

Alarko Holding

2025 TSRS*-COMPLIANT SUSTAINABILITY REPORT

**Türkiye Sustainability Reporting Standards*



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Compliance with the Turkish Sustainability Reporting Standards

The Turkish Sustainability Reporting Standards (TSRS) were prepared by the Public Oversight, Accounting and Auditing Standards Authority (KGK) and published in the Official Gazette on December 29, 2023. These standards introduced an obligation to prepare a TSRS-compliant Sustainability Report for reporting periods beginning on or after January 1, 2024. Accordingly, companies are required to report under TSRS if they meet at least two of the criteria established by the Capital Markets Board (CMB) for two consecutive reporting periods. This Report covers Alarko Holding A.Ş. (“Alarko Holding,” the “Parent Company,” “Alarko Group of Companies,” the “Group” or the “Holding”) and the subsidiaries, joint ventures and joint operations included in its consolidated financial statements, based on financial materiality.

This Report has been prepared in accordance with “TSRS 1: General Requirements for Disclosure of Sustainability-related Financial Information,” and “TSRS 2: Climate-related Disclosures.” It also uses the industry-based disclosure guidance issued by the Sustainability Accounting Standards Board (SASB) and published by the International Sustainability Standards Board (ISSB). In addition, the TSRS 2 Industry-Based Guidance, Volume 32 - Electric Utilities and Power Generators, issued by KGK to guide the industry-based application of TSRS, was taken into consideration when presenting material risks and opportunities. Alignment with the transition reliefs issued to facilitate the application of the TSRS is described in the **“Transition Provisions and Exemptions Applied”** section.

Connection with Financial Disclosures

Alarko Holding addresses these matters in accordance with TSRS 1 and TSRS 2, adopting a financial materiality approach and structuring the relevant matters to support investor decision-making. This Report is based on the financial reporting period from January 1, 2025, to December 31, 2025 and is aligned with the Holding’s consolidated financial statements for the same period. Consistent with the financial reports, the Turkish lira (TRY) is used as the basis for policies, practices, estimates and the presentation currency. As of December 31, 2025, the independently audited financial indicators and annual reports are published on the official website.

Transition Provisions and Exemptions Applied

This Report applies the transition reliefs issued to facilitate implementation of TSRS. Through the KGK Board Decision published in the Official Gazette on December 30, 2025, certain transition reliefs granted to companies were extended for one year. In this context, Alarko Holding applies the transition reliefs under TSRS 1 E4 and E6(b) for the 2025 reporting period.

- **TSRS 1 E4:** The Report is published after the financial statements for the period January 1 - December 31, 2025, have been issued.
- **TSRS 1 E6(b):** Climate-related risks and opportunities are presented on a comparative basis in the Report. Comparative information is not presented for risks and opportunities related to sustainability topics other than climate.

In addition, pursuant to Provisional Article 3 of the Board Decision on the Scope of Application of the Turkish Sustainability Reporting Standards (TSRS), disclosure of Scope 3 greenhouse gas emissions is not mandatory during the first two annual reporting periods in which TSRS are applied. Alarko Holding also used this exemption for the 2025 reporting period; therefore, this Report does not include disclosures regarding Scope 3 greenhouse gas emissions.

Assumptions, Measurement Uncertainties and Errors

Activity data, emission factors, global warming potentials, and other calculation parameters used in the calculation of greenhouse gas emissions are obtained from reliable and appropriate sources as of the reporting period. The sources used and calculation methodologies are disclosed in the **“Reporting Guide for Greenhouse Gas Emissions”** section of the Report.

During 2025, Alarko Holding improved its processes for measuring and managing greenhouse gas emissions and undertook work to enhance the scope and data quality of its emissions inventory, taking into account the characteristics of the sectors in which the Group Companies operate. Primary data were obtained for certain emission sources for which data were not available in the previous reporting period or had been calculated using secondary data and assumptions; and the calculation methodologies were updated accordingly. In this context:

- Electricity consumption from highway lighting for the Bakad Big Almaty Ring Road Project, operated in Kazakhstan and consolidated under Alsim Alarko Sanayi Tesisleri ve Ticaret A.Ş., was included in the 2025 emissions inventory.

- Emissions from technical and non-technical losses in the distribution region under the operational responsibility of Meram Elektrik Dağıtım A.Ş. (MEDAŞ) were included in energy indirect emissions.
- To avoid double counting emissions from electricity purchased by Meram Elektrik Perakende Satış A.Ş. (MEPAŞ) under its bilateral agreement with Cenal Elektrik Üretim A.Ş. (CENAL), an elimination adjustment was applied. In this context, the emissions corresponding to electricity generated by CENAL were eliminated from the energy indirect emissions related to the distribution region under MEDAŞ's operational responsibility.
- At Alarko Carrier Sanayi ve Ticaret A.Ş. (Alarko Carrier), a measurement-based study was conducted for units filled with refrigerant on the assembly line. Calculations related to leakage occurring during the charging process were updated in line with the findings of this study.
- Based on the start and end dates shown on energy invoices, consumption amounts attributable to the prior or subsequent year were separated, and the necessary period adjustments were applied to accurately calculate consumption corresponding to the reporting period.

For certain emission sources, estimation-based methods continue to be used because primary data are limited. Where exact refrigerant quantities in certain equipment across the Group could not be determined, annual average leakage rates were used to calculate fugitive emissions. Where fuel consumption data for generators could not be obtained directly, consumption quantities were estimated based on annual operating hours.

Climate Law No. 7552 established the legal basis for the Turkish Emissions Trading System (TR ETS). However, as of the reporting date, secondary regulations regarding allocation methodologies, price formation mechanisms, the implementation timetable and the details of industry-specific obligations had not been finalized. This creates uncertainty in measuring the potential financial impact of carbon pricing.

Reporting Boundaries and Measurement Approach

The consolidation boundary of this Report is consistent with the scope of consolidation applied in Alarko Holding's consolidated financial statements as at 31 December 2025. The sustainability-related and climate-related disclosures presented in the Report have been prepared based on the materiality assessment conducted in accordance with the TSRS. In consideration of the connectivity with Holding's consolidated financial statements, the assessment covers activities involving climate-related risks and opportunities that could reasonably be expected to affect the Holding's cash flows, access to finance or cost of capital over the short, medium or long term.

Within the reporting scope, Scope 1 and Scope 2 greenhouse gas emissions have been calculated in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (GHG Protocol). The boundaries of the greenhouse gas emissions inventory, the consolidation approach applied and the metrics for 2025 are explained in the section entitled **“Reporting Guide for Greenhouse Gas Emissions”**

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Alarko Holding Value Chain and Business Model

About Alarko Holding and Group Companies

Alarko Holding A.Ş., which has operated in the Turkish economy since 1954, has been listed on Borsa Istanbul A.Ş. (BIST) since May 24, 1989. As of December 31, 2025, the Company's free-float ratio was 37.08%. Alarko Holding's shareholding structure as at 31 December 2025, together with comparative figures for the previous year, is presented below.

Name	Shareholding Ratio as of December 31, 2024	Shareholding Ratio as of December 31, 2025
Alaton Family	29.04%	29.04%
Garih Family	30.72%	30.72%
Other (*)	40.24%	40.24%
Total	100%	100%

Alarko Carrier Sanayi ve Ticaret A.Ş., one of the joint ventures, is registered with the Capital Markets Board (CMB); 15.94% of its shares are publicly traded, and the company has been listed on BIST since January 27, 1992. Alarko Gayrimenkul Yatırım Ortaklığı A.Ş., one of the subsidiaries, is registered with the CMB; 49% of its shares are publicly traded, and the company has been listed on BIST since December 13, 1996.

Alarko Holding prioritizes long-term value creation through its portfolio structure operating across different sectors, strong corporate expertise and responsible investment approach. The Holding considers the integrated management of financial performance and environmental and social impacts to be a key element of resilient and sustainable growth. Alarko Holding has a Group structure operating in seven main sectors, with international partnerships, 49 companies, and approximately 6,000 employees. Its activities in energy, contracting, industry and trade, tourism, land development, agriculture and investment constitute a diversified portfolio that requires the assessment of climate-related risks and opportunities across different time horizons.

(*) Represents the aggregate shareholding of shareholders holding less than 10% of the share capital.

Contracting Group

In addition to its ongoing contracting projects, the Group carries out project management and technical consultancy activities for infrastructure, transportation, and industrial facility projects of different scales in Türkiye and abroad. The Group also provides project management and technical consultancy services for greenhouse, facility and factory installations related to new investments within the Group. The Group prioritizes reducing environmental impacts, improving resource efficiency, and maintaining occupational health and safety practices in its activities.

Energy Group

The Alarko Energy Group operates at different stages of the energy value chain, including electricity generation, distribution, wholesale sales, and retail sales, and the development of energy storage solutions. In line with the Group's 2050 Net Zero Emissions target, the Group focuses on clean energy and energy storage investments and monitors opportunities in renewable energy in Türkiye and Europe.

Industry and Trade Group

The Industry and Trade Group carries out production, import, sales, and after-sales service activities in heating, cooling, ventilation and water pressurization. The Group continues to develop its product portfolio for energy-efficient products and renewable energy systems, while working to improve resource efficiency and environmental performance in its production processes.

Tourism Group

Through Hillside Beach Club, Hillside City Club, Cinecity Cinemas and Sanda Spa, through which it serves customers with a “Feel Good” approach, Alarko Tourism Group introduced the concept of “leisure” to Türkiye and became a sector pioneer. While maintaining high guest satisfaction and repeat-guest rates, the Group considers resource efficiency, management of environmental impacts and biodiversity among its operational priorities. The Group, which has received numerous global awards and achievements in sustainable tourism, applies the same approach in its new facility investments.

Land Development Group

The Land Development Group manages the Group's real estate portfolio in line with current market conditions and highest and best use analyses, considering resource use, energy performance and resilience to climate-related risks throughout building life cycles in project development processes.

Agriculture Group

The Agriculture Group operates in modern greenhouse cultivation, niche fertilizer production, climate-resilient seed breeding and dried food. The Group adopts a business model focused on advanced technology, food safety, traceability, operational excellence, and sustainability, and is scaling its investments in Türkiye and Kazakhstan. Prioritizing systems designed to minimize carbon and water footprints, the Group heats its greenhouses in Türkiye with geothermal energy and effectively uses solar energy at Europe's largest hybrid microgranule fertilizer plant within its portfolio.

Investment Group

The Investment Group conducts its activities to contribute to the Group's long-term value creation, evaluates venture capital, private equity and public equity investments. In investment decisions, the Group considers financial return potential as well as long-term transformation trends, technology-driven opportunities and related environmental and social impacts.

Alarko Holding Value Chain and Business Model

Alarko Holding considers not only its direct operations but also upstream and downstream value chain elements in assessing climate-related risks and opportunities. The table below presents the Group’s key relationships with suppliers, business partners, regulatory authorities, financial institutions, customers and other stakeholders by activity group.

