SUSTAINABILITY REPORT GLOSSARY

with definitions

Alarko Holding
2025 Sustainability Report

ALARKO

Contents

Glossary:

Introduction

About the Report

With its 2025 Sustainability Report, Alarko Holding transparently presents its economic, environmental, and social values across all its sectors.

Alarko Holding A.Ş. ("Alarko Holding," "Alarko Group," the "Group," or the "Holding") addresses the economic, environmental, and social value it creates across its diverse business areas through a common governance approach, in line with its objective of becoming an international portfolio company. The Alarko Holding 2025 Sustainability Report describes how this approach is reflected in the Group's strategy, business model, and decision-making processes, based on its performance in 2025, progress achieved during the year, and forward-looking targets.

Scope of the Report

This Report covers the activities conducted in Türkiye and internationally between January 1 and December 31, 2025, by Alarko Holding A.Ş. and the subsidiaries, joint ventures, and joint operations included in its consolidated financial statements.

In addition to activities in the contracting, energy, industry and trade, tourism, land development, agriculture, and investment groups, the Report covers digital transformation and social impact initiatives conducted across the Group.

The companies, operations, and geographic boundaries covered by the performance indicators are specified in the relevant tables and disclosures. Where the reporting scope differs by indicator, these differences are explained separately. Unless otherwise stated, data relating to activities outside the reporting boundary has not been included in consolidated performance results.

Unless otherwise stated, financial information has been prepared based on Alarko Holding's independently audited consolidated financial statements for the fiscal year ended December 31, 2025, and its 2025 Annual Report. Unless otherwise indicated, all financial data is presented in Turkish lira (TL).

Throughout the Report, actual performance in 2025, ongoing initiatives, and forward-looking targets are presented separately. In accordance with Alarko Holding's Responsible Communication Policy, disclosures specify the scope of the data, the underlying assumptions, and any applicable limitations, reflecting the Holding's commitment to balanced and verifiable communication.

Transparency

A management approach that ensures stakeholders have access to accurate information and supports openness and accountability.

About the Report

Featured Projects

Audited Data

Certificates

Financial Capital

Manufactured Capital

Intellectual Capital

Human Capital

Social and Relational Capital

Natural Capital

Frameworks and Standards

The Sustainability Report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards. Strengthening alignment with the Turkish Sustainability Reporting Standards (TSRS) was also taken into consideration throughout the reporting process. The report also considers the "Stakeholder Capitalism Metrics" developed by the International Business Council (IBC) of the World Economic Forum (WEF). Prepared with reference to the United Nations Global Compact (UNGC), the Women's Empowerment Principles (WEPs), the Task Force on Climate-related Financial Disclosures (TCFD) and the United Nations Sustainable Development Goals (UN SDGs), the report has been structured in alignment with the environmental, social and governance (ESG) metrics included in the Borsa Istanbul (BIST) Sustainability Index. Further information is available in the "Appendices" section.

During the reporting period, Alarko Holding aligned its approach to determining sustainability priorities with the European Union's Corporate Sustainability Reporting Directive (CSRD) and conducted a Double Materiality Assessment (DMA). As part of the assessment, impacts, risks and opportunities were addressed through an integrated perspective, and material sustainability matters were identified following comprehensive evaluations conducted with the relevant business units. The identified matters were analyzed both in terms of the company's impacts on the environment and society and their potential effects on the company's financial performance.

- Further information is available in the **Double Materiality Assessment** section.

Alarko Holding prepared its report in compliance with the Turkish Sustainability Reporting Standards (TSRS) as a standalone report, in line with the expectations of the Public Oversight Authority (KGK). The TSRS are fully aligned with the global IFRS S1 and IFRS S2 Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB). The sector-specific metrics included in the report were determined based on the Sustainability Accounting Standards Board (SASB) Standards maintained by the ISSB.

- Further information is available in the 2025 TSRS-Compliant Sustainability Report.

The indicators presented on pages 93 and 155 of this Report, marked with "✓", were included in the Limited Assurance Statement and have been audited.

- Further information is available in the **Limited Assurance Statement** section.
- Further information on Alarko Holding's emissions calculation and reporting methodologies is available in the **Greenhouse Gas Emissions Reporting Guideline** section.

The Report should be read together with the Alarko Holding 2025 Annual Report and the corporate policies published on the Holding's website. Comments, recommendations, and questions concerning the Report may be submitted to sustainability@alarko.com.tr.

Design Manifesto of the Report

Through the streamlined design of our 2025 Sustainability Report, which reduces its digital carbon footprint, we reflect sustainability not only in what we communicate, but also in how we communicate it.

We recognize that in today's digital world, every image, every color, every data point, and every page entails an invisible consumption of resources.

With this perspective, we are publishing the Alarko Holding 2025 GRI-Compliant Sustainability Report, which presents our environmental, social, economic, and governance performance, in a streamlined, low-carbon format.

As the first holding company in Türkiye to publish a Responsible Communication Policy, we aim to reduce the environmental footprint of our sustainability reporting by:

Using fewer visuals, fewer colors, and fewer charts.

Generating a lower data load.

Working to provide greater meaning and richer context.

In this report, you will not find large photographs, visually dense backgrounds, high-contrast nature imagery, or elaborate design elements. This is because, rather than turning our report into a visual spectacle while communicating sustainability, we have treated the design itself as an integral element of sustainability.

We shortened the texts. We simplified the pages. We reduced reading time. We decreased the file size. We adopted a consistent icon language, a limited color palette, and a clean typographic layout. While removing every unnecessary element, we took care to preserve the report's overall coherence.

Recognizing that sustainability can only be achieved through a shared language and a common understanding, and that transformation begins with language, we introduced another innovation in this report.

Throughout the report, we included definitions of key concepts related to the topics addressed. We also added a comprehensive sustainability glossary at the end of the report.

In doing so, we enriched the report with an additional layer of value and took resource efficiency one step further.

We hope that the **Alarko Holding Sustainability Report and Glossary**, created with the aim of leaving a lasting yet responsible legacy for the future, will inspire all our stakeholders.

We view sustainable design as the art of communicating accurate information in its clearest and simplest form, and sustainable transformation as the art of advocating shared goals through a common language

Responsible Design

A design approach that aims to reduce the carbon emissions arising from digital tools by simplifying the use of visuals, color, text, and page layout.

Message from the Chairman of the Board of Directors

At Alarko, we are guided by the principle of responsibility toward nature and society, one of the foremost principles in our founding philosophy, as we navigate the transition to a low-carbon economy.

Dear Stakeholders,

The conditions required to sustain economic development while addressing climate change, natural resource constraints, and social well-being have become as important a consideration today as economic growth itself. As the Paris Agreement marks its tenth anniversary, the focus of the global agenda is shifting from setting targets to determining how the transition can be integrated into the economy, which instruments can be used to share its costs, and how the necessary financing can be structured.

As you know, Türkiye reached an important milestone with the Climate Law that entered into force in 2025. As the legal foundation for a carbon pricing market takes shape, reporting obligations and export requirements are making environmental performance an increasingly important measure of competitiveness.

At Alarko, we are guided by the principle of responsibility toward nature and society, one of the foremost principles in our founding philosophy, as we navigate the transition to a low-carbon economy. We prioritize the effective management of the environmental impacts and resource use associated with all our business areas. We direct our new investments with a focus on creating long-term, sustainable value.

Managing the diversity created by our different business lines within a balanced structure is one of Alarko's fundamental strengths. Our strong cash-generating capacity and robust balance sheet provide us with the flexibility to develop our portfolio. We measure the quality of growth by resource efficiency, resilience to changing conditions, and the ability to create lasting value for our stakeholders.

With this understanding, we are developing our portfolio around the strategic areas of the future. While expanding our renewable energy generation capacity, we continue to collaborate on energy storage and battery technologies. In electricity distribution and retail, we actively contribute not only to security of supply, but also to the clean energy transition. In industry and manufacturing, we focus on using our research, development, and innovation capabilities to benefit the planet. In the service sector, we apply the same level of care to our environmental and social impacts as we do to customer satisfaction. In agriculture, we are expanding our climate-resilient production models beyond Türkiye. We aim to make a lasting contribution to regional development in every geography in which we operate. Access to long-term development financing for our investments, international interest in our business models, recognition of our projects through respected awards, and, most importantly, the trust of our stakeholders further strengthen our motivation.

Long-Term Value

An approach that creates lasting value for stakeholders by managing resources responsibly.

Message from the Chairman of the Board of Directors

We have adopted as a fundamental principle that all our communications be based on verifiable data and that our commitments and disclosures remain consistent with our actual performance.

As the Alarko Holding Board of Directors, we regard integrating our strategic sustainability perspective into all decision-making processes and reinforcing it through accountability mechanisms as a fundamental responsibility. We link our targets to corporate monitoring systems and seek to communicate our progress transparently and in a balanced manner, based on reliable data and with clear disclosure of its context and limitations. In accordance with our Responsible Communication Policy, developed with the same understanding, we have adopted as a fundamental principle that all our communications be based on verifiable data and that our commitments and disclosures remain consistent with our actual performance.

At the heart of the values inherited from our founders lies the courage to ask the right questions. With every new decision, we consider not only what we are growing, but also what we are protecting and which needs we are addressing with lasting solutions.
We are building Alarko's future through our trust in reason, effort, and people.

I extend my sincere gratitude to our colleagues who share this responsibility with us, our investors who accompany us with their trust, our business partners, our customers, and all our stakeholders. In the period ahead, we will continue to use our resources carefully, transparently communicate the results we achieve, and further strengthen Alarko's capacity to create long-term value.

With these thoughts, I wish all our stakeholders health, happiness, success, peace, and prosperity.

Sincerely,

İzzet Garih
Chairman of the Board of Directors,
Alarko Holding

Message from the CEO

We more firmly integrated sustainability targets into our corporate performance systems, making ownership and accountability in this area an integral part of our corporate culture.

Dear Stakeholders,

Today, corporate success is measured not only by economic results, but also by resilience to the climate crisis, contributions to social well-being, and the value created for future generations. At Alarko Group, we regard sustainability not merely as a means of adapting to the requirements of a changing world, but as a strategic priority shaping our long-term growth and competitiveness. In line with this understanding, we bring our diverse business areas together around our Joint Impact objectives while applying an integrated transformation approach that allows each company to develop solutions tailored to its own dynamics.

We manage this approach as a living transformation program that guides our decision-making mechanisms and operations. We regard the path toward our 2050 Net-Zero Emissions target as a shared area of responsibility to which all our colleagues contribute. In 2025, we expanded our Joint Impact structure to encompass all Group companies, supporting a stronger culture of learning from one another, increasing the visibility of good practices, and deepening our collective value creation approach to sustainability management. We brought key indicators together within an integrated monitoring framework and strengthened regular information sharing and coordinated action among our companies. At the same time, we more firmly integrated sustainability targets into our corporate performance systems, making ownership and accountability in this area an integral part of our corporate culture.

During the year, we further strengthened our sustainability reporting capabilities, enabling us to assess climate-related risks and opportunities together with their financial impacts and transparently monitor progress toward our targets over time.

In accordance with our Responsible Communication Policy, we regard clear disclosure of the scope and assumptions underlying our reported results and the independent assurance of our indicators as being just as important as the data itself.

We address digital and green transformation within the same management framework and direct our research and development activities toward low-carbon and resource-efficient solutions. By leveraging artificial intelligence, we are deepening data-driven management across our operations, from energy to agriculture. We believe that lasting transformation depends on knowledge being reflected in decision-making and implementation processes and on employees at every level playing an active role. Through the Positive Impact Green-Collar Program, we continued to strengthen sustainability capabilities across the Group and build a shared sustainability culture in 2025.

Joint Impact

An approach in which different companies, units, and stakeholders work together around a shared sustainability goal, using aligned targets, measurement methods, and actions.

Message from the CEO

We also continued to advance resource efficiency and low-carbon transformation across our operations.

In line with our sustainability roadmap, we implemented strategic investments while accelerating initiatives that will support our future growth. As we progressed toward our goal of increasing renewable energy capacity approximately fivefold, we established the Alarko Gotion partnership, which will strengthen Türkiye's production capabilities in energy storage and battery systems. We continued, without slowing, our investments to strengthen services in Türkiye's largest electricity distribution region.

In agriculture, we expanded our approach to developing climate-resilient production models internationally and commissioned the first phase of our greenhouse cultivation investment in Kazakhstan. For the 850-decare geothermal greenhouse cultivation project planned in Eskişehir, we signed a EUR 80 million agreement with the Industrial Development Bank of Türkiye using International Bank for Reconstruction and Development funding. This was the first project financing in Türkiye directed toward the agricultural sector.

We also continued to advance resource efficiency and low-carbon transformation across our operations. The Alarko Carrier factory in Eskişehir began meeting all its electricity consumption through on-site solar energy generation. While continuing to operate Hillside Beach Club in Fethiye in accordance with high environmental standards, we made resource efficiency, environmental responsibility, and protection of the local ecosystem fundamental elements of the design approach for our new tourism facility planned in Bodrum.

We continued to shape our social investments around equal opportunity. Through the Entrepreneurial Pioneers Program conducted with Habitat Association, we have provided training to more than 4,000 women and grant support to 40 ventures to date. We continue to support women entrepreneurs in growing their businesses and participating more actively in economic life through mentoring and networking opportunities.

Through our field research conducted with BCSD Türkiye, which identified structural barriers to the participation of women and young people in agricultural employment, we highlighted the need for equal opportunity in this area. Under the program, which also includes solution-focused training, we sponsored the first training session on sustainable agriculture.

Through the First Step into the Arts Program launched in cooperation with the Istanbul Foundation for Culture and Arts, we continue to enable children to engage with culture and the arts at an early age and gain new experiences that support their creative development.

Through the sustainability governance structure further strengthened in 2025, we will continue to bring Group companies together around measurable targets, synergistic cooperation, and opportunities to learn from one another. As we align our shared environmental and social impact with our overarching strategies, we will maintain our focus on central guidance and coordination to improve the quality of the value we create.

I extend my sincere gratitude to my colleagues, whose knowledge and efforts strengthen our sustainability transformation journey, as well as to our investors, business partners, customers, and all stakeholders who place their trust in us and support us along the way.
Sincerely,

Ümit N. Yıldız
CEO, Alarko Group of Companies

Alarko Holding at a Glance

About Alarko Holding

Throughout the Republic of Türkiye's development journey spanning more than a century, Alarko has delivered projects that have left a lasting mark on the country's economic and social development for 71 years. The vision of its founders and the Alarko Philosophy written many years ago continue to guide the Group's decisions. Alarko carries this legacy into the future under the motto **"Value Redefined"** and aims to create lasting, positive impact in every area in which it operates.

The ethical values, commitment to quality, and emphasis on people that Alarko has maintained since its establishment have shaped a corporate identity grounded in trust and respect. The Group combines its expertise across diverse sectors with investment, engineering, and innovation capabilities. It manages growth through portfolio balance, technology-based business models, global expansion, and the creation of environmental and social values.

One of the central principles of the Alarko Philosophy, "Protecting nature and internal social balance in all activities," reflects the deep roots of environmental and social responsibility within the Group's culture. This understanding informs a decision-making framework extending from the efficient use of resources to the long-term environmental and social impacts of investments and provides the foundation for the Group's 2050 Net Zero Emissions target.

Alarko continues to pursue its objective of becoming an international portfolio company through a sustainable and responsible investment approach. It considers financial resilience together with environmental and social value in both new and existing investments. Through the Joint Impact approach adopted across the Group, Alarko aligns the capabilities of its business lines around common objectives and aims to create lasting value in the geographies in which it operates.

7
Business Areas

49
Group Companies

~6,000
Employees

Sustainability

A development approach that meets the needs of the present without compromising the ability of future generations to meet their own needs. It addresses economic prosperity, social justice, and environmental limits in a holistic manner.

Vision, Mission, Values, and Objectives

Vision

Our vision is to become a leading, strong, reputable, world-class company which grows through the difference that we make.

Mission

Our mission is to exceed expectations and carry Alarko into the future by embracing universal values and adopting different business models.

Main Principles of the Alarko Philosophy

Since 1954, Alarko has owed its reputation, reliability, world-class operations and sense of responsibility towards the Turkish public to its founding principles. The Alarko Philosophy, penned by founders Dr. Üzeyir Garih and İshak Alaton, continues to inspire the entire Group with its timeless principles.

- Always being honest towards the government, customers, stakeholders, employees, partners, sub-sectors and supporting industries in all activities
- Preserving nature and maintaining the social balance within the company in all activities
- Guiding customers seeming forceful and prioritizing customer requests
- Earning the profit that is deserved by the shareholders in light of these principles
- Implementing an autonomous management and central supervision approach; Embracing autonomy at the individual level; Adopting a bottom-up instead of top-down decision-making process with only approvals given by the management
- Motivating the entire staff with profitability through specific unilateral or bilateral formulas
- Giving the entire staff annual training at specific intervals according to their needs and fields and ensuring that they adopt modern technology.
- Making sure that all employees embrace the business as if it were their own, and that they work solely for the corporation's benefit at their own will
- Prioritizing teamwork and sharing profits, losses, success and failures as a corporate organization that acts according to established systems and procedures in its operations

Objectives

As a portfolio company, Alarko Group of Companies aims not only for financial growth but also to create an ecosystem that positively influences the business world, stakeholders and societies through meaningful relationships, based on the awareness that its strength stems from reliability, pioneering identity and a human- and nature-centered approach. The Group's strategic focus areas are to maintain its strong position through continuous transformation in existing business lines and to be an effective solution partner for a sustainable future through responsible and innovative investments.

Brand Manifesto

Throughout our 71-year journey of growth and transformation, we have continued to create lasting value with an approach centered on people and nature.

For 71 years, Alarko has continued its journey by transforming each day and expanding internationally. Guided by our belief in the power of diversity, we pursue excellence with determination and persistence. This journey has taught us that growth does not mean growing old. Since the first day, we have proudly carried forward the values inherited from our founders and renewed our commitment each day to being a reliable and respected group of companies. We aim not only to grow financially, but also to create an ecosystem of value that positively influences our stakeholders, the business community, and society through meaningful relationships.

As a portfolio company, we recognize that our strength comes from consistency and reliability, our pioneering identity, and our people- and nature-focused approach. We understand that our success is deeply connected to the prosperity and well-being of the stakeholders we serve and to the sustainability of the planet we share.

By valuing every individual we reach, nurturing every partnership, and translating our expertise into lasting contributions, we work to make a tangible difference in lives around the world.

While remaining committed to the wisdom of our past, we embrace the future with courage. Renewing, adapting, and transforming ourselves each day is one of the most important responsibilities entrusted to us by our legacy. We place flexibility, dynamism, and reliability at the heart of change, never stop rediscovering, and shape the future from this perspective. As we seek to advance our pioneering identity across all our business areas and expand further internationally, we never lose sight of the essence of the Alarko brand: creating sustainable, lasting, people- and purpose-driven value for the world.

Conscious Simplicity

An approach that aims to reduce environmental impact by using content and design elements purposefully and in moderation.

Business Areas

Contracting Group

Public-Private Partnership Projects

Build-Operate-Transfer Projects

Metro, Motorway, Infrastructure, And Facility Projects

Energy Group

Energy Generation

Electricity Distribution

Wholesale and Retail Energy Sales

Clean Energy Technologies

Energy Storage and Grid Solutions

Industry and Trade Group

Boiler Manufacturing

HVAC Air Handling Systems

Fan Coil Units

Rooftop Air Conditioners

Heat Pumps

Combi Boilers

Water Pressurization

Aviation and Aircraft Maintenance, Repair, and Overhaul

Digital Technology Solutions

Tourism Group

Hillside Beach Club

Hillside City Club

Land Development Group

Sustainable and Value-Oriented Real Estate Portfolio

Quality Living Environments and Project Development

Agriculture Group

Modern Greenhouse Cultivation

Specialty Fertilizer Production

Dried Food Production

Seed Breeding

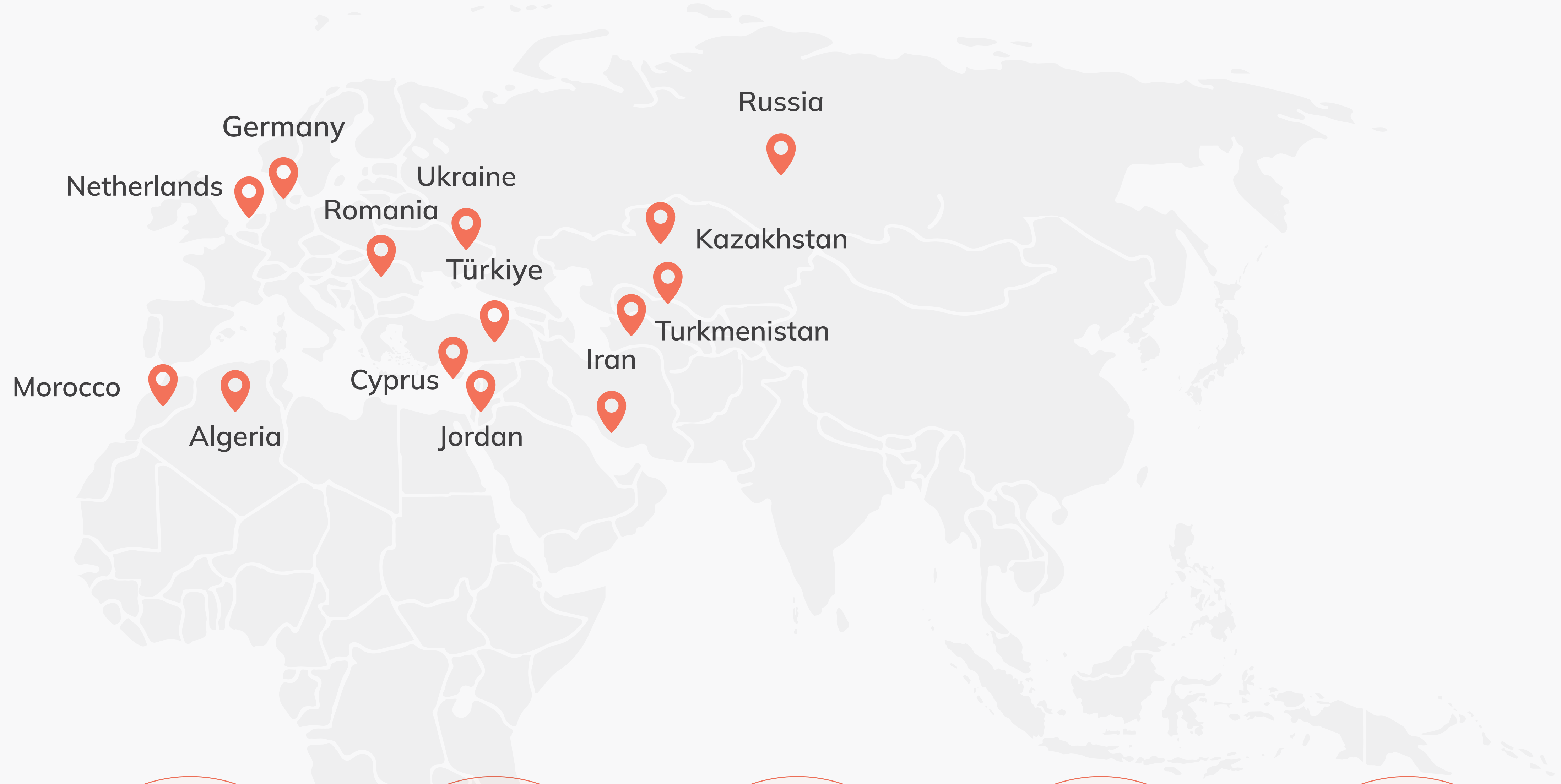
Investment Group

Venture Capital Investments

Investments in Publicly Traded Companies

Private Equity Investments

Business Areas



Exports to More than **50** Countries

Electricity Distribution and Retail Operations Across **66** Districts in **6** Provinces

~2.5 Million Electricity Customers

6 Production Facilities and Power Plants

Tourism Operations Welcoming Guests from **22** Countries

158 Hectares of Modern Greenhouse Cultivation Area in Türkiye and Kazakhstan

Network of More than **550** Dealers and Service Points

Business Areas

ALARKO CONTRACTING GROUP – ALSİM ALARKO

Alarko Contracting Group delivers public-private partnership, build-operate-transfer, and turnkey projects in Türkiye and internationally. The Group regards occupational health and safety as a fundamental priority and implements processes to reduce the impacts of its projects on air, water, and soil, as well as noise generation. With a focus on customer satisfaction and the use of advanced technologies, the Group adopts a selective approach to projects offering high return potential.

Operations in **3** Countries

+350 Projects Completed to Date

178th in Engineering News-Record's 2025 Top 250 International Contractors List

"We evaluate the success of our projects not only by engineering performance, but also by their impacts on people, the environment, and society."

Across our international and large-scale projects, we prioritize reducing environmental impacts, using resources efficiently, and creating lasting benefits in the regions in which we operate. We integrate our zero-accident objective, source-based waste management, use of low-emission equipment, and digital processes into our project management approach.

As we develop structures that are resilient to climatic conditions and compatible with their surroundings, we attach importance to the participation of our colleagues and to relationships with our stakeholders founded on trust.

Ümit BORAN
General Manager

As an established contracting and project management company operating internationally, Alarko Contracting Group delivers large-scale transportation infrastructure projects, including airports, railways, metro lines, roads, highways, tunnels, and bridges. Its areas of expertise also include industrial facilities, refineries, petrochemical plants, power plants, and pipelines, as well as mass and high-quality housing, hospitals, commercial centers, water supply systems, and wastewater treatment plants. **The Group ranked 178th in Engineering News-Record's 2025 Top 250 International Contractors List.** Operating in Türkiye, Romania, and Kazakhstan, the Group has completed more than 350 projects across three continents to date.

Alarko Contracting Group considers the environmental and social impacts of its projects together with their engineering and technical performance. Under a management structure supported by ISO 9001 Quality Management System, ISO 14001 Environmental Management System, and ISO 45001 Occupational Health and Safety Management System certifications, quality, environmental, and occupational health and safety processes are regularly monitored. The Group regards occupational safety as a fundamental human right and works toward a zero-accident objective at all its construction sites. To reduce environmental impacts at the source, it has standardized the use of low-emission equipment with next-generation engine technologies that is less than seven years old across its construction equipment fleet. This practice has **reduced carbon emissions from construction equipment by 20%–30%.** In 2025, Alarko Contracting Group strengthened its commitment to gender equality and inclusive working environments by becoming a signatory to the United Nations Women's Empowerment Principles.

The Group continued to enhance its business processes through digital technologies and moved subcontractor guarantee approvals and departmental orientation training to digital platforms in 2025. These applications prevented the use of tens of thousands of pages of paper and reduced both the need for employee travel and the associated carbon emissions. Applying the principles of autonomous management and centralized oversight in project management, Alarko Contracting Group manages time, quality, and cost in an integrated manner and maintains its position in international markets through transparency, corporate discipline, and advanced engineering capabilities.

Business Areas

Alarko Contracting Group delivers international infrastructure, transportation, and agricultural projects through sustainable technologies and advanced engineering.

Ongoing Projects

- Big Almaty Ring Road, Kazakhstan

The Big Almaty Ring Road, the first public-private partnership road project implemented in Kazakhstan and Central Asia, extends for 66 kilometers and comprises four- and six-lane road sections, bridges, viaducts, interchanges, intelligent transportation systems, and electronic toll collection infrastructure. The project is also one of the first privately financed large-scale infrastructure investments in Kazakhstan outside the oil and natural gas sector and forms part of the Western China-Western Europe international highway.

BAKAD opened to traffic on June 16, 2023, and its 15-year and 10-month commercial operating period began on June 26, 2023. Routine and periodic maintenance and repair, road safety inspections, traffic management, snow removal, and emergency response activities are conducted throughout the operating period to ensure safe, uninterrupted use and a high level of service. The operation of intelligent transportation systems, management of electronic toll collection processes, and user services are also included within the scope of the project.

