Crisis / C. Energy Efficiency and Renewable Energy	48-49	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Appendix 2-Performance Indicators / Environment Performance Indicators	Appx-2	
		Reduction of energy consumption	5. Strategic Drivers / 1. Climate Crisis / C. Energy Efficiency and Renewable Energy	48-49	
	302-5	Reductions in energy requirements of products and services	5. Strategic Drivers / 1. Climate Crisis / C. Energy Efficiency and Renewable Energy	48-49	

GRI Standard	Notifications		Disclosure	Page No	Related Links and Tekfen Holding Notes
Water Management					
GRI 3: Material Topics 2021	3-3	Management of material topics	5. Strategic Drivers / 1. Climate Crisis / C. Energy Efficiency and Renewable Energy	48-49	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	5. Strategic Drivers / 1. Climate Crisis / D. Water Management	50-51	
	303-2	Management of water discharge-related impacts	5. Strategic Drivers / 1. Climate Crisis / D. Water Management	50-51	
	303-3	Water withdrawal	Appendix 2-Performance Indicators / Environment Performance Indicators	Appx-2	
		Water discharge	Appendix 2-Performance Indicators / Environment Performance Indicators	Appx-2	
	303-5	Water consumption	Appendix 2-Performance Indicators / Environment Performance Indicators	Appx-2	
Transition to a Net Zero Emissions Economy					
GRI 3: Material Topics 2021	3-3	Management of material topics	5. Stratejik Alanlar / 1. İklim Krizi / B. Tekfen Holding Düşük Karbon Dönüşümü Hedefleri	46-47	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Ekler 2-Performans Göstergeleri / Çevre Performans Göstergeleri	Appx-2	
	305-2	Energy indirect (Scope 2) GHG emissions	Ekler 2-Performans Göstergeleri / Çevre Performans Göstergeleri	Appx-2	
	305-3	Other indirect (Scope 3) GHG emissions	Ekler 2-Performans Göstergeleri / Çevre Performans Göstergeleri	Appx-2	
	305-4	GHG emissions intensity	5. Stratejik Alanlar / 1. İklim Krizi / B. Tekfen Holding Düşük Karbon Dönüşümü Hedefleri	46-47	
	305-5	Reduction of GHG emissions	Ekler 2-Performans Göstergeleri / Çevre Performans Göstergeleri	Appx-2	
Waste Management					
GRI 306: Waste 2020	306-3	Waste generated	Appendix 2-Performance Indicators / Environment Performance Indicators	Appx-2	
	306-4	Waste diverted from disposal	Appendix 2-Performance Indicators / Environment Performance Indicators	Appx-2	
	306-5	Waste directed to disposal	Appendix 2-Performance Indicators / Environment Performance Indicators	Appx-2	

GRI Standard	Notifications		Disclosure	Page No	Related Links and Tekfen Holding Notes
Human Rights and Working Conditions					
GRI 3: Material Topics 2021	3-3	Management of material topics	5. Strategic Drivers / 3. Employees and Society	61-68	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Appendix 2-Performance Indicators / Social Performance Indicators	Appx-2	
	401-3	Parental leave	Appendix 2-Performance Indicators / Social Performance Indicators	Appx-2	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Appendix 2-Performance Indicators / Social Performance Indicators	Appx-2	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	4. Operational Roots / Corporate Governance / C. Ethics and Compliance	34-35	
Occupational Health and Safety					
GRI 3: Material Topics 2021	3-3	Management of material topics	5. Strategic Drivers / 3. Employees and Society	61-68	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	5. Strategic Drivers / 3.E employees and Society / D. Occupational Health and Safety	65-66-67	
	403-2	Hazard identification, risk assessment, and incident investigation	5. Strategic Drivers / 3. Employees and Society / D. Occupational Health and Safety	65-66-67	
	403-3	Occupational health services	5. Strategic Drivers / 3. Employees and Society / D. Occupational Health and Safety	65-66-67	
	403-4	Worker participation, consultation, and communication on occupational health and safety	5. Strategic Drivers / 3. Employees and Society / D. Occupational Health and Safety	65-66-67	
	403-5	Worker training on occupational health and safety	5. Strategic Drivers / 3. Employees and Society / D. Occupational Health and Safety	65-66-67	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5. Strategic Drivers / 3. Employees and Society / D. Occupational Health and Safety	65-66-67	
	403-8	Workers covered by an occupational health and safety management system	5. Strategic Drivers / 3. Employees and Society / D. Occupational Health and Safety	65-66-67	
	403-9	Work-related injuries	Appendix 2-Performance Indicators / Occupational Health and Safety Indicators	Appx-2	
	403-10	Work-related ill health	Appendix 2-Performance Indicators / Occupational Health and Safety Indicators	Appx-2	

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	404-2	Programs for upgrading employee skills and transition assistance programs	5. Strategic Drivers / 3. Employees and Society / A. Talent Management	62	
	404-3	Percentage of employees receiving regular performance and career development reviews	Appendix 2-Performance Indicators / Social Performance Indicators	Appx-2	
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