Alarko Holding Value Chain				
			Description and Definition	Geographic Location
Upstream Value Chain	Energy Group	Suppliers	Provision of equipment required for electricity generation (turbines, generators, etc.), fuel (natural gas, coal) and maintenance and repair services, and companies providing software, hardware and communication infrastructure that support the operations of the businesses.	Türkiye
		Regulatory Authorities	Public authorities that regulate energy market activities, grant licenses and permits, set environmental standards and define the framework for information technology activities.	
		Financial Institutions	Organizations providing loans and investments for project financing.	
		Energy Suppliers	Electricity generators and wholesalers.	
		Logistic Firms	Companies that ensure energy equipment and fuels are transported safely and on time to power plants.	
		Technology and Hardware Suppliers	Entities that provide the infrastructure, tools and components necessary for the development of products or services.	
	Land Development Group	Suppliers and Business Partners	Companies providing construction materials (cement, iron, bricks, etc.) and architectural and engineering services, subcontractors and project management offices.	Türkiye
		Regulatory Authorities	Public authorities that regulate and supervise zoning plans and construction permits.	
		Logistic Firms	Companies that provide transportation, storage and on-site coordination of construction materials.	
		Financial Institutions	Banks and other financial institutions providing project finance.	
	Tourism Group	Suppliers	Companies providing food and beverage, cleaning materials, hotel equipment and other consumables required for the facilities.	Türkiye
		Regulatory Authorities	Public authorities that regulate and supervise tourism activities and grant licenses and permits.	
	Contracting Group	Suppliers and Business Partners	Companies providing materials required for construction projects (cement, iron, etc.), construction equipment and engineering services. Other construction firms and subcontractors with which projects are jointly carried out.	Türkiye, International
		Regulatory Authorities	Public authorities that regulate and supervise the construction sector and grant permits and licenses.	
		Logistic Firms	Companies providing site logistics for equipment, materials and machinery specific to large-scale projects.	

Alarko Holding Value Chain and Business Model

Alarko Holding Value Chain				
			Description and Definition	Geographic Location
Upstream Value Chain	Agriculture Group	Suppliers	Companies providing inputs required for agricultural production (seeds, fertilizers, pesticides, agricultural machinery, etc.).	Türkiye, International
		Regulatory Authorities	Public authorities that determine agricultural policies and support mechanisms and grant permits and licenses.	
		Financial Institutions	Banks and other financial institutions providing financing.	
		R&D Institutions/Universities	Universities and institutes conducting research and development activities in the agricultural sector.	
	Industry and Trade Group	Suppliers	Companies providing steel, aluminum, sheet metal, plastic, copper, electronic components, motors, compressors, fans, filters, valves and other mechanical/electrical components, insulation materials, packaging materials, infrastructure, tools and components.	Türkiye
		Regulatory Authorities	Public authorities that determine, supervise and support policies on industry, environment and energy efficiency, grant required permits and licenses, and define the framework for information technology activities.	
		Logistic Firms	Transportation companies that move products from factories to dealers and customers.	
		Technology Providers	Technology companies that automate production processes and provide data analytics and ERP software.	
		R&D Institutions/Universities	Universities and research institutions conducting research and development activities in technological materials, energy efficiency and renewable energy.	
	Investment Group	Data Providers	Organizations providing financial data and analyses for investment decisions.	Türkiye, International
		Law and Consultancy Firms	Firms providing services such as legal advisory, due diligence processes and contract management.	
		Regulatory Authorities	Public authorities that regulate and supervise capital markets and grant licenses and permits.	
		Research Companies	Companies providing sector analyses, company evaluations and investment recommendations.	

Alarko Holding Value Chain and Business Model

Alarko Holding Value Chain				
			Description and Definition	Geographic Location
Direct Operations	Energy Group	Energy Generation	Electricity generation at hydroelectric, thermal and solar power plants.	Türkiye
		Power Plant Operation	Operation, maintenance, repair, and efficiency management of power plants.	
		Electricity Distribution	Electricity transmission and distribution in specified regions, grid management and development.	
		Retail Sales	Electricity sales to residential and corporate customers, billing and provision of customer services.	
		Wholesale Sales	Wholesale electricity sales and energy trading to large consumers and energy companies.	
		Energy Trading	Energy purchases and sales, portfolio management, energy market analysis and risk management.	
		System Integration and Implementation	Combining and operationalizing different technologies according to customer needs.	
		R&D and Innovation	Activities aimed at developing future products and services.	
		Product / Software Development	Core activities through which the company creates distinctive added value and intellectual property.	
	Land Development Group	Project Development	Land acquisition, development, construction, sale, and marketing of residential, commercial and industrial projects.	Türkiye
	Tourism Group	Facility Operations	Provision of accommodation, food and beverage, entertainment, concierge, sports club, cinema, and other services.	Türkiye
	Contracting Group	Construction & Contracting	Management and execution of infrastructure, residential, industrial and other construction projects for the public and private sectors.	Türkiye, International
	Agriculture Group	Agricultural Production	Cultivation, harvesting, processing, packaging, storage, and distribution of agricultural products.	Türkiye, International
		Modern Greenhouse Cultivation	High-technology, efficiency-focused soilless good agricultural practices in greenhouses heated with geothermal energy.	
		Niche Fertilizer	Production of next-generation microgranule fertilizer in an environmentally friendly production facility.	
		Seed Breeding	R&D activities aimed at seed breeding, production of resilient and sustainable seeds, development of seed varieties and improvement of productivity.	
		Food Processing	Production of premium-quality dried fruits and vegetables.	
		Distribution and Logistics	Shipment of products to customers and storage processes.	
		Marketing and Sales	Management of marketing processes and customer relations for produced goods.	

Alarko Holding Value Chain and Business Model

Alarko Holding Value Chain				
			Description and Definition	Geographic Location
Direct Operations	Industry and Trade Group	System Integration and Implementation	Combining and operationalizing different technologies according to customer needs.	Türkiye
		R&D and Innovation	Activities aimed at developing future products and services.	
		Software Development	Core activities through which the company creates distinctive added value and intellectual property.	
		Product Design and Development	Design and development of new products and R&D activities for heating, cooling, ventilation and water pressurization systems.	
		Production and Assembly	Production of products in factories, quality control processes, assembly of components and creation of finished products.	
		Distribution and Logistics	Shipment of products to dealers and customers, storage and inventory management.	
		Marketing and Sales	Marketing of products, development of sales strategies and customer relationship management.	
	Investment Group	Portfolio Management	Investing in venture capital and private equity to diversify the portfolio and increase the weight of international investments.	Türkiye, International
			Investing in public equity companies that create value through their activities from a medium- to long-term investment perspective.	

Alarko Holding Value Chain and Business Model

Alarko Holding Value Chain				
			Description and Definition	Geographic Location
Downstream Value Chain	Energy Group	Energy Market	Wholesale sale of electricity generated.	Türkiye
		Residential and Corporate Customers	Retail electricity sales to residential, commercial and industrial customers in specified regions.	
		Industrial Organizations and Energy Companies	Wholesale electricity sales to energy companies and large industrial organizations.	
		Recycling Companies	Recycling and waste management of end-of-life products.	
		Technical Support and Maintenance	Operations that ensure continuity of the product/service and customer satisfaction.	
	Land Development Group	Residential and Corporate Customers	Sale and leasing of developed residences, offices, commercial spaces and other real estate.	Türkiye, International
	Tourism Group	Individual Tourists, Corporate Customers	Sale of hotel accommodation, food and beverages, sports club, cinema, entertainment and other services to individual tourists, tour operators, corporate and individual customers.	Türkiye
	Contracting Group	Public Institutions, Private Companies	Delivery of completed construction projects to public institutions and private companies, warranty and after-sales services.	Türkiye, International
	Agriculture Group	Retailers, Wholesalers, Food Businesses	Sale of agricultural products produced to retailers, wholesalers and food businesses.	Türkiye, International
	Industry and Trade Group	Dealers and Service Network	Authorized dealers responsible for the sales of Alarko industrial products. Authorized service providers deliver installation, maintenance, and repair services.	Türkiye, International
		Customers	Residential, commercial and industrial customers.	
		Recycling Companies	Recycling and waste management of end-of-life products.	
		After-Sales Services	Customer support, maintenance, repair, and spare parts supply.	
	Investment Group	Alarko Holding	Contributing to Alarko Holding’s overall performance and growth through investments in venture capital, private companies and publicly traded companies.	Türkiye, International

Governance

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Alarko Holding Sustainability and
Climate Governance Structure

Alarko Holding Sustainability and Climate Governance Structure

Alarko Holding updated its governance structure to support effective management of sustainability- and climate-related risks and opportunities, the integration of environmental, social and governance (ESG) factors into its business model, compliance with relevant local and international regulations, and improvement of sustainability performance. Sustainability and climate governance across the Group is managed within the authority and responsibility of the Corporate Communications and Sustainability Directorate, which reports directly to the Group Chief Executive Officer, and the Joint Impact Council.



Alarko Holding Sustainability and Climate Governance Structure

Alarko Holding adopts a performance-based remuneration policy for the Group Chief Executive Officer (CEO), Company General Managers, executives who are not members of the Board of Directors, and other members of management. This policy is structured to encourage managers to achieve financial targets and contribute to strategic sustainability- and climate-related targets. In line with this approach, ESG criteria have been integrated into the performance evaluation system. For the Group Chief Executive Officer (CEO), who is also a member of the Board of Directors, this ratio is 10%. Under this system, the ESG performance score is directly integrated into annual evaluation results and used to determine financial incentives such as bonuses and salary increases. Accordingly, managers' performance in the areas of environmental and social responsibility is also reflected in tangible remuneration outcomes.

Board Involvement

The Board of Directors is ultimately responsible for oversight of Alarko Holding's overall strategy, business plans, annual budget and enterprise risk management framework. In this context, risk management and internal control mechanisms have been established. The Early Detection of Risk Committee, composed of members of the Holding's Board of Directors, and the Audit Advisory and Approval Board (DDO) periodically review management-level risks. A three-member Early Detection of Risk Committee was established to advise the Board of Directors on early identification of risks that Alarko Holding may face and on establishing

an effective risk management system, and its working principles were approved by the Board of Directors. In 2025, the Committee prepared six reports and submitted them to the Board of Directors. The Audit Advisory and Approval Board, the Early Detection of Risk Committee and the Audit Committee determine the measures to be taken and issue the necessary instructions to Holding and company management through the Group Chief Executive Officer.

The Audit Advisory and Approval Board has begun work to establish, develop, and maintain the internal control mechanism across the Group. In line with this decision, the Group Audit Department was assigned responsibility for overseeing the establishment of the internal control mechanism and auditing its effectiveness. In accordance with the annual audit plans it has been approved; the Audit Department audits the internal control mechanism periodically and reports its findings and opinions to Senior Management.

Sustainability- and climate-related matters fall within the oversight responsibility of the Board of Directors. The "Group Sustainability Committee," whose members include an Independent Board Member, the Group Chief Executive Officer, and the Alarko Holding Corporate Communications and Sustainability Director, supports Board-level monitoring of sustainability- and climate-related developments at the Board level. The Committee meets annually to discuss the Group's

sustainability activities and targets in parallel with local and global developments and regulations. The Committee also organizes one annual training session to brief other members of the Board of Directors and the Holding's Senior Executives on current sustainability topics and activities carried out across the Group. In addition, the "Sustainable Headline" internal communications distributed by the Holding Corporate Communications and Sustainability Directorate to increase knowledge and capabilities across the Group provide sustainability- and climate-focused developments, regulations, sector reports and analyses relevant to Alarko's activity groups to the Board of Directors.

Joint Impact Council

The Joint Impact Council operates under the leadership of the Group Chief Executive Officer. The Council's principal members include the Sustainability Leaders of the Group Companies, the Alarko Holding Group President of Strategy and Business Development, Group President of People and Organization, Group President of Information Technologies and Transformation, Corporate Communications and Sustainability Director, Investor Relations Director, Consolidation and Reporting Director, and Sustainability Manager. The Council is responsible for coordinating sustainability work across the Group, monitoring implementation and reporting performance information to Holding management. The "Sustainability Ambassadors" group, formed to follow Joint Impact Council meetings and guide related work, includes managers responsible for sustainability at the Holding and Group Companies.

Alarko Holding Sustainability and Climate Governance Structure

The Joint Impact Council meets twice each reporting year. The first meeting during the year is held online; at the year-end Joint Impact Day, held as an in-person event, Group Companies with sustainability targets present their annual performance results. Sustainability-related key performance indicators included in corporate scorecards are also communicated to Holding management at Joint Impact meetings.