- Istanbul Metropolitan Municipality Kabataş-Mecidiyeköy-Mahmutbey Metro Project, M7

Construction of the Kabataş-Yıldız section of the project, the first fully automated driverless metro line on the European side of Istanbul, is continuing. Completion of the Kabataş and Beşiktaş stations is expected to strengthen the line's integration with maritime transportation and other public transportation systems.

- Bucharest International Airport Metro Connection, Metro Section 6, Lot 1.1

Tunnel and station construction is continuing on the 6.4-kilometer metro line, which will comprise six stations and connect to the existing M4 line. The project is intended to strengthen public transportation links between the city center and Henri Coandă International Airport.

- Kazakhstan Modern Greenhouse Cultivation Complex Project

Alarko Contracting Group provides project management and technical consulting services for the Modern Greenhouse Cultivation Complex Project developed by Alarko Agriculture Group in Shymkent, Kazakhstan. Combining sustainable agricultural technologies with advanced engineering applications, the project is planned in two phases. The first phase is expected to be developed on 2,080 decares of land and the second on 4,450 decares. The project covers a total land area of 6,530 decares and aims to establish approximately 5,000 decares of enclosed greenhouse cultivation area. Construction of the first 400-decare section was completed and operations commenced by the end of 2025. The project's production infrastructure uses resource-efficiency technologies including hydroponic cultivation, drip irrigation, drainage-water recovery, and centralized automation systems. Controlled production conditions are intended to support efficient use of water and plant nutrients, reduce exposure to climatic conditions, and enable high-yield production throughout the year.

Responsible Project Management

An approach that considers technical performance together with environmental and social impacts in engineering solutions.

Business Areas

- Eskişehir Mahmudiye Geothermal Greenhouse Cultivation Project

Alarko Contracting Group provides project management and technical consulting services for the Geothermal Greenhouse Project developed by Alarko Agriculture Group in the Mahmudiye district of Eskişehir. The project covers 960 decares of land and includes earthworks, geothermal well activities, energy transmission infrastructure, irrigation systems, and auxiliary facilities. Modification and structural reinforcement of acquired existing greenhouses are also included within the scope of project management and technical consulting services.

The facility will use soilless farming technologies and is planned to use geothermal energy for heating. Returning the geothermal resource to the reservoir through a reinjection system is a fundamental component of the project, supporting the continuity of the resource and reducing environmental impacts. The use of geothermal energy is intended to reduce fossil fuel consumption, enable uninterrupted and efficient year-round production, and improve resource efficiency in agricultural production. Covering earthworks, geothermal infrastructure, irrigation systems, reinforcement of existing facilities, and the integration of production technologies, the project contributes to the development of Alarko Agriculture Group's modern greenhouse cultivation investments in Türkiye.

Certifications Held by Alsim

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

Featured Projects in the Contracting Group

Project Name	Project Focus Area	Project Details
Sustainable Balance Platform	Developing employee awareness of sustainability	Further information is available under Digitalization and Artificial Intelligence in the Digital Transformation section.
Mobile Field Observation at the M6 Metro Project	Digitalization of field safety and nonconformity monitoring	Further information is available under Employee Health and Safety in the **Investing in People** section.

Business Areas

ALARKO ENERGY GROUP

Alarko Energy Group has an integrated operating structure encompassing energy generation and distribution, wholesale and retail electricity sales, renewable energy certificates, energy storage, and grid technologies. In 2025, the Group continued investments that strengthened its renewable generation portfolio, improved electricity grid reliability and energy efficiency, and advanced the digitalization of customer services. The establishment of Alarko Gotion Green Energy and the licensing of Alcen Enerji Toplayıcılık expanded the Group's activities.

Energy Generation

- 136 MW of Installed Renewable Energy Capacity
- 184,672.27 MWh of Renewable Electricity Generated
- Approximately 3% of Türkiye's Total Electricity Generated by Thermal Power Plant

Energy Distribution and Sales

- 13.6 Billion kWh of Electricity Distributed
- Low Loss-Leakage Rate of 5.44%
- Approximately 2.5 Million Electricity Distribution and Retail Customers
- 166,872 International Renewable Energy Certificates (I-RECs) Sold

Energy Storage

- Investment in Production Facility with an Annual Production Capacity of 3 GWh, Where BESS Products with a Planned Capacity of 5 MWh Will Be Manufactured

Featured Projects in the Energy Group

Company	Project	Focus Area	Project Details
Altek Alarko	Monitoring and Conservation Activities at the Karanfildağı Wildlife Development Area	Protection of wildlife and habitats	Further information is available under Biodiversity and Ecosystems in the **Managing Environmental Impact** section
CENAL	Recovering Ash for Productive Use	Resource efficiency and emissions reduction	Further information is available under Circularity and Waste Management in the **Managing Environmental Impact** section.
MEDAŞ	Remote Grid Monitoring and Management	Grid reliability and service continuity	Further information is available under Operational Continuity in the **Operational Excellence and Business Continuity** section.
MEPAŞ	Renewable Energy Options and Digital Services	Access to renewable energy and environmental efficiency	Further information is available under Sustainable Products and Solutions in the **Digital Transformation** section.

Business Areas

"As we strengthen our renewable generation structure, we regard environmental and social responsibility as an integral part of our operations."

With the expiration of the generation license for the 82 MW Kırklareli Natural Gas Combined Cycle Power Plant in our portfolio in 2025, Altek Alarko became a company that generates all its electricity from renewable energy resources.

Through our hydroelectric power plants and hybrid solar power plant investment at the Karakuz site, we contribute to Türkiye's clean energy transition. The I-REC certificates we generate support our customers in transitioning to green energy. With teams that possess strong technical capabilities and environmental awareness, we work carefully to minimize the environmental impacts of our generation activities.

In addition to our beekeeping practices, we support biodiversity in the region through wildlife monitoring, conservation, and control activities and manage water resources responsibly. Through partnerships with our stakeholders founded on trust, we will continue to create environmental and social value in the period ahead.

Hakan AYTEKİN
General Manager

ALTEK ALARKO – ALTEK ALARKO ELEKTRİK SANT. TES. İŞL. VE TİC. A.Ş.

Focusing on renewable generation resources in the energy sector, Altek Alarko operates the Karakuz and Gönen Hydroelectric Power Plants and the hybrid solar power plant investment at the Karakuz site. Following the expiration of the generation license for the Kırklareli Natural Gas Combined Cycle Power Plant on December 11, 2025, the company's energy generation portfolio transitioned entirely to renewable energy resources. This development supports not only the reduction of the Group's carbon footprint, but also Türkiye's transition to clean energy resources in line with its 2053 Net Zero target.

ISO 9001 Quality Management System certification covering Altek's head office and the Karakuz and Gönen Hydroelectric Power Plants was completed in 2025. This established a common management infrastructure for standardizing operations, monitoring process performance, and supporting continuous improvement.

Investment in Renewable Energy Power Plants

At a time when climate change is adversely affecting water resources in Türkiye, Altek managed the effects of variability in water regimes on generation through operational optimization, scheduled maintenance, and energy sales practices aligned with market conditions. Periodic maintenance covering the turbine, generator, transformer, penstock, and switchyard at the Karakuz Hydroelectric Power Plant was conducted during the dry season, when water was unavailable, thereby preventing generation losses. Based on tests and inspections of mechanical and electrical systems, improvements were made to equipment where necessary.

The Karakuz Hydroelectric Power Plant (HEPP), which has been converted into a hybrid power generation facility, includes a solar power facility with an installed capacity of 1.5 MW. Approvals were obtained to install an additional 0.5 MW of capacity, and zoning plan and construction permitting procedures were initiated. Completion of the additional capacity is intended to enable hydroelectric and solar resources to complement one another at the same generation site.

Altek continued to evaluate domestic and international wind and solar energy projects in accordance with its investment criteria. As part of its 2026 operating plans, the company monitored preparations for offshore wind Renewable Energy Resource Area tenders and held discussions with domestic and international companies concerning potential participation and cooperation.

Clean Energy Solutions

Closely monitoring developments and targets relating to renewable energy resources globally and in Türkiye, Alarko Holding made an investment decision concerning Battery Energy Storage Systems and lithium-ion battery production and established Alarko Gotion Green Energy Enerji Depolama Sistemleri Üretim A.Ş. with Gotion Group in 2025.

By investing in technologies that support the energy transition, the company aims to contribute to increased flexibility in electricity systems, grid reliability, and renewable energy integration. Following approval for support under the HIT-30 Incentive Program, the Battery Energy Storage Systems manufacturing facility, with planned annual production capacity of 3 GWh, is expected to commence mass production within 12 months.

Business Areas

152,333 units
I-REC certificates sold

Preparatory work is also continuing for a lithium-ion battery manufacturing facility with annual production capacity of 5 GWh that will include a research and development center. Following completion of the incentive process, investment in the facility is expected to begin, with pilot production targeted to commence within approximately 24 months.

Renewable Energy Certificates

I-REC certificates are issued under the International Renewable Energy Certificate system for electricity generated at the Karakuz and Gönen Hydroelectric Power Plants. In 2025, Altek sold a total of 152,333 I-REC certificates, comprising 116,402 certificates from the Karakuz Hydroelectric Power Plant and 35,931 from the Gönen Hydroelectric Power Plant. Of the certificates generated by the Karakuz Hydroelectric Power Plant, 5,110 were used to match the electricity consumption of Alarko Holding's Head Office, Hillside Beach Club, Alsim Alarko, and Altek with renewable energy generation. Renewable energy generation therefore also supported the Group companies in managing emissions arising from electricity consumption.

Shared Value in Operating Regions

Monitoring, conservation, and control activities focused on wildlife in the Karanfildağı Wildlife Development Area, particularly wild goats, continued in 2025. Environmental flow releases were maintained in the waterways where the hydroelectric power plants operate to support the continuity of ecosystems and aquatic life.

Fruit trees were planted at the Karakuz and Gönen Hydroelectric Power Plant sites, and volunteer employees continued to maintain beehives that support pollination of local vegetation. Sports equipment was provided to the girls' volleyball team at Sarıköy Secondary School in the Gönen Hydroelectric Power Plant's operating region, contributing to the students' athletic development.

Renewable Energy

Energy obtained from naturally replenishing sources such as sun, wind, water, geothermal, and sustainable biomass.

Business Areas

"We regard high-efficiency generation, emissions control, and resource recovery as components of the same operating discipline."

At our facility, we carefully implement environmental protection practices, particularly energy conservation, carbon emissions reduction, and circular economy initiatives. We prioritize next-generation technologies in the plant's operation, maintenance, and operational processes and continue our digitalization activities.

To make the twin transformation perspective focused on sustainability an integral part of our corporate culture, we continuously strengthen our colleagues through internal and external training. We remain committed to fully integrating sustainability principles into all our activities to support Türkiye's security of energy supply with a strong sense of environmental responsibility and leave a livable natural environment for future generations.

İhsan ACAR
Operations Manager

CENAL – CENAL ELEKTRİK ÜRETİM A.Ş.

The Karabiga Thermal Power Plant, operated by Cenal Elektrik Üretim A.Ş. (CENAL), is located in Karabiga, Çanakkale, and has a total installed capacity of 1,320 MW, comprising two units of 660 MW each. As the first ultra-supercritical thermal power plant in Türkiye and the region, the facility contributes to the country's security of energy supply through its technological infrastructure, which delivers high thermal efficiency. The plant generated approximately 9.2 billion kWh of electricity in 2025.

In addition to the Karabiga Thermal Power Plant, CENAL operates unlicensed solar power plants with a total installed capacity of 50.3 MW in Türkiye's Central Anatolia Region. These plants generated a total of 102,550 MWh of electricity in 2025. The plant's generation and environmental management infrastructure was designed to improve energy efficiency, control air emissions, and maintain generation reliability. The enclosed coal storage areas control dust that may arise during coal storage and handling and prevent coal from coming into contact with the soil.

Thanks to its high-efficiency ultra-supercritical (USC) boiler technology and integrated emissions control systems, CENAL achieved an emission intensity of 720.76 kg CO_2/MWh of gross electricity generation, based on its actual 2025 performance.

With this performance, our power plant has an emission intensity approximately 10.2% lower than that of an average imported-coal-fired power plant in Türkiye and approximately 36.4% lower than that of an average domestic-lignite-fired power plant. Compared with the global averages for coal-fired power plants reported by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC), our power plant operates at an emission intensity approximately 15.7% lower than that of an average hard-coal-fired power plant worldwide and approximately 31.4% lower than that of an average lignite-fired power plant worldwide.

Efficient and Reliable Generation

In 2025, CENAL completed major maintenance covering one of the plant's primary systems. Maintenance and improvements to the turbine, generator, boiler, and auxiliary equipment supported equipment performance and generation reliability.

Enhancements to the turbine control system and advanced process control infrastructure enabled the units to change load more rapidly and operate safely at low load levels. This allowed the plant to respond more quickly to changing grid conditions and strengthened the support it provides for the ancillary service requirements of Türkiye's electricity transmission grid.

Air emissions are monitored through a Continuous Emissions Monitoring System, and measurement reliability is assessed through regular quality assurance and validity testing. Greenhouse gas emissions are reported annually in accordance with applicable legislation and are subject to independent verification. No nonconformities or major findings were recorded during CENAL's 2025 verification process.

Recovering Ash for Productive Use

CENAL treats the ash generated from electricity production as a by-product with economic value. Of the more than 320,000 metric tons of ash generated in 2025, 99.45% was used in the cement and construction sectors as a clinker substitute and raw material. Reusing the ash helped reduce the use of virgin raw materials and the need for disposal.

Local Employment and Vocational Development

The Karabiga Thermal Power Plant employs approximately 500 people, 80% of whom are from the local community. In addition to supporting local employment, CENAL cooperates with vocational schools, vocational high schools, and public education centers in neighboring provinces. Students are offered internship and on-the-job training opportunities, as well as post-graduation employment opportunities for suitable positions.

Business Areas

As the first ultra-supercritical thermal power plant in Türkiye and the region, the facility contributes to the country's security of energy supply through its technological infrastructure, which delivers high thermal efficiency.

~9.2 billion kWh

Electricity generated in 2025

Certifications Held by Cenal

- ISO 27001 Information Security Management System
- ISO 9001 Quality Management System
- ISO 45001 Occupational Health and Safety Management System
- ISO 50001 Energy Management System
- ISO 14001 Environmental Management System
- TS EN 450-1 - Fly Ash for Concrete Certification Regulation
- Energy Market Regulatory Authority Cybersecurity Regulatory Standard
- Zero Waste Certificate
- ASTM C618 Fly Ash Certificate of Conformity
- TS EN 450-1 A/B Certificate of Constancy of Performance for Fly Ash for Concrete
- G Bottom Ash Certificate of Conformity (UTO)

Energy Security

The ability to secure energy in sufficient quantity, without interruption, and on economical terms.

Business Areas

"We are preparing our grid for the needs of the future."

In 2025, we translated our sustainability approach into tangible and measurable results. Through practices that reduce our environmental impact, social responsibility projects, and investments in digital infrastructure, we improved the quality of our electricity distribution services. While making progress in energy efficiency and the integration of renewable energy resources into the grid, we also strengthened projects that create social value in our operating region.

We manage climate change, cybersecurity, and grid operating risks in line with our operational excellence approach. The secure integration of renewable energy resources into the distribution system, our digital monitoring infrastructure, and nature-based practices are among the principal areas of activity preparing our organization for the energy system of the future.

Erol UÇMAZBAŞ
General Manager

MEDAŞ – MERAM ELEKTRIK DAĞITIM A.Ş.

Meram Elektrik Dağıtım A.Ş. (MEDAŞ) is the electricity distribution company with the largest geographic service area in Türkiye, covering approximately 80,000 square kilometers across Konya, Karaman, Aksaray, Nevşehir, Niğde, and Kırşehir. The company serves approximately 2.5 million customers and operates with a workforce of approximately 2,500 employees and service-provider personnel across 35 operating units.

To improve service quality and expand the use of innovative technologies, the company invested more than TL 8 billion in 2025 in key areas such as digitalization, remote monitoring and control through SCADA, and the undergrounding of overhead power lines.

MEDAŞ continues to invest in grid capacity and technological infrastructure to enable the secure connection of solar and wind power plants to the distribution system and effectively manage the increase in renewable electricity generation. Of the approximately 13.6 billion kWh of electricity entering the region during the year, 38.33% was generated from renewable energy resources. The company's loss and illegal use rate was 5.44%.

Digital Grid Management and R&D

MEDAŞ supports its grid operations through digital technologies to improve service continuity and response times. In 2025, the number of stations covered by the Supervisory Control and Data Acquisition system reached 1,760. Through the remote intervention capabilities of 20 engineers and 25 data operators working at the control center, outage durations caused by faults at points covered by the system were reduced from an average of 40–45 minutes to less than three minutes.

Supported by its investments and employees, MEDAŞ remained one of the electricity distribution companies with the lowest loss and illegal use rates in Türkiye in 2025. Applications such as the integration of the Automated Meter Reading System, remote control of street lighting, and video communication with field teams strengthened operational traceability and response capacity. The company has conducted a total of 59 research and development projects to date, particularly in the areas of its Customer Information System, Enterprise Resource Planning, and Workforce Management System, 19 of which are ongoing. Under its entrepreneurship program for energy technologies, a total of TL 1 million in support was provided to three technology ventures in 2025.

Customer Experience and Social Contribution

MEDAŞ monitors the customer experience through direct feedback. Following grid service requests and fault reports, the company contacted 92,468 consumers in 2025 and achieved a customer satisfaction score of 83.9. The company ranked first in Türkiye in both the 2025 Consumer Satisfaction Survey conducted by the Electricity Distribution Services Association and the Neighborhood Head Satisfaction Survey conducted by Turkish Electricity Distribution Corporation. It ranked second in Türkiye in the Turkish Electricity Distribution Corporation Customer Satisfaction Survey. As part of its social contribution activities, MEDAŞ supported the Selçuklu Autism Foundation Marathon, organized to support individuals with special needs and raise awareness of autism, reaching approximately 3,500 people through the event.

Certifications Held by MEDAŞ

- ISO 27001 Information Security Management System
- ISO 9001 Quality Management System
- ISO 10002 Customer Satisfaction Management System
- ISO 45001 Occupational Health and Safety Management System
- ISO 18295 Customer Contact Center Management System
- ISO 14001 Environmental Management System
- Zero Waste Certificate

Business Areas

MEPAŞ's service network is supported by 19 Customer Service Centers, 53 Alternative Transaction Centers, and 11 concept stores.

3.2 billion kWh

MEPAŞ's eligible consumer portfolio in 2025

"We combine traditional retail services with next-generation energy management, redefining the customer experience along digital, inclusive, and sustainable lines."

In 2025, we took important steps to combine our traditional retail services with next-generation energy management. While the aggregation license obtained within our Group opened a new area of activity in grid flexibility, we expanded our eligible consumer portfolio to 3.2 billion kWh.

We matched our corporate electricity consumption with renewable energy certificates. Through our Digital Bill and Audio Bill applications, we made our services more environmentally efficient and accessible to all. We continue to create value for approximately 2.5 million customers through our technological infrastructure, our people, whose leadership capabilities we continue to develop, and our initiatives that generate social benefits.

İlker ARSLANARGUN
General Manager

MEPAŞ – MERAM ELEKTRİK PERAKENDE SATIŞ A.Ş.

In accordance with the Electricity Market Law, Meram Elektrik Perakende Satış A.Ş. (MEPAŞ) assumed responsibility from MEDAŞ for subscription, billing, and collection operations to open the retail electricity market to competition and separate distribution activities from retail sales activities.

MEPAŞ provides retail electricity sales services to approximately 2.5 million customers across an extensive geography covering 66 districts, 128 municipalities, 232 towns, and 3,130 villages and neighborhoods in the Meram region. Its service network is supported by 19 Customer Service Centers, 53 Alternative Transaction Centers, and 11 concept stores. MEPAŞ's eligible consumer portfolio reached 3.2 billion kWh in 2025.

Guided by its vision of being an environmentally responsible company, MEPAŞ matched all electricity consumption at its General Directorate and service centers with I-REC certificates in 2025.

Certification Solutions Supporting the Renewable Energy Transition

The Company offers its customers YEK-G (Renewable Energy Resource Guarantee Certificate) and I-REC (International Renewable Energy Certificate) solutions to promote the use of renewable energy and support the source-based traceability of electricity consumption. In this context, the sale of 60,567 YEK-G certificates and 14,539 I-REC certificates by MEPAŞ in 2025 enabled renewable energy use to be monitored in a transparent and traceable manner.

Energy Literacy

The competence to make informed decisions about energy use and its effects.

Business Areas

Digital Services and Customer Experience

The company conducts its activities with the objective of maintaining the highest level of customer satisfaction, enabling the communities it serves to access retail electricity services conveniently, and ensuring that its services are accessible to all. The Audio Bill application, which enables customers with visual impairments to access their bills by telephone, supported the inclusiveness of the company's services. The application received the "Good Idea" award at the CX Awards Türkiye.

The number of customers using the Digital Bill application increased from approximately 18,000 in 2024 to more than 235,000 in 2025. This prevented the printing of more than 2.6 million paper bills during the year.

In 2025, MEPAŞ expanded the use of automation and digital channels in customer request management, security deposit refunds, subscriptions, and contract processes. The integration of customer request systems with the Customer Information System shortened processing times, while the digitalization of contracts improved operational efficiency and access to information.

Employee Satisfaction and Social Contribution

As part of its human capital development efforts, MEPAŞ supported employee competencies in individual leadership, team management, and business leadership. Its social contribution activities included support for the SOBE Half Marathon for individuals with special needs.

Certifications Held by MEPAŞ

- ISO 27001 Information Security Management System
- ISO 9001 Quality Management System
- ISO 10002 Customer Satisfaction Management System
- ISO 18295 Customer Contact Center Management System
- Zero Waste Certificate

Subsequent Events

Following the end of the 2025 reporting period, a change was made to the ownership structure of the Cenal Karabiga Thermal Power Plant, which had operated since 2018 under the control of Alcen Enerji Dağıtım ve Perakende Satış Hizmetleri A.Ş. (ALCEN), a joint venture jointly controlled by Alarko Holding's subsidiary Alarko Enerji A.Ş. (Alarko Enerji) and Cengiz Enerji Sanayii ve Ticaret A.Ş. (Cengiz Enerji). Upon completion of the transaction agreed upon by the two partners, control of the power plant was transferred to Cengiz Enerji. As part of the same process, all shares in the companies controlled by ALCEN that had conducted electricity distribution through MEDAŞ, electricity sales through MEPAŞ and MESAŞ, and other related activities in the Konya region since 2009 were transferred to Alarko Enerji.

Business Areas

ALARKO INDUSTRY AND TRADE GROUP – ALARKO CARRIER

Alarko Industry and Trade Group conducts manufacturing, import, sales, and after-sales service activities in heating, cooling, ventilation, and water pressurization through a network of 588 dealers and service centers. Alarko Carrier became the export leader in the air handling unit, fan coil, rooftop air-conditioning unit, and packaged air-conditioning unit categories. Through research and development and digital applications, the company continues to expand its portfolio of energy-efficient products and contribute to Alarko Group's sustainability targets.

- **More than 20** Product Categories
- Exports to **38** Countries
- **2** Production Facilities
- **More than 550** Dealers and Service Centers
- **13%** Reduction in Total Water Consumption
- **50%** of Renewable Electricity Generated at the Eskişehir Facility Sold to the Grid
- **Diamond Award** in the Combination Boiler Category at the Şikayetvar A.C.E. Awards
- Export Leader for **13** Consecutive **Years***

According to data from the Turkish HVAC-R Exporters Association for the air handling unit, fan coil, and rooftop air-conditioning unit categories.

"We work to create safe and energy-efficient living environments that generate greater value with fewer resources."

The climate crisis, urbanization, the need to manage resources with increasing care, and the pace of technological transformation are among the dynamics shaping the world today. These developments create important opportunities as well as responsibilities for the heating, ventilation, and air-conditioning sector.

At Alarko Carrier, we regard sustainability not merely as an obligation to reduce environmental impacts, but as a strategic approach that transforms the way we do business. We believe that the living environments of the future will be built through an integrated approach that combines energy efficiency, digital technologies, responsible management of water and other natural resources, and a central focus on human safety and quality of life.

In line with this understanding, we continuously improve not only our products, but also our production infrastructure, operations, and decision-making processes.

We believe that technology's most valuable contribution during this period of transformation is its ability to produce smarter solutions for people and nature. Innovations ranging from artificial intelligence-enabled systems to low-carbon heating, ventilation, and air-conditioning technologies provide a strong foundation for more resilient cities, healthier living environments, and a safer world for future generations.

Drawing strength from our established engineering expertise, the knowledge and commitment of our employees, and the trust-based cooperation we have developed with our stakeholders, we will continue with determination to create value for more livable cities, more efficient buildings, and a more sustainable future.

Cem AKAN
General Manager

Smart HVAC System

A heating, ventilation, and air conditioning system whose performance is optimized using sensors, automation systems, and data analytics.

Business Areas

Operating in heating, cooling, ventilation, and water pressurization, Alarko Carrier manages the manufacturing, import, sales, and after-sales service processes for its products within an integrated structure. In addition to product development, the company invests in production techniques with reduced environmental impacts and digital applications that improve business processes.

Alarko Carrier manufactures combi boilers, condensing boilers, heat pumps, and circulation pumps at its factory in the Eskişehir Organized Industrial Zone, which has 13,000 square meters of enclosed space on a 22,500-square-meter site. The company conducts manufacturing and research and development activities with 535 employees at its Gebze and Eskişehir factories and provides sales and after-sales services through 278 dealers and 310 authorized technical service centers throughout Türkiye.

Offering products under the Alarko, Alarko Carrier, Totaline, and Toshiba brands, the company continues to expand its product portfolio in response to industry developments and changing customer requirements. Having begun manufacturing indoor heat pump units in 2024, Alarko Carrier continued research and development activities for outdoor unit production in 2025. Products offered under the Smart Fit Series feature wireless connectivity, enabling remote monitoring of energy consumption and management of devices according to user requirements. The company aims to extend this feature to a broader range of products.

Renewable Electricity Generation and Consumption

In 2025, the rooftop solar power plant at the Eskişehir production facility generated a total of 639 MWh of electricity. Of the electricity generated, 257 MWh was consumed in the facility's own operations, enabling a substantial portion of its annual electricity consumption to be met through solar energy. The remaining 318 MWh of electricity generated by the solar power plant in excess of the facility's requirements was supplied to the electricity distribution grid, contributing renewable energy to the system. The Eskişehir Facility therefore not only met its own energy requirements from renewable resources, but also supplied renewable energy to the grid, contributing to greenhouse gas emissions reductions.

Monitoring Industry Regulations and Legislation

Alarko Carrier is undertaking initiatives to improve the energy and resource efficiency of its products under the European Union Ecodesign for Sustainable Products Regulation. Design and component integration activities for the company's new air handling units were completed accordingly.

Certifications Held by Alarko Carrier

- ISO 14001 Environmental Management System
- ISO 27001 Information Security Management System
- ISO 9001 Quality Management System
- ISO 45001 Occupational Health and Safety Management System
- Zero Waste Certificate Basic Level
- TS EN 17025 Accreditation for Submersible Pump Testing Laboratory

Business Areas

Featured Projects in the Industry and Trade Group

Project Name	Project Focus Area	Project Details
Low-Carbon Product Development	Energy-efficient and low-carbon products	Further information is available under Sustainable Products and Solutions in the **Digital Transformation** section.
Changing the Air in Schools Project	Healthy and energy-efficient educational environments	Further information is available under Corporate Social Responsibility in the **Creating Value for Society** section.

Subsequent Events

Following the reporting period, negotiations commenced for Alarko Holding to acquire the shares held by Carrier HVACR Investments B.V. ("Carrier"), representing 42.03% of the share capital of Alarko Carrier Sanayi ve Ticaret A.Ş. ("Alarko Carrier"). The proposed transaction is intended to conclude the long-standing partnership between the parties.

If the transaction is completed, full control of the Company's governance and decision-making processes is expected to be consolidated under Alarko Holding. This development is expected to contribute to a more integrated governance structure aligned with the company's strategic priorities, accelerate decision-making processes, and more effectively support its long-term growth objectives.

Sustainable Innovation

The development of innovations in products, services, processes, or business models that deliver environmental and societal benefit. It is linked to resource efficiency, low-carbon solutions, and inclusive growth objectives.

Business Areas

Alarko Tourism Group offers a high-quality accommodation experience through its sustainability-certified facilities and environmentally friendly practices.

32,000+

Guests welcomed in 2025

ALARKO TOURISM GROUP – HILLSIDE

Alarko Tourism Group offers distinctive experiences in tourism and well-being in line with the Hillside brand's "Feel Good" approach. Combining global trends with its knowledge and experience, the Group continues to develop its operations through strong guest loyalty, quality employment, and sustainable tourism practices.

- **11** International Sustainability Certifications
- **More than 32,000** Guests Welcomed in 2025
- **86%** Guest Satisfaction
- **72%** Returning Guest Rate
- Guests from **22** Countries
- Europe's Best in the **"Best Eco-Friendly Resort"** Category at the Haute Grandeur Awards
- One of 1,000 Hotels Worldwide to Receive **Travelife Gold** Certification
- **4,865 MWh** of Electricity Consumption Offset with **I-REC** Certificates

"We combine feel-good experiences with a tourism approach that protects the natural environment and supports local value creation."

At Alarko Tourism Group, we regard sustainability as an integral part of the experience we provide to our guests. We implement our "Feel Good" approach not only through service quality, but also through the efficient use of resources, protection of natural assets, and contributions to the development of the regions in which we operate.

In 2025, we matched Hillside Beach Club's electricity consumption with renewable energy generation and reduced our market-based Scope 2 emissions to zero. We continued our initiatives relating to energy and water efficiency, reduction of single-use plastics, separation of waste at the source, and protection of forest and marine ecosystems. By subjecting our greenhouse gas inventory to independent verification, we continued to manage our environmental performance through a measurable and traceable structure.

By applying LEED Gold criteria at Hillside Resort Bodrum, we are addressing resource efficiency from the project's design stage. Through Hillside Academy, we prepare young people for employment in the tourism sector while supporting local employment and vocational development. Together with our guests, employees, and business partners, we advance a tourism approach that protects the natural environment, strengthens local value creation, and recognizes its responsibility toward future generations.

Edip İLKBAHAR
General Manager

Sustainable Tourism

An approach that jointly considers the current and future economic, social, and environmental impacts of tourism and the needs of visitors, the industry, the environment, and host communities.

Business Areas

Hillside Beach Club matched its 2025 electricity consumption of 4,865 MWh with renewable energy generation

332,750

Seeds introduced into nature during the year

Alarko Tourism Group operates in accommodation, sports, entertainment, and well-being through the Hillside Beach Club, Hillside City Club, Cinecity Cinemas, and Sanda Spa brands. Known as "paradise on earth," Hillside Beach Club welcomed more than 32,000 guests during the 2025 season and achieved a guest satisfaction score of 86% through its heartfelt service approach and continuously renewed services. Hillside also successfully represented Türkiye in respected international publications including The Telegraph, Condé Nast Traveller, Forbes, and the Daily Mail.

In 2025, Hillside Beach Club received the "Best Family Resort on a Global Level" and "Best Eco-Friendly Resort in Europe" awards from the Haute Grandeur Awards and the "Best Luxury Sustainable Resort in Eastern Europe" award from the World Luxury Awards. The facility received the Customer Excellence Award from British Airways Holidays for the ninth consecutive year and was recognized among Europe's best hotels in the Condé Nast Traveller Readers' Choice Awards 2025. Hillside Beach Club holds 11 international sustainability certifications, including Travelife Gold, and continues to develop its tourism services together with its environmental and social performance.

The new 800-bed hotel and resort project under construction in Gündoğan, Bodrum, is being developed in accordance with Leadership in Energy and Environmental Design Gold certification criteria. The project represents an important step in the Tourism Group's objective of expanding the Hillside brand to new destinations.

Hillside Beach Club continued its practice, launched in 2003, of dispersing a seed ball for every new guest. With 27,750 seeds introduced into nature during the year, the cumulative total reached 332,750. Value was also created in culture, the arts, and sports through quality events conducted throughout the season, including Salda Concert, Feel Good Week, London Jazz in the Sun, and British Film Institute Summer Screenings.

Managing Environmental Impact

Hillside Beach Club matched its 2025 electricity consumption of 4,865 MWh with renewable energy generation through I-REC certificates and reduced its market-based Scope 2 emissions to zero. The facility's 2025 greenhouse gas inventory was verified by Bureau Veritas in accordance with ISO 14064-1:2018.

The biodiversity inventory prepared with academics and marine biologists from universities, marine and coastal cleanup activities, removal of understory vegetation, and the Kozalak Wildfire Early Warning System are among the facility's practices for protecting ecosystems. Serving water in glass bottles and carafes instead of plastic bottles in common areas prevents the use of approximately 600,000 plastic bottles each year.

Business Areas

Building Capabilities in Tourism

Under Hillside Academy, which aims to support the professional and personal development of employees and provide the tourism industry with a qualified workforce, cooperation was established with four vocational high schools in 2025. A total of 7,512 hours of training in food and beverage, accommodation, and sustainability was provided to 354 students. Internship opportunities were offered to 75 students, including students from apprenticeship schools.

Hillside City Club: More than Sports

Operating in Etiler, Istanbul, Hillside City Club provides a meeting place that brings together sports and social life. Through its Outdoor Club concept, the facility added contemporary sports such as padel and pickleball to its program and reached more than 3,550 participants in 2025 through events including Hillside Club Market.

Sanda Spa: A Natural Spa Experience

Sanda Spa provides more than 60 therapy options at its facilities in Fethiye and Etiler, Istanbul.

Cinecity Cinemas: Cinema in Indoor and Outdoor Settings

Cinecity Cinemas presents current releases and selections from “Başka Sinema” to audiences in indoor theaters and through outdoor screenings organized during the summer.

Communications and Publishing

In addition to Hillsider Magazine, HillsideNOW, which publishes through Instagram Stories, reached approximately 140,000 followers. The channel’s content reached approximately 2.5 million people in 2025.

Featured Projects in the Tourism Group

Project Name	Project Focus Area	Project Details
Biodiversity Inventory and Ecosystem Monitoring at Hillside Beach Club	Protection of coastal, marine, and forest ecosystems	Further information is available under Biodiversity and Ecosystems in the **Managing Environmental Impact** section.
Reducing Single-Use Plastics at Hillside Beach Club	Waste prevention at the source and resource efficiency	Further information is available under Circularity and Waste Management in the **Managing Environmental Impact** section.
Vocational Development in Tourism through Hillside Academy	Vocational development and workforce participation of young talent	Further information is available under **Talent Management and Employee Development** in the Investing in People section.

Business Areas

Alarko Real Estate Investment Trust develops sustainable living spaces that prioritize resource efficiency, drawing on more than 50 years of experience.

50+ Years

of real estate development experience

LAND DEVELOPMENT GROUP – ALARKO REAL ESTATE INVESTMENT TRUST

With more than 50 years of experience in residential and commercial projects, the Land Development Group develops quality living environments. Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. (Alarko GYO) manages its real estate portfolio, comprising different asset classes, based on highest-and-best-use analyses. In its new investments, the company considers resource efficiency, climate resilience, and sustainable building standards.

- **USD 1 Billion** in Real Estate Portfolio Value
- **More than 50 Years** of Real Estate Development Experience
- **More than 5,000** Quality Homes and Villas Developed to Date
- Portfolio of **13 Assets** Across the Tourism, Office, Commercial Real Estate, and Land Segments

"We are building sustainable and future-ready spaces."

At Alarko GYO, we manage our real estate investments with an understanding of environmental and social responsibility. We regard reducing the carbon footprint and developing projects resilient to climatic conditions as part of our long-term value creation approach. Accordingly, while assessing development opportunities within our existing portfolio, we apply international sustainable building standards to our new investments.

At Hillside Resort Bodrum, we integrate LEED Gold criteria into the project's design and construction processes and address energy efficiency, effective resource use, and smart building systems in an integrated manner. In our work to restore historic buildings to urban life, we attach importance to preserving their original architectural characteristics while adapting them to contemporary requirements.

The technical expertise of our employees, the trust of our stakeholders, and the cooperation we have developed with our solution partners provide the most important foundation for this approach. With the objective of leaving a more livable environment to future generations, we will continue to develop investments that create long-term economic, environmental, and social value for the real estate sector.

Harun H. MORENO
General Manager

Green Building

A building that aims to reduce energy, water, material, waste, indoor environmental quality, and ecological impacts across the design, construction, operation, renovation, and end-of-use stages.

Business Areas

Technical and operational oversight processes for the Bodrum Hotel project, Hillside Resort Bodrum, are being carefully managed in line with high quality and environmental sustainability standards.

Alarko GYO develops its diversified real estate portfolio based on highest-and-best-use analyses and works to increase the value of its assets at the appropriate time through sustainable approaches. Technical, financial, and architectural feasibility studies continued in 2025 to develop strategically located real estate and land in the Maslak, Sarıyer, and Büyükçekmece districts in accordance with sustainability criteria.

Technical and operational oversight processes for the Bodrum Hotel project, Hillside Resort Bodrum, one of the portfolio's prestigious investments, are being carefully managed in line with high quality and environmental sustainability standards. Designed to reduce its carbon footprint, the project is being constructed in full alignment with LEED Gold certification criteria. Upon completion, it is expected to provide one of the most tangible examples of the Group's vision of creating long-term, stable, and sustainable value.

Vegetation and tree assets at the hotel site were also recorded under the Tree Survey Plan. Physical protection measures were implemented for trees deemed suitable for preservation within the construction site, while plants suitable for relocation were potted under the supervision of specialist teams and transported to a protected holding area in Yalıkavak. The condition of plants protected in place and relocated plants was monitored throughout the year through field inspections by specialist biologists.

Preservation and Repurposing of Historic Buildings

Work continued in 2025 to reconstruct the remains of the registered waterfront mansion and pavilion located on a wooded property in Büyükdere in accordance with their original characteristics and return them to the urban heritage. Zoning status and restitution and restoration procedures were monitored with the relevant conservation boards and municipal authorities.

Survey and restitution studies for the Karaköy Business Center were completed, and the project advanced to the restoration phase. Initiatives to repurpose historic buildings consider the preservation of their original characteristics, improved energy efficiency, and adaptation to contemporary use requirements.

Konut İnşaat A.Ş. Portfolio and Strategic Asset Management

In line with the Holding's long-term vision, Konut İnşaat A.Ş. continues to evaluate the strategic assets in its portfolio as effectively as possible and focus on high-value-added projects. As part of these strategic asset management and portfolio optimization initiatives, the sale of the company's logistics-zoned land in Orhanlı, Tuzla, Istanbul, to Universal Wind Enerji Elektrik Üretim A.Ş. was successfully completed, generating a significant source of cash for the company.

Design for Durability

An approach in which products are designed to extend their useful life. Through a longer service life, it can contribute to reduced resource consumption and reduced life-cycle environmental impacts.

Business Areas

Alarko GYO enhances the value of its portfolio through sustainability-focused projects and initiatives aimed at preserving historical heritage.

Real Estate Assets Held by Alarko Carrier

The sale and registration of the property in Tuzla, Istanbul, to Alarko Holding subsidiary Alarko Enerji A.Ş. were completed. Real estate development activities were conducted to increase the corporate value of the property, which had previously been used as an outdoor storage area. Technical studies and zoning implementation procedures conducted to assess the property's existing potential were completed, making the parcel legally and technically ready for sale.

Al-Riva Companies

Legal, technical, and zoning procedures were monitored to develop the long-term value creation potential of land held in the portfolios of the Al-Riva companies. Land subdivision and infrastructure development activities continued.

Certifications Held by Alarko Land Development Group

- Green Building Certification (LEED/BREEAM)

Featured Projects in the Land Development Group

Project Name	Project Focus Area	Project Details
ESG Data Management through RPA at Alarko GYO	Automation and traceability of sustainability data	Further information is available under Digitalization and Artificial Intelligence in the **Digital Transformation** section.

Building Decarbonization

The transformation process aimed at reducing greenhouse gas emissions arising from the operation and life cycle of buildings. Energy efficiency, electrification, and renewable energy applications are among the principal tools of this process.

Business Areas

Alarko Agriculture Group aims to support access to reliable food and develop an agricultural ecosystem that is resilient to climatic conditions.

158 hectares

Modern greenhouse area in Türkiye and Kazakhstan

ALARKO AGRICULTURE GROUP

At a time when sustainability and access to safe food are becoming increasingly important, Alarko Agriculture Group has positioned modern agriculture as one of its strategic growth areas. The Group operates in modern greenhouse cultivation, specialty fertilizer production, dried food, and seed breeding. Through advanced production technologies and resource-efficiency practices, the Group aims to support access to reliable food and develop an agricultural ecosystem that is resilient to climatic conditions.

- **More than USD 450 Million** in Total Investment
- **158 Hectares** of Modern Greenhouse Area in Türkiye and Kazakhstan
- Operations in **8 Provinces** in Türkiye
- **26** Operating Locations
- Agricultural and Food Products Exported to **33 Countries**
- **69%** Women Employees
- **1 MW** of Installed Rooftop Solar Power Capacity at Palmira Agro

"We regard agriculture as one of the fundamental components of food security, climate resilience, and sustainable development."

Over the three years since beginning our journey in agriculture in 2023 with a vision of creating long-term value, we have invested more than USD 450 million. We approach agriculture not only as a means of creating economic value, but also as a strategic area in terms of food security, climate resilience, and sustainable development.

Today, through our integrated structure operating in eight provinces and at 26 locations, we participate in the essential stages of agriculture, from modern greenhouse cultivation and seed breeding to fertilizer production and dried food. Through Alsera, one of Türkiye's leading modern greenhouse operators, we deliver the products we grow to 33 countries, supporting Türkiye's agricultural production capacity and global competitiveness. With our modern greenhouse in Shymkent, Kazakhstan, which began production in 2025, we are expanding our international operations while developing a production model that contributes to regional food security.

Through Palmira Agro's microgranular fertilizer solutions, we improve resource efficiency and aim to reduce growers' costs. Through science-based seed breeding activities at Genseed, we develop high-performing varieties that adapt to changing climatic conditions and respond to local requirements.

In line with Alarko Group's 2050 Net-Zero Emission target, we use water and energy more efficiently and establish low-emission production infrastructure through Internet of Things-based systems, geothermal energy, hybrid energy solutions, and advanced climate control technologies. Through our research and development investments and Alarko Agriculture Academy, we bring together knowledge, technology, and human capital. We will continue to expand sustainable production models, support access to reliable food, and build a more resilient agricultural ecosystem for future generations.

Ümit BORAN
Acting General Manager

Climate Resilience

An organization's capacity to prepare for, withstand, adapt to, continue operating through, and, where necessary, transform in response to climate-related shocks and long-term changes. Resilience encompasses not only physical measures but also financial and strategic flexibility.

Business Areas

Alarko Agriculture Group comprises Alsera and Alsera KZ, which operate in modern greenhouse cultivation; microgranular fertilizer producer Palmira Agro; Alarko Gıda Sanayi, which produces dried fruits and vegetables; and Genseed, which engages in seed breeding and production. Operating in Türkiye and Kazakhstan, the Group invested more than USD 450 million during the 2023–2025 period.

The Group's modern greenhouses in Türkiye are heated with geothermal energy, while irrigation, fertilization, climate control, and energy use are managed through digital systems. At Palmira Agro's production facility, electricity requirements are met through a rooftop solar power plant. Approximately 70% of the Group's employees are women. The Group supports local employment and women's participation in the workforce, particularly in greenhouse operations.

Alsera Jeotermal Tarım Gıda San. ve Tic. A.Ş.

Alsera produces tomatoes and peppers using soilless farming methods in its modern greenhouses heated by geothermal energy in Afyonkarahisar, Eskişehir, and Denizli. As of year-end 2025, the Company had reached a total production area of 118 hectares across 19 greenhouses in Türkiye and aims to establish 5,000 decares of greenhouse area over the medium to long term. Established in Kazakhstan in line with Alarko Agriculture Group's international growth strategy, Alsera KZ began production in 2025 in the first 40-hectare phase of its modern greenhouse investment in Shymkent. The investment contributes to the region's food supply and agricultural production capacity through its high-technology production infrastructure and is targeted to reach 3,000 hectares over the long term.

Alsera prioritizes resource efficiency in its modern greenhouse operations and applies resource-efficient practices extensively in the field. Closed-loop irrigation systems used in its greenhouses provide water savings of 72% compared with conventional agriculture. This supports more efficient use of water resources and contributes to sustainable agricultural production.

Through Integrated Pest Management practices, Alsera protects biological balance and reduces chemical use. Artificial intelligence and Internet of Things-based smart greenhouse systems manage irrigation, fertilization, energy, and climate control processes using real-time data. The reuse of drainage water through water and fertilizer recovery systems provides savings of up to 30% in the consumption of these resources. Through this project, known as Resource Efficiency and Artificial Intelligence-Enabled Smart Greenhouse Management Systems, Alarko Agriculture Group received an award at the 2025 Sustainable Food Awards organized by the Sustainability Academy. The company also received an export award for the third time in recognition of its performance in export volume and market diversity.

Palmira Agro Gübre Sanayi ve Ticaret A.Ş.

Palmira Agro manufactures at its CE-certified hybrid microgranular fertilizer factory in the Çankırı Yakınkent Organized Industrial Zone. Established with an investment of approximately USD 20 million and comprising 8,300 square meters of enclosed space, the facility has annual microgranular fertilizer production capacity of 12,000 metric tons. High-quality and environmentally responsible fertilizers support increased agricultural productivity while contributing to the protection of soil health and the expansion of sustainable agricultural practices.

A 1 MW solar power plant commissioned on the factory roof in 2025 met all electricity consumed during the year through solar energy. Dust particles generated during production are captured through filtration systems and returned to the production process. In 2025, Palmira Agro also developed a microgranular fertilizer application device and a new fertilizer formulation for specialized turf areas.

Alarko Gıda Sanayi ve Ticaret A.Ş.

Alarko Gıda Sanayi produces dried fruits and vegetables at its facility in Ereğli, Konya, which commenced operations in 2025. The factory has annual processing capacity of 5,100 metric tons and processes 14 varieties of fruit and 31 varieties of vegetables. The Radiant Energy Vacuum technology used in production supports the preservation of the nutritional value of products and improved energy efficiency in production processes.

Genseed Tohum Islah ve Üretim A.Ş.

Genseed conducts research and development activities in Antalya focused on seed breeding and production and the development of varieties resilient to climate change, diseases, and pests. The Plant Tissue Culture Laboratory and Molecular Genetics Laboratory established in 2025 strengthened the company's technical infrastructure for breeding activities. The laboratory activities aim to develop seed varieties that offer high yields, respond to local requirements, and support reduced chemical use.

Business Areas

Certifications Held by Alarko Agriculture Group

- CE Certification, Palmira Agro
- ISO 9001, Palmira Agro
- Kosher Certification, Alarko Gıda
- Sedex SMETA, Alarko Gıda
- Non-GMO Certification, Alarko Gıda
- BRC Certification, Alarko Gıda
- Halal Food Certification, Alarko Gıda
- Organic Product Certification, Alarko Gıda
- GLOBALG.A.P., Alsera
- GRASP, Alsera
- Good Agricultural Practices, Alsera
- BRC Certification, Alsera
- Global G.A.P. SPRING, Alsera

Featured Projects In The Agriculture Group

Project Name	Project Focus Area	Project Details
Artificial Intelligence-Enabled Smart Greenhouse Management at Alsera	Artificial intelligence-enabled optimization of water, fertilizer, and energy use	Further information is available under Digitalization and Artificial Intelligence in the **Digital Transformation** section.
Alsera Resource Recovery System	Reuse of water and nutrients	Further information is available under Water and Wastewater Management in the **Managing Environmental Impact** section.
Strengthening Research Infrastructure at Alarko Agriculture	Developing climate-resilient varieties and scientific research capacity	Further information is available under R&D and Innovation in the **Digital Transformation** section.

Smart Greenhouse

A greenhouse production system managed using sensors, automation systems, data analytics, and climate control technologies. While supporting the optimized use of water, energy, and nutrients, it can contribute to increased crop yield, quality, and resource efficiency.

Business Areas

Through ALSER, a company within Alarko Capital, investments are made primarily in companies traded on Borsa İstanbul.

USD 102.7 Million

Total capital investments of Alarko Capital since establishment

ALARKO INVESTMENT GROUP – ALARKO CAPITAL

Alarko Investment Group evaluates growth opportunities across different sectors through a diversified portfolio comprising venture capital, private equity, fund, and publicly traded company investments. By providing capital to technology-oriented and scalable business models, Alarko Capital improves its portfolio's capacity to create long-term value.

- **USD 102.7 Million** in Total Investments
- **More than 30** Venture Capital, Private Equity, and Publicly Traded Company Investments
- **More than 20** Venture Capital and Private Equity Fund Investments

"We create long-term value by directing capital toward innovative and scalable business models."

As a financial investor, we regard our fundamental responsibility as directing capital toward areas that address the needs of the future. In our investment decisions, we consider growth potential together with long-term value creation capacity, resilience, and sustainable business principles. Through our disciplined analytical approach, we diversify our portfolio while supporting the development of technology-oriented and scalable business models.

Cem GARIH
Company Manager

Since its establishment, Alarko Capital has made capital investments totaling USD 102.7 million and completed more than 50 investments. Through its diversified investment approach, the company aims to balance risks and evaluate growth opportunities arising across different sectors.

Through ALSER, a company within Alarko Capital, investments are made primarily in companies traded on Borsa İstanbul. These investments are managed based on medium- and long-term analyses. Under its private equity strategy, ALYAT develops a balanced portfolio comprising direct investments, fund investments, and co-investments. Venture capital investments give priority to companies with growth potential and scalable business models, supporting innovative and emerging technologies.

Impact Investing

An investment approach that aims to generate measurable social or environmental benefit while also earning a financial return. Investment performance is assessed on the basis of both financial outcomes and impact indicators.

Capital and Subsidiary Structure

Operating across different sectors and traded on Borsa İstanbul since 1974, Alarko Holding's capital structure comprises publicly held shares and shares held by the founding families and investors. Through strategic partnerships and acquisitions conducted since its establishment, the Holding has strengthened its ownership structure and further consolidated its position in Türkiye's economy. This structure supports financial stability and the company's long-term growth strategies.

Shareholders	Share Amount (TL)	Number of Shares and Voting Rights	Ownership (%)
İzzet Garih	76,921,245.42	7,692,124,542	17.68
Leyla Alaton	64,251,560.42	6,425,156,042	14.77
Vedat Aksel Alaton	62,076,560.51	6,207,656,051	14.27
Dalia Garih	56,728,008.65	5,672,800,865	13.04
Alhan Holding Inc.	8,699,999.81	869,999,981	2.00
Destek Foundation	3,195,807.87	319,580,787	0.74
Other Shareholders	163,126,817.32	16,312,681,732	37.50
Total	**435,000,000.00**	**43,500,000,000**	**100**

Authorizations to increase the company's registered capital ceiling from TL 500 million to TL 2 billion were obtained in 2024. The amendment to the Articles of Association was approved by the General Assembly on April 14, 2025, and registered on May 5, 2025. As of December 31, 2025, issued capital remained TL 435 million, and no change occurred in the capital or ownership structure during the 2025 fiscal year. The company has no privileged shares.

The names, business areas, and direct and indirect ownership interests of the company's subsidiaries, associates, and joint ventures are available in the Annual Report 2025.

Milestones

1954
- Alarko commenced operations.

1955
- Alarko entered the heating, air-conditioning, and refrigeration business in Türkiye using new and advanced techniques.

1956
- Industrial manufacturing commenced.

1959
- Alarko expanded its engineering business and began providing solutions to industrial problems involving thermodynamics. During this period, the company constructed complex air-conditioning systems for facilities including the Central Bank Banknote Printing House and the Sümerbank Malatya Additional Textile Complex.

1960
- Construction began on Alarko's first air-conditioning equipment factory in Rami Topçular.

1963
- The company became a joint-stock corporation with TL 3.5 million in capital and adopted the name Alarko Sanayi ve Ticaret A.Ş.

1967
- With more than 150 engineers and a workforce of more than 400, Alarko commenced turnkey industrial facility contracting activities.

1970
- Construction of the Maslak Business Centers began.

1972
- ALFENAŞ was established to sell and market products manufactured by the ALSAC factory, and ALMÜT was established for imports and representation activities.

1973
- The ALAMSAŞ Alarko Ağır Makina Sanayi A.Ş. factory commenced operations.
- Alarko became a holding company and expanded into the construction of turnkey industrial facilities, heavy industry, industrial process equipment manufacturing, the food industry, tourism, housing, and service industries.

1974
- Alarko Holding became publicly traded. Approximately 1,000 shareholders acquired 15% of its shares.

1982
Alarko's electrical manufacturing factory, ALTRON, commenced operations. Alarko began manufacturing Blaupunkt and NEC color televisions, stereo systems, and cash registers. ALPAZ was established to market similar products.

1984
- Alarko began exporting ALAMSAŞ products, generating commercial success and added value.

1985
- Alarko Future Club was established to train and develop future managers.

1986
- Building on its position as a leading residential project developer during the 1980s, Alarko laid the foundation for the Alkent Etiler project.
- Alarko established the Alarko Education and Culture Foundation to contribute to improving education and culture in Türkiye.

1988
- Alarko undertook construction of the Istanbul Natural Gas Distribution Network.

1990
- Alarko Contracting Group began operations in Russia and the Commonwealth of Independent States. The Group completed major infrastructure, construction, and industrial facility projects in Russia, Turkmenistan, Uzbekistan, and Kazakhstan.
- Hydroelectric power plant projects were initiated within Alarko through partnerships.

1991
- Alfarm, Alarko's Aquaculture Group, was established.

1993
- Alarko Sanayi ve Ticaret A.Ş. strengthened its position in the capital markets through a public offering of its shares.
- The foundation was laid for the Alkent Istanbul 2000 project.

1994
- The Hillside Beach Club brand, located in Kalemya Bay, Fethiye, began to be managed by Alarko Tourism Group.

1995
- The Alarko Radiator Factory was established.

Milestones

1997
- Alarko Gayrimenkul Yatırım Ortaklığı was established and became the first real estate investment trust to be traded on Borsa İstanbul.

1998
- The Industry and Trade Group formed an equal partnership with global industry leader Carrier.

2000
- Alarko Contracting Group began high-speed rail and metro projects with the Turkish State Railways.
- Alarko Carrier Sanayi ve Ticaret A.Ş. commissioned its new factory and facilities in the Gebze Organized Industrial Zone.

2001
- Alarko formed an equal strategic partnership with Société Nationale d'Électricité et de Thermique, one of France's leading companies.
- We honor the memory of our late Founding Chairman, Dr. Üzeyir Garih.

2003
- Construction began on the Baku-Tbilisi-Ceyhan Crude Oil Pipeline. Alarko Contracting Group undertook the crude oil pipeline project, designed to transport one million barrels per day.
- Hillside Su Hotel, one of the first concept hotels in Türkiye selected by Design Hotels Group, opened.

2005
- Alarko formed a partnership with Hallvard Leröy AS, one of the world's largest salmon producers and exporters. Alarko Aquaculture Group continued its activities through the Alfarm Alarko Leröy partnership.
- Phase I of the Kırklareli Natural Gas Combined Cycle Power Plant was commissioned by Alarko Energy Group.