The “Positive Impact - Green Collar Training Program” continues to develop sustainability awareness and technical competencies across the Group. The program aims to integrate the sustainability approach into business practices and corporate culture, and to increase participants’ capacity to develop business initiatives and solutions with a sustainability focus. In 2025, more than 60 people participated in the program; during training exceeding 50 hours per person, various topics were covered, including carbon management, international regulations, sustainability reporting, circular economy, gender equality and social impact assessment. In addition, through the “Sustainable Headline” internal communications, more than 30 bulletins during the year shared sustainability news from the business world, activity group-specific reports, information on local and international sustainability regulations and laws, and invitations to thematic webinars organized by relevant NGOs across the Group.

Working Groups

The working groups recommended by central sustainability management to Group Companies to provide concrete contributions to the Group’s strategic targets are as follows:

- **Energy and Emissions Management:** Reducing emissions and energy consumption in line with the Group’s 2050 Net Zero Emissions target.
- **Circular Economy and Natural Resource Efficiency:** Managing waste across the Group, increasing circular-use opportunities, and ensuring resource efficiency.
- **Gender Equality:** Expanding gender equality practices across the Group, increasing the ratio of women employees and extending the sphere of impact through social projects.
- **Corporate Culture and Employee Experience:** Strengthening employee engagement and employer brand identity across the Group.
- **Responsible Communication and Social Responsibility:** Increasing positive joint impact through responsible communication of the Group’s sustainability activities and corporate social responsibility projects.
- **Regulation, Reporting and Indices:** Monitoring sustainability-related trends across the Group and ensuring compliance with regulatory and reporting requirements.

- **Green Technologies:** Increasing internal capabilities regarding environmentally friendly and innovative green technologies that can be implemented in business lines and developing innovative opportunities.

As of 2026, preliminary work has been carried out to establish and operationalize the working groups described above within the Group Companies and to ensure quarterly information flow to the Holding Corporate Communications and Sustainability Directorate. In this context, each Group Company will be able to customize the working groups according to its strategic direction, team structure, and needs.

Strategy

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Alarko's Sustainability Strategy

Alarko Holding adopts a comprehensive value creation approach under its “New Definition of Value” framework, encompassing social, environmental, and economic impact in addition to financial success. The Group considers sustainability not only as a reporting and compliance requirement, but also as an integral component of portfolio management, investment decisions, risk management, product development, operational excellence, research and development, innovation, and long-term stakeholder relationships. Considering Türkiye's 2053 Net Zero Emissions target and the Group's 2050 Net Zero Emissions target, Alarko Holding assesses climate-related physical and transition risks through a value chain perspective. In this context, climate-related risks are evaluated based on their impacts on current operations, the medium- and long-term transformation of the portfolio, investment priorities, financial resilience and future value-creation capacity.

The year 2025 marked a period in which Alarko Holding made its international portfolio company model more visible and integrated its sustainability approach more systematically into strategic decision-making processes. The Group manages its growth not only through scale expansion, but also through portfolio balance, technology-based business models, global reach, resource efficiency, low-carbon transformation and societal value creation. Under this approach, Holding evaluates sustainability-related risks and opportunities as an integral part of its overall strategy and capital allocation processes. Trends such as climate change, energy security, electrification, resource efficiency, geopolitical developments, regulatory transformation, digitalization, and artificial intelligence are reshaping risk profiles across the sectors in which the Group operates while also creating opportunities for growth, efficiency and competitive advantage.

The Group implements projects developed under its sustainability strategy under the principle of “Joint Impact.” This approach ensures that sustainability performance is not managed solely as an agenda led by the Holding headquarters, but rather as a collective transformation area integrated into the operating areas, performance indicators and business targets of the Group Companies. This structure contributes to monitoring sustainability-focused targets across the Group, scaling best practices and strengthening a culture of shared learning.

Alarko Holding's sustainability focus areas and material topics, updated during the reporting period in alignment with global standards and stakeholder expectations, are set out below:

- 1. Corporate Governance:** Ethical, transparent, and accountable management; effective functioning of the Board of Directors and committees; risk management and internal control; protection of shareholder and stakeholder rights; stakeholder engagement; and regulatory compliance.
- 2. Management of Environmental Impact:** Sustainable business models and responsible investment, green energy use, carbon management, energy and resource efficiency, and investment in green-collar talent.
- 3. Climate-Focused Solutions:** Investment in renewable energy generation and energy storage technologies, sustainable and secure food supply, and circular business models.

- 4. Investment in Human Capital:** Employee well-being and continuous improvement of the work environment, talent acquisition and career management, structured training and development programs, employee experience and engagement initiatives, fostering innovation, productivity, and work-life balance, and a culture of equal opportunity and diversity.
- 5. Innovation and Technology:** Digital transformation and innovation, data analytics and decision-support systems, artificial intelligence integration, sustainable and green technology investments, innovative product and service development, partnerships and collaborations, cybersecurity, information security, technology infrastructure investments, regulatory compliance and management of technology-related environmental impacts.
- 6. Creating Value for Society:** Equal opportunity in education, support for women's employment and entrepreneurship, cultural and artistic development of young people, responsible sustainability communication and Group-wide joint impact.

Alarko Holding's diversified multi-sector portfolio structure supports corporate resilience against changing economic, environmental and regulatory conditions and provides business diversification. In areas where risks are concentrated, the Company also considers opportunities that can help mitigate such risks or create new value from transformation needs.

Alarko's Sustainability Strategy

In investment decisions, geopolitical resilience, economic sustainability, climate alignment, resource efficiency, security of supply, technological transformation, and long-term value-creation capacity are assessed alongside financial indicators. Within this framework, modern agriculture, renewable energy, energy storage systems, aviation and investment activities are positioned among the Group's strategic growth areas that address the fundamental needs of the future. As of the 2025 reporting period, existing operations have been considered within the risk and opportunity assessment; however, portfolio changes publicly announced after the reporting period have also been considered in medium- and long-term strategic evaluations.

In 2026, the transfer of the Cenal Karabiga Thermal Power Plant, which has been operating since 2018 and was under the control of Alcen Enerji Dağıtım ve Perakende Satış Hizmetleri A.Ş. (Alcen), a joint venture of Alarko Energy A.Ş. (Alarko Energy) and Cengiz Enerji Sanayi ve Ticaret A.Ş. (Cengiz Energy) was completed through the joint decision and cooperation of the two companies. All shares in the companies controlled by Alcen and operating since 2009 in the Konya region in the areas of electricity distribution (MEDAŞ), electricity retail sales (MEPAŞ and MESAŞ) and other related activities have been transferred to Alarko Energy.

These developments are expected to contribute to reducing transition risks arising from carbon-intensive generation activities within Alarko Holding's medium- and long-term climate risk assessment. Following the termination of the CENAL partnership, risks related to the Emissions Trading System and carbon pricing are not expected to be financially material for Alarko Holding over the medium and long term.

In the new reporting period, the relative increase in the share of electricity distribution and retail activities within the portfolio, together with the targets to increase renewable energy generation and the investment plans for energy storage, is positioning Alarko Holding on a different trajectory in the energy sector. Accordingly, the nature and profile of its physical risks and opportunities are also evolving. Alarko Holding also considers potential trade-offs arising in connection with sustainability-related risks and opportunities when making investment and operational decisions.

Short-term costs, investment requirements, implementation priorities and temporary financial performance pressures are evaluated together with long-term financial resilience, resource efficiency, operational continuity, and environmental and social impact. In this way, the Group adopts a balanced management approach between short-term performance discipline and long-term transformation objectives.

Identification of Sustainability- and Climate-Related Risks and Opportunities

To identify its sustainability- and climate-related risks and opportunities, Alarko Holding considered sector peers, local and global trends, and internationally recognized Sustainability Accounting Standards Board (SASB) guidance. Risks and opportunities were also classified in line with the Task Force on Climate-related Financial Disclosures (TCFD) framework and examined in detail by subcategory. Through financial impact analyses, the Holding determined that total assets play a primary role in the Company’s overall strategy and decision-making processes when identifying climate-related risks and opportunities. Accordingly, risks with a potential financial impact equal to or exceeding 2% of total assets, the financial materiality threshold, are included in this Report. Time horizons were updated as short term (0-1 year), medium term (1-5

years), and long term (5-10 years). The risk and opportunity assessment considered financial impact, likelihood and time horizon, and identified each risk and opportunity’s position in the value chain and geographic location. Separate heat maps, with financial impact on the vertical axis and likelihood on the horizontal axis, were prepared for the short, medium and long term.

Matters rated “High” were further evaluated for reporting purposes. The process of identifying risks and opportunities involved representatives from different areas of expertise across the Group Companies and considered sector dynamics, value-chain position, geographic exposure, existing controls and actions, and financial impact channels. Matters that

could not be measured directly in financial terms but could be monitored through operational metrics were not excluded from the assessment; they were monitored using qualitative or semi-quantitative methods, taking data maturity and measurement uncertainty into account.

As in the prior reporting period, the matter with the highest risk score on the short-term heat map is CENAL’s potential exposure to carbon pricing mechanisms.¹ Because CENAL’s operations within Alarko Group of Companies will end in the first half of 2026 and the Turkish Emissions Trading System has not yet been implemented, this risk is not expected to have a financially material impact on the Group over the medium and long term. Nevertheless, measurement uncertainty will continue until the implementation principles and operational details of the Turkish Emissions Trading System are clarified.

Activity Group	Relevant Matter	Risk / Opportunity	Time Horizon	Financial Impact	Assessment	Position in the Value Chain	Reference
Energy	Introduction of the Turkish Emissions Trading System and potential additional tax costs	Transition Risk - Regulation	Short Term	Uncertain	CENAL maintains unit emissions intensity per MWh below the sector average due to the thermal efficiency advantage provided by its ultra-supercritical boiler technology. Through advanced flue-gas treatment and treatment systems, emissions are maintained well below statutory limits. With the high treatment efficiency delivered by these systems, CENAL continues to position itself as a benchmark operator in its sector by maintaining its emissions well below national and international emission limits. Measurement uncertainty remains because the implementation principles and operational details of the Turkish Emissions Trading System have not yet been clarified.	Direct Operations - Energy Generation	R1
Energy	Interruptions in distribution lines due to extreme weather events	Acute Physical Risk	Medium-Long Term	Uncertain	In electricity distribution operations, periodic maintenance, load monitoring, grid renewal, backup equipment and the development of early-warning systems support impact manageability and the capacity of operations to adapt to changing conditions. Measurement uncertainty is currently high.	Direct Operations - Electricity Distribution	R2

¹Refers to the risk coded “R1” in the reference table.