2007
- Construction began on the 4. Levent-Ayazağa section, the third phase of the Istanbul Metro, through cooperation between Alarko Holding and Makyol İnşaat Joint Venture Group.

2008
- The Alsim Alarko Consortium signed the contract after winning the EUR 156 million light rail system tender awarded by Samsun Metropolitan Municipality.

2009
- Alcen Elektrik, established through a partnership between Alsim Alarko and Cengiz Holding, acquired Meram Elektrik Dağıtım A.Ş. through a privatization tender.
- Alarko completed rail system construction in cooperation with Antalya Metropolitan Municipality within 18 months.

2010
- Alarko commissioned Phase II of the Kırklareli Natural Gas Combined Cycle Power Plant established by the Energy Group.

2011
- The Ankara Metro Electromechanical Works Project commenced.

2012
- The project covering the terminal building, apron, viaduct, and road construction under the Kyiv Boryspil Airport Project was completed.

2013
- Alarko and BAU MBA established a partnership to support employee career development.

2016
- The Karakuz Hydroelectric Power Plant established by Alarko Energy Group was commissioned.
- Alarko undertook the Kabataş-Mecidiyeköy-Mahmutbey Metro Project, the fourth phase of the Istanbul Metro.
- Hillside Beach Club was named Best Resort Hotel and became the first hotel in Türkiye to win the Skalite Award for the tenth time.
- We honour the memory of our Honorary Chairman, İshak Alaton.

2017
- The Karabiga Power Plant commenced commercial operations.
- The Taldykol Lake Rehabilitation and Wastewater Treatment Facilities project was completed.

2018
- The signing ceremony was held for Kazakhstan's Big Almaty Ring Road Project, part of the Western China-Western Europe international highway.

2019
- Work began on the Bucharest Ring Road Project in Romania, undertaken by the Contracting Group.

Milestones

2020

- The Mecidiyeköy-Mahmutbey section of the Kabataş-Mecidiyeköy-Mahmutbey Metro opened.
- Hillside Beach Club was named the World's Best Resort at the Haute Grandeur Awards.
- Alyat Teknoloji Yatırımları Holding A.Ş. was established to invest in next-generation, technology-based companies with high growth potential.

2022

- The signing ceremony was held for the Bucharest Henri Coandă M6 Metro Project.
- Alarko Tourism Group began development of a new hotel in Bodrum.
- The Alarko Holding Sustainability Committee commenced its activities.

2023

- Alarko Holding decided to invest in agriculture, including modern greenhouse cultivation, fertilizer production, food processing, and seed breeding.
- Alarko Capital Group was established to create a higher-return, dynamic, and flexible portfolio and increase the weighting of international investments.
- The Big Almaty Ring Road Project was completed.
- Alarko Holding published its first Sustainability Report aligned with the GRI Standards, covering 2022.
- The Entrepreneurial Pioneers Program was launched with Habitat Association to support women entrepreneurs.

2024

- Alarko celebrated its 70th anniversary through various projects and events.
- Alarko renewed its logo and corporate identity. "Value Redefined" became the new brand tagline.
- Alarko Agriculture's total covered greenhouse cultivation area across Afyonkarahisar, Denizli, and Eskişehir has surpassed 1,000 decares.
- A modern greenhouse investment covering 400 decares has begun in Kazakhstan.
- Palmira Agro opened Europe's largest microgranular fertilizer factory in Çankırı.
- The 17-kilometer second phase of the Bucharest Road Project in Romania was completed and opened to service.
- Alarko entered the aviation sector.
- The Holding's head office campus in Ortaköy became carbon neutral.
- Alarko became the first holding company in Türkiye to publish a Responsible Communication Policy.
- The Positive Impact Green-Collar Program was launched across Alarko Group.
- Alarko entered the Borsa İstanbul Sustainability 25 Index.

2025

- Alarko Holding maintained its position in the BIST Sustainability Index.
- The first mandatory TSRS report, covering the 2024 reporting period, was published.
- The 2024 GRI-Aligned Sustainability Report, prepared under the "Sustainability Only" approach, received recognition at the LACP Inspire Awards, LACP Spotlight Awards, International Business Awards, and Istanbul Marketing Awards.
- The Entrepreneurial Pioneers Project received an Işıldayanlar Award at the Işıldayanlar Conference.
- The Future of the Republic Young Teachers Project received an award in the "Equal Opportunity in Education" category at the Women-Friendly Brands 2025 Awareness Awards.
- The CEO of Alarko Group was included in Fast Company's list of Türkiye's 50 Sustainability Leaders.
- The Group-wide Sustainability Transformation Project was launched.
- The sustainability governance model was expanded across the Group through the Joint Impact Council and working groups.
- The carbon footprint of the Holding's head office building was offset through the purchase of International Renewable Energy Certificates and wind energy-based Gold Standard carbon credits.
- Altek Alarko terminated the generation license for the Kırklareli Natural Gas Combined Cycle Power Plant, transitioning its electricity generation portfolio entirely to renewable resources.
- Alarko Gotion Green Energy was established to operate in energy storage systems.
- All electricity used at Alarko Carrier's Eskişehir factory began to be supplied through on-site solar energy generation.
- The first phase of the modern greenhouse investment in Shymkent, Kazakhstan, commenced operations.
- Alsim Alarko and Alarko Agriculture Group became signatories to the United Nations Women's Empowerment Principles.
- The First Step into the Arts with Alarko Program was launched in cooperation with the Istanbul Foundation for Culture and Arts.

The Alarko *Impact*

Impact Area

184,672 MWh
Electricity Generated from Renewable Sources

5.44%
Low Loss/Leakage Rate Performance

Agriculture Group Investment Exceeding
USD 450 Million

147K+
People Reached Through Social Responsibility and Environmental Projects

33%
Women's Representation on the Board of Directors

~84%
Local Suppliers

1 USD Billion
Real Estate Portfolio Value

24 Hours
Average Training per Employee

72%
Guest Return Rate at Hillside Beach Club

4
WEPs Signatory Status of the Holding and Three Group Companies

Strategy of Alarko Holding

Through new investments, research and development activities, and international projects, Alarko Holding is enhancing its global competitiveness and pursuing its sustainable growth objective through an innovative and responsible investment approach.

Throughout its 71-year history, Alarko Holding has been one of the leading contributors to Türkiye's economy, delivering industry firsts and pioneering projects and building strong brands in key sectors ranging from industry and energy to tourism, agriculture, contracting, and land development.

The Holding has become synonymous with trust and respect through its commitment to superior quality, long-standing stakeholder relationships, and investment in its people. Its diversified portfolio, shaped by long-term investments across different geographies, provides the foundation for sustainable growth. Through new investments, research and development activities, and international projects, the Holding is enhancing its global competitiveness and pursuing its sustainable growth objective through an innovative and responsible investment approach. In line with this approach, Alarko is redefining the economic, environmental, and social value it creates.

"We are expanding our international portfolio by complementing our strength in existing sectors with new business lines and high-potential ventures."

Through long-term investments in key sectors ranging from tourism and energy to industry, agriculture, contracting, and land development, we are strengthening our presence across different geographies. We regard our diversified portfolio as one of the fundamental components of our sustainable growth. We are expanding our international portfolio by complementing our strength in existing sectors with new business lines and high-potential ventures.

In line with our ambition to become a strong international portfolio management company, we plan to generate 60% of our growth in the sectors in which we currently operate, 30% in new business lines, and 10% through our Investment Group, which supports high-potential ventures. This approach allows us to deepen our presence in areas where we are strong while investing in the growth opportunities of the future.

Alpaslan SERPEN
Chief Strategy Officer

Business Model Resilience

An organization's capacity to create value and sustain its activities in the face of economic, technological, environmental, and societal change. A resilient business model incorporates critical dependencies, alternatives, capital requirements, and transformation options into long-term planning.

Strategy of Alarko Holding

Alarko Holding aims to become a strong international portfolio management hub. In pursuit of this vision, the Holding plans to generate 60% of its growth through existing operations in the sectors in which it currently operates, 30% in new business areas, and 10% through Alarko Investment. This strategic approach enables Alarko to deepen its presence in areas where it has traditionally been strong while investing in the growth opportunities of the future.

The Holding's value creation strategy is based on the principle of effective capital allocation and is structured around three complementary pillars. The first pillar is increasing the value of existing operations. This involves maintaining the presence of defensive companies' assets and supporting cash-generating companies. The second pillar is maintaining a balanced portfolio and making new investments for sustainable growth. A planned approach to growth is applied in new investment areas, with new investments supported at an optimal level through the correct use of the balance sheet and cash resources. The third pillar is ensuring and sharing sustained value creation. The value created is shared with stakeholders through the Dividend Distribution Policy and the Employee Share Ownership Program.

01 *Increase in the Value of Existing Operations*

- Preservation of Defensive Companies' Assets
- Supporting Cash-Generating Companies

02 *Balanced Portfolio and New Investments for Sustainable Growth*

- Planned Growth in New Investment Areas
- Optimal Support for New Investments through the Correct Use of the Balance Sheet and Cash

03 *Ensuring the Continuity and Distribution of Value Creation*

- Profit Distribution Policy
- Employee Stock Ownership Plan

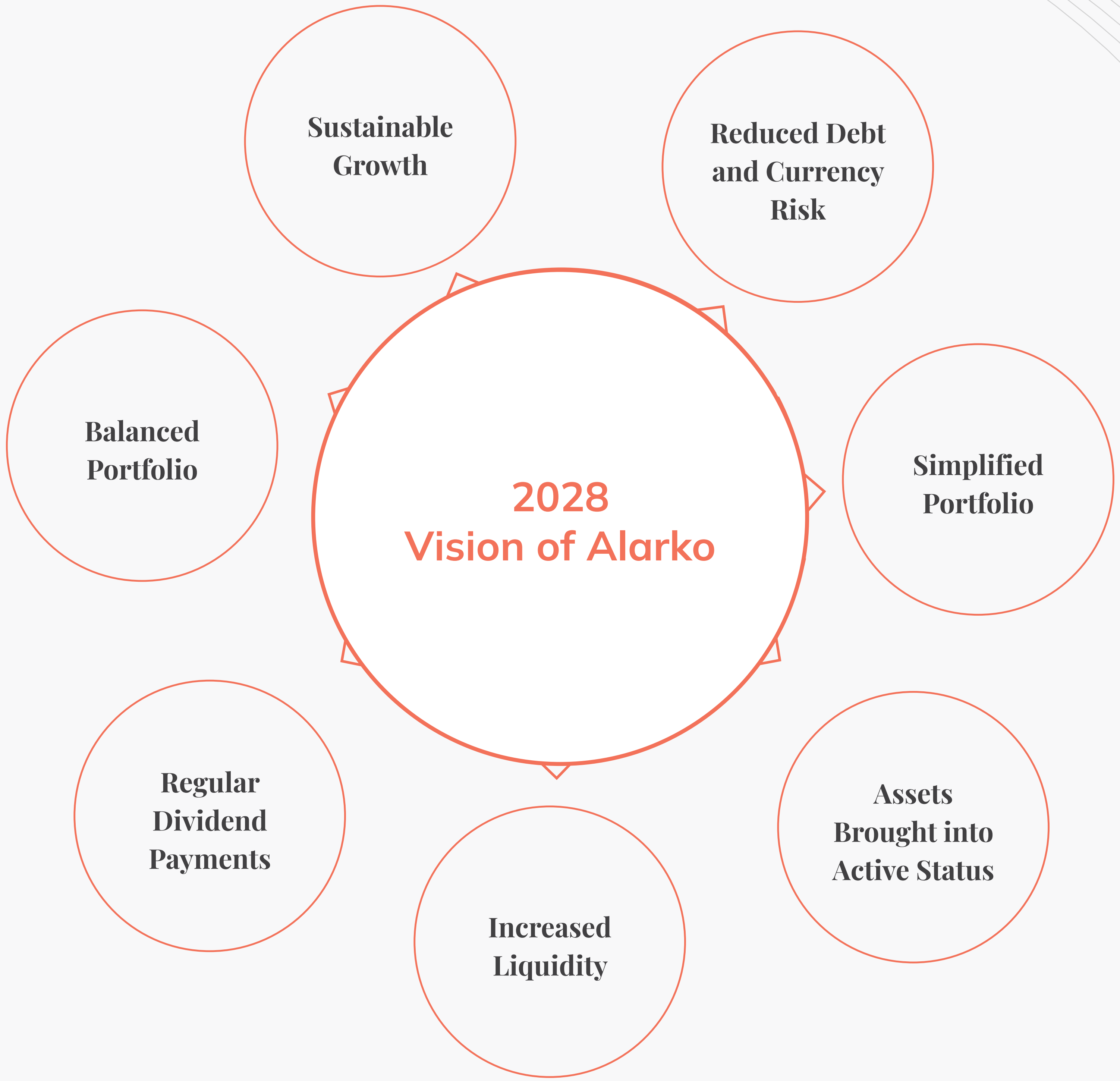
Strategy of Alarko Holding

With its 2028 vision, Alarko Holding aims to transform itself into a global portfolio company by combining its traditional strengths with new-generation business segments.

In line with this value creation strategy, the Holding evaluates both organic and inorganic growth opportunities. While portfolio development plans and energy storage projects are gaining prominence in the energy sector, tourism-focused investments and the expansion of the Hillside brand are being targeted as part of land development activities. Investments in water pressurization systems are planned within the Industry and Trade Group. In agriculture, international greenhouse and specialty fertilizer investments are being pursued under the leadership of Alarko Agriculture. In addition, Alarko Investment continues to make regular portfolio investments.

All these initiatives are integrated around the seven fundamental components of Alarko's 2028 Vision: reduced debt and currency risk, a simplified portfolio, assets brought into active status, increased liquidity, regular dividend payments, a balanced portfolio, and sustainable growth.

Together, these components form an integrated strategic framework that enables the Holding to deepen its presence in areas where it is strong and invest in the opportunities of the future.



Financial Performance

In 2025, Alarko Holding focused on establishing a balanced portfolio structure and maintaining its financial resilience through new sustainability-focused investments pursued with determination.

Alarko Holding's financial management approach is based on the integrated management of the resources generated by existing operations and the financing requirements of new portfolio investment areas. In 2025, as high financing costs and volatile market conditions persisted, the Holding prioritized cash flow, cost discipline, and risk management and implemented its long-term investment program in accordance with these principles.

In 2025, Alarko Holding focused on establishing a balanced portfolio structure and maintaining its financial resilience through new sustainability-focused investments pursued with determination. The Holding increased its total assets by 2.2% to TL 125.6 billion.

Detailed information on Alarko Holding's financial performance is available in the 2025 Annual Report.

"We manage our financial resources responsibly and shape our decisions around measurable outcomes and long-term value."

Sustainability is now shaped not only by environmental and social performance, but also by the robust financial infrastructure that supports this transformation. As the Finance Group, we strengthen our financial resilience and directly support our internal control system and corporate continuity through the appropriate planning and transparent reporting of environmental and social investments.

We create this value through an approach centered on employee awareness and cooperation with our stakeholders. Stakeholder engagement supports ownership of our strategic objectives.
We prioritize integrating environmental, social, and climate-related risks into our processes, considering their financial effects, and making more effective use of sustainable finance instruments. Through this approach, we aim to support long-term profitability and establish a sustainable balance between economic value and environmental and social well-being.

Mehmet AHKEMOĞLU
Chief Financial Officer

Financial Performance

Total Assets (TL million)

Total assets increased by 2.2% in 2025, reaching TL 125.6 billion.

Year	Amount
2025	125,613
2024	122,956

Equity (TL million)

Equity amounted to TL 80.4 billion in 2025.

Year	Amount
2025	80,405
2024	84,691

Revenue (TL million)

Revenue amounted to TL 8.7 billion in 2025.

Year	Amount
2025	8,669
2024	9,946

Gross Profit (TL million)

Gross profit was recorded at TL 175 million in 2025.

Year	Amount
2025	175
2024	425

** Financial indicators have been obtained from Alarko Holding's audited consolidated financial statements and are presented in TL million based on purchasing power as of December 31, 2025.*

Financial Resilience

An organization's capacity to sustain its financial performance in the face of economic fluctuations, climate risks, operational disruptions, or market changes. Capital structure, liquidity, and risk management practices affect this capacity.

Value Chain and Business Model

Alarko Holding conducts its operations by periodically reviewing not only its direct activities, but also the entire value chain across the Group.

Alarko Holding Value Chain

Upstream

- Business Partners and Suppliers R4
- Public Institutions and Regulatory Authorities R1 R3
- Financial Institutions
- Consultancy Firms
- Academia and R&D Centres
- Research Companies and Financial Data Providers

Operations

Alarko Holding	Central Management E1 E4
Contracting Group	Construction, Contracting and Project Management E4 E7 R4
Energy Group E4	Energy Generation E2 E7 F2; Power Plant Operation E4; Electricity Distribution E7 R2; Electricity Sales; Energy Trading; Digital Solutions F2
Industry and Trade Group E4	Manufacturing and Installation of Heating, Cooling, Ventilation and Water Pressurisation Systems E4 R2; Product Design and Development; R&D and Innovation E3 F3; Distribution and Logistics R2; Marketing and Sales; Software Development and System Integration
Tourism Group E4	Accommodation, Food and Beverage, Sports, and Movie Theater Operations R4
Land Development Group E4	Land and Real Estate Portfolio Management; Project Development
Agriculture Group E4	Modern Greenhouse Cultivation F1 F4; Niche Fertiliser F1 F4; Seed Breeding F4; Dried Food Processing F4; Distribution and Logistics; Marketing and Sales
Investment Group	Portfolio Management

*For detailed information, please refer to the Sustainability- and Climate-Related Risks and Opportunities section.

Downstream

- Public Institutions and Regulatory Authorities
- Residential and Corporate Customers E3 F3
- After-Sales Services
- Technical Support and Maintenance
- Dealer and Service Network
- Recycling Companies
- Community E5 E6

Impacts, Risks and Opportunities

IMPACTS

- E1 Transformation towards a climate-resilient investment portfolio
- E2 Low-carbon energy transition
- E3 Improving product and service quality through R&D and innovation
- E4 Operational greenhouse gas emissions
- E5 Support for an inclusive economy
- E6 Social contribution
- E7 Temporary impacts on habitats

RISKS

- R1 Cost of compliance with the Turkish ETS and climate regulations
- R2 Potential operational disruptions caused by extreme weather events
- R3 Regulations on water use
- R4 Supply chain disruptions due to geopolitical developments and climate change

OPPORTUNITIES

- F1 Growth in operational efficiency and market share
- F2 Innovative and environmentally focused solutions
- F3 Rising demand for energy-efficient HVAC solutions
- F4 Ensuring food security through smart agriculture practices

Value Creation Model

ALARKO Arazi Geliştirme | ALARKO Enerji | ALARKO Sanayi ve Ticaret | ALARKO Taahhüt | ALARKO Tarım | ALARKO Turizm | ALARKO Yatırım

Activities in the Main Business Lines

Relevant Capital	Inputs	Outputs	Value Created	Contribution to the United Nations SDGs
FINANCIAL CAPITAL	• Robust financial management that takes cost, cash flow, liquidity, debt and foreign exchange risks into account • Operational efficiency • Total assets of TL 125,613 million • TL 80,405 million in equity	• TL 175 million in gross profit • Total investment of TL 22.7 billion across the Group in 2025 • Investment exceeding USD 450 million in the agriculture sector • Total investment volume of USD 102.7 million in Alarko Capital since its establishment	• Resilience to changing market conditions through a balanced portfolio, strong equity base and disciplined resource management • Integrated management of the cash-generating capacity of existing businesses and the financing needs of new investments • Allocation of capital to energy and food supply security, technology, sustainable living spaces and international growth opportunities • Financial foundation for Alarko's vision of becoming a strong international portfolio management center by 2028 • Economic value created for employees, public authorities, suppliers, business partners and investors	7, 8, 9, 17
MANUFACTURED CAPITAL	• Diversified portfolio spanning energy, contracting, industry and trade, tourism, land development, agriculture and investment • Local and global operations • Exports to more than 50 countries and corporate experience across diverse geographies • 136 MW of installed renewable energy capacity • Electricity distribution and sales network across 6 provinces and 66 districts • Contracting and project management expertise based on more than 350 projects across three continents • Responsible production in the HVAC sector and an extensive service network comprising 588 dealers and service points • Tourism facility holding international sustainability certifications • 158 hectares of modern greenhouse cultivation area and 26 operating locations in Türkiye and Kazakhstan • Palmira Agro facility with an annual production capacity of 12 thousand tonnes of microgranular fertilizer • Alarko Gıda's dried food facility in Konya Ereğli, with an annual product processing capacity of 5,100 tonnes • High-quality real estate portfolio	• Generation of approximately 3% of Türkiye's electricity • Distribution of 13.6 billion kWh of electricity and a low loss and leakage rate of 5.44% • Service provided to approximately 2.5 million electricity distribution and retail customers • I-REC certificates issued for 79,984 MWh of electricity generated in 2025 • Alarko Carrier's export leadership in HVAC products • More than 32 thousand guests and 86% guest satisfaction at Hillside Beach Club • Exports by the Agriculture Group to 33 countries • Real estate portfolio valued at approximately USD 1 billion	• Support for regional development through exports, local production, procurement and employment • Establishment of permanent production and service capacity in the geographies of operation • Transformation of international operations and project capabilities into competitive strength • Uninterrupted service through reliable electricity generation, distribution infrastructure and grid flexibility • Objective of enhancing Türkiye's technology and manufacturing capabilities through energy storage and battery investments • Access to reliable food through climate-resilient modern agriculture and integrated food production capacity • Infrastructure projects focused on safe and accessible living	2, 7, 8, 9, 11, 12, 13
SOCIAL AND RELATIONAL CAPITAL	• 71 years of corporate heritage, the Alarko Philosophy and the "Value Redefined" approach • Corporate Brand Policies • A transparent communication approach under the Responsible Communication Policy • Strong collaborations with civil society organizations and impact-oriented projects • Social responsibility projects focused on education, women's entrepreneurship, culture and arts, accessibility and local development • Signatory to the United Nations Women's Empowerment Principles (WEPs) • Digital service channels • Agile supply chain structure	• A total of 147,091 people reached through CSR, environmental and inclusion projects • More than 4,000 women reached over three years and grant support provided to 40 entrepreneurs through Pioneers of Entrepreneurship, an Alarko Holding flagship program • 13 events bringing young people and children together with art under "First Step into Art" Project, an Alarko Holding flagship program • Scholarships for 130 students in the 2025–2026 period through the Alarko Education and Culture Foundation, and 3,650 scholarships since its establishment • Energy literacy training provided to 5,550 students under MEPAŞ's project • A total of 2,465 suppliers at Hillside Beach Club, 83.6% of which are local, together with 86% guest satisfaction and a 72% return rate • Alarko Holding and 3 Group companies are WEPs signatories across the Group	• Trust among investors, customers, public authorities and society through ethical business conduct, transparent reporting and responsible communication • Quality, customer experience, export and sustainability performance recognized through external assessments, awards and certifications • Strengthening regional value chains through local procurement, geographically indicated products and women's cooperatives • Improved access for women entrepreneurs to knowledge, mentoring networks, financial support and markets • Equal opportunities and creative development through scholarships, education, culture and arts, and youth programs • Multistakeholder partnerships with public authorities, civil society, academia and the private sector	4, 5, 8, 10, 11, 12, 17

HUMAN CAPITAL	• Expertise across diverse sectors supported by approximately 6,000 employees
	• Alarko Academy, Leadership School, Corporate MBA and Positive Impact Green-Collar training programs
	• Effective talent management that integrates performance, potential, career development, promotion, and succession planning processes
	• Investment in future leaders through the Alarko Future's Club (AİK)
	• Occupational health and safety management and risk assessment
		• Across the Group:
		  – 1,325 new hires and internship opportunities for more than 250 young people
		  – 145,065 hours of employee training and an average of 24.3 training hours per employee
		  – More than 60 participants in the Positive Impact Green-Collar Program and over 50 training hours per participant
		  – 66,354 hours of occupational health and safety training provided to employees and 75,037 hours provided to contractors/business partners
		  – A total of 323 Occupational Health and Safety Committee members
		• 33% women's representation on the Alarko Holding Board of Directors
		• 69.3% women employees at Alarko Agriculture
			• A workforce with enhanced technical, digital, managerial and sustainability competencies
			• A stronger talent pool and leadership succession capacity for critical roles
			• Transfer of knowledge across business lines and preservation of corporate memory
			• Support for a participatory work culture in which employee feedback is reflected in action plans
			• Strengthened capacity to attract, develop and retain talent
			• Operational resilience and service quality through workforce continuity
			• An inclusive and ethical working environment that respects human rights
			• Strengthening the preventive safety approach and employee and contractor participation, while making improvement needs relating to critical risks visible
				3, 4, 5, 8, 10

INTELLECTUAL CAPITAL	• Commitment to shaping the future through R&D, innovation and digitalization • Solutions based on artificial intelligence, the Internet of Things, image processing and data analytics at facilities and in the field	• 1,721 SCADA stations in the electricity distribution sector, reducing outage duration to below 3 minutes at remotely monitored points • Real-time data management of irrigation, fertilization, energy and climate control in smart greenhouses, enabling savings of up to 30% in water and fertilizer use • Water savings of up to 72% through closed-loop irrigation systems • Climate-resilient seed breeding • More than 50 management system documents and certificates across the Group	• Data-driven decision-making, digital traceability and process standardization • Solutions that reduce resource use and improve user experience • Longterm technology development capacity supported by intellectual property and laboratory capabilities • System continuity and data privacy through information and cybersecurity • Process quality validated by international standards and certifications	2, 4, 7, 9, 10, 12, 13, 16
NATURAL CAPITAL	• Net Zero Emissions Target by 2050 • 136 MW of installed renewable energy capacity • 118 hectares of active modern greenhouse cultivation area heated by geothermal energy, with a reinjection system • Rooftop solar power plants and hybrid hydropower-solar power plants • Sale of I-REC and YEK-G clean energy certificates • Carbon footprint measurement and verification • Water recovery and closed-loop irrigation practices • Circular economy-oriented waste management • Biodiversity conservation initiatives	• 184,672 MWh of renewable energy generation • Sale of 166,872 I-REC certificates • 35,641 tonnes of CO_2e emissions avoided through renewable energy generation • Investment in a production facility with an annual capacity of 3 GWh, where planned 5 MWh-capacity BESS products will be manufactured • Savings of up to 30% in water and fertilizer use and up to 72% in water use through smart and closed-loop greenhouse systems • Reinjection of geothermal fluid into the reservoir after use in production • Sale of 99.45% of the ash generated at the thermal power plant to the cement and construction sectors • Prevention of the use of approximately 600 thousand plastic bottles annually at Hillside Beach Club • Protection of forest, coastal and marine ecosystems at Hillside Beach Club • Wildlife monitoring practices at Karanfildağı	• Renewable energy generation • Reduction of emissions through green electricity use and efficiency investments • Supporting the integration of renewable resources into the system through investment plans for the production of storage and battery technologies • Reducing pressure on water resources through water recovery, closed-loop systems and smart agriculture practices • Transformation of waste and byproducts into economic value • Integrated management of operating costs and environmental impacts through energy and resource efficiency • Natural resource management supporting healthy and reliable food production • Regulatory compliance, environmental reliability and protection of quality of life in the regions of operation	6, 7, 12, 13, 14, 15

Operational Excellence and Business Continuity

Alarko Holding regards operational excellence as one of the fundamental capabilities supporting sustainable growth. While Group companies operating in different sectors manage their operations in accordance with the dynamics of their respective business areas, the establishment of standards, performance targets, and corporate principles is supported through a centralized coordination approach. This structure enables the Group to maintain an effective balance between operational agility and corporate governance.

Alarko's operational excellence approach is based on process standardization, greater resource efficiency, digitalization, data-driven decision-making, risk management, and continuous improvement. Across the Group, the objective is to regularly monitor process performance, ensure the reliable execution of critical operations, and adapt rapidly to changing conditions. Accordingly, quality, environmental, occupational health and safety, and information security management systems are among the fundamental components of operational discipline.

Business continuity is an integral part of Alarko's approach to operational resilience. Scheduled maintenance practices, digital monitoring and control systems, data backup infrastructure, cybersecurity measures, emergency response mechanisms, and system redundancy solutions are implemented to ensure the uninterrupted continuity of production and service processes. These measures are intended to reduce operational risks, maintain service quality, and meet stakeholder expectations.

Maintenance Planning that Prevents Generation Losses

Altek Alarko regularly monitors equipment performance and technical availability indicators to ensure the reliable and efficient operation of its hydroelectric power plants. As part of the tenth operating year of the Karakuz Hydroelectric Power Plant, comprehensive periodic maintenance was performed on the turbine, generator, transformer, penstock, and switchyard.

The maintenance activities were scheduled for the dry period, when water resources were limited, to minimize their impact on generation. The maintenance work, which was carried out sequentially at the two units over a total of 42 days to ensure production continuity, was completed without causing any additional production losses, thereby supporting the plant's operational continuity.

Key Outcomes and Benefits

- Completion of the comprehensive 42-day maintenance program without additional maintenance-related generation loss
- Support for the reliable and efficient operation of the renewable energy generation facility
- Strengthened operational continuity through scheduled maintenance practices
- Support for the service life and performance of critical equipment
- Contribution to the reliability of energy supply

Business Continuity

The capacity to maintain critical products and services at an acceptable level during and after a disruptive event. Risk assessment, business impact analysis, alternative resources, emergency arrangements, recovery objectives, and regular testing support this capacity.

Operational Excellence and Business Continuity

MEDAŞ enhances service continuity by reducing fault response times through digital grid management and SCADA systems.

Remote Grid Monitoring and Management

MEDAŞ uses the Supervisory Control and Data Acquisition system, automated meter reading systems, and digital grid management solutions to improve the reliability of the electricity distribution grid and service continuity. These applications enable grid operations to be monitored in real time and faults to be addressed remotely.

Remote intervention and control are performed by 20 engineers and 25 data operators at the SCADA control center. As of 2025, the number of stations equipped with SCADA had increased to 1,760. Remote interventions conducted from the control center reduced average fault response time from 40–45 minutes to less than 38 minutes.

The Automated Meter Reading System enables remote consumption monitoring and rapid intervention. Remote lighting control and video communication solutions for field teams also contribute to operational efficiency and service continuity.

Key Outcomes and Benefits

- Increased reliability of the electricity distribution grid
- Significant reduction in fault response times
- Support for service continuity and customer satisfaction
- Expanded use of digital grid management applications
- Greater operational efficiency

7 AFFORDABLE AND CLEAN ENERGY
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Digital Grid Management

The real-time management of the electricity grid using sensors, communication systems, and data analytics. It can help reduce outage durations and improve operational performance.

Customer Satisfaction and Experience

Alarko Group enhances customer experience and service quality through feedback mechanisms and digital channels.

Alarko Group regards customer experience and satisfaction as a strategic priority supporting long-term value creation across all sectors in which it operates. Group companies develop their products and services from the perspectives of quality, accessibility, reliability, and user experience, taking into account the differing needs of their business areas and customer profiles.

Feedback and Complaint Management

Alarko Group regards feedback and complaint management as a strategic tool for improving the customer experience, enhancing service quality, and gaining a more effective understanding of stakeholder expectations. Group companies operating in different sectors collect the views of customers and users through accessible communication channels. The feedback received is used not only to address requests and complaints, but also to improve processes and enhance service standards.

Feedback and complaints are systematically recorded, referred to the relevant units, and resolved in accordance with defined service levels. Indicators such as resolution times, customer satisfaction levels, likelihood to recommend, perceived ease of transaction, and online evaluation results are regularly monitored. The findings are integrated into decision-making and continuous improvement processes.

Group companies implement this approach using methods appropriate to their business areas and customer profiles. In electricity distribution, customer requests are received through multichannel communication infrastructure, and the effectiveness of resolution processes and customer satisfaction levels are monitored. In retail electricity sales, indicators such as Net Promoter Score, Customer Satisfaction Score, and Customer Effort Score are used to evaluate the customer experience. In industry and trade operations, customer feedback contributes to the improvement of sales and after-sales services. In tourism operations, the results obtained from the guest experience provide input for service quality improvements and performance evaluation processes.

In line with this approach, Alarko regards feedback and complaint management not merely as a resolution mechanism, but as an important element of governance that strengthens stakeholder relationships and supports long-term value creation.

Digital and Accessible Service Experience

Digitalization and accessibility are important components of the Group's customer experience approach. While expanding digital channels that enable customers to access services regardless of time and location, Group companies develop inclusive applications that address the needs of different customer groups. These efforts aim to simplify service processes, improve the customer experience, and increase operational efficiency.

Stakeholder Engagement

The process by which an organization identifies its stakeholders; listens to their expectations, concerns, and suggestions through regular and accessible channels; and provides feedback on its decisions and their effects. It is not limited to surveys or meetings; how the results are reflected in decision-making processes should be monitored.

Customer Satisfaction and Experience

Post-Resolution Satisfaction Monitoring

MEDAŞ uses digital solutions in its call center operations to improve the effectiveness of its customer service processes. Smart interactive voice response applications enable customers to submit fault reports without connecting to a customer representative, while text message routing activates alternative communication channels during periods of high demand. The company is also continuing its work to develop artificial intelligence-based customer service applications.

In 2025, the MEDAŞ Call Center received more than one million calls and responded promptly to customer requests. During the same period, the call center's performance reached a level qualifying for **full marks under the quality criteria of the Energy Market Regulatory Authority.**

Following the resolution of grid service requests and fault reports, the company contacted **92,468 customers** to measure customer satisfaction. The assessments produced a **satisfaction score of 83.9.** The results were used in service improvement initiatives.

Key Outcomes and Benefits

- Easier access to customer services and improved service quality
- Expanded use of digital customer service applications
- Integration of customer feedback into service improvement processes
- Regular measurement and monitoring of customer satisfaction
- Support for operational effectiveness and service continuity
- A stronger culture of continuous improvement through data-driven approaches

8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Accessible and Multichannel Services

MEPAŞ uses its Online Transaction Center, Mobile Application, e-Government integration, and call center solutions to enable customers to complete transactions without visiting physical service locations. These applications are intended to make subscription, payment, information update, and request management processes faster and more accessible.

In 2025, the Audio Bill application for customers with visual impairments remained in use. Provided through the interactive voice response infrastructure, the service received the **"Good Idea" award in the Sustainability Category** at the 7th CX Awards Türkiye.

During the same period, the Digital Bill application enabled 235,652 customers to transition to digital billing and prevented the printing of more than 2.6 million paper bills. The increase in digital billing helped avoid **approximately 17 metric tons of CO_2e** greenhouse gas emissions, contributing to environmental sustainability.

Key Outcomes and Benefits

- Easier customer access to services through multiple channels
- Support for inclusive and accessible services for customers with visual impairments
- Improved customer experience through digital solutions
- Contribution to conserving natural resources by reducing paper consumption
- Support for greenhouse gas emissions reductions
- Improved operational efficiency and environmental performance through digitalization

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

Corporate *Governance*

Board of Directors and Senior Management

At Alarko Holding, the Board of Directors' strategic oversight role is clearly separated from the executive responsibilities of senior management. The Board of Directors evaluates the Group's overall strategy, business plans and annual budgets, and oversees corporate performance against the established targets. Senior management is responsible for translating the strategic direction set by the Board of Directors into business plans and operations, coordinating activities across the business groups, and reporting results to the Board.

İzzet Garih serves as Chairman of the Board of Directors, while Vedat Aksel Alaton serves as Vice Chairman of the Board of Directors. Ümit N. Yıldız, the Group Chief Executive Officer (CEO), also serves as a member of the Board of Directors. The fact that the roles of Chairman of the Board of Directors and Group Chief Executive Officer (CEO) are held by different individuals supports the separation of oversight and executive responsibilities.

As of 31 December 2025, Alarko Holding's Board of Directors consisted of nine members. The Board included three independent members and three women, representing 33.3% of the Board in each category. The Group Chief Executive Officer (CEO) was the only executive member of the Board, while the other eight members held non-executive positions. This structure, in which non-executive members constitute the majority, supports the Board of Directors' oversight function.

The Board of Directors held 39 meetings in 2025. One member was unable to attend each of three meetings due to an excused absence, while all other meetings were attended by all members. The annual average attendance rate was 99%. All resolutions adopted during the reporting period were approved unanimously. The Board of Directors performs its duties both directly and through the committees established under its authority. The committees submit their assessments and recommendations to the Board, while final decisions are made by the Board of Directors.

Alarko Holding's senior management team comprises Group Chief Executive Officer Ümit N. Yıldız, Chief Financial Officer Mehmet Ahkemoğlu, Chief Strategy Officer Alpaslan Serpen, Chief People Officer Pınar Yamaner, and Chief Information Officer Serkan Demir. The general managers of the business groups are responsible for implementing the strategies and business plans of the companies under their respective areas of responsibility. Senior management coordinates the cascading of the Group's strategy across the business groups and monitors performance. Up-to-date information on the positions held by the members of the Board of Directors and senior management, together with their detailed biographies, is available in the Alarko Holding 2025 Annual Report and on the corporate website.

Oversight Responsibility

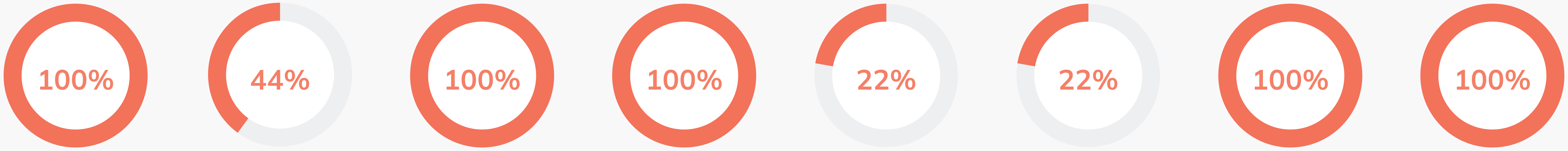
Refers to the oversight responsibility of the board of directors or a relevant committee for the management and performance of sustainability matters.

Board of Directors Skills Matrix

Alarko Holding Board of Directors Skills Matrix

Name - Surname	İzzet GARİH	Vedat Aksel ALATON	Ümit N. YILDIZ	Leyla ALATON	Niv GARİH	Ayhan YAVRUCU	Lale ERGİN	Av. Nihal MASHAKİ SEÇKİN	İzzet Cemal KIŞMİR
Title	Chairman of the Board of Directors	Vice Chairman of the Board of Directors	Member of the Board of Directors, CEO	Member of the Board of Directors	Member of the Board of Directors	Member of the Board of Directors	Independent Member of the Board of Directors	Independent Member of the Board of Directors	Independent Member of the Board of Directors
Total Professional Experience (years)	38	38	38	39	19	53	~25	20	30+
Educational Background	Master’s Degree (Industrial Engineering and Management)	Bachelor’s Degree (Industrial Engineering)	Master’s Degree (University of Illinois)	Master’s Degree (Social Sciences, NYU)	Bachelor’s Degree (NYU Stern School of Business)	Bachelor’s Degree (Ankara University, Faculty of Political Sciences)	Master’s Degree (Executive MBA, Koç University)	Bachelor’s Degree (Law, Galatasaray University)	Master’s Degree (MBA, Baruch College)

Area of Expertise



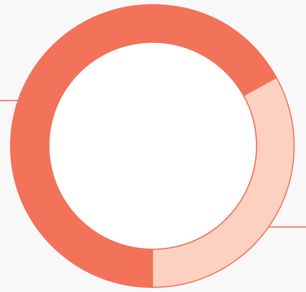
Risk Management Experience | Manufacturing Experience | Finance Experience | Non-Financial Sector Experience | Research & Development (R&D) Experience | Product Development Experience | Audit Experience | Sustainability Experience

Board of Directors Skills Matrix

Name - Surname	İzzet GARİH	Vedat Aksel ALATON	Ümit N. YILDIZ	Leyla ALATON	Niv GARİH	Ayhan YAVRUCU	Lale ERGİN	Av. Nihal MASHAKİ SEÇKİN	İzzet Cemal KİŞMİR
Membership Status in Board Committees									
Audit Committee								Member	Chairman
Corporate Governance Committee	Member	Member						Chairman	
Early Detection of Risk Committee	Member	Member					Chairman		
Attendance at Committee Meetings									
Audit Committee								Attended the meeting	Attended the meeting
Corporate Governance Committee	Attended the meeting.	Attended the meeting.						Attended the meeting	
Early Detection of Risk Committee	Attended the meeting.	Attended the meeting.					Attended the meeting.		
Independence Status	Non-Independent	Non-Independent	Non-Independent	Non-Independent	Non-Independent	Non-Independent	Independent	Independent	Independent

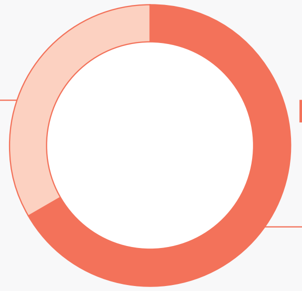
Board Composition

Female
67%



Male
33%

Independent
3 persons



Non-Independent
6 persons

Average Experience (Years)

21 years of experience at Alarko Group

Stakeholder Participation in the Board of Directors

Alarko Holding has a strong governance approach characterized by transparent decision-making processes. Shareholders have the right to ask questions at General Assembly meetings, while meeting minutes, voting results, and resolutions are published on the company's website. Attendance at the Annual Ordinary General Assembly meeting in 2025 was 64.92%, comprising 46.83% direct participation and 18.09% participation by proxy.

The company applies the "one share, one vote" principle, and there are no privileges or restrictions regarding voting rights. Members of the Board of Directors are elected by a simple majority for three-year terms, and the same principle applies to independent members. The General Assembly adopts resolutions concerning amendments to the Articles of Association and dissolution of the company in accordance with the majority requirements stipulated under the Turkish Commercial Code.

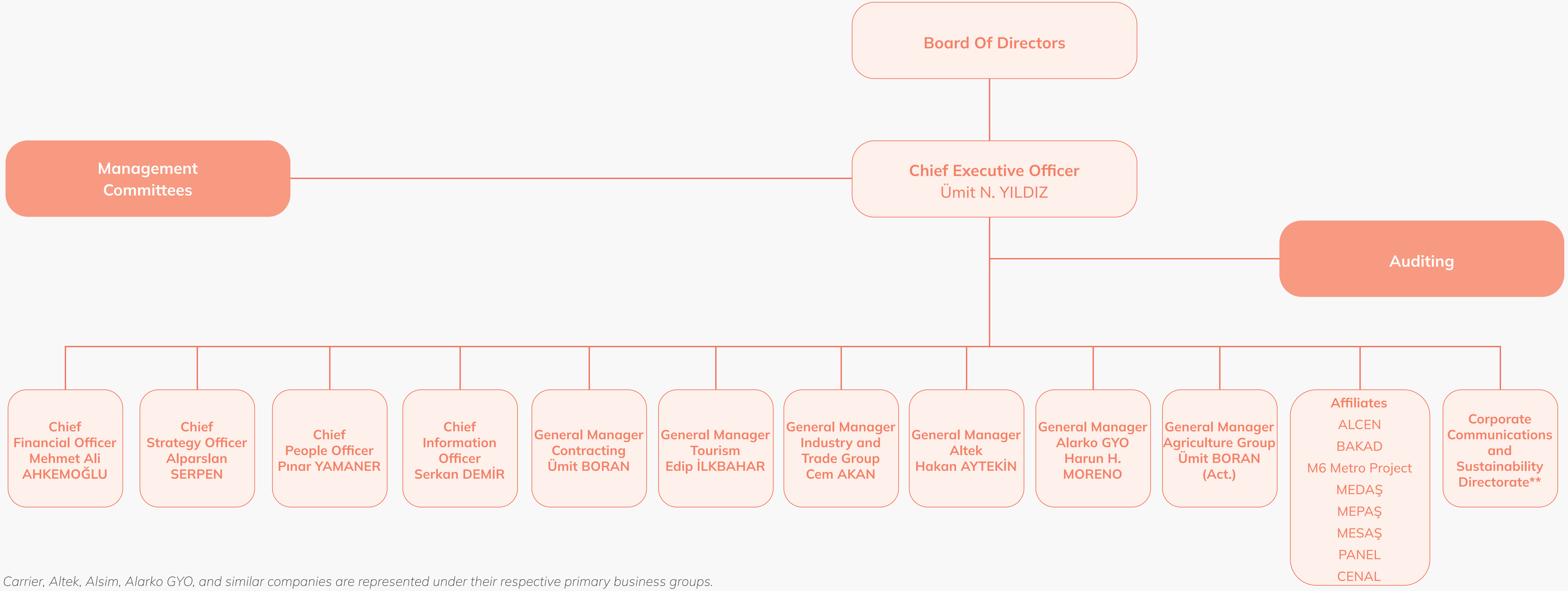
Senior executive compensation is submitted to the General Assembly for approval in accordance with the Capital Markets Board Corporate Governance Principles. A portion of bonuses may be paid in the form of performance-based shares. The Articles of Association do not restrict shareholder rights and grant shareholders holding less than 10% of the shares the right to request an Extraordinary General Assembly meeting.

Material Topic

A sustainability topic that could influence stakeholders' decisions or that is of critical importance to an organization's long-term success.

Organizational Structure

Alarko Holding's organizational structure has been designed based on a model that enables the company's business strategy to be implemented as efficiently and effectively as possible. The functional relationships among the Holding, Group companies, and business units enable the Holding's objectives to be cascaded throughout the organization. This structure supports progress toward strategic objectives while maintaining transparent and accountable governance toward all stakeholders.



*Alarko Carrier, Altek, Alsim, Alarko GYO, and similar companies are represented under their respective primary business groups.

** Alarko Group's Corporate Communications and Sustainability Directorate reports directly to the Chief Executive Officer of the Group.

Enterprise Risk Management

Alarko Holding integrates analyses of sustainability- and climate-related risks and opportunities into its strategic decision-making processes, conducting a comprehensive assessment that encompasses environmental and social impacts and evolving regulations. This process considers the dynamics of the sectors in which the Group companies operate, regional vulnerabilities, global climate scenarios, and developments in sustainability, enabling the Holding's corporate strategy and sustainability vision to progress in a coordinated manner.

Ultimate oversight responsibility for enterprise risk management and internal control processes at Alarko Holding rests with the Board of Directors. The Board oversees the effectiveness of the risk management and internal control mechanisms established to ensure the systematic monitoring of risks related to the Holding's overall strategy, business plans, and annual budget.

The early identification and assessment of risks and the development of necessary measures are undertaken by the Early Detection of Risk Committee, the Audit Committee, and the Audit Advisory and Approval Board. The Early Detection of Risk Committee, which consists of three members of the Board of Directors, submits its assessments and recommendations regarding the risks that the Holding may face to the Board of Directors.

Oversight of sustainability and climate matters at Alarko Holding is the responsibility of the Board of Directors. The Corporate Communications and Sustainability Directorate, which reports directly to the Group CEO, is responsible for bringing relevant developments to the Board's agenda, monitoring the associated risks and opportunities, and coordinating Group-wide activities. These efforts are supported by a broadly representative sustainability governance structure. Further information on this structure is provided in the **Sustainability Governance** section of the Report.

The Committee meets once a year to evaluate the Group's sustainability activities, priorities, and targets in light of local and international developments, regulatory changes, and industry trends. An annual training session is also held to inform members of the Board of Directors and the Holding's senior executives about current sustainability matters and Group-wide initiatives.

Sustainability- and Climate-Related Risks and Opportunities

Sustainability- and climate-related developments may have varying effects on production conditions, access to natural resources, supply chains, asset resilience, financing opportunities, and market demand in the sectors in which the Group operates. Alarko Holding assesses sustainability- and climate-related risks and opportunities as part of its enterprise risk management approach. The activities and value chains of the Group companies are reviewed during the assessment process, drawing on sources such as industry reports, global trends, and the SASB Standards. Identified climate risks are classified as physical risks or transition risks in accordance with the classification approach of the Task Force on Climate-related Financial Disclosures.

The risk and opportunity assessment process considers financial impact, likelihood, and time horizon. The position of each risk and opportunity within the value chain and its geographic location are identified. Heat maps incorporating financial impact on the vertical axis and likelihood on the horizontal axis are prepared separately for the short, medium, and long term.

Alarko Holding has defined the financial materiality threshold for climate-related risks and opportunities as an impact equivalent to 2% or more of total assets. As part of mandatory TSRS-aligned sustainability reporting, the 2025 analysis of sustainability- and climate-related risks and opportunities was made publicly available on the company's website. A summary table of Group-wide risks and opportunities is provided below.

Physical Climate Risk

The risk that climate change may pose to assets, operations, employees, the supply chain, and financial performance through weather events and long-term climate trends.

Enterprise Risk Management

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
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

Enterprise Risk Management

Activity Group	Relevant Matter	Risk / Opportunity	Time Horizon	Financial Impact	Assessment	Position in the Value Chain	Reference
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
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

Ethics, Compliance, and Transparency

The high standards adopted by Alarko Holding in business ethics, transparency, and corporate compliance form the foundation of the company's sustainable way of doing business. The Code of Ethics and Standards of Professional Conduct, which governs employee conduct, business relationships, and overall business ethics, is accessible to all employees. Shaped by Alarko Holding's corporate values, the Handbook serves as a fundamental resource guiding employees in their day-to-day work.

The Handbook addresses critical topics including employee relations, external relations, asset and information management, prevention of discrimination, harassment, and workplace violence. It also covers the prevention of conflicts of interest, protection of inside information, gifts and hospitality practices, anti-bribery and anti-corruption, and prevention of money laundering. All employees and third parties acting on behalf of Alarko Holding and its Group companies are required to comply with the applicable rules and legislation. This framework supports conduct consistent with ethical principles and forms a cornerstone of Alarko Holding's corporate culture.

A robust communication and reporting infrastructure has been established to support the application of ethical principles throughout the company. Employees who encounter any unethical conduct may submit reports securely and confidentially through the Ethics Hotline or by emailing etik.bildirim@alarko.com.tr. Employees may also submit written reports to the Chairman of the Board of Directors if they suspect that ethical rules have been violated or that they are being pressured to violate them. Anonymous reports are also evaluated. Alarko Holding is committed to protecting employees who make reports in good faith from retaliation.

Reports are evaluated by the Ethics and Integrity Committee. If necessary, action is taken and disciplinary procedures are implemented depending on the nature of the violation. Where necessary, the Committee may seek input from relevant functions such as Legal, Internal Audit, and Human Resources.

The Corporate Governance Committee monitors compliance with and implementation of the Code of Ethical Conduct and Working Principles and submits any necessary update recommendations to the Board of Directors annually. No reports were submitted through the Alarko Holding Ethics Hotline in 2025.

The ethical rules also cover information security and personal data protection practices. As Alarko Holding integrates the opportunities offered by digitalization into its business models and processes, it regards data security as a priority corporate responsibility. The Information Privacy and Security Policy and the Personal Data Protection and Processing Policies establish the framework for protecting employee and customer information. Employees are expected to use and share confidential information in accordance with legal requirements and internal regulations. Data loss prevention software is used to prevent uncontrolled data transfers outside the organization. The security level of systems is regularly monitored through penetration testing and cybersecurity rating services. Supported by user awareness training and projects focused on authorization processes, action plans are developed based on findings from risk analyses. This enables continuous improvement in data security and ethical compliance. Further information on cybersecurity and data security is available in the Cybersecurity and Data Security section.

Alarko Holding has also joined the Business Against Domestic Violence (BADV) Network, led by TÜSİAD and Sabancı University, completed the six-module train-the-trainer program, and established its Workplace Policy on Domestic Violence.

Due Diligence

The process of identifying, assessing, and managing the environmental, social, ethical, and governance risks that may arise from an organization's activities, investments, or business relationships. It is one of the fundamental tools of human rights and responsible supply chain practices.

Internal Audit and Internal Control

Alarko Holding's internal audit activities are conducted under the direct authority of the Audit Committee of the Board of Directors. Under the Alarko Holding A.Ş. Audit Committee Terms of Reference and Working Principles, the Audit Committee is responsible for overseeing the organizational structure, activities, and capabilities of the internal audit function. The Audit Committee's responsibilities also include assessing the internal audit function's budget, human capital requirements, and areas of responsibility and submitting recommendations to the Board of Directors. This structure enables the internal audit function to operate independently of senior management and perform its duties objectively and effectively.

Structures including the Audit Advisory and Approval Board and the Group Audit Function have been established under the leadership of the Alarko Holding Board of Directors to support the effective operation of the internal control mechanism. The Audit Committee meets at least four times a year, once every three months, and holds extraordinary meetings when necessary, enabling it to perform its activities regularly and effectively. In 2025, the Audit Committee met four times with full member attendance and prepared and submitted six reports to the Board of Directors. During the same period, two internal audits, two independent audits, and public authority audits were conducted across the Group. No adverse findings were identified as a result of these reviews.

The Group Audit Function periodically evaluates the internal control system within the framework of approved annual audit plans. It regularly reports to senior management the findings obtained from preventive, detective, manual, and automated audits and controls. In addition to supporting the protection and continuity of operational and financial performance, these reports contribute to monitoring and improving corporate sustainability performance.

Based on these reports, the Audit Advisory and Approval Board determines the measures and actions required and ensures that the relevant company executives receive the necessary information through the CEO of the Group so that the measures can be implemented.

- The Internal Audit Department reports directly to the Audit Committee and operates independently of Senior Management.
- The Audit Advisory and Approval Board evaluates reports submitted by the Internal Audit Department and determines the measures required.
- The Group Audit Department evaluates the internal control system in accordance with the audit plan.
- Findings and recommendations are communicated to the relevant executives through the CEO of the Group, and appropriate action is taken.

Risk Management

The identification, analysis, prioritization, and development of appropriate responses to, and regular monitoring of, uncertainties that could affect the achievement of objectives. Effective risk management links risk ownership and controls to decision-making and performance processes.

Sustainability *Approach*

Sustainable Impact Journey and Strategy

Alarko Holding regards sustainability as a holistic approach that guides the Group's way of doing business, from investment decisions to day-to-day operations, and supports long-term value creation. As a member of the United Nations Global Compact (UNGC) and a current member of the Board of Directors of the Business Council for Sustainable Development Türkiye (BCSD Türkiye), Alarko Holding aligns its sustainability activities and performance with the United Nations Sustainable Development Goals (SDGs) and communicates them to its stakeholders through sustainability reporting prepared in accordance with the Turkish Sustainability Reporting Standards (TSRS) and the Global Reporting Initiative (GRI) Standards. Recognizing equality of opportunity and gender equality as fundamental components of its sustainability approach, Alarko Holding is also a signatory to the United Nations Global Compact and the Women's Empowerment Principles (WEPs).

In line with Türkiye's 2053 Net Zero Emissions target and the Group's commitment to achieve Net Zero Emissions by 2050, Alarko Holding aims to reduce the carbon emissions arising from its operations and ultimately achieve net zero emissions. Within this framework, the Group is taking concrete steps to ensure the responsible generation and distribution of energy, increase its renewable energy capacity, and improve energy efficiency across all areas of operation.

By integrating modern production methods with sustainability practices and advanced technologies in its agricultural operations, Alarko supports access to healthy and reliable food through a business model based on soilless and residue-free production and the use of renewable energy. Recognizing the potential of the agricultural sector to create employment opportunities for women, the Group supports the development of the female workforce across its agricultural operations. The Group also operates at various stages of the agricultural value chain, ranging from greenhouse cultivation and specialized fertilizer production to seed breeding and dried food production, and aims to become one of the world's leading agricultural investors.