Identification of Sustainability- and Climate-Related Risks and Opportunities

Activity Group	Relevant Matter	Risk / Opportunity	Time Horizon	Financial Impact	Assessment	Position in the Value Chain	Reference
Agriculture	Regulatory requirements related to water use	Transition Risk - Regulation	Medium-Long Term	Uncertain	Combining modern greenhouse cultivation, soilless agriculture, geothermal energy use, sensor- and artificial intelligence-supported production practices, climate-resilient seed breeding, microgranule fertilizer production and dried food activities, the Alarko Agriculture Group aims to improve resource efficiency, develop production models that are more resilient to climate change and contribute to food security. Across all greenhouse facilities, water consumption has been maintained well below global standards, with savings of up to 72% achieved through closed-loop irrigation systems. Palmira Agro's microgranule fertilizer enables chemical fertilizer use per decare that is up to ten times lower compared with conventional fertilizer. Through hybrid and CE-certified environmentally friendly technologies, the production facility uses 65% less energy and 70% less water in production. Additional infrastructure, technology or alternative resource investments may be required to preserve production continuity and resource efficiency, which may result in limited or gradual impacts on water and energy expenses, capital expenditures and product costs. Measurement uncertainty is currently high.	Direct Operations - Modern Greenhouse Cultivation, Niche Fertilizer	R3
Contracting / Tourism	Strengthening the supply chain	Sustainability Risk - Supply Chain Resilience	Medium-Long Term	Uncertain	Alarko Tourism manages risks associated with climate-related yield reductions, quality loss and supply constraints through planned purchasing, contract farming, cold-storage inventories, regional diversification and a domestic-import balance policy. If local supply contracts are disrupted, the pre-established pool of alternative suppliers is activated to maintain uninterrupted supply; the impact of shifting to higher-cost sources is limited through inventory and product flexibility. Because climate-related variables affecting yields, prices, and availability cannot be predicted with certainty, measurement uncertainty remains high in calculating the financial impacts of these vulnerabilities, and risks are managed through operational flexibility. In the contracting business, risks are planned to be managed by localizing supply chains vulnerable to geopolitical developments and adopting inventory, contractual and business continuity measures. Measurement uncertainty is currently high.	Upstream Value Chain - Suppliers and Business Partners	R4

Identification of Sustainability- and Climate-Related Risks and Opportunities

Activity Group	Relevant Matter	Risk / Opportunity	Time Horizon	Financial Impact	Assessment	Position in the Value Chain	Reference
Agriculture	Increased operational efficiency and market share	Product and Service Opportunities	Medium-Long Term	Uncertain	As market acceptance, sales volumes, and export reach of efficiency-focused microgranule fertilizer products accelerate, and as soilless greenhouse cultivation, digital water management, renewable energy, integrated pest management and residue-free production practices are used more broadly across operations, agricultural activities are expected to support financial performance through revenue growth and market diversification, as well as more effective management of water, energy, chemical input, logistics and storage costs. Measurement uncertainty is currently high.	Direct Operations - Modern Greenhouse Cultivation, Niche Fertilizer	O1
Energy / Digital Solutions	Innovative and environmentally focused solutions	Product and Service Opportunities	Medium-Long Term	Uncertain	Growth in renewable generation capacity and energy storage solutions, together with increased use of low-carbon information technology infrastructure, automation and energy-efficient software solutions in digital operations, are considered enabling opportunities. Measurement uncertainty is currently high.	Direct Operations - R&D and Innovation, Product / Software Development	O2

The heat map for risks that may materialize over the medium term does not include any risk rated “High,” “Significant,” “Medium,” or “Low.” This indicates that the Group’s risk outlook is not concentrated in a specific area of activity and that potential risks remain at a monitorable level within existing management mechanisms. Over this time horizon, employee health and safety, fluctuations in supply and cost conditions, physical climate impacts, availability of natural resources and regulatory compliance may affect operational continuity and cost predictability across different business lines. Although these risks are not currently expected to require a fundamental change in the Group’s business model, they are expected to be monitored within maintenance, procurement, business continuity and investment plans according to the nature of each activity. By contrast, the Agriculture Group’s resource-efficient product and production model, supported by solar energy and

hybrid production technologies used in microgranule fertilizer production, is considered an opportunity over the medium term. This opportunity is regarded as a growth area that may affect revenue, costs and capacity utilization through lower product application rates, logistics and resource efficiency, climate resilience and potential market expansion.

Over the long term, the effects of physical climate conditions increase, while uncertainty remains regarding regulations, input and energy costs, and the direction of technological transformation. Cost pressures that may arise in parallel with access to and conditions for water use, extreme weather events, and supply-chain vulnerabilities associated with geopolitical developments and climate change² will continue to be monitored as long-term risks for the relevant Groups. At this stage, the heat map does not indicate a concentration of risk that, on its own,

would weaken the Group’s financial resilience or continuity of operations. Because uncertainty increases over longer time horizons, early-warning indicators and adaptive capacity will be reviewed regularly. Scaling products and production models that provide energy and resource efficiency, developing renewable energy and storage investments, and expanding digital solutions have value-creation potential for the Group over the medium and long term. Microgranule fertilizer, controlled production and digital resource management in agriculture; generation diversity and storage in energy; and low-carbon infrastructure and process automation across the Group are considered areas that may support revenue diversification, efficiency and operational resilience. The conversion of this potential into financial results depends on various factors, including market demand, technology performance, investment timing, capacity utilization and regulatory developments.

²Refers to the risk coded “R4” in the reference table.

Identification of Sustainability- and Climate-Related Risks and Opportunities

The Risk-Opportunity Balance Embodied in Alarko

The heat maps produced at the conclusion of the risk and opportunity assessment indicate that Alarko Holding's medium- and long-term risks and opportunities should be evaluated together across the same activity areas, value chain and financial impact channels. While the current risk management approach helps limit the likelihood and impact of risks, the same investments may create opportunities in terms of resource efficiency, revenue diversification and operational resilience. For this reason, risk and opportunity scores are not treated as amounts that automatically offset each other; rather, they are treated as indicators considered together in decisions on capital allocation, technology selection, capacity expansion and business continuity.

Managing the environmental impacts arising from energy generation at the CENAL thermal power plant and the costs that may arise under the ETS are among the Group's priority matters. In addition to the risks that are monitored closely, the closed storage of fly ash and bottom ash generated from plant operations in accordance with technical standards and their sale for reuse in the cement sector represent one of the most important indicators of how environmental risks can generate economic value in terms of waste management, circular economy and resource efficiency. In 2025, 99.45% of the ash produced was sold, and the amount of ash sent to the storage site was minimized, directly contributing to the circular economy.

The physical impacts of climate change, pressure on water resources and food supply security represent key risk areas in the agriculture sector. Alarko Holding also evaluates these risks in terms of long-term sustainable growth opportunities. Combining modern greenhouse cultivation, soilless agriculture, geothermal energy use, sensor- and

artificial intelligence-supported production practices, climate-resilient seed breeding, microgranule fertilizer production and dried food activities, the Alarko Agriculture Group aims to improve resource efficiency, develop production models that are more resilient to climate change and contribute to food security. Across all greenhouse facilities, water consumption has been maintained well below global standards, with savings of up to 72% achieved through closed-loop irrigation systems. These practices are specific opportunity areas that combine the Agriculture Group's climate change mitigation and adaptation approach with resource efficiency.³ As of year-end 2025, the Group actively produces on 1,062 decare of modern greenhouse area in Türkiye and has commissioned the first 400-decare phase in Kazakhstan. Exporting its products to more than 30 countries, Alarko Agriculture Group aims to be among the world's largest modern greenhouse operators by the end of 2028. Palmira Agro's microgranule fertilizer enables chemical fertilizer use per decare that is up to ten times lower compared with conventional fertilizer. Through hybrid and CE-certified environmentally friendly technologies, the production facility uses 65% less energy and 70% less water in production, meets 35% of its energy consumption from renewable sources through a 1,200 kWp solar power plant and achieves a 65% reduction in production-related emissions.

The reshaping of energy demand through electrification, digitalization and data center investments, the increasing share of renewable resources in the system, and the growing importance of energy security are creating new investment needs in the energy sector. According to the forecasts in the International Energy Agency's (IEA) [World Energy Investment 2026](#) report, global grid investments are expected to reach approximately USD 550 billion in 2026, while battery storage investments are expected to exceed USD 100 billion. This

indicates the energy sector's transition from a generation-centered structure to a system-oriented structure. The Alarko Energy Group operates at different stages of the energy value chain through activities covering electricity generation, distribution, wholesale sales, and retail sales, and the development of energy storage systems. Energy storage solutions are considered a strategic area that supports the continuity of renewable energy generation and system flexibility. In this context, Alarko Holding established Alarko Gotion Green Energy under its partnership with China-based Gotion Group. Through energy storage and lithium-ion battery production facilities, the company is expected to contribute to energy supply security, high value-added industrial production and the development of technological capabilities.⁴ This approach supports Alarko Holding in both managing transition risks related to carbon-intensive activities and assessing new growth areas created by the energy transition.

Rising temperatures, more frequent heat waves and the structural increase in cooling needs associated with climate change create new opportunities for the Industry and Trade Group. Alarko Carrier addresses this transformation through energy-efficient climate control systems, high-performance products, diversification of its product portfolio, and the development of maintenance and service offerings. The increase in demand for energy-efficient solutions due to changing climate conditions is considered an opportunity that may support revenue diversification and competitive advantage. Alarko Carrier's detailed assessments of this matter are disclosed separately in the Company's 2025 TSRS-Compliant Sustainability Report.

³Refers to the opportunity coded "O1" in the reference table.

⁴Refers to the opportunity coded "O2" in the reference table.

Scenario Analyses

Alarko Holding uses a time horizon-based scenario and heat map approach to assess the potential impacts of sustainability-related risks and opportunities on the Group's business model, value chain, strategy, capital allocation, financial performance, and long-term value-creation capacity. In determining the scope of scenarios, not only high-scoring matters but also matters whose level of financial impact changes as time horizons extend, or that emerge as both risks and opportunities within the same value chain, were taken into account. The study was prepared using reasonable and supportable information available as of the 2025 reporting period without undue cost or effort, financial impact estimates of the Group Companies, current and planned actions, and management judgment.

In the 2025 assessment, carbon pricing and Turkish Emissions Trading System risk arising from CENAL was monitored within the short-term risk inventory. In the medium- and long-term analysis, water use, extreme weather events, physical climate impacts, the effects of geopolitical developments on supply and cost structures, renewable generation, energy storage and digital efficiency opportunities were assessed as parameters for close monitoring in the Group's relevant lines of business.

Short-Term Scenario Analysis

The Emissions Trading System (ETS), one of the clearest indicators of Türkiye's green transformation and climate vision, has become a legal and operational guide through the Pilot Period implementation covering

2026 and 2027. This strategic development provides sector participants with a clearer roadmap by reducing regulatory uncertainties experienced in previous periods. In this new period, verification of facility-level greenhouse gas emissions in line with national and international standards, precise development of the historical reference emission baseline, and rational management of free allocation mechanisms are central to corporate risk and compliance strategy.

To assess Alarko Holding's ability to adapt to climate-focused transition scenarios and global regulations, international modeling and projections are carefully analyzed. Current World Energy Outlook reports published by the International Energy Agency (IEA) indicate that carbon pricing mechanisms are among the most significant transition risks for businesses with emissions-intensive operations. According to the IEA's Stated Policies Scenario (STEPS) modeling, despite the increase in global energy demand, demand for coal-fired electricity generation is expected to enter a gradual structural decline globally by 2030 due to the pace at which clean energy technologies are being integrated into the system. In light of these global projections, CENAL maintains unit emissions intensity per MWh below the sector average due to the thermal efficiency advantage provided by its Benson-type ultra-supercritical boiler technology. Through advanced flue-gas treatment and treatment systems, sulfur dioxide, nitrogen oxide, and particulate matter emissions are maintained well below statutory limits.

With the implementation of the ETS, a "free allocation" mechanism is expected to be introduced in the first phase of the system to balance emissions intensity. During the initial pilot period covering 2026 and 2027, free allocation is expected to be implemented at 100%, and no carbon tax cost or related risk is expected during this period. Under ETS legislation, free allocation amounts will be reduced gradually and in a controlled manner over the 2028-2035 period, which is defined as the implementation period in line with green transformation targets. Although exact figures for the market values and financial amounts of allocation quotas and allocation reduction rates have not yet been clarified, the regulatory structure is expected to be supported by protective mechanisms designed not to disrupt national energy supply security and to preserve supply balance in the market. Although the main parameters of the emissions regime have been established under current conditions, uncertainties regarding secondary legislation and implementation practices remain. Based on the current structure of national legislation, flexibility mechanisms such as allocations are expected to remain in force on a timetable extending to 2035. Despite the existing uncertainties, short- and medium-term financial risks are assessed as manageable and predictable, rather than radical or disruptive.