In the tourism sector, environmentally responsible practices implemented under the Hillside brand, procurement processes that support local economies, and scientific projects aimed at protecting biodiversity contribute to the development of exemplary practices at the Group's facilities on both a national and international scale.

In the industrial and trade sectors, the Group develops heating, ventilation, and air-conditioning solutions with a reduced environmental impact, while prioritizing the use of clean energy, resource efficiency, and sustainable production facilities. Alarko Holding integrates environmentally responsible practices into its contracting, land development, and real estate projects. It also incorporates environmental, social, and governance (ESG) principles into its investments in publicly listed companies and ventures with high growth potential.

As part of its approach to creating social value, the Group implements long-term projects that promote equality of opportunity in the areas of social responsibility, women's entrepreneurship, gender equality, culture, arts, and sports. Rather than limiting sustainability to the management of environmental impacts, the Group also addresses its social dimensions through practices aimed at promoting gender diversity and employee development. In 2025, Alarko Holding launched the Sustainability Transformation Project to further improve its sustainability performance and accelerate transformation across the Group. The project was implemented in four stages: analysis and prioritization; definition and measurement of the sphere of impact; reporting and assurance; and the Group-wide rollout of practices across Group Companies.

- **Analysis and prioritization:** Following a current-state assessment and benchmarking study, a materiality assessment was conducted with stakeholders. Material topics were evaluated through a financial materiality assessment, while risks and opportunities were identified and tested through scenario analyses.
- **Definition and measurement of the sphere of impact:** The Group's value chain and value creation model were established, the Group's sphere of impact was defined, and carbon measurement practices were expanded across the Group.
- **Reporting and assurance:** Reporting in accordance with TSRS and GRI Standards was completed, and the relevant audit and assurance processes were conducted.
- **Group-wide rollout:** An expanded governance structure was established, sustainability scorecards were developed for the Group Companies, and the Positive Impact Programme continued with expanded content to further raise sustainability awareness.

Sustainability Strategy

A strategic framework that sets out an organization's long-term targets, roadmap, and value-creation approach in line with its environmental, social, and governance priorities.

Sustainable Impact Journey and Strategy

As a result of these efforts, the sustainability focus areas and prioritized agendas, revised in alignment with global standards and stakeholder expectations, are presented below:

Corporate Governance:
- Ethical, transparent, and accountable governance
- Effective functioning of the Board of Directors and its committees
- Risk management and internal control
- Protection of the rights of shareholders and stakeholders
- Stakeholder engagement and compliance with regulations

Environmental Impact Management
- Sustainable business models and responsible investment
- Use of green energy
- Carbon management, energy and resource efficiency
- Green-collar investment

Climate-Focused Solutions
- Investment in renewable energy generation and energy storage technologies
- Sustainable and secure food supply
- Circular business models

Investing 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 a culture of innovation and creativity
- Productivity and work-life balance
- Equal opportunity and diversity culture

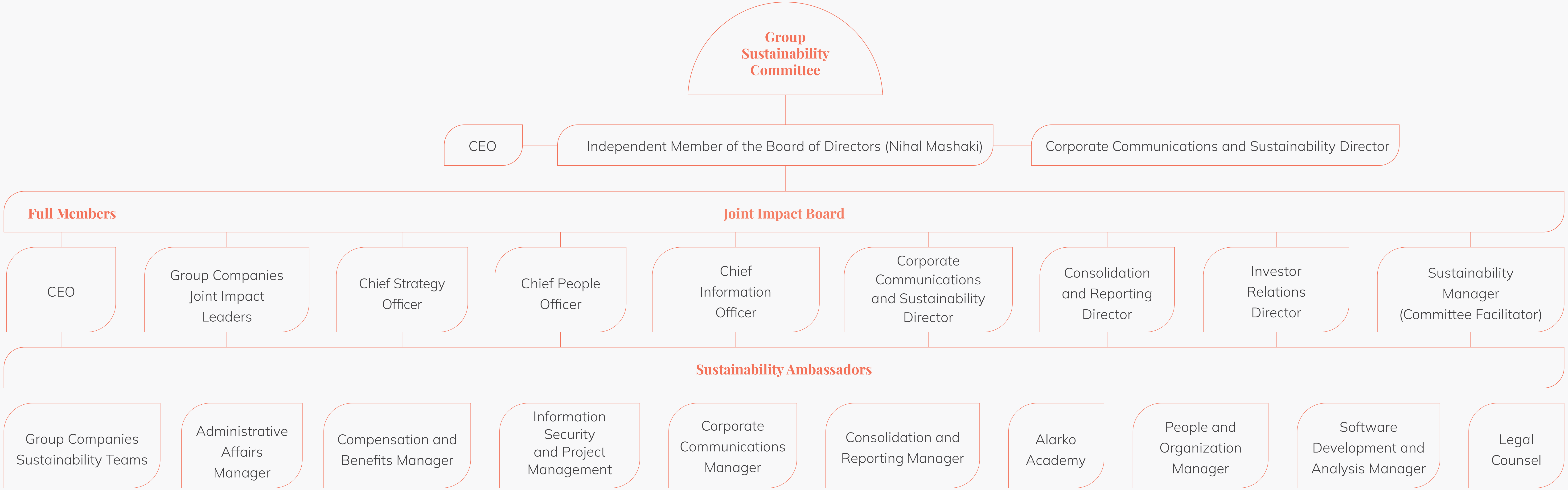
Innovation and Technology
- Digital transformation and innovation
- Data analytics and decision support systems
- Artificial intelligence integration
- Investments in sustainable and green technologies
- Development of innovative products and services
- Strategic partnerships and collaborations
- Cybersecurity
- Information security, and technological infrastructure investments
- Compliance with legal regulations
- Management of environmental impacts arising from technology

Creating Value for Society
- Equal opportunity in education
- Women's employment and entrepreneurship
- Cultural and artistic development of youth
- Responsible communication policy
- Sustainable and inclusive impact

Alarko implements the projects under its updated sustainability strategy in accordance with the "Joint Impact" principle. Under this approach, the sustainability targets established across the Group are translated into concrete actions based on the respective areas of activity and operational priorities of the Group Companies, while the relevant performance indicators are incorporated into their corporate scorecards. This supports the consistent management and monitoring of sustainability performance across the Group through a common framework. Further details on the governance structure of the system and the performance assessment process are provided in the **Sustainability Governance** section of the Report.

Sustainability Governance

Guided by its objective of making a meaningful difference in every area in which it operates, Alarko Group integrates sustainability into its strategic decisions, activities, performance management, and reporting processes. Aligning Group-wide objectives with the sector-specific priorities of the Group companies supports the translation of economic, environmental, and social impact into measurable outcomes. As of 2025, sustainability governance is conducted through an expanded structure comprising the Group Sustainability Committee, the Joint Impact Council, Joint Impact Leaders from the Group companies, and Sustainability Ambassadors.



Sustainability Governance

Alarko Holding effectively manages its sustainability strategies and targets under the coordination of the Corporate Communications and Sustainability Directorate.

Board Oversight and the Sustainability Committee

Reporting directly to CEO of the Group, the Corporate Communications and Sustainability Directorate is responsible for the central coordination of sustainability management across Alarko Group. The Directorate coordinates the development of the Group-wide sustainability strategy and targets, the guidance and support provided to the Group companies, the monitoring of performance results, and the oversight of sustainability- and climate-related risks and opportunities.

Board-level oversight is supported by the Group Sustainability Committee. Comprising an Independent Member of the Board of Directors, the CEO of the Group, and the Corporate Communications and Sustainability Director, the Committee ensures that sustainability- and climate-related developments are brought to the Board's agenda and evaluated in relation to the Group's activities.

The Committee meets once a year to evaluate local and international regulations, industry trends, the Group's sustainability performance, and progress toward its targets. An annual training session is also organized to inform members of the Board of Directors and the Holding's senior executives about current sustainability matters and initiatives conducted across the Group.

The Corporate Communications and Sustainability Directorate also prepares the Sustainability Headlines newsletters, which aim to improve sustainability-related knowledge and capabilities across the Group. Covering sustainability- and climate-related developments that may affect the business groups, regulations, industry reports, and analyses, these newsletters are shared simultaneously with the relevant teams and the Board of Directors.

Joint Impact Council, Sustainability Ambassadors, and Working Groups

Group-wide sustainability initiatives are coordinated through the Joint Impact Council, which operates under the leadership of the CEO of the Group. The Council's permanent members comprise the Joint Impact Leaders of the Group companies and Alarko Holding's Chief Strategy Officer, Chief People Officer, Chief Information Officer, Corporate Communications and Sustainability Director, Investor Relations Director, Consolidation and Reporting Director, and Sustainability Manager.

Sustainability Governance

The Joint Impact Council and Sustainability Ambassadors monitor the Group's sustainability targets and ensure coordination.

The Joint Impact Council coordinates and monitors sustainability practices across the Group and supports the communication of performance results against established targets to Holding management. The Sustainability Ambassadors group, established to monitor the Council's activities at the operational level and integrate its decisions into the relevant processes, comprises individuals who contribute to sustainability activities at the Holding and Group companies.

The Council meets twice during each reporting period. One meeting is held online, and the other takes place in person as part of Joint Impact Day. Sustainability-focused Key Performance Indicators included in the corporate scorecards of the Group companies are monitored at these meetings, and the evaluation results are submitted to Holding management.

Working groups operate within the Group companies and may be tailored by each company to its strategic direction and requirements. To contribute tangibly to the Group's strategic objectives, the following working groups are recommended to the Group companies by the central sustainability management function

- **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.

Sustainability Governance

Joint Impact Day

The first Joint Impact Day, at which the Group companies' 2024 sustainability performance and plans for subsequent periods were evaluated, was held on February 11, 2025. At the event, attended by senior management, members of the Joint Impact Council, and Joint Impact Leaders, the Group companies presented their activities during the year and progress toward their targets. Sustainability-focused Key Performance Indicators included in the companies' corporate scorecards were evaluated against thresholds of 50, 100, and 150 points, and annual weighted performance scores were calculated. The results for sustainability indicators, which carried a weighting of between 5% and 10% in the corporate performance evaluation, were determined based on assessments by the Joint Impact Council and the CEO of the Group, who chairs the Council. Innovative and scalable initiatives were recognized at the event, which also supported collaboration among the Group companies, the sharing of good practices, and a culture of learning from one another.

Alarko Group Positive Impact Green-Collar Program

Comprehensive training programs are organized to enhance employees' sustainability knowledge and awareness in line with the Group's sustainability strategy and approach. Designed for this purpose, the Positive Impact Program represents one of Alarko's key initiatives aimed at fully integrating its sustainability strategy into both its ways of doing business and corporate culture. Through its intensive training process and workshops, the Positive Impact Program supports participants in developing business initiatives and generating solutions with a focus on sustainability.

In 2025, eight training modules developed with contributions from seven business partners were delivered to more than 60 participants under the program. Training per participant exceeded 50 hours, representing a 79% increase compared with the previous year. The program covered a broad range of topics, including carbon management and international regulations, sustainability reporting and assessment indices, digital transformation and green technologies, the circular economy and resource management, gender equality, responsible communication, and social impact measurement.

As part of internal awareness-raising activities across the Group, more than 30 issues of the Sustainable Headlines bulletin were shared. Featuring monthly sustainability news, announcements of sector-specific webinars and podcasts, reports tailored to individual business groups, and updates on local and international regulations, these publications contribute to keeping sustainability knowledge up to date and embedding the positive impact approach throughout the organization.

The program aims to ensure that sustainability concepts are understood and internalized and that a positive impact is created across all business lines. A wide range of training sessions are provided on topics including the fundamentals of sustainability, the Learning from Nature gathering, gender equality, environmental justice, and planned economic degrowth. The program is planned to be expanded and further developed with new modules in 2026. Participants are also expected to build competencies in measurement, reporting, the triple transformation, responsible investment, and communication.

Key Outcomes and Benefits:

- A total of 60 employees participated in the program
- More than 50 hours of training per participant
- Contribution to enhancing employees' sustainability and environmental awareness
- Monitoring of global best practices and trends by participants
- Encouragement of peer learning across the Group companies
- Establishment of a collective impact chain encompassing all stakeholders

Stakeholder Dialogue

A fundamental priority of Alarko Holding's sustainability approach is maintaining open, transparent, and effective communication with stakeholders. This approach contributes to the improvement of business processes, the evaluation of stakeholder expectations and feedback, the preservation of trust-based relationships, and the achievement of shared value creation and sustainable growth objectives.

The Stakeholder Dialogue table provides an overview of the Group's key stakeholder groups, communication methods, and frequency of engagement.

Stakeholder Group	Importance to Alarko Holding	Value Contributed by Alarko Holding	Communication Methods	Frequency of Engagement
Senior Management	The company's senior executives play a key role in establishing corporate strategies, taking ownership of sustainability targets, and leading corporate transformation. They guide sustainability performance through decision-making processes.	Senior management actively supports the integration of sustainability throughout the company by guiding decision-making processes and establishing targets and policies.	• Quarterly and Annual Financial Results Announcements • Quarterly and Annual Financial Reports • Quarterly Business Line Summaries • GRI-Aligned Sustainability Report • TSRS-Aligned Sustainability Report • Corporate Website • Alarko Capital Markets Day • Intranet • Social Media and Digital Channels • Investor and Analyst Presentations • Material Event Disclosures • Financial Results Review Meetings • One-on-One Discussions and Meetings • General Assembly Meetings • Messages and Newsletters from the CEO • Coordination Newsletters • Bizim Dünyamız Corporate Magazine • Alarko Leaders' Summit • Alarko Joint Impact Day • Alarko Day • Alarko Future Club • Alarko Innovation Day • Suggestion, Recognition, and Reward System • Committees and Working Groups • Sustainability Headlines E-Newsletters • Life at Alarko Internal Communications Newsletter • Internal Announcements, Notices, and Publications • Performance Management System • Surveys	Ongoing

Stakeholder Dialogue

Stakeholder Group	Importance to Alarko Holding	Value Contributed by Alarko Holding	Communication Methods	Frequency of Engagement
Employees*	Employees who lead change and embrace corporate values are central to Alarko Holding's sustainable success. Through their capabilities and commitment, every Alarko employee forms an essential part of this shared success story.	A strong corporate culture is supported through continuous training programs, development-focused performance systems, and internal communication tools, with the objective of fostering collaboration, synergy, and shared Positive Impact across all Group companies. The Ethics Hotline, through which concerns relating to ethics and compliance, including human rights, may be reported, operates in accordance with the principle of confidentiality. Rules of conduct intended to preserve harmonious working relationships are provided to employees against signature, while anti-corruption clauses are included in contracts with external stakeholders.	• Alarko Holding Working Principles • Alarko Holding Ethical Principles • Alarko Group Policy and Objectives Book, the Pink Booklet • Environmental and Climate Change, Gender Equality, and Responsible Communication Policies • Messages and Newsletters from the CEO • Coordination Newsletters • Annual Report • GRI-Aligned Sustainability Report • TSRS-Aligned Sustainability Report • Corporate Websites • Corporate Intranet • Social Media Publications • Bizim Dünyamız Corporate Magazine • Alarko Leaders' Summit • Alarko Joint Impact Day • Alarko Day • Alarko Future Club • New Ideas Competition • Suggestion, Recognition, and Reward System • Committees and Working Groups • Sustainability Headlines E-Newsletters • Alarko Language Guide • Internal Announcements, Notices, and Publications • Internal Training • External Training Partnerships • Positive Impact Green-Collar Program • Social Events • Performance Management System • Employee Engagement and Internal Customer Surveys • Surveys • Ethics Hotline Reporting Mechanism • Written Ethical Principles Procedure • Code of Conduct and Communication Guide • Internal Communications Meetings • Awareness Programs	Ongoing

All communication tools listed under Employees apply across the Group.

Stakeholder Dialogue

Stakeholder Group	Importance to Alarko Holding	Value Contributed by Alarko Holding	Communication Methods	Frequency of Engagement
Customers	Customers are among the key stakeholders who interact directly with Alarko Holding's products and services and shape perceptions of the value created. Customer feedback plays a decisive role in continuous improvement and the development of innovative approaches.	Value is created through customer satisfaction-focused product development, after-sales services, and uninterrupted communication through digital channels. A multichannel communication model is applied to provide uninterrupted and accessible services. Customer feedback is collected and analyzed, and service quality and satisfaction levels are measured systematically. The results are actively used to improve service processes and develop projects that enhance the customer experience.	• Holding and Company Websites • Digital Channels for All Brands • Online Sales and Service Channels • Service Facilities • Product Sales Locations • Dealer and Service Networks • Annual Report • GRI-Aligned Sustainability Report • TSRS-Aligned Sustainability Report • Customer Satisfaction Surveys • Focus Group Studies • Joint Projects and Initiatives • Visits, Meetings, and Discussions • 186 Call Center • Email Channels • IVR-IVN System • SMS Notification System • WhatsApp Line for Neighborhood Heads • Social Media Platforms • Customer-Focused Digital Engagement Channels • Monthly Customer Satisfaction Surveys • Call Center Satisfaction Measurements • Confirmation Calls • Neighborhood Head Satisfaction Surveys • Stakeholder Satisfaction Surveys • Records of Requests, Suggestions, and Complaints • Social Media Feedback	Periodic

Stakeholder Dialogue

Stakeholder Group	Importance to Alarko Holding	Value Contributed by Alarko Holding	Communication Methods	Frequency of Engagement
Shareholders	Shareholders play a decisive role in Alarko Holding's achievement of its long-term strategic objectives and creation of financial value. The company seeks to strengthen investor confidence through financial transparency, strong governance, and a focus on sustainable growth.	Shareholder value is continuously enhanced through financial sustainability, regular dividend distributions, and corporate transparency. Under the consolidation and reporting policy, the company aims to provide all stakeholders with transparent, reliable, and comparable financial information. Tax matters are addressed as part of the general financial reporting and audit mechanisms.	• Quarterly and Annual Financial Results Announcements • Quarterly and Annual Financial Reports • Quarterly Business Line Summaries • GRI-Aligned Sustainability Report • TSRS-Aligned Sustainability Report • Corporate Website • Alarko Capital Markets Day • Social Media and Digital Channels • Investor and Analyst Presentations • Material Event Disclosures • Financial Results Review Meetings • One-on-One Discussions and Meetings • General Assembly Meetings • Financial Reports	Ongoing
Associates and Joint Ventures	Associates and joint ventures operating within Alarko Holding play an important role in ensuring strategic alignment with overarching policies and objectives and strengthening a culture of collaboration. These entities contribute to integrated sustainable value creation and Joint Impact in line with the Group's vision.	Alignment of strategy and the sharing of information and resources within the Group create efficiency and synergy among associates and joint ventures.	• Alarko Leaders' Summit • Alarko Joint Impact Day • Positive Impact Green-Collar Program • Annual Report • GRI-Aligned Sustainability Report • TSRS-Aligned Sustainability Report • Working Groups • Project Partnerships • Corporate Publications and Internal Announcements	Ongoing
Financial Institutions, Analysts, and Investors	Financial institutions, analysts, and investors are among the strategic stakeholders that assess the company's financial performance and support its long-term growth. Relationships with these stakeholders are founded on financial transparency, reliability, accountability, and environmental and social performance.	Strategic financial planning, transparent reporting, and effective investor relations activities build confidence in the financial sector and capital markets.	• Quarterly and Annual Financial Results Announcements • Quarterly and Annual Financial Reports • Quarterly Business Line Summaries • GRI-Aligned Sustainability Report • TSRS-Aligned Sustainability Report • Corporate Website • Alarko Capital Markets Day • Social Media and Digital Channels • Investor and Analyst Presentations • Material Event Disclosures • Financial Results Review Meetings • One-on-One Discussions and Meetings • General Assembly Meetings	Ongoing

Stakeholder Dialogue

Stakeholder Group	Importance to Alarko Holding	Value Contributed by Alarko Holding	Communication Methods	Frequency of Engagement
Public Institutions and Regulatory Authorities	Public institutions and regulatory authorities play an important role in ensuring that activities are conducted within the applicable legal framework and aligned with public policies. Cooperation with these stakeholders contributes to strengthening corporate reputation and maintaining the social license to operate.	Full regulatory compliance and industry consultation meetings contribute to public policy development and reinforce public trust. Engagement with public authorities and other stakeholders is conducted in accordance with the principles of transparency, integrity, and mutual trust. The company communicates on tax matters transparently, promptly, and in accordance with applicable legislation. Tax returns, other statutory filings, and requested information and documentation are submitted to the authorized institutions.	• Annual Report • GRI-Aligned Sustainability Report • TSRS-Aligned Sustainability Report • Audits • Meetings and Discussions • Industry Projects Conducted with Nongovernmental Organizations • Tax Returns and Statutory Filings	Periodic
Business Partners and Suppliers	Suppliers and business partners are among the principal stakeholders supporting operational continuity and the integration of quality and sustainability principles into business activities. Long-term cooperation is shaped in accordance with the principles of ethics, trust, and environmental responsibility.	Quality standards, ethical principles, and sustainable procurement practices in supply chain processes create long-term value for business partners. The Occupational Health and Safety Policy covers not only employees, but also business partners, suppliers, contractors, and other stakeholders working in the field. All stakeholders are expected to comply with applicable legislation and company procedures. The Information Security Management System is also intended to minimize risks, and the relevant policies and procedures are published through the electronic document management system.	• Annual Report • GRI-Aligned Sustainability Report • TSRS-Aligned Sustainability Report • Alarko Holding Working Principles • Alarko Holding Ethical Principles • Environmental and Climate Change, Gender Equality, and Responsible Communication Policies • Training • Award Ceremonies • One-on-One Discussions • Occupational Health and Safety Committees • Publications • Occupational Health and Safety Policy • Information Security Policy and Handbook	Ongoing
Associations, Initiatives, and International Organizations	Nongovernmental organizations, initiatives, and international organizations play an important role in developing collaborative solutions to social, environmental, and economic issues and strengthening cooperation to monitor global standards and good practices. Through its relationships and projects with these organizations, Alarko Holding expands its sphere of influence and international visibility while conducting its activities in accordance with the principles of transparency and accountability.	Social and environmental projects conducted in cooperation with nongovernmental organizations and initiatives, together with participation in international assessment processes, strengthen the company's knowledge base and institutional capacity and expand its stakeholder reach and social impact. Corporate social responsibility initiatives relating to stakeholder relationships, transparency, and responsible brand management are conducted in accordance with sustainability principles. Strong relationships with local communities, public institutions, and business partners support the vision of public disclosure and social value creation. Industry partnerships are developed to promote energy efficiency and environmental awareness, while the employment and economic impacts of transportation projects are monitored regularly.	• Board Memberships in Nongovernmental Organizations • Working Group and Committee Memberships • Joint Projects and Publications • Events, Meetings, and Discussions • Index Assessments • Audits • Annual Report • GRI-Aligned Sustainability Report • TSRS-Aligned Sustainability Report • Energy Efficiency and Awareness Partnerships • Community and Stakeholder Notifications Relating to Transportation Projects	Ongoing

Stakeholder Dialogue

Stakeholder Group	Importance to Alarko Holding	Value Contributed by Alarko Holding	Communication Methods	Frequency of Engagement
Universities, Research Institutions, and Academics	Universities, research institutions, and academics are among Alarko Holding's strategic stakeholders in scientific development, knowledge transfer, and support for young talent. Joint projects conducted with these institutions strengthen the culture of innovation and the learning organization structure while supporting the recruitment of young talent.	Knowledge sharing is promoted through research projects, scholarship programs, and university-industry partnerships, supporting the development of young talent.	• Annual Report • GRI-Aligned Sustainability Report • TSRS-Aligned Sustainability Report • Conferences and Seminars Organized by Universities and Student Clubs • Articles and Publications • Joint Projects • Educational Scholarships and Technical Support • Sponsorships • Meetings and Discussions • Social Media Channels • Corporate Website • Internship Programs • Youth Projects Conducted through Nongovernmental Organizations	Periodic
Media Organizations	The media is an important stakeholder that strengthens Alarko Holding's communication with the public and supports the implementation of the principles of transparency and accountability. It contributes strategically to the management of corporate reputation.	Corporate transparency is strengthened through open public communication, effective information sharing during periods of crisis, and effective media relations management.	• Press Releases • Press Conferences • News Coverage and Interviews • Annual Report • GRI-Aligned Sustainability Report • TSRS-Aligned Sustainability Report • Material Event Disclosures	Periodic

Double Materiality Assessment

In the 2025 reporting period, Alarko Holding conducted its first Double Materiality Assessment in alignment with the European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD).

The assessment evaluated sustainability impacts arising from Alarko Group's activities and throughout its value chain, together with the associated risks and opportunities. Stakeholder views, industry dynamics, and strategic priorities were integrated into the process. While applying a common methodology to Group companies operating across different sectors, the assessment also considered differences arising from their operating structures and positions within the value chain.

The assessment was based on two fundamental perspectives:

Impact Materiality	Financial Materiality
The actual or potential impacts of Alarko Group's activities and value chain on society and the environment.	The potential effects of sustainability- and climate-related risks and opportunities on Alarko Group's financial position, financial performance, cash flows, and capacity to create long-term value.

A sustainability matter was considered "material" if it met the defined threshold for either impact materiality or financial materiality.

Assessment Process

The Double Materiality Assessment was conducted in four main steps:

1. Assessment of the context and universe of sustainability matters
2. Identification of the value chain and critical activities
3. Assessment of impacts, risks, and opportunities
4. Consolidation of "Material" impacts, risks, and opportunities

Step 1: Assessment of the Context and Universe of Sustainability Matters
The first step of the Double Materiality Assessment evaluated the business areas, business models, and industry characteristics of the Group companies within Alarko Holding. The assessment considered the potential environmental, social, and governance impacts of their activities, as well as sustainability- and climate-related risks and opportunities. Rather than applying a single general approach to the Holding's activities across different sectors, this established a basis for assessment that reflected each company's operating context.

Industry assessments were conducted with reference to the sustainability matters defined in the ESRS 1:Application Requirements, taking into account existing and emerging regulations, global sustainability trends, and stakeholder expectations. The findings of the Materiality Assessment conducted in the previous reporting period were reviewed, and the previously identified material topics were reassessed in accordance with the double materiality approach.

Step 2: Identification of the Value Chain and Critical Activities
In the second step of the Double Materiality Assessment, Alarko Group's value chain was evaluated and the principal activities that were significant in terms of sustainability impacts, risks, and opportunities were identified. Activities considered significant in terms of economic, environmental, and social impacts were defined as "critical activities." Critical activities were identified based on the business areas of Group companies, the products and services they provide, and their principal operational processes, forming the basis for the assessment of impacts, risks, and opportunities.

Based on the value chain analysis and the identified critical activities, key stakeholder groups affected by Alarko Group's activities or capable of influencing those activities were identified. This established the stakeholder universe to be considered in the Double Materiality Assessment and clarified the scope of the assessment.

Further information is available in the **Value Chain and Business Model** section.

Double Materiality Assessment

Step 3: Identification and Assessment of Impacts, Risks, and Opportunities
With reference to the sustainability matters assessed under the European Sustainability Reporting Standards (ESRS), the assessment considered the actual and potential positive and negative impacts of Alarko Group's activities on the environment and society, as well as the risks and opportunities that sustainability- and climate-related developments may present for financial performance, operations, and the capacity to create long-term value.

The resulting inventory of impacts, risks, and opportunities was scored against the relevant impact and likelihood scales under the leadership of the Alarko Holding Sustainability Team and with the participation of relevant senior management representatives. This approach enabled technical and industry-specific input to be evaluated together with the Holding's strategic and operational realities.

Stakeholder engagement activities also represented an important input into the Double Materiality Assessment. The views of internal and external stakeholders affected by activities throughout the value chain or capable of influencing those activities were obtained. A total of 663 stakeholders were invited to participate in the survey, of whom 303 (45.7%) responded. The findings were considered together with industry assessments and management views and incorporated into the final impact assessment.

Assessment of Impact Materiality

The impact materiality assessment considered the actual and potential impacts of Alarko Group's activities and value chain on the environment and society. The assessment evaluated the scale of the impact, representing how significant the impact is; its scope, representing the breadth of the geographical or sectoral area affected; the irremediable character of negative impacts, representing the extent to which a negative impact can be remedied; and likelihood, representing the probability that a potential impact will occur.

Actual impacts are impacts that have already occurred or occurred in the past. Potential impacts are impacts with a likelihood above a defined level that may occur in the future. Actual impacts were assessed based on the relevant criteria determining the severity of the impact. For potential impacts, the likelihood of occurrence was considered in addition to impact severity.

The time horizons for potential impacts were defined as follows:

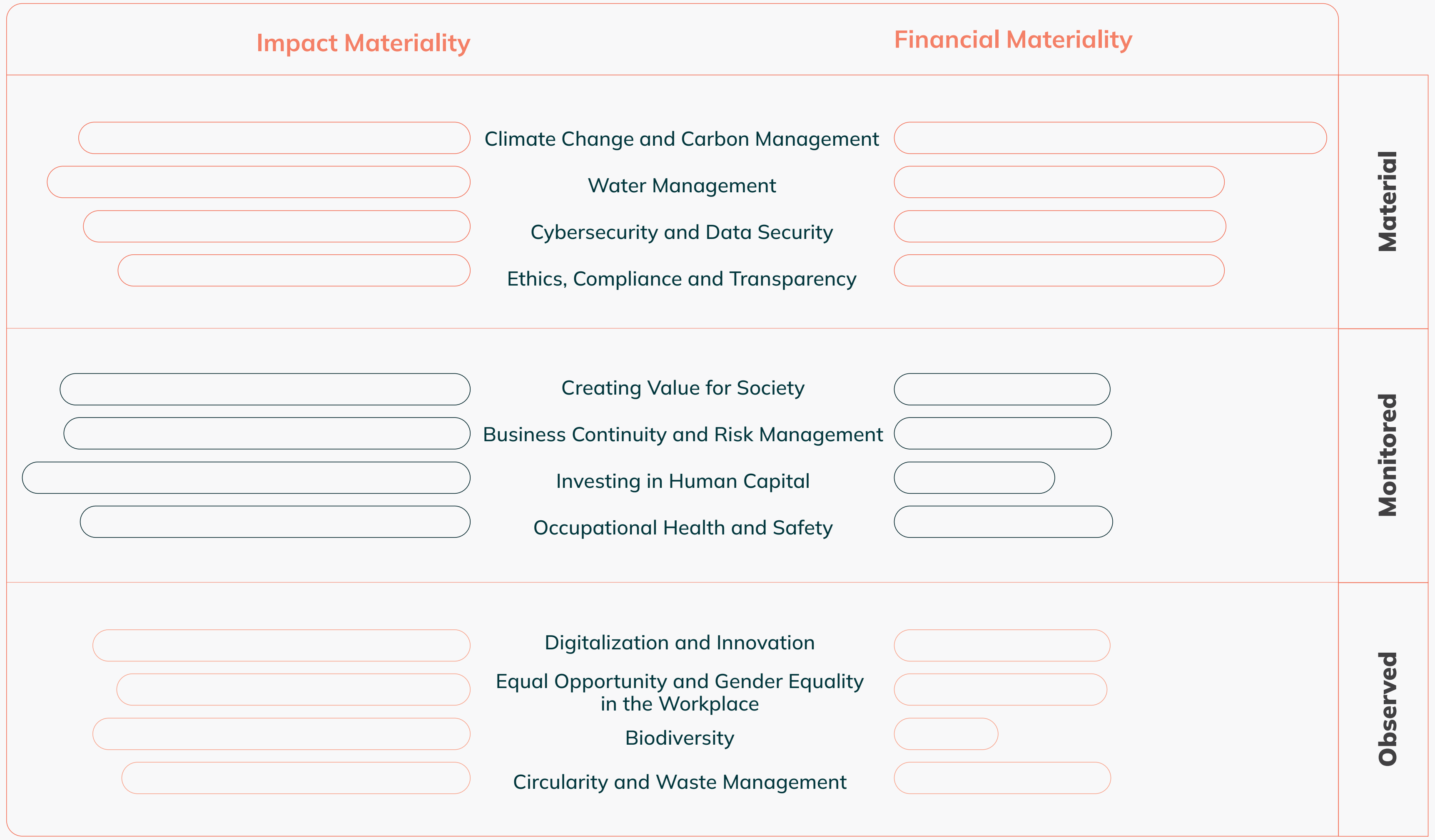
Period	Time Horizon
Short Term	0-1 years
Medium Term	1-5 years
Long Term	5-10 years

Assessment of Financial Materiality

The financial materiality assessment considered the potential financial consequences of sustainability- and climate-related risks and opportunities for Alarko Holding. Each risk and opportunity was evaluated based on the magnitude or severity of the financial effect and the likelihood of occurrence.

Severity represents the level of negative financial consequences that may arise if a risk occurs or the level of positive financial contribution that may result if an opportunity materializes. Likelihood represents the probability that the relevant risk or opportunity will occur within the assessment period. These two criteria were considered together to determine the financial materiality scores of risks and opportunities. The assessment identified no risks or opportunities exceeding the financial materiality threshold.

Step 4: Consolidation of "Material" Impacts, Risks, and Opportunities
Based on the Double Materiality Assessment, the assessment of impacts, risks, and opportunities covering 10 ESRS sustainability matters and two matters specific to Alarko Group was completed, and the materiality map was finalized. As a result of the assessment, six of the 12 topics assessed on a scale of 1 to 5 were designated as material topics: Climate Change and Carbon Management, Water Management, Investing in Human Capital, Creating Value for Society, Cybersecurity and Data Security, and Business Continuity and Risk Management.



Trends and Outlook

GLOBAL TRENDS

Global Economic Indicators

Trend Description	Alarko's Approach	Area of Impact
Despite slowing inflation, the global economy continued to be characterized by low growth, high financing costs, and trade policy uncertainty in 2025. The International Monetary Fund projects global growth to decline from 3.3% in 2024 to 3.2% in 2025 and 3.1% in 2026. Protectionist measures, deterioration in labor supply, high public debt, the possibility of sharp repricing in financial markets, and valuation risks associated with technology stocks are increasing downside risks. In this environment, companies' ability to make decisions under different economic scenarios, allocate resources, manage exchange rate and interest rate risks, and flexibly plan investment schedules is becoming increasingly important.[1]	Alarko Holding assesses global economic developments together with their effects on capital allocation, liquidity, cost structure, and risk appetite. Its diversified portfolio structure enables its business areas to benefit from different investment and revenue cycles. The finance, strategy, and risk management functions monitor cash flow, debt and foreign exchange risks, investment priorities, and the portfolio's aggregate risk within a common framework. The growth strategy extending through 2028 is based on deepening existing activities and controlled expansion into new business areas. Existing activities are expected to account for 60% of planned growth, new business lines for 30%, and high-potential ventures pursued through the Investment Group for 10%. Investment decisions consider cash-generation capacity, financing sources, maturity, partnership structure, and resilience under different economic scenarios. In 2025, total assets increased by 2.2% to TL 125.6 billion, while gross profit amounted to TL 175 million. Investments totaling TL 22.7 billion were made during the same period. Cash flow, cost discipline, and risk management were prioritized as the principal balancing elements of the long-term investment program. Further information is available in the Alarko Holding Strategy, Financial Performance, and Enterprise Risk Management sections.	• All Business Groups

[1] *International Monetary Fund (IMF), World Economic Outlook, October 2025: Global Economy in Flux, Prospects Remain Dim*

Geopolitical Developments and Supply Chain Security

Trend Description	Alarko's Approach	Area of Impact
Geopolitical tensions, changes in trade policies, and competition among countries are critically important to energy security, food supply, logistics access, and supply chain resilience. The identification of critical inputs, preparation of alternative supplier lists, and inventory management are among the most important components of resilient supply chains.[2]	Alarko Holding considers geopolitical developments and supply chain resilience strategic monitoring priorities. Regional vulnerabilities and regulatory changes in international trade are monitored through the enterprise risk management process, while the exposure of individual business groups arising from geography, the value chain, and business partnerships is analyzed in terms of likelihood and impact. Supply chain management at Alarko is managed as an important component of business continuity. In 2025, 5,015 of the Group's total 5,988 suppliers were local suppliers, and the percentage of local suppliers stood at 83.8%. Local sourcing provides a strong foundation in terms of delivery times, regional economic contribution, and supply availability and is considered together with technical suitability, alternative sources, and risk concentration. Common framework agreement provisions, field controls, and competency development practices are particularly important in electricity distribution activities, where contractor use and field risks are significant. Further information is provided in the **Sustainable Supply Chain Management** section.	• All Business Groups

[2] *World Economic Forum, Global Risks Report 2025*

Trends and Outlook

Climate Action and the Nature Agenda

Trend Description	Alarko's Approach	Area of Impact
The physical and economic effects of climate change became more visible in 2025. The World Meteorological Organization reported that 2025 was approximately 1.43°C above the preindustrial average, making it the second- or third-warmest year on record, while the 2015-2025 period comprised the 11 warmest years recorded. Extreme temperatures, heavy rainfall, and tropical cyclones affected millions of people and caused billions of dollars in losses. Physical climate risks generate financial consequences through asset damage, water availability, agricultural productivity, hydroelectric generation, energy demand, supply lead times, employee health, and insurability. Nature loss and biodiversity are also becoming a more integrated area of risk and opportunity alongside climate policies.[3][4][5]	In line with its 2050 Net Zero Emissions target, Alarko Holding addresses climate change together with portfolio management, capital allocation, risk management, and operational resilience. As part of the sustainability transformation activities conducted in 2025, climate-related risks and opportunities were assessed from a value chain perspective and across different time horizons. The Group's greenhouse gas emissions inventory is prepared in alignment with its financial consolidation boundary and based on the GHG Protocol. Climate change adaptation is incorporated into operational plans through considerations relating to water availability, extreme weather events, production conditions, and infrastructure resilience. Hydroelectric power plant maintenance schedules are planned according to water availability. Closed-loop irrigation, rainwater storage, and climate-resilient production practices are being developed in agriculture. Grid renewal, backup equipment, and early warning applications are used in electricity distribution activities. Further information is available in the **Climate Strategy and Net Zero Transformation** and **Water and Wastewater Management** sections.	• All Business Groups

[5] *World Meteorological Organization (WMO), State of the Global Climate 2025*
[4] *Convention on Biological Diversity, COP16 Resumed Session Closing, 2025*
[5] *TNFD, ISSB Decision on Nature-Related Standard Setting Drawing on the TNFD Framework*

Technological Transformation, Artificial Intelligence, and Cyber Resilience

Trend Description	Alarko's Approach	Area of Impact
In 2025, technological transformation entered a phase in which artificial intelligence moved from experimental use to corporate infrastructure, while data, energy, human capital, and security requirements expanded simultaneously. The International Energy Agency projects that the global electricity consumption of data centers, which was approximately 415 TWh in 2024, will more than double to 945 TWh by 2030, with artificial intelligence as the principal driver of this increase. The same technologies offer significant benefits in electricity grids through fault detection, renewable generation forecasting, maintenance, energy efficiency, and process automation. As the scale of digitalization grows, data security, third-party risks, ethical use, and business continuity are becoming increasingly critical.[6][7]	Alarko Holding manages digital transformation as a Group-wide program that brings together a common data architecture, governance principles, business processes, and competency development. In 2025, work began to structure artificial intelligence governance, generative artificial intelligence applications, analytics, and automation activities under the alarko.ai framework. Principles covering data privacy, ethical use, security, licensing and copyrights, and algorithmic bias were established. Research and development, innovation, and digitalization activities across the Group strengthen operational efficiency, customer experience, resource management, and decision-support capacity. A-DATA integrates financial and operational indicators from different systems, while robotic process automation, enterprise resource planning, and digital archiving applications support data quality and process standardization. At MEDAŞ, the increase in the number of stations covered by SCADA strengthened remote monitoring and intervention capacity. At Alarko GYO, the collection of environmental, social, and governance data through robotic process automation reduced manual processing time. Further information is available in the **R&D and Innovation, Digitalization and Artificial Intelligence**, and **Cybersecurity and Data Security** sections.	• All Business Groups

[6] *International Energy Agency (IEA), Energy and AI, Executive Summary, 2025*
[7] *World Economic Forum, Future of Jobs Report 2025 / Global Cybersecurity Outlook 2025*

Trends and Outlook

INDUSTRY TRENDS

Sustainability-Focused Investments

Trend Description	Alarko's Approach	Area of Impact
Investment decisions today consider not only financial returns, but also environmental and social impacts. The International Energy Agency expects global energy investment to reach USD 3.3 trillion in 2025, of which USD 2.2 trillion is expected to be directed toward renewable energy, nuclear power, grids, storage, low-emission fuels, efficiency, and electrification. Energy security, industrial competitiveness, cost advantages, and regulatory compliance are among the principal determinants of sustainable investment decisions. In sectors such as buildings, tourism, land development, industry, and agriculture, energy efficiency, low-carbon materials, water efficiency, and verifiable performance are becoming integral to investment quality[8][9]	Alarko Holding's investment approach is based on considering short-term financial returns together with the portfolio's capacity to create long-term value. Capital allocation decisions assess the investment horizon, regulatory outlook, climate and resource risks, technological capabilities, and the economic and social value to be created in the geography where the investment will operate. Energy investments are progressing in three areas: generation, storage, and grids. New generation investments are planned with a focus on clean energy. Energy storage and battery manufacturing are positioned as new business lines for the Group, while grid digitalization, remote monitoring, and infrastructure investments continue in electricity distribution. Agricultural investments are conducted through an integrated value chain encompassing modern greenhouse cultivation, seed breeding, plant nutrition, and food processing. The EUR 80 million in project financing secured for the geothermal greenhouse project to be developed in Eskişehir is an example of sustainable financing that connects production capacity with resource efficiency and food supply security objectives. Further information is provided in the **Environmental Impact Management** section.	• Energy Group • Agriculture Group

[8] *International Energy Agency (IEA), World Energy Investment 2025, Executive Summary*

[9] *UNEP, Global Status Report for Buildings and Construction 2024/2025*

Energy Transition, Storage, and Smart Infrastructure

Trend Description	Alarko's Approach	Area of Impact
Growth in electricity demand is shifting the focus of the energy transition from new generation capacity to the energy system as a whole. The International Energy Agency expects investment in solar energy to reach USD 450 billion and investment in battery storage in the electricity sector to reach approximately USD 66 billion in 2025. While annual grid investment remains at approximately USD 400 billion, investment in generation assets is significantly higher, creating new bottlenecks in connection times, flexibility, and security of supply. As the proportion of renewable generation increases, storage, demand-side participation, aggregation, digital grid management, and cybersecurity are becoming matters that must be managed within the same system[8]	Alarko Holding manages the energy transition by bringing renewable generation, storage, distribution, retail sales, and demand-side participation together under a common portfolio approach. The Group aims to increase its installed renewable energy capacity from 136 MW as of the end of 2025 to 650 MW by 2030. Through Alarko Gotion Green Energy, the Group plans to develop capabilities in the design, engineering, research and development, software, manufacture, and after-sales servicing of battery energy storage systems and lithium-ion batteries. BESS and lithium-ion battery production facilities represent a strategic growth area in terms of security of energy supply, high-value-added industrial production, and the development of technological capabilities. Infrastructure investments supporting the integration of renewable energy resources into the grid continue in electricity distribution. Renewable energy resources accounted for 38.33% of the electricity distributed by MEDAŞ, while 22,425 street lighting fixtures were converted to LED technology in 2025. The license obtained by ALCEN Enerji Toplayıcılık A.Ş. established a new area of activity for balancing generation and consumption, demand-side flexibility, and the participation of distributed energy resources in the market. Further information is available in the **Energy Management** and **Sustainable Products and Solutions** sections.	• Energy Group

[8] *International Energy Agency (IEA), World Energy Investment 2025, Executive Summary*

Trends and Outlook

Food and Water Security: Climate-Resilient Agriculture

Trend Description	Alarko's Approach	Area of Impact
Food security is shaped by the combined effects of climate, water, soil, energy, and logistics risks. The Food and Agriculture Organization of the United Nations states that feeding approximately 10 billion people by 2050 will require more effective management of land, soil, and water and that more than 60% of human-induced land degradation occurs on agricultural land. Water stress, changing temperature and precipitation patterns, diseases and pests, and input costs are altering the risk profile of agricultural investment. Closed-loop irrigation, precision fertilization, geothermal energy, sensors, artificial intelligence, traceability, and science-based breeding activities are important to production volumes, product quality, and resource resilience [10]	Security of food supply represents one of Alarko's long-term growth areas. The Agriculture Group manages modern greenhouse cultivation, seed breeding, plant nutrition, and food processing activities within an integrated production structure. More than USD 450 million was invested between 2023 and 2025 in operations across Türkiye and Kazakhstan. As of the end of 2025, Alsera had reached a production area of 118 hectares across 19 greenhouses in Türkiye. Irrigation, fertilization, energy, and climate control in greenhouses heated with geothermal energy are managed based on data. Closed-loop systems, drainage water recovery, rainwater storage, artificial intelligence, and Internet of Things applications enable resource use to be adjusted according to crop requirements. The first 40-hectare phase of the modern greenhouse investment in Kazakhstan began production in 2025, and the project is planned to reach a production area of 500 hectares upon completion. Genseed's Plant Tissue Culture and Molecular Genetics Laboratories strengthen its capacity to develop varieties resistant to climatic conditions, diseases, and pests. Further information is provided in the **Water and Wastewater Management** and **Sustainable Products and Solutions** sections.	• Agriculture Group

[10] *Food and Agriculture Organization of the United Nations (FAO), Better Land, Soil and Water Management Key to Feeding 10 Billion People*

REGULATORY TRENDS

European Green Deal, Clean Industry, and Market Access

Trend Description	Alarko's Approach	Area of Impact
In 2025, the European Union linked climate policy more explicitly with competitiveness, energy costs, and industrial capacity. Announced in February 2025, the Clean Industrial Deal positions decarbonization as a driver of growth for European industry and prioritizes energy-intensive sectors and clean technology manufacturing. Product efficiency, embedded emissions, recycled materials, energy sources, and security of supply are becoming more closely connected with market access. Türkiye's Green Deal Action Plan provides the national framework for maintaining export competitiveness, transitioning to a resource-efficient economy, developing green finance, and aligning with global supply chains.[11][12]	Alarko Group companies align their sustainability strategies with both the European Green Deal and Türkiye's Green Deal Action Plan. Alarko Carrier closely monitors the Ecodesign for Sustainable Products Regulation and exports its products to the European Union market in alignment with the Regulation's requirements. Through Palmira Agro Gübre Sanayi, Alarko Agriculture Group manufactures fertilizer and exports fertilizer products to the European Union. The company has invested in a solar power plant with 1 MW of installed capacity, focusing on reducing greenhouse gas emissions. In addition, Alarko Agriculture's Greenhouse Group has structured its heating systems around geothermal resources to minimize fossil fuel use.	• Agriculture Group • Industry and Trade Group

[11] *European Commission, Clean Industrial Deal*
[12] *Republic of Türkiye Ministry of Trade, Green Deal Action Plan*

Trends and Outlook

Carbon Pricing and Türkiye's Climate Transition Pathway

Trend Description	Alarko's Approach	Area of Impact
Carbon pricing is evolving from a reporting obligation into a direct matter of cost and market access. The 2023-2025 transitional period for the European Union Carbon Border Adjustment Mechanism has ended, and the definitive period began on January 1, 2026. Under the system, which covers cement, iron and steel, aluminum, fertilizer, electricity, and hydrogen, the price of certificates for embedded emissions is linked to the EU Emissions Trading System. In Türkiye, Climate Law No. 7552 established the legal foundation for an Emissions Trading System. The Law provides for a pilot phase before the ETS is fully implemented and requires covered facilities to obtain greenhouse gas emissions permits within three years of the Law's effective date. As secondary regulations and implementation principles are clarified, carbon costs will become more prominent in production, procurement, exports, contracting, and financing decisions.[13][14][15]	Group companies operating under Alarko Holding conduct projects to reduce greenhouse gas emissions, reassess their business models, and implement related development activities. During the 2025 reporting period, CENAL's direct carbon dioxide emissions were subject to independent verification under the Monitoring, Reporting, and Verification regulations, while the potential financial effects of Türkiye's ETS design were monitored as a transition risk. Following the change in the ownership structure after the reporting period, control of CENAL was transferred to Cengiz Enerji, reducing the Group's exposure to carbon-intensive power generation. Following the expiration of the generation license for the Kırklareli Natural Gas Combined Cycle Power Plant within Altek, Altek Alarko's licensed generation portfolio transitioned to a renewable structure comprising hydroelectric and hybrid solar assets. I-REC certificates are also generated under the International Renewable Energy Certificate system for electricity produced by the Karakuz and Gönen Hydroelectric Power Plants. In 2025, Altek sold a total of 152,333 I-REC certificates, comprising 116,402 certificates generated by the Karakuz Hydroelectric Power Plant and 35,931 generated by the Gönen Hydroelectric Power Plant. Altek is also developing renewable energy projects with storage to support the integration of renewable generation into the grid and the continuity of energy supply. As of the end of 2025, the company had preliminary license applications for projects with storage totaling 550 MW, comprising solar power plants with a total capacity of 470 MW and wind power plants with a total capacity of 80 MW, which were under review and approval by the relevant authorities. Projects deemed suitable are expected to be included in the investment plan following completion of the preliminary licensing processes. Further information on transition risks associated with carbon pricing and emissions measurement and verification processes is provided in the **Sustainability- and Climate-Related Risks and Opportunities** section.	• Energy Group

[13] *European Commission, Carbon Border Adjustment Mechanism*
[14] *Republic of Türkiye Official Gazette, Climate Law No. 7552, July 9, 2025, No. 32951*
[15] *UNDP Türkiye, Capacity-Building Project for Türkiye's Long-Term Climate Change Strategy*

Trends and Outlook

Turkish Sustainability Reporting Standards

Trend Description	Alarko's Approach	Area of Impact
The year 2025 marked the first reporting cycle in which the outputs of mandatory implementation of the Turkish Sustainability Reporting Standards became available. TSRS entered into effect under the Public Oversight, Accounting and Auditing Standards Authority Board Decision published in the Official Gazette on December 29, 2023, for reporting periods beginning on or after January 1, 2024. Entities within scope prepare sustainability-related financial disclosures across governance, strategy, risk management, and metrics and targets. Data suitable for assurance, methodology documentation, and audit trails are becoming fundamental components of reporting quality. Although the European Union's 2025 Omnibus package postponed certain CSRD and Corporate Sustainability Due Diligence Directive implementation timelines, it did not eliminate the need for comparable sustainability data used by investors, financial institutions, and customers in decision-making.[16][17][18]	Alarko Holding published its first TSRS-aligned report covering the 2024 reporting period in 2025 and submitted the report for limited assurance. Selected indicators in the GRI-aligned Sustainability Report are also subject to independent assurance. Investor-focused financial materiality and impacts on the environment and society are managed as complementary layers of disclosure. Alarko Holding and Alarko Carrier are directly subject to reporting requirements under TSRS, while the other business groups participate in the process as data providers and control owners for consolidated reporting. Further information is provided in the Alarko Holding 2025 TSRS-Aligned Sustainability Report.	• Alarko Holding • Industry and Trade Group

[16] *Public Oversight, Accounting and Auditing Standards Authority, Board Decision and Announcements on the Scope of TSRS Implementation*
[17] *Public Oversight, Accounting and Auditing Standards Authority, Sustainability Frequently Asked Questions*
[18] *Council of the European Union, Stop-the-Clock Mechanism, April 14, 2025*

Sustainability Targets

Alarko Holding establishes sustainability targets that serve as inputs to the corporate scorecards of Group companies to advance its sustainability vision and improve the effectiveness of its roadmap. In this context, Alarko Holding prioritizes integrated and coordinated progress throughout its sustainable impact journey.

Strategic Pillar	Material Topic	Target	Timeline
Governance	Business Continuity and Risk Management	Systematic collection and monitoring of sustainability- and ESG-related data through a digital tool	Medium Term (1–5 years)
		Strengthen the Group-wide Green-Collar Task Force	Ongoing
Environmental Impact	Climate Change and Carbon Management	Invest in renewable energy and clean energy storage	Medium to Long Term
		2050 Net Zero Emissions Target	Long Term (5–10 years)
		Improve energy efficiency at facilities and increase the share of renewable energy use	Medium Term (1–5 years)
	Circularity and Waste Management	Expand the scope and impact of resource-efficiency projects	Short to Medium Term
		Map waste management processes and develop recycling projects	Medium Term (1–5 years)
	Biodiversity	Map the impacts of business activities on biodiversity and implement projects to manage the identified impacts	Medium to Long Term
Creating Value for Society	Creating Value for Society	Develop a Group-wide social responsibility strategy and increase Joint Impact	Medium to Long Term
		Expand the scope and impact of partnerships and joint projects with nongovernmental organizations	Short Term (0–1 year)
		Expand the scope and impact of projects focused on gender equality	Medium Term (1–5 years)
		Diversify projects through an equal opportunity lens	Short to Medium Term
Investing in Human Capital	Investing in Human Capital	Strengthen career and talent development architecture processes	Short Term (0–1 year)
		Expand talent management, leadership development, and succession-planning practices	Medium Term (1–5 years)
		Increase investment in artificial intelligence-enabled applications in human resources processes	Medium Term (1–5 years)
		Maintain employee turnover at a sustainable level	Medium Term (1–5 years)
		Increase the employee satisfaction score	Medium Term (1–5 years)
Technology and Innovation	Digitalization and Innovation	Develop a sustainable ERP architecture	Medium Term (1–5 years)
		Implement the transformation to smart and secure infrastructure through Green DevOps, establishing an autonomous platform that operates according to the Zero Waste principle	Medium Term (1–5 years)
	Cybersecurity and Data Security	Establish cloud-based, automatically scalable, and energy-efficient IT operations through a cloud-native infrastructure operating model	Medium Term (1–5 years)

Environmental Impact *Management*

Environmental Impact Management

Alarko Holding develops energy- and resource-efficient products, services, and solutions in the sectors in which it operates and continues its investments in line with its Net-Zero Emissions target by 2050.

Alarko Holding regards environmental sustainability as a cornerstone of the value it creates for the planet, Türkiye, the economy, society, and future generations. Guided by the principles set out in the Alarko Philosophy written by its founders and by the responsibility that comes with being an established brand that has contributed to Türkiye's development for 71 years, the Group continues to effectively manage its environmental and social footprint alongside its financial performance.

Alarko Holding develops energy- and resource-efficient products, services, and solutions in the sectors in which it operates and continues its investments in line with its Net-Zero Emissions target by 2050. In 2025, the Group made TL 1.4 billion in environmentally focused investments and continued to expand environmental management practices across its business areas.

1.4 TL Billion Environmentally Focused Investment

136 MW Installed Renewable Energy Capacity

The Group companies continue to enhance the environmental management practices implemented in their respective sectors, expand the scope of their certifications, and receive national and international recognition for successful projects. The Group companies incurred no environmental fines in 2025 and continue to contribute to the Holding's overarching sustainability targets.

Alarko Holding and the Group companies adopt and apply the following principles to protect nature and the environment across all activities:

- Monitor and comply with environmental laws, statutes, regulations, and standards.
- Implement measures to prevent air, water, soil, marine, and noise pollution.
- Protect biodiversity comprising plant and animal species.
- Undertake initiatives to improve the environmental performance of production systems and products.
- Optimize and reduce natural resource and energy consumption and ensure the recycling of waste.
- Improve employees' environmental awareness through continuous training and internal awareness initiatives that encourage sensitivity toward protecting nature and the environment.
- Cooperate with public authorities and institutions and nongovernmental organizations in developing policies and systems that protect the environment.
- Monitor global and local frameworks, trends, and good practices.
- Support the development of industry stakeholders and build trust among customers and business partners through responsible sustainability communications.