Scenario Analyses

Medium- and Long-Term Scenario Analysis

The medium- and long-term scenario analysis was prepared using a qualitative approach proportionate to the Group’s current exposure and available data. The scenarios are based on (i) the regulatory and operational outlook regarding water use, permitting conditions and pricing mechanisms; and (ii) the pace of adoption and scaling of microgranule fertilizer, soilless greenhouses and digital water management, geothermal and solar energy use, and integrated pest management practices. Rather than presenting a definitive forecast, the scenario study aims to evaluate the Group’s strategic options and adaptive capacity under different development pathways. The scenarios were not treated as damage estimates based on a specific climate model, but as management scenarios that test the financial impact and likelihood assumptions in the heat map under different development pathways.

The medium- and long-term scenario analysis was conducted in 2026 during the report preparation process for the 2025 reporting period, using a qualitative approach proportionate to the Group’s current exposure and available data. The analysis was based on the medium (1-5 years) and long (5-10 years) time horizons defined in the Report; the operational scope included the activities associated with climate-related risks and opportunities monitored within these time horizons inside the reporting boundary. The sources of the scenarios are the 2025 risk and opportunity inventory, operational and financial impact assessments of the Group Companies, current and planned actions, regulatory developments and management judgment. Key assumptions include water-, energy- and climate-related policies and regulations in Türkiye; macroeconomic developments and input costs; local and

regional hydrological conditions and extreme weather events; energy use and resource diversity; technology development and adoption rates; and market acceptance. Three different outlooks, namely base, tightening and accelerated opportunities, were used to test the Group’s strategy, business model and adaptive capacity under different development pathways. These are not external climate scenarios based on a specific temperature pathway, but management scenarios that test the financial impact and likelihood assumptions in the heat map. Therefore, no separate temperature scenario aligned with the objectives of the Paris Agreement was used in the medium- and long-term analysis.

There is no risk that exceeds the reporting threshold in the medium or long term. While the matter related to water-use conditions and pricing⁵ is at a “Monitorable” level over the medium term, it is classified as “Low” in the long-term assessment, taking into account the scale of operations and possible changes in regulatory conditions. This classification does not indicate an urgent or realized threat to operational continuity in the current period; rather, it ensures that early-warning indicators are considered in long-term planning processes and that resource efficiency investments are implemented.

Scenario 1 - Controlled Transformation and Base Outlook

In this scenario, regulations and pricing related to water use are assumed to develop predictably and gradually, and existing water efficiency, automation, geothermal energy, solar energy and integrated pest management practices are assumed to continue as planned. This scenario was selected because it represents the base outlook in which physical and transition risks and opportunities evolve in line with current

trends, and because it provides the reference point against which the results of other scenarios are compared. As sales and marketing activities for microgranule fertilizer products progress in line with the current direction, the resource-efficient production model is expected to continue to create strategic opportunities over the medium term.

Under the base outlook, the matter related to water-use conditions remains at the “monitorable” level over the medium term, while indicators related to costs, consumption, and investment needs are monitored under ordinary monitoring processes. Depending on the scale of operations and developments in the regulatory framework, the matter is assessed as potentially reaching the “low” level over the medium and long term. In this context, management’s key monitoring areas are water consumption and costs, reuse practices, prioritization of technology investments, product-based profitability and capacity utilization.

Scenario 2 - Outlook in Which Regulatory and Resource Conditions Tighten

In this scenario, regulations or pricing mechanisms related to water use are assumed to become more stringent than in the base outlook, and geopolitical developments are assumed to increase pressure on input prices, availability and delivery times. This scenario was selected to assess how the Group’s operational continuity, cost structure and additional investment needs could be affected if physical climate impacts and transition risks associated with regulation, resources and supply conditions tighten simultaneously. In such a case, additional infrastructure, technology or alternative resource investments may become relevant to protect production continuity and resource efficiency; limited or gradual impacts may arise on water and energy expenses, capital expenditures and product costs.

⁵Refers to the risk coded “R3” in the reference table.

Scenario Analyses

In this outlook, soilless greenhouse cultivation and digital water management, geothermal and solar energy use, and integrated pest management practices are considered not only as growth opportunities, but also as strategic capacity supporting operational flexibility and resource efficiency. Through these practices, the Group aims to strengthen its capacity to adapt to changing conditions and manage potential cost impacts. In electricity distribution operations, periodic maintenance, load monitoring, grid renewal, backup equipment and early-warning systems are assessed; in the tourism and contracting groups, alternative suppliers and routes are identified, and supply-chain resilience is strengthened. These measures do not eliminate risks, but support impact manageability and the capacity of operations to adapt to changing conditions. The main constraints on determining the financial impacts of the tightening outlook are the scope and effective dates of regulations to be implemented, water and energy prices, the location and severity of extreme weather events, hydrological conditions, supplier behavior, and access to insurance. Therefore, the potential impacts of opportunities are not directly offset against risk amounts; investment timing, commercial realization and accounting channels are assessed separately.

Scenario 3 - Outlook in Which Resource-Efficient Growth Accelerates

This scenario represents an outlook in which resource-efficient products and practices, as well as renewable energy, storage and digital efficiency opportunities, scale more rapidly in response to water stress, water-use regulations and hydrological variability risks. In this scenario, market acceptance, sales volume and export reach

of microgranule fertilizer products are assumed to accelerate, while soilless greenhouse cultivation, digital water management, renewable energy and integrated pest management practices are assumed to be used more broadly across operations. This scenario was selected to assess the Group's growth, revenue diversification and value creation capacity if opportunities related to resource efficiency, renewable energy, energy storage and digitalization materialize more rapidly. On the energy side, the development of renewable generation capacity and storage solutions, and on the digital side, greater use of low-carbon information technology infrastructure, automation and energy-efficient software solutions, were considered enabling opportunities. Under this outlook, financial performance is expected to be supported by revenue diversification and market diversification, as well as more effective management of water, energy, chemical input, logistics, storage and infrastructure costs. In this outlook, addressing climate change is considered not only as a way to reduce environmental impact, but also as a growth driver that supports the commercialization of resource-efficient products, access to new markets and scaling of the production model.

The degree to which opportunities materialize depends on customer demand, product performance, sales and distribution capacity, production scale, certification and regulatory compliance, technology performance and the availability of required working capital. Therefore, the potential financial impacts shown on the heat map are not treated as committed revenue or profit expectations, but as strategic opportunity indicators that support investment and growth decisions.

Impact of Scenario Analysis Results on Strategy and Financial Planning

As a result of the qualitative scenario analysis conducted for the 2025 reporting period, no risk concentration was identified under any of the outlooks examined that, by itself, would weaken the Group's financial resilience or the continuity of operations, or require a fundamental change in the current strategy and business model. Within this framework, the Group's multi-sector portfolio structure and existing risk management practices are considered to support short-term climate resilience, while medium- and long-term resilience should be monitored regularly based on the availability and pricing of water resources, the location and severity of extreme weather events, the development of climate and energy policies, input and energy prices, technology performance, access to insurance, and financing conditions.

The Group's capacity to adapt its strategy and business model to changing conditions is supported by the distribution of activities across sectors, the ability to review investment and capital allocation priorities at the portfolio level, and the ability to improve existing assets with technologies that provide efficiency and production diversity. Closed-loop irrigation, digital greenhouse management, geothermal and solar energy practices in agricultural activities; grid renewal, hybrid generation, and storage investments in energy activities; digital monitoring and early-warning systems; and alternative supplier and route options in contracting and tourism activities were assessed as existing and planned practices that support mitigation and adaptation capacity. However, measurement uncertainty increases as time horizons extend; scenario results are not considered committed financial forecasts, but resilience indicators to be used in strategy and capital allocation decisions.

Risk *Management*

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Assessment Process for Sustainability- and Climate-Related Risks and Opportunities

Assessment Process for Sustainability- and Climate-Related Risks and Opportunities

Alarko Holding conducts a comprehensive assessment process that integrates sustainability- and climate-related risks and opportunities into strategic decision-making, taking into account environmental and social impacts as well as evolving regulations. This process considers the dynamics of the sectors in which the Group Companies operate, regional vulnerabilities, global climate scenarios and sustainability developments. Through analyses of both physical and transition risks, the Group identifies matters that may affect long-term value creation. These comprehensive analyses enable risks and opportunities to be identified, prioritized and managed systematically, while also playing an important role in developing action plans aligned with the Holding’s sustainability strategies.

Sustainability- and climate-related risk assessments are conducted annually under the coordination of the Corporate Communications and Sustainability Directorate through a governance structure composed of the relevant managers who are members of the Joint Impact Council and representatives of the Group Companies.

In the assessment covering the reporting period, matters identified based on information received from Group Companies were evaluated by the Alarko Holding Corporate Communications and Sustainability Directorate in terms of financial impact, likelihood and time horizon. Assessment and monitoring activities are completed together with the relevant managers serving as members of the Joint Impact Council, thereby ensuring that the process is considered in connection with its potential impacts on the Holding’s strategy, investment priorities, operational continuity and financial resilience.

Risk Appetite and Tolerance

Alarko Holding prioritizes minimizing sustainability- and climate-related risks, monitoring opportunities and applying an effective risk management approach in response to potential changes. As in the prior reporting period, in determining the financial materiality threshold for climate-related risks and opportunities, the criterion used was an impact equal to or greater than 2% of Alarko Group of Companies’ total assets. Matters below this threshold may still be retained in the inventory and monitored by taking into account their qualitative importance, links to strategy and the business model, effects on investor decisions and outcomes that may change over time. The parameters used in the risk and opportunity assessment are presented below.

Likelihood	Corporate Level		Definition
	Very High		Almost certain to occur
	High		Highly expected to occur
	Medium		Possible to occur
	Low		Low probability of occurrence
	Very Low		Almost impossible to occur

Financial Impact	Score Range	Corporate Level	Definition	Financial Equivalent
	1-4	Monitorable	Does not cause significant damage to the Group’s operations or objectives. The impact is not noticeable.	Almost no impact on Alarko Group of Companies’ total assets
	5-8	Low	Felt in limited areas, but does not materially affect overall performance or objectives.	Impact equal to 0.5% of Alarko Group of Companies’ total assets
	9-12	Medium	Causes noticeable impacts in limited areas, but does not affect the Group’s overall performance.	Impact equal to 1% of Alarko Group of Companies’ total assets
	13-16	Significant	May significantly affect the Group’s strategic objectives and performance results; intervention is required.	Impact equal to 1.5% of Alarko Group of Companies’ total assets
	17-25	High	Creates a serious impact on the Group’s financial sustainability.	Impact equal to 2% of Alarko Group of Companies’ total assets

Time	Period		Definition
	0-1 Year		Short Term
	1-5 Years		Medium Term
	5-10 Years		Long Term

Assessment Process for Sustainability- and Climate-Related Risks and Opportunities

Identification and Prioritization of Risks and Opportunities

In identifying sustainability- and climate-related risks and opportunities, Alarko considers the Group's areas of activity, geographic footprint and value chain together with sectoral developments, publicly disclosed practices in peer companies' sustainability reporting, legislative and regulatory changes, public policies, market conditions and technological transformation. In this work, the TSRS 2 industry-based application guidance and SASB industry metrics serve as references. The TCFD classification used in the previous period continues to help distinguish risks in terms of physical and transition dimensions.

In the analysis for the reporting period, both sustainability-related and climate-related risks and opportunities were assessed separately over the short, medium and long term; each matter was evaluated based on financial impact and likelihood. The potential impact of the risk or opportunity on strategy, financial resilience, capital allocation and operational continuity, together with the time horizon over which the impact may arise, were considered. The heat maps prepared helped make these assessments tangible and visible, and all work was finalized based on senior management's assessment and approval.

Scenario analyses were used to test how risks and opportunities may change under assumptions related to legislative and regulatory changes, physical climate conditions, resource and input costs, energy markets, technological developments, demand dynamics, and investment and capacity plans. Based on available data, the study included qualitative and semi-quantitative assessments and the potential effects of changes in likelihood and financial impact on strategic resilience. In this context, no risk or opportunity expected to create an impact close to the specified threshold was identified.

You can access the report prepared by Alarko Carrier Sanayi ve Ticaret A.Ş. (Alarko Carrier)—one of our Group Companies subject to reporting obligations under the TSRS—based on 2025 data, which provides detailed information on governance, strategy, risk management, metrics, and targets related to sustainability and climate-related risks and opportunities, here.

Determination and Implementation of Control Activities

At Alarko Holding, activities aimed at mitigating the impacts of sustainability-related and climate-related risks and capitalizing on opportunities are determined by taking into account the field of activity and operational conditions of the relevant Group Company to which the risk or opportunity relates. In this context, the practices implemented by Group Companies are considered an integral part of the risk and opportunity assessment process conducted at the Holding level.

The prominent short-term transition risk identified during the reporting period relates to the potential cost and compliance implications of the Emissions Trading System (ETS) and other carbon pricing mechanisms for emissions-intensive electricity generation. To effectively manage the risks that may arise from the ETS and carbon pricing mechanisms, particularly climate-related risks, an assessment framework encompassing regulatory monitoring and forward-looking scenario analyses is being established within CENAL. As part of the measures implemented to control this risk, carbon emissions calculations continue to be performed for both TSRS reporting and Monitoring, Reporting and Verification (MRV) reporting purposes. In addition, the CENAL Thermal Power Plant achieves high cycle efficiency through the use of ultra-supercritical, Benson-type pulverized coal boiler technology, thereby minimizing specific CO₂ emissions per unit of electricity generation, or carbon intensity, compared with conventional power plants. A multi-stage treatment architecture has been integrated at CENAL to ensure compliance with the Regulation on the Control of Industrial Air Pollution and the standards established under the EU Industrial Emissions Directive, including the Large Combustion Plants Best Available Techniques Reference Document (IED/LCP BREF). The mass flow rate of NO_x emissions is reduced through stoichiometric ammonia injection using the DeNO_x Selective Catalytic Reduction (SCR) system. High-voltage Electrostatic Precipitators (ESPs) reduce fly ash in the flue gas to minimum emission levels. A high level of sulphur removal efficiency is achieved through the seawater-based wet Flue Gas Desulphurization (SWFGD) system.

Assessment Process for Sustainability- and Climate-Related Risks and Opportunities

Through the high treatment efficiency provided by these systems, CENAL maintains emissions substantially below national and international emission limit values and continues to be regarded as one of the benchmark facilities in its sector. Pollutant parameters are monitored continuously and in real time, and recorded by the competent authorities through Continuous Emissions Monitoring Systems (CEMS) and the Continuous Wastewater Monitoring System. Recognized as one of the most efficient coal-fired power plants in Türkiye, CENAL focuses not only on emissions control but also on balancing carbon costs and ensuring regulatory compliance. Accordingly, its unlicensed solar power plants located in the Central Anatolia Region, with a total installed capacity of 50.3 MW, generated 102.55 MWh of electricity in 2025, in line with the budget.

CENAL does not classify the ash generated from electricity production as conventional “waste” associated with disposal risks. Instead, in accordance with circular economy principles, it recovers the ash for use in the economy as a “by-product” with the characteristics of an industrial raw material. The ash management and storage infrastructure is operated through a modern system comprising enclosed silos and pneumatic conveying systems, which eliminate the risk of dust emissions to surrounding communities and ecosystems. In addition, CENAL aims to permanently minimize the need for ash storage by supplying all industrial ash generated to the cement and construction sectors through direct sales channels. As a result of the dynamic logistics and sales strategy implemented during the 2025 financial year, 99.45% of the ash generated was sold in domestic and international markets, minimizing the amount of ash stored on site.

⁶Refers to the opportunity coded “O1” in the reference table.

Furthermore, as at 25 June 2026, the year following the reporting period, the share transfer transactions relating to the CENAL Karabiga Thermal Power Plant, which had been under the joint control of Alarko Enerji A.Ş. and Cengiz Enerji, were completed, and control of the power plant was transferred to Cengiz Enerji. Consequently, the impacts on the Group of climate-related risks arising from the Emissions Trading System, carbon pricing and similar regulations are not expected to be financially material over the medium and long term.

Increasing water stress caused by climate change and anticipated regulations concerning water use may pose risks to the yield, continuity and cost structure of agricultural production. To manage this risk, the Alarko Agriculture Group achieves significant resource savings through soilless farming practices. In soilless farming, a growing medium with high water retention capacity is provided through the use of “coco peat,” which is produced by processing and compressing coconut husks into blocks. This method consumes 60% less water than conventional agriculture, enabling water resources to be used more efficiently. Through the technology investment implemented at Alsere, which operates within the Agriculture Group, drainage water discharged by plants is recovered and reused for irrigation and plant nutrition, generating an additional 30% saving in water and fertilizer consumption. In this context, resource savings of up to 72% are achieved in total water use. Artificial intelligence-assisted greenhouse climate management and IoT-based water and energy monitoring applications support irrigation decisions, while planned investments in rainwater harvesting and storage are intended to facilitate the use of alternative water sources. Geothermal heating and the reinjection of used geothermal water into its original geological source also constitute an important component of this approach.

Pressure on water resources and the need for more efficient use of agricultural inputs create an opportunity for Palmira Agro Gübre Sanayi ve Ticaret A.Ş. to develop and market microgranular fertilizer solutions.⁶ Palmira Agro’s microgranular fertilizer plant, with an annual production capacity of 12,000 tonnes, was established using resource efficiency-oriented hybrid production technology. While products that can be applied at lower dosage rates offer the potential to improve the efficiency of agricultural input use, the facility’s production process has been designed to consume 65% less energy and 70% less water than conventional methods. The facility’s 1,200 kWp solar power system supplies 35% of its energy requirements. Climate change mitigation and resource efficiency objectives constitute an important foundation for Alarko’s entry into the modern agriculture sector. Supported by product and process development across all sub-activities, this strategy also generates a competitive advantage in export markets.

Changes in precipitation patterns and drought may result in variability in the revenue streams generated by hydroelectric power plants. To limit the impact of dependence on hydrological conditions and diversify its generation portfolio, Altek Alarko is developing hybrid solar power capacity at the Karakuz Hydroelectric Power Plant site. Permitting procedures were carried out for an additional 0.5 MW of capacity on top of the existing 1.5 MW hybrid solar power capacity, while project development and acquisition opportunities aimed at expanding the renewable energy portfolio were also evaluated. The 10-year periodic maintenance activities carried out at the Karakuz Hydroelectric Power Plant in 2025 also support the reliable and efficient operation of the facility. Despite the drought experienced during the reporting period, additional value was generated for revenue through operational optimization at the hydroelectric power plants and the sale of I-REC certificates.

Assessment Process for Sustainability- and Climate-Related Risks and Opportunities

The Group aims to increase its existing renewable installed capacity of 136 MW approximately fivefold, reaching 650 MW by 2030. In addition, the Group plans to expand the Energy Group's operations through clean energy solutions and provide technological contributions to Türkiye's energy supply and security.

Extreme weather events and natural disasters may cause failures and outages in the distribution network, creating risks for energy distribution operations in terms of service continuity, investment and operating costs, and regulatory obligations.⁷ To strengthen network resilience and emergency response capabilities, MEDAŞ invested more than TRY 8 billion in its distribution network in 2025. The number of substations covered by the Supervisory Control and Data Acquisition (SCADA) system increased to 1,721. The remote intervention infrastructure reduced response times from an average of 40 to 45 minutes for on-site interventions to less than three minutes. Automated Meter Reading Systems (AMRS), Distribution Management Systems and Outage Management Systems (DMS/OMS), remote switching and network monitoring applications are used to enable the early detection of failures, monitor network loads and restore the energy supply more rapidly. These activities are complemented by periodic maintenance and network renewal works.

Monitoring and Reporting of Risks

During the reporting period, the time horizons used in analyzing risks and opportunities were updated as 0-1 year, 1-5 years and 5-10 years in line with the Group's planning approach. Separate heat maps were prepared for each time horizon for risks and opportunities, and the

assumptions used in scenario analysis were linked more systematically to the risk and opportunity assessment. These changes position the heat map not as a standalone result, but as a prioritization tool supporting management assessment. Alarko Holding regularly monitors and reports its risks and opportunities in line with corporate strategy.

With the active participation of executives from the Holding's Corporate Communications and Sustainability Directorate and those serving on the Joint Impact Council risks in the relevant areas are assessed in light of strategic priorities, management actions are determined, and contributions are made to continuous improvement initiatives.

At Alarko Joint Impact Day, which is held with the participation of Group companies that have sustainability targets, presentations on sustainability performance are delivered. Based on the assessments made during Joint Impact Day, the sustainability scores included in the Group companies' corporate scorecards comprise the ratings assigned by the Joint Impact Council and the Group Chief Executive Officer, who chairs the Board.

The General Assembly resolutions regarding the new structure of the Energy Group, which were publicly disclosed after the reporting period, were registered and became effective on June 25, 2026. This portfolio change was taken into account as an updated input in medium- and long-term assessments. The change alters the weight of transition risks associated with coal-based electricity generation within the Group's risk profile. Other sustainability- and climate-related risks and opportunities in the portfolio continue to be monitored separately.

⁷Refers to the risk coded "R2" in the reference table.

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Greenhouse Gas Emissions Metrics

Alarko Holding’s 2025 Scope 1 and Scope 2 greenhouse gas emissions were calculated in metric tons of carbon dioxide equivalent (tCO₂e) in accordance with the Greenhouse Gas Protocol - Corporate Accounting and Reporting Standard (2004) (GHG Protocol). The emissions-related disclosures have been presented in accordance with the relevant requirements of TSRS 2 Climate-related Disclosures. Greenhouse gas emissions have been consolidated in accordance with the financial control approach set out in the GHG Protocol.

For Scope 2 emissions, location-based results were calculated using the average grid emission factors associated with the electricity consumed. Activity data, emission factors, global warming potentials, the consolidation approach, and other calculation parameters used in the calculations are disclosed in the **“Reporting Guide for Greenhouse Gas Emissions”** section of the Report.

Biogenic greenhouse gas emissions were not included in the Scope 1 total; they are disclosed as a separate indicator. Improvements relating to the previous reporting period are presented in the **“Assumptions, Measurement Uncertainties and Errors”** section. The 2025 carbon footprint results of Alarko Group of Companies are presented in the table below.

Greenhouse Gas Emissions (tCO ₂ e)	2024	2025	Description
Scope 1	3,564,011.60	3,517,353.27	Direct greenhouse gas emissions
Scope 2 - Location-Based	138,967.36	142,882.42	Average grid emission factors were used.
Total Scope 1 + Scope 2 - Location-Based	3,702,978.96	3,660,235.69	Total of Scope 1 and location-based Scope 2.
Biogenic Emissions	151.65	150.25	Reported separately outside the Scope totals.

Impact of Changes in Portfolio Structure on Emissions Metrics

The 2025 emissions inventory includes the consolidation of CENAL emissions in proportion to Alarko Holding’s share, as CENAL remained within the Group as a joint venture throughout the reporting period. In 2026, after the reporting period, CENAL was transferred to Cengiz Enerji; all shares of MEDAS, MEPAS, MESAS, Alarko Carrier and related companies were transferred to Alarko Energy. This will structurally change the scope of the future-period emissions inventory and the distribution of emissions sources.

Alarko Holding aims to evaluate this portfolio effect separately from actual operational emissions reductions. In future-period performance analyses, the reported inventory, the impact of portfolio and consolidation changes, comparable-scope operational performance and the growth impact of agriculture, aviation, energy storage and other new activities will be monitored through separate indicators

Cross-Industry Metrics

Under TSRS 2, cross-industry metrics were considered in connection with climate-related risk and opportunity assessment. In the 2025 risk assessment, the short-term transition risk was associated with CENAL’s carbon pricing exposure and potential exposure to the Turkish Emissions Trading System. No risk concentration exceeding the reporting threshold was identified in the medium or long term; physical risks and opportunities were monitored through operational indicators specific to the activity groups.

Metric	2025 Disclosure
Greenhouse gas emissions	Scope 1 and Scope 2 location-based results are disclosed in the table above. The transition exemption was used for the disclosure of Scope 3 emissions.
Activities exposed to transition risks	The short-term transition risk was monitored through CENAL's emissions-intensive electricity generation and potential exposure to carbon pricing. CENAL’s 2025 equity-share consolidated Scope 1 emissions were 3,498,602.23 tCO ₂ e, and its location-based Scope 2 emissions were 69.34 tCO ₂ e. The financial amount and percentage of assets or activities exposed to transition risk were not calculated separately because CENAL left Alarko’s portfolio.
Activities exposed to physical risks	No physical risk exceeding the reporting threshold was identified in the medium- and long-term assessment. Operational resilience is monitored through indicators such as MEDAS's grid investments of more than TL 8 billion in 2025, 1,721 SCADA stations and remote intervention time reduced to under three minutes, as well as water savings of up to 72% in the Agriculture Group.
Activities aligned with climate-related opportunities	Renewable energy generation, energy storage, resource-efficient agricultural production, microgranule fertilizer and energy-efficient climate control systems are monitored as opportunity areas. The total amount and percentage of assets or activities aligned with these activities will be calculated in future reporting periods.
Capital deployment	In 2025, MEDAS made grid investments of more than TL 8 billion. Under capacity and investment plans related to energy storage and battery production, a facility is planned with an initial budget of approximately USD 485 million.
Internal carbon price	Due to the portfolio transformation carried out during the reporting period and the continuation of current investments, the internal carbon price has not been finalized. The internal carbon price is planned to be calculated in future reporting periods.
Remuneration	Alarko Holding adopts a performance-based remuneration policy for the Group Chief Executive Officer (CEO), Company General Managers, executives who are not members of the Board of Directors, and other members of management. This policy is structured to encourage managers to achieve financial targets and contribute to strategic sustainability- and climate-related targets. In line with this approach, ESG criteria have been integrated into the performance evaluation system. For the Group Chief Executive Officer (CEO), who is also a member of the Board of Directors, this ratio is 10%.

Industry-Based Metrics

Because CENAL was within the Group’s consolidation boundary during the 2025 reporting period, applicable activity metrics under TSRS 2 Industry-Based Guidance - Companion Volume 32, Electric Utilities and Power Generators, were taken into account. Because CENAL left the Group portfolio in 2026 following the reporting period, and because electricity distribution, retail sales and energy storage activities have increased their weight in the portfolio, the industry-based metric set to be used in future periods will be reassessed in line with the current business model and risk-opportunity profile.

Metric Code	Activity Metrics	Unit	Description	2025
IF-EU-000.B	Total electricity delivered to wholesale customers served	Megawatt hours (MWh)	3,498,884	3,447,234.7
IF-EU-000.D	Total electricity generated	Megawatt hours (MWh)	9,660,523	9,663,627.90
IF-EU-000.D	Percentage of total electricity generated by primary energy source	Percentage (%)	100% Thermal Power Plant	100% Thermal Power Plant
IF-EU-000.D	Percentage of total electricity generated in regulated markets	Percentage (%)	2.82%	2.99%

Sustainability- and Climate-Related Targets

Alarko Holding conducts its climate-change mitigation and low-carbon transformation efforts in line with its 2050 Net Zero Emissions target. In the target-setting process, current and future portfolio structure, the data quality of the emissions inventory, climate-related risks and opportunities, investment plans and the Group’s growth strategy are assessed together. CENAL’s exit from the Group portfolio in 2026, changes in the consolidation rate of Alarko Carrier, MEDAS, MESAS and MEPAS, and growth plans in agriculture, aviation, energy storage and other areas will affect the absolute emissions trend in future periods. After the effects of portfolio transformation and new growth areas on the emissions profile are clarified, the Holding plans to determine and publicly disclose greenhouse gas reduction targets based on a comparable base year.

Performance Indicator	Base Year	Interim Target	2050
Total Scope 1-2 Green-house Gas Emissions	2024	Target-focused work is ongoing and is intended to be shared in future reporting periods.	Net Zero Emissions Target

Climate and sustainability-related performance indicators are integrated into the corporate scorecards of the Group Companies. All results are monitored through the Joint Impact Council meetings and annual Joint Impact Day activities, and the relevant outcomes are reported to the Holding Corporate Communications and Sustainability Directorate. Detailed information regarding the Joint Impact Council is provided in the **“Alarko Holding Sustainability and Climate Governance Structure”** section of this Report.

Subsequent Events

In 2026, transfer transactions related to the assets and subsidiaries within Alcen Enerji Dağıtım ve Perakende Satış Hizmetleri A.Ş. (“Alcen”), a joint venture of Alarko Holding’s subsidiary Alarko Enerji A.Ş. (“Alarko Energy”) and Cengiz Enerji Sanayi ve Ticaret A.Ş. (“Cengiz Energy”), were completed through the joint decision and cooperation of the parties. In this context, the Cenal Karabiga Thermal Power Plant, which has been operating since 2018, was transferred to Cengiz Enerji, while all shares of the companies operating since 2009 in electricity distribution (MEDAŞ), electricity sales (MEPAS and MESAS) and related areas in the Konya region were transferred to Alarko Energy.

Furthermore, Alarko Holding’s proposal to sell its 20% shareholding in Alarko Carrier Sanayi ve Ticaret A.Ş. (“Alarko Carrier”) to Carrier HVACR Investment BV (“Carrier”) was publicly disclosed on 22 April 2025. As part of the negotiations conducted between Alarko Holding and Carrier, a modification to the previously announced transaction structure was considered. In this context, discussions commenced regarding the acquisition by Alarko Holding of Carrier’s shares representing 42.03% of Alarko Carrier’s share capital, with the objective of ending the parties’ joint ownership arrangement in Alarko Carrier.

Annexes

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Reporting Guide for Greenhouse Gas Emissions

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Limited Assurance Report within the Scope of TSRS

Reporting Guide for Greenhouse Gas Emissions

The information included in this Report covers the fiscal year ended December 31, 2025 and the relevant operations at offices and facilities under the responsibility of Alarko Holding and its subsidiaries, as detailed in the **“Reporting Boundaries and Measurement Approach”** section. The 2025 greenhouse gas inventory was calculated in accordance with the Greenhouse Gas Protocol - Corporate Accounting and Reporting Standard (2004) (GHG Protocol).

Greenhouse Gas Emissions

Alarko Holding A.Ş.’s consolidated greenhouse gas emissions for 2025 have been calculated by applying the financial consolidation approach, as presented below.

Indicator	2024 (tCO ₂ e)	2025 (tCO ₂ e)
Scope 1	3,564,011.60	3,517,353.27
Scope 2 - Location-Based	138,967.36	142,882.42
Total Scope 1 + Scope 2 - Location-Based	3,702,978.96	3,660,235.69
Biogenic Emissions	151.65	150.25

The Company’s organizational boundaries are aligned with its financial consolidation boundary. Greenhouse gas emissions from subsidiaries are consolidated on a 100% basis, while emissions from jointly controlled entities are accounted for in proportion to the Holding Company’s ownership interest, applying the financial control approach. Further information on the reporting boundaries and measurement approach is provided in the **“Reporting Boundaries and Measurement Approach”** section of the Report.

Scope 1 Emissions

Emissions from Stationary Combustion

Emissions from stationary combustion consist of coal combusted at power generation plants, natural gas used for heating facilities and offices, and diesel, gasoline, LPG, LNG, and fuel oil consumed in generators. In the calculations, total annual consumption data obtained from fuel invoices, stock movements and consumption reports were used; these values were converted into energy equivalents (TJ) using lower heating values defined in the national inventory, then fuel-specific CO₂, CH₄, and N₂O emission factors were applied to calculate the total amount of each gas. In the final step, CO₂ equivalent emissions were calculated by multiplying by IPCC AR6 global warming potential (GWP) coefficients. Stationary combustion is the category that accounts for the largest share in total Scope 1 emissions.

Emissions from Mobile Combustion

Emissions from mobile combustion result from the combustion of fossil fuels used in the vehicle fleet, field vehicles and construction equipment under operational control. Calculations were performed following the IPCC 2006 methodology using emission factors specific to fuel type (diesel, gasoline, LPG) and use type (on-road, off-road, two-stroke engine); fuel purchase records, accounting balances, and fleet management system data were used as primary data sources.

Reporting Guide for Greenhouse Gas Emissions

Fugitive Emissions - Refrigeration Systems and Fire Extinguishers

These emissions arise from leakage of gases used in refrigeration and air conditioning systems and fire extinguishing equipment. Calculations were performed using the number of devices and unit gas capacity, annual leakage rates specific to device class, refill amounts during the reporting period and IPCC AR6 GWP coefficients. For products charged on the production line, the leakage rate during the charging process was also considered separately.

Fugitive Emissions - Switchgear Containing SF6

Fugitive emissions from SF6 gas-insulated circuit breakers and switchgear used in electricity distribution activities were calculated based on equipment gas capacity and the annual leakage rate.

Emissions from Agricultural Activities

These are direct N₂O emissions resulting from the application of nitrogen fertilizers to soil in agricultural production activities. Total nitrogen input was calculated based on the amount of fertilizer used and the nitrogen content of each fertilizer type; in accordance with the IPCC Guidelines for National Greenhouse Gas Inventories (Volume 4, Chapter 11), the direct emission factor EF1 = 0.01 kg N₂O-N/kg N was applied, the N₂O-N value was converted to N₂O using the 44/28 molecular weight ratio, and converted to CO₂ equivalent using the AR6 GWP coefficient (273).

Biogenic Emissions

CO₂ emissions arising from the combustion of biomass-based fuels were reported separately without being included in the Scope 1 total in accordance with the GHG Protocol. 2025 biogenic emissions were calculated as 150.25 tCO₂e (2024: 151.65 tCO₂e). In 2024, these emissions were reported within stationary combustion, and comparative-period data were restated.

Scope 2 Emissions

Scope 2 emissions cover indirect greenhouse gas emissions from the generation of purchased electricity and heat energy used in the operational activities of Alarko Holding A.Ş. and the companies included in consolidation. In 2025, Scope 2 emissions were calculated as 142,882.42 tCO₂e using the location-based approach; the market-based approach was also considered (2024, location-based: 138,967.36 tCO₂e). The improvements for 2025 described under the report section titled “**Assumptions, Measurement Uncertainties and Errors**” were also applied to the 2024 greenhouse gas emissions calculation to ensure comparability.

Across the Group, the procurement process for renewable energy certificates related to electricity consumption was ongoing as of the reporting date. Since ownership rights related to the relevant certificates had not been finalized as of the reporting date, the calculation of market-based Scope 2 greenhouse gas emissions is ongoing. Therefore, market-based Scope 2 greenhouse gas emissions have not been presented in this reporting period.

The calculations were based on total annual kWh consumption reported on electricity invoices. For locations in Türkiye, the national electricity consumption emission factor of 0.434 tCO₂e/MWh published by the Ministry of Energy and Natural Resources was applied (Source: ETKB-EVCED-FRM-042 Rev.01). For international operations, the relevant national grid emission factor was used.

Scope 3 Emissions

Within the scope of this Report, Scope 3 greenhouse gas emissions were not calculated pursuant to the transition reliefs introduced by TSRS 1.

Elimination and Prevention of Double Counting

Elimination procedures were applied before consolidation to prevent the same emission from being counted across multiple companies due to intragroup energy transactions. The amount of energy subject to the electricity sales agreement between the electricity generation company and the intragroup retail sales company, and the share of the electricity distribution company’s technical and non-technical losses corresponding to intragroup sales, were eliminated to prevent double counting. In addition, shared consumption at the headquarters was allocated to the relevant Group Companies based on usage area.

Calorific Values of Energy Sources

Alarko Holding A.Ş.’s direct energy consumption was calculated based on the primary energy sources used within its activities. These energy sources consist of coal, natural gas, LNG, diesel, gasoline, LPG and fuel oil, as well as purchased electricity and heat. Energy consumption was calculated using conversion factors for each energy source.

Reporting Guide for Greenhouse Gas Emissions

Energy Source	Net Calorific Value	Unit	Reference
Natural Gas	8,250	kCal/Sm3	National Inventory
Coal	25.35	GJ/t	MRV Tier 1 Calculation
LNG	8,250	kCal/kg	National Inventory
Diesel	10,200	kCal/kg	National Inventory
Gasoline	10,400	kCal/kg	National Inventory
LPG	10,900	kCal/kg	National Inventory
Fuel Oil	9,600	kCal/kg	National Inventory

Emission Factors

Emission factors were selected in accordance with the Greenhouse Gas Protocol - Corporate Accounting and Reporting Standard (2004) (GHG Protocol) and are presented below.

Emission Factors for Scope 1 Emissions

Emission Source	CO ₂ (kg/TJ)	CH ₄ (kg/TJ)	N ₂ O (kg/TJ)	Reference
Natural Gas (Stationary Combustion)	56,100	1	0.1	IPCC 2006, V2 CH2 Table 2.3
Coal (Stationary Combustion)	92,080	10	1.5	MRV & IPCC 2006, V2 CH2 Table 2.3
LNG (Stationary Combustion)	64,200	3	0.6	IPCC 2006, V2 CH2 Table 2.3
Diesel (Stationary Combustion)	74,100	3	0.6	IPCC 2006, V2 CH2 Table 2.3
Gasoline (Stationary Combustion)	69,300	3	0.6	IPCC 2006, V2 CH2 Table 2.4
LPG (Stationary Combustion)	63,100	1	0.1	IPCC 2006, V2 CH2 Table 2.2
Fuel Oil (Stationary Combustion)	77,400	3	0.6	IPCC 2006, V2 CH2 Table 2.3
Diesel (On-road)	74,100	3.9	3.9	IPCC 2006, V2 CH3 Tables 3.2.1/3.2.2
Gasoline (On-road)	69,300	25	8	IPCC 2006, V2 CH3 Tables 3.2.1/3.2.2
LPG (On-road)	63,100	62	0.2	IPCC 2006, V2 CH3 Tables 3.2.1/3.2.2
Diesel (Off-road)	74,100	4.15	28.6	IPCC 2006, V2 CH3 Table 3.3.1
Gasoline (Off-road)	69,300	50	2	IPCC 2006, V2 CH3 Table 3.3.1
Gasoline (Two-Stroke Engine)	69,300	130	0.4	IPCC 2006, V2 CH3 Table 3.3.1

Reporting Guide for Greenhouse Gas Emissions

Emission Factors for Scope 2 Emissions

Country / Location	Emission Factor (tCO ₂ e/MWh)	Reference
Türkiye	0.434	ETKB-EVCED-FRM-042 Rev.01
Romania	0.2723	National grid emission factor
Kazakhstan	0.489	National grid emission factor

Global Warming Potentials of Gases

IPCC AR6 was used in selecting the global warming potentials of gases.

Gas Type	GWP (Global Warming Potential)	Source
CO ₂	1	IPCC AR6
CH ₄	27.9	IPCC AR6
N ₂ O	273	IPCC AR6
SF ₆	24,300	IPCC AR6
R22	1,960	IPCC AR6
R32	771	IPCC AR6
R134a	1,530	IPCC AR6
R404A	1,733.04	IPCC AR6
R407A	2,262.2	IPCC AR6
R407C	1,907.93	IPCC AR6
R410A	2,255.5	IPCC AR6
R417A	2,508	IPCC AR6
R600A	3	IPCC AR6
FM200	3,600	IPCC AR6

Significant Judgment and Measurement Uncertainty

Approximately 99.5% of Alarko Group of Companies' Scope 1 emissions arise from coal combustion at the electricity generation plant consolidated as a joint venture using the equity share approach. Therefore, the Group's emissions profile is highly sensitive to the production level and fuel mix of a single asset. The share of plant emissions reflected in the Holding is directly affected by changes in ownership ratio.

The primary driver of Scope 2 emissions is technical and non-technical loss energy in electricity distribution activities. The amount of technical and non-technical losses is calculated based on the difference between energy entering the region and energy accrued, and accrual timing and missing-accrual adjustments create measurement uncertainty in this amount. The portion corresponding to intragroup electricity purchase and sale was eliminated to prevent double counting.

Fugitive emissions from refrigerant gases and fire extinguishers are based not on direct measurement, but on device capacity and default annual leakage rates specific to each device class. Similarly, the IPCC default emission factor was used for N₂O emissions from agricultural activities, and variations related to climate, soil structure, and application method were not considered.

For international operations, electricity consumption emissions were calculated using the national grid emission factor of the relevant country. The timing difference between the publication periods of national factors and the reporting period is another source of measurement uncertainty.

Limited Assurance Report within the Scope of TSRS



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INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE INFORMATION PRESENTED BY ALARKO HOLDİNG A.Ş. IN ACCORDANCE WITH THE TURKISH SUSTAINABILITY REPORTING STANDARDS

To the General Assembly of Alarko Holding Anonim Şirketi

We were engaged by Alarko Holding A.Ş. (the "Company" or "Alarko Holding") and its subsidiary (collectively referred to as the "Group") to provide limited assurance on the information ("Sustainability Information") presented in the TSRS-Compliant Sustainability Report for the year ended 31 December 2025, prepared in accordance with Turkish Sustainability Reporting Standard 1 General Requirements for Disclosure of Sustainability-Related Financial Information and Turkish Sustainability Reporting Standard 2 Climate-related Disclosures (collectively referred to as "TSRS"), as published by the Public Oversight, Accounting and Auditing Standards Authority ("POA").

Our limited assurance engagement does not cover information relating to previous periods, other than climate-related risks and opportunities, nor other information associated with the Sustainability Information (including any images, audio files, website links, or embedded videos).

Limited Assurance Conclusion

Based on the procedures we performed and the evidence we obtained, as described under the heading "Summary of Work Performed as a Basis for the Assurance Conclusion," nothing has come to our attention that causes us to believe that Alarko Holding's Sustainability Information for the year ended 31 December 2025 has not been prepared, in all material respects, in accordance with the TSRS.

We do not express an assurance conclusion on information relating to previous periods, other than climate-related risks and opportunities, or on other information associated with the Sustainability Information (including any images, audio files, website links, or embedded videos).



Emphasis of Matter(s)

As explained in the "About the Report" section of the TSRS-Compliant Sustainability Report, in the TSRS-Compliant Sustainability Report prepared by the Group for the year 2025, the Group has disclosed only information related to climate-related risks and opportunities in the second annual reporting period, taking into account the exemption provided by the POA Board Decision dated 25 December 2025 and published in the Official Gazette No. 33123 dated 30 December 2025. However, this matter does not affect our conclusion.

As explained in the "About the Report" section of the TSRS-Compliant Sustainability Report, the Group is within the scope of the "Board Decision on the Scope of Application of the Turkish Sustainability Reporting Standards (TSRS)" published in the Official Gazette dated 29 December 2023 (No. 32414), and accordingly, taking into account the exemptions provided under TSRS 1 Provisional Article 3 and the extension of the transition exemption periods pursuant to the POA Board Decision dated 30 December 2025, no disclosure has been made regarding Scope 3 greenhouse gas emissions. However, this matter does not affect our conclusion.

Inherent limitations in the preparation of the Sustainability Information

Sustainability Information contains climate-related scenario-based information that is subject to inherent uncertainty due to incomplete scientific and economic knowledge regarding the likelihood, timing, or effects of possible future physical and transitional climate-related events.

In addition, the quantification of greenhouse gas is also subject to inherent uncertainty due to the lack of sufficient scientific knowledge required to determine the values used for emission factors and to combine different gas emissions.

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

The Group's management is responsible for the following:

- The preparation of the Sustainability Information in accordance with the TSRS;
- The design, implementation, and maintenance of internal control as deemed necessary to ensure that the Sustainability Information is prepared free from material misstatement, whether due to fraud or error;
- Additionally, the Group's management is also responsible for selecting and applying appropriate sustainability reporting methods, as well as making reasonable assumptions and estimates that are appropriate to the circumstances.

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

Auditor's Responsibilities for the Limited Assurance Engagement on the Sustainability Information

We are responsible for the following:

- To plan and perform the engagement to obtain limited assurance about whether the Sustainability Information contains material misstatements, whether due to fraud or error;
- To reach an independent conclusion based on the evidence we obtained and the procedures we performed; and
- To communicate our conclusion to the Group management.

As we are responsible for expressing an independent conclusion on the Sustainability Information prepared by management, we are not permitted to be involved in the preparation of the Sustainability Information, as such involvement could compromise our independence.

Limited Assurance Report within the Scope of TSRS



Application of Professional Standards

Our limited assurance engagement was conducted in accordance with Assurance Engagement Standard 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and Assurance Engagement Standard 3410 "Assurance Engagements on Greenhouse Gas Statements" as issued by the POA. Our responsibilities under these assurance standards are described in detail in the Auditor's Responsibilities for the Limited Assurance Engagement on the Sustainability Information section of our report.

We believe that the evidence we have obtained during the limited assurance engagement is sufficient and appropriate to provide a basis for our conclusion.

Independence and Quality Management

We have complied with the independence requirements and other ethical provisions of the Code of Ethics for Independent Auditors (including Independence Standards) issued by POA, which is built upon the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

KPMG is responsible for implementing the provisions of Standard on Quality Management 1 ("SoQM 1") Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and for maintaining a comprehensive quality management system, including written policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Summary of Work Performed as a Basis for the Assurance Conclusion

We are required to plan and perform our work to address areas where we have identified a higher risk of material misstatement in the Sustainability Information. The procedures we apply are based on our professional judgment. In conducting our limited assurance engagement on the Sustainability Information:

- Interviews were conducted with key senior personnel of the Group to understand the processes in place for obtaining the Sustainability Information for the reporting period;
- Interviews were conducted with those responsible for the Sustainability Information;
- The Group's internal documentation was used to evaluate and review the sustainability-related information;
- An evaluation of the disclosure and presentation of the sustainability-related information was performed;
- Through inquiries, an understanding was obtained regarding the Group's control environment and information systems related to the preparation of the Sustainability Information. However, the design of specific control activities was not evaluated, no evidence was obtained regarding their implementation, and their operating effectiveness was not tested;
- The accuracy of the Sustainability Information was tested by comparing it, on a sample basis, with the Group's supporting documentation;
- The appropriateness of the Group's estimation methodologies and their consistent application were evaluated. However, our procedures did not include testing the data on which the estimates are based or developing our own estimates to assess the estimates made by the Group;
- The selection of quantification methodologies and reporting policies for greenhouse gases was evaluated.



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

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi



19 August 2026
İstanbul, Türkiye