Natural Capital

The totality of natural resources and ecosystems that provide value to society and the economy. Water, soil, air, biodiversity, and ecosystem services are assessed within the scope of natural capital.

Climate Strategy and Net Zero Transformation

Through its "Value Redefined" approach, Alarko Holding has adopted an integrated understanding of value creation encompassing social, environmental, and economic impact. The Group regards climate and sustainability as integral components of portfolio management, investment decisions, risk management, product development, operational excellence, research and development, innovation, social projects, and long-term stakeholder relationships.

In line with the Republic of Türkiye's 2053 Net Zero Emissions target and Alarko Holding's 2050 Net Zero Emissions target, Alarko Holding considers climate-related risks and opportunities throughout its value chain and regards the transition to a low-carbon economy as a fundamental component of its portfolio transformation.

Alarko Holding's climate strategy is based on an integrated approach that combines the management of climate risks with the assessment of climate-related growth opportunities.

The main elements of the Group's climate strategy are directing its portfolio toward low-carbon activities, increasing investments that support the energy transition, improving resource efficiency, strengthening climate change adaptation capacity, and expanding the use of innovative technologies. In line with this approach, renewable energy, energy storage systems, modern agricultural technologies, digital solutions, and resource-efficient business models are positioned among Alarko Holding's long-term growth areas.

Portfolio changes planned for 2026 following the reporting period are also among the developments supporting the Group's climate strategy. Upon completion of the planned changes, the Group's exposure to carbon-intensive electricity generation activities is expected to decline. The increased weighting of electricity distribution and retail, renewable energy, and energy storage within the portfolio is expected to reduce Alarko Holding's climate-related risks and strengthen its low-carbon growth opportunities.

Alarko Holding regards the net zero transformation as a corporate program that extends beyond emissions reductions to strengthen energy security, resource efficiency, technological capabilities, operational flexibility, and sustainable growth capacity. Climate change mitigation and adaptation initiatives are therefore considered together, and a balanced management approach is applied between short-term operational performance and long-term transformation targets.

Implementing the Climate Strategy

Alarko Holding integrates climate change mitigation and adaptation into its activities in line with its 2050 Net Zero Emissions target. In 2025, the Group strengthened its institutional capacity to assess climate-related risks and opportunities, enhanced its greenhouse gas emissions management practices, and continued its efforts to monitor climate performance more systematically.

Under the **Sustainability Transformation Project,** climate-related risks and opportunities were considered throughout the value chain, supported by scenario analyses, and linked to the Group's medium- and long-term strategic priorities. Initiatives were undertaken to monitor greenhouse gas emissions, improve data quality, and enhance the maturity of emissions management processes. The Group also focused on conducting a more comprehensive assessment of value chain emissions and structuring carbon reduction opportunities in alignment with its long-term targets.

Alarko Holding regards the opportunities emerging from the energy transition as part of its long-term growth strategy. Increasing installed renewable energy capacity through different energy investments and developing energy storage technologies, energy-efficiency practices, and low-carbon energy solutions are among the principal areas in which the Group implements its climate strategy.

The requirements and project plan for a digital solution under development to support more effective monitoring of climate performance were prepared in 2025. Designed to cover the collection of ESG data, archiving of supporting documentation, and comparative analysis capabilities, the solution aims to improve the traceability of climate performance and strengthen data-driven decision-making processes.

Greenhouse Gas Emissions

Alarko Group's 2025 greenhouse gas inventory was calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (2004). 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. During the reporting period, processes for measuring and managing greenhouse gas emissions were strengthened. Initiatives were undertaken to improve the scope and data quality of the emissions inventory, taking into account the characteristics of the sectors in which the Group companies operate. Primary data became available for certain emission sources for which data could not be obtained in the previous reporting period or which had been calculated using secondary data and assumptions. Calculation methodologies were updated accordingly. In this context:

- Electricity consumption arising 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 arising from distribution losses and illegal electricity use in the distribution region under the operational responsibility of Meram Elektrik Dağıtım A.Ş. (MEDAŞ) were classified as energy indirect emissions.

Climate Strategy and Net Zero Transformation

- An elimination was applied to prevent the double counting of emissions arising from electricity purchased by Meram Elektrik Perakende Satış A.Ş. (MEPAŞ) under its bilateral agreement with Cenal Elektrik Üretim A.Ş. (CENAL). Accordingly, the proportion of energy indirect emissions from the distribution region under MEDAŞ's operational responsibility corresponding to electricity generated by CENAL was eliminated.
- Alarko Carrier Sanayi ve Ticaret A.Ş. conducted a measurement-based study for units charged with refrigerants on the assembly line. Calculations relating to leakage during the charging process were updated based on the findings of this study.
- Consumption attributable to preceding or subsequent years was separated based on the start and end dates specified on energy invoices. The necessary period adjustments were made to accurately calculate consumption corresponding to the reporting period.

Estimated methodologies continue to be used in calculations for certain emission sources because of limited primary data. Where the precise quantities of refrigerants contained in certain equipment across the Group could not be determined, annual average leakage rates were used to calculate leakage emissions. Where generator fuel consumption data could not be obtained directly, consumption was estimated based on annual operating hours.

Greenhouse Gas Emissions (tCO_2e)	2024	2025
Scope 1	3,564,011.60	3,517,353.27
Scope 2 - Location-Based	138,967.36	142,882.42
Scope 2 - Market-Based	-	135,699.66
Scope 3	3,461,258.95	6,374,011.15
Total Scope 1+2 - Location-Based	3,702,978.96	3,660,235.69
Total Scope 1+2 - Market-Based	-	3,653,052.93
Biogenic Emissions	151.65	150.25

Advanced Process Control System and Emissions Management

An Advanced Process Control (APC) system was commissioned at the CENAL Power Plant in 2024 to improve operational efficiency and reduce environmental impacts. Using advanced control algorithms, the system simultaneously optimizes boiler combustion processes and the steam cycle, helping the plant operate more efficiently and consistently under different load conditions.

The APC system has enabled the plant to adapt more rapidly to changes in load, maintain safe and stable operating performance at low load levels, and reduce specific fuel consumption. This has improved energy efficiency while reducing the formation of emissions such as carbon monoxide (CO) and nitrogen oxides (NOx) at the source.

In line with climate change mitigation objectives and compliance with evolving carbon regulations, the facility's emissions monitoring and reporting infrastructure has also been strengthened. Flue gas emissions are continuously monitored through Continuous Emissions Monitoring Systems, while regular quality assurance and verification activities ensure the reliability of measurement data. These initiatives enable the facility to maintain compliance with applicable statutory emissions limits while improving its greenhouse gas management reporting capabilities.

Key Outcomes and Benefits

- Support for improved fuel use efficiency
- Process-based control of carbon monoxide and nitrogen oxide formation
- Improved environmental performance through the effective operation of emissions control systems
- Greater data reliability through continuous monitoring and independent verification practices
- Improved resource efficiency through data-driven operational management

Energy Management

Growth in global energy demand, pressure on energy resources, and volatility in energy markets are increasing the importance of energy management for security of energy supply, cost management, and climate targets. Alarko Holding regards energy management as a strategic priority that extends beyond reducing consumption to improving operational efficiency, increasing renewable energy generation, and expanding low-carbon business models.

The Group manages energy performance in accordance with the requirements of its business areas. This approach is implemented by measuring and reducing energy consumption, using efficient equipment and automation systems, increasing on-site renewable energy generation, and matching electricity consumption with renewable energy certificates. These efforts aim to improve energy efficiency, manage energy costs, and strengthen the Group's contribution to the transition to a low-carbon economy.

In 2025, solar and geothermal energy investments, digital monitoring systems, high-efficiency equipment, and renewable energy certificates were the main areas of energy management activity across the Group.

Renewable Energy Generation and Certified Electricity Use

Alarko Holding regards increasing renewable energy generation and matching electricity consumption with renewable sources as complementary components of its energy transition strategy. Accordingly, while continuing its renewable energy investments, the Group also supports the certification of the environmental attributes of the electricity generated through international certification systems.

In line with the Group's renewable energy growth objectives, it aims to increase its current installed renewable energy capacity of **136 MW** approximately fivefold to **650 MW** by 2030. The Group also aims to contribute to Türkiye's energy transition through the production of energy storage systems.

I-REC certificates issued for electricity generated by Altek Alarko at the Karakuz and Gönen Hydroelectric Power Plants are offered to the market and used to match the electricity consumption of Group companies with renewable energy generation. In 2025, Altek sold a total of 152,333 I-REC certificates, 5,110 of which were used to match the electricity consumption of Group companies with renewable energy generation.

100% Renewable Energy in Altek Alarko's Licensed Electricity Generation Portfolio

The generation license for Altek Alarko's 82 MW Kırklareli Natural Gas Combined Cycle Power Plant, which had not generated electricity for an extended period, expired on December 11, 2025. As a result, the company's licensed natural gas-fired generation asset was removed from its portfolio, and its licensed electricity generation portfolio transitioned to a **100% renewable structure** comprising hydroelectric and hybrid solar energy assets.

Key Outcomes and Benefits:

- Transition to a 100% renewable energy generation portfolio
- Discontinuation of fossil fuel-based electricity generation
- Strengthening of the low-carbon power generation model
- Support for green energy certification practices
- Contribution to the Group's energy transition objectives

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

Planetary Boundaries

A scientific framework that defines the environmental limits within which human activity can safely be sustained. It covers critical systems such as climate change, biodiversity loss, land use, and freshwater use.

Energy Management

Increasing the use of renewable energy resources in the distribution region is critically important to achieving the sustainability targets of Alarko Group and Türkiye. Approximately **38.5% of the electricity** distributed by MEDAŞ is **generated from renewable energy resources.** This represents a significant increase compared with the previous year and demonstrates Alarko's commitment to the green energy transition. Infrastructure investments that will facilitate the integration of solar and wind power plants into the distribution system are continuing.

MEPAŞ matched all of its electricity consumption with renewable energy generation using I-REC certificates and continued to provide customers with I-REC and Renewable Energy Resource Guarantee System certification services.

All electricity used at Alarko Carrier's Eskişehir Production Facility is supplied from renewable energy sources.

Renewable energy practices are also being expanded across the Group's other business areas. **Geothermal energy** is used at Alsera's modern greenhouse operations. After use, the geothermal fluid is returned to the reservoir through a reinjection system.

Rooftop Solar Power Plant Scaled with Production at Palmira Agro

The rooftop solar power plant investment at Palmira Agro's microgranular fertilizer factory in Çankırı was commissioned in 2025. At the production level recorded during the reporting period, the facility's electricity consumption was met by solar power generation.

Installed across **6,750 square meters of rooftop area** and with an **installed capacity of approximately 1 MW,** the solar power plant was designed to accommodate increases in the factory's production capacity. When the facility is operating at full capacity, solar energy is expected to meet approximately 35% of its annual electricity consumption. The project aims to increase the use of renewable energy and reduce the amount of electricity drawn from the grid.

Key Outcomes and Benefits

- Commissioning of a rooftop solar power plant with an installed capacity of 1 MW
- Meeting all electricity consumption in 2025 through solar energy
- Targeting lower energy costs and reduced energy dependence over the medium and long term
- Targeting the supply of approximately 35% of annual electricity requirements from solar energy when full production capacity is reached
- Projected energy savings of TL 15 million within five years
- Increased use of renewable energy resources in production processes
- Contribution to reducing the amount of electricity drawn from the grid
- Support for reducing energy costs and dependence on external energy sources

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Energy Management

Energy Efficiency

Alarko Group supports energy efficiency through practices tailored to the needs of its business areas. The Group aims to improve energy performance by monitoring energy consumption, optimizing processes, using automation systems, and investing in efficient technologies across a range of operations, from production facilities and greenhouses to tourism facilities and infrastructure operations.

LED Lighting Conversion in the Street Lighting Network

MEDAŞ continues its LED lighting initiatives with the aim of reducing energy consumption from street lighting and improving energy efficiency in the distribution infrastructure. As part of these efforts, **22,425 street lighting fixtures** were converted to LED technology in 2025.

Key Outcomes and Benefits

- Improved energy efficiency in the street lighting network
- Annual electricity savings of 10,315.50 MWh
- Expanded use of more efficient and modern lighting technologies
- Annual prevention of 4,476.93 tCO_2e in greenhouse gas emissions
- Contribution to the low-carbon energy transition

7 AFFORDABLE AND CLEAN ENERGY | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 13 CLIMATE ACTION

Hillside Resort Bodrum LEED Gold Certification Process

Hillside Resort Bodrum is being designed and developed with the objective of achieving LEED Gold certification, in line with its sustainable tourism approach. International green building standards are applied to improve energy and water efficiency, integrate renewable energy applications, and reduce environmental impacts.

High-efficiency mechanical systems, building automation, and LED lighting solutions are intended to reduce resource consumption, while engineering work on a rooftop solar power plant investment is continuing. Energy performance, water use, and environmental sustainability criteria are regularly monitored throughout the facility's design and construction processes.

Key Outcomes and Benefits:

- Sustainable building design in pursuit of LEED Gold certification
- Reduced energy consumption through high-efficiency Heating, Ventilation, and Air-Conditioning systems
- Support for electricity savings through LED lighting applications
- Greater operational efficiency through building automation
- Support for renewable energy use through a rooftop solar power plant investment
- Alignment with international standards focused on water and energy efficiency

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In 2025, Group companies continued initiatives to improve energy efficiency through energy management systems, digital monitoring infrastructure, high-efficiency equipment, and green building practices.

Water and Wastewater Management

The effects of climate change on precipitation patterns and drought, together with population growth, urbanization, and the intensification of economic activity, are increasing pressure on water resources. These conditions require water to be managed not only as a natural resource, but also as a strategic factor in operational continuity, ecosystem protection, food security, and social well-being.

Alarko Group regards the protection and efficient use of water resources as a fundamental component of its environmental management approach. Water withdrawal, consumption, and discharge are regularly monitored. Initiatives are undertaken to improve water-use efficiency, expand recovery and reuse practices, utilize alternative water sources, and maintain discharge quality. Water management is therefore addressed not only as a means of reducing environmental impacts, but also as a management area that supports the resilience of operations to changing climate and resource conditions.

Through practices specific to its business areas, Alarko Group aims to reduce water use per unit of activity, reuse water wherever operationally feasible, and limit pressure on freshwater resources. This approach is supported by closed-loop systems, alternative growing media, and rainwater harvesting, particularly in modern greenhouse operations where water is a fundamental production input.

The coco peat growing medium used in Alsera's soilless farming operations is produced by processing and compressing coconut husks. Its high water-retention capacity enables more efficient use of the water required by plants. This method uses up to 60% less water than conventional agriculture. By recovering drainage water after irrigation, water and nutrients are returned to production processes, supporting water efficiency through a circular resource management approach.

Alsera Resource Recovery System

Alsera recovers drainage water generated during modern greenhouse operations by treating it through specialized filtration systems and recirculating it back into the production process. This enables water and nutrients not absorbed by plants to be reused in production, thereby reducing the consumption of natural resources and improving resource efficiency.

Key Outcomes and Benefits

- More than **90% of the water used** is recovered and recirculated into the production process.
- **Savings of up to 30%** are achieved in water and fertilizer consumption.
- Resource efficiency has been enhanced through an investment of approximately **TL 44.8 million.**
- Pressure on groundwater resources has been reduced.

6 CLEAN WATER AND SANITATION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Closed-loop Irrigation

A practice in which drainage water returning from irrigation is collected and, following quality control and treatment where necessary, returned to the production system. It can reduce water and nutrient losses, particularly in controlled greenhouse production; system performance depends on monitoring, disinfection, and salinity management.

Water and Wastewater Management

Alarko Group Companies minimizes its impacts on water resources through water efficiency and wastewater management practices.

Domestic and industrial wastewater generated by the Group companies is managed in accordance with applicable legislation and permit requirements based on the nature of the activities. The Group aims to control environmental impacts throughout wastewater collection, treatment, and discharge processes. Discharge quality is regularly monitored through analyses conducted by authorized laboratories. These practices are intended to protect receiving environments, maintain regulatory compliance, and minimize adverse impacts on water resources.

Alarko Group approaches water and wastewater management from the perspectives of resource efficiency, environmental responsibility, and climate change adaptation. Through the use of water-efficient technologies, the expansion of recovery practices, and investments in alternative water sources, the Group aims to reduce pressure on natural resources and strengthen operational sustainability.

Alsera Rainwater Harvesting

Alsera develops rainwater harvesting systems for its modern greenhouse investments to collect and store rainwater for use in production processes. Rainwater collected from greenhouse roofs is stored and integrated into irrigation processes, enabling it to be utilized as an alternative water source.

Key Outcomes and Benefits

- Rainwater storage capacity of **4,000 tonnes**
- More effective utilization of seasonal rainfall
- Provision of an alternative water source during periods of drought
- Reduced dependence on external water sources

Rainwater Harvesting

The collection, storage, and quality-managed use, for its intended purpose, of rainwater falling on roofs and suitable surfaces. In uses that do not require drinking-water quality, such as irrigation, cleaning, or reservoir replenishment, it can reduce demand on the mains supply and groundwater.

Circularity and Waste Management

Alarko Group does not limit its circularity approach to waste disposal. It regards the reuse and recovery of materials, equipment, and production by-products as fundamental components of resource efficiency.

Increasing pressure on natural resources, vulnerabilities in raw material supply, and the environmental impacts generated by waste throughout its life cycle are making the circular economy approach a fundamental component of sustainable growth. Retaining resources in the value chain for longer is important not only for reducing environmental impacts, but also for supporting continuity of supply, operational efficiency, and cost management.

Alarko Holding manages material flows arising across its diverse business areas in accordance with the specific characteristics of each sector. The Group's approach is based on the priorities of preventing and reducing waste generation, extending the useful life of materials and equipment, developing reuse and recovery opportunities, returning recyclable waste to the economy, and disposing of nonrecoverable waste in accordance with applicable legislation.

Hazardous and non-hazardous waste generated by the Group companies is separated at the source by type, temporarily stored under appropriate conditions, and sent to licensed recovery or disposal facilities. The quantities, types, and management methods of waste are monitored through the companies' environmental management systems, with priority given to returning recoverable waste to the economy.

Accordingly, the Group companies manage waste arising from their activities in accordance with applicable legislation, environmental management systems, and company procedures. In 2025, key areas of activity included using production by-products as secondary raw materials, reusing equipment through maintenance and repair, reducing single-use products, separating waste at the source, and expanding recycling practices.

Alarko Group does not limit its circularity approach to waste disposal. It regards the reuse and recovery of materials, equipment, and production by-products as fundamental components of resource efficiency.

Within the Energy Group, by-products arising from production processes are returned to the economy, while equipment used in distribution activities that has not reached the end of its useful life is maintained, repaired, and reused. The Agriculture Group also implements practices to recover and reuse by-products arising during production.

Preventing waste before it is generated at the source and extending the useful life of products are among the material areas of the Group's circularity approach.

Circular Economy

An economic model that aims to preserve the value of products and materials for as long as possible, prevent waste and pollution at the design stage, and regenerate natural systems. Maintenance, repair, reuse, refurbishment, remanufacturing, and recycling are among its core practices.

Circularity and Waste Management

Recovering Ash for Productive Use

CENAL treats the ash generated from electricity production as an industrial by-product and enables its use as a secondary raw material in the cement and construction sectors. This reduces both waste generation and the use of virgin raw materials. Most of the ash generated in 2025 was returned to the economy.

Key Outcomes and Benefits

- Recovery of **99.45%** of the ash generated during the reporting period
- Return of a total of **373,000 metric tons of ash** to the economy
- Avoidance of approximately **300,000 metric tons of CO_2** emissions through **clinker substitution**

Reuse of Grid Equipment

At MEDAŞ, equipment that has failed and been removed from the grid but has not reached the end of its useful life is returned to service following maintenance, repair, and the necessary inspections. Transformer oils in suitable condition are also analyzed, filtered, regenerated, and reused.

These practices reduce the need for new equipment, extend the useful life of resources, and support the circularity approach.

Key Outcomes and Benefits

- Return of **213 pieces of grid equipment** to service following maintenance and repair
- Avoidance of **3,180 metric tons of CO_2e** emissions
- Avoidance of **TL 47.5 million** in equipment expenditure
- Extension of the useful life of resources

Reducing Single-Use Plastics at Hillside Beach Club

Hillside Beach Club uses refillable dispenser systems for bathroom amenities instead of single-use packaging. Through this initiative, the use of **38,912 plastic bottles per year** has been avoided, while the consumption of bathroom amenities has decreased by 5,119 kg, representing a **53%** reduction. This initiative supports the prevention of packaging waste at source and enhances resource efficiency in product use.

Key Outcomes and Benefits

- Reduction of single-use plastic packaging at source
- Reduced product consumption and associated resource use
- Wider adoption of refillable systems across hospitality operations
- Integration of a waste prevention approach into the guest experience

Biodiversity and Ecosystems

The contraction of natural habitats and biodiversity loss affect a broad range of areas, from biological processes that support food production and the continuity of aquatic ecosystems to the resilience of forest and coastal habitats and land-use decisions. Operating in business lines that interact with nature in different ways, including agriculture, energy, hospitality, and land development, Alarko Holding addresses this matter in accordance with the nature of each activity and the ecological characteristics of the relevant site.

The Group's approach to biodiversity is based on protecting natural assets, reducing pressures that may arise from its activities, and monitoring site-specific ecological factors. Environmental impacts are managed through environmental management systems, **environmental impact assessment** processes and permits, technical inventories, and specialist monitoring studies.

Maintaining Biological Balance in Production Areas

The methods used to control pests in modern greenhouse cultivation have a direct influence on chemical input use and biological balance within the production area. Alsera, part of Alarko Agriculture Group, applies an **Integrated Pest Management system** at its modern greenhouses in Afyonkarahisar, Eskişehir, and Denizli. By monitoring and controlling pests through biological, biotechnical, and mechanical methods, Alsera aims to reduce both the need for chemical pest control and the risk of residues. Production processes are supported by **GLOBALG.A.P. certification,** which covers the requirements of Good Agricultural Practices.

Sustainable Agriculture and Integrated Pest Management Practices

Alsera monitors pest populations throughout the production cycle and uses beneficial predatory organisms, beneficial microorganisms, and biopreparations. Pheromone systems and sticky traps enable pest concentrations to be identified at an early stage, while rosemary, lavender, and green hedge plants surrounding the greenhouses serve as natural barriers. This structure supports pest management through regular monitoring and biological intervention capabilities.

Key Outcomes and Benefits

- Reduced dependence on chemical pest control
- Protection of ecological balance and support for biodiversity in agricultural production
- Reduced residue risk and expanded use of sustainable production practices
- Contribution to sustainable food production

2 ZERO HUNGER

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Biodiversity and Ecosystems

Protecting Forest, Coastal, and Marine Ecosystems

In hospitality operations conducted in close proximity to forest, coastal, and marine assets, ecosystem quality is a determining factor in the environmental resilience of the destination and the continuity of the guest experience. Hillside Beach Club conducts its biodiversity activities under its Environmental Policy and incorporates the knowledge and guidance obtained from academics, marine biologists, and subject-matter specialists into its field practices.

Cooperation with the **Turkish Foundation for Environmental Education under the Blue Flag Program** and environmental cleanup activities conducted with Fethiye Municipality are continuing as part of efforts to protect the marine and coastal environment. The facility's environmental practices are monitored under the Global Sustainable Tourism Council criteria and Travelife audits.

Identifying existing vegetation before construction begins on land development projects enables timely decisions regarding plants that will be protected in place or relocated. Within the Land Development Group, Alarko GYO recorded the vegetation and tree assets at the Hillside Resort Bodrum project in accordance with the Alarko Hotel Project Tree Survey Plan.

Physical protection measures were applied to trees deemed suitable for in situ conservation. Plants suitable for relocation were removed and potted under the supervision of specialist teams and transported to a protected holding area established in Yalıkavak. Water connections and drip irrigation infrastructure were installed at the holding area. The condition of plants protected in place and relocated plants was monitored and reported through site visits by specialist biologists.

Protecting Wildlife in Energy Operations

At hydroelectric generation sites, it is important to consider flow continuity, aquatic life, and surrounding terrestrial habitats together. Altek Alarko continuously maintains environmental flow releases at the Karakuz and Gönen Hydroelectric Power Plants and supports pollination through beekeeping activities at the plant sites. In addition to the hives maintained by volunteer employees, various fruit trees were planted in the plant gardens in 2025. Initiatives to protect wildlife around the Karakuz Hydroelectric Power Plant are also supported through field monitoring practices.

Monitoring and Conservation Activities at the Karanfildağı Wildlife Development Area

Altek Alarko conducts monitoring, conservation, and field control activities to protect ecosystem integrity and biodiversity at the Karanfildağı Wildlife Development Area, where the Karakuz Hydroelectric Power Plant is located. Monitoring species in the region, particularly wild goats, and their natural habitats supports the management of the environmental impacts of energy generation activities.

Key Outcomes and Benefits

- Monitoring and conservation of wildlife populations in the region
- Support for ecosystem balance
- Contribution to protecting natural habitats
- Support for the continuity of biodiversity

MEDAŞ Afforestation Project

Taking into account the arid and semi-arid climatic conditions of the Central Anatolia Region in which it operates, MEDAŞ implements afforestation projects aimed at rehabilitating terrestrial ecosystems, supporting local biodiversity, and enhancing natural carbon sequestration capacity. Within this scope, 1,500 saplings were planted across the service area in 2025.

Key Outcomes and Benefits:

- Planting 1,500 saplings and integrating them into natural habitats
- Supporting local terrestrial biodiversity and habitat continuity
- Contributing to the enhancement of natural carbon sequestration capacity
- Preventing soil erosion and strengthening the availability of green spaces across the region
- Raising environmental and nature conservation awareness among employees and local stakeholders

Sustainable Supply Chain Management

Supply chain resilience is important to maintaining operational continuity and product and service quality and effectively managing environmental and social impacts. Taking into account the needs of its companies operating in different sectors, Alarko Holding approaches supply chain management based on the principles of ethical business conduct, legal compliance, quality, occupational health and safety, environmental responsibility, and business continuity. In addition to fulfilling their contractual obligations, suppliers are expected to comply with applicable legislation, business ethics rules, and the environmental and social requirements specific to the business areas of the relevant companies.

In 2025, material areas included supporting local procurement, monitoring supplier performance, strengthening contractor occupational health and safety practices, and increasing the use of environmental and social criteria in procurement processes.

Group companies apply fundamental criteria such as quality, cost, technical competence, delivery performance, and legal compliance in supplier selection. Depending on the nature of the activity, environmental performance, occupational health and safety, working conditions, information security, and relevant management system certifications are also included in the evaluation. These requirements are integrated into processes through procurement procedures, technical specifications, contracts, and supplier evaluation mechanisms. Necessary improvement and corrective actions are monitored based on performance results.

Hillside Beach Club monitors suppliers through an evaluation system that includes environmental, occupational health and safety, food safety, energy management, and information security criteria. All suppliers evaluated in 2025 met the established minimum performance level. In addition, approximately 40% of suppliers were assessed for their environmental and social impacts and monitored in line with the sustainable supply chain management approach.

Local Procurement and Continuity of Supply

The local procurement approach contributes to supporting economic value and local production capacity in operating regions. It also helps shorten supply times, increase operational flexibility, and strengthen supply chain resilience. The Group-wide local supplier rate of 83.8% in 2025 demonstrates the importance placed on using local resources in procurement processes.

5,015 Local Suppliers

5,988 Total Suppliers

83.8% Local Supplier Rate

232 New Suppliers

Responsible Supply Chain

The management of human rights, working conditions, environmental impacts, business ethics, and traceability criteria, alongside quality, cost, and lead time, in sourcing decisions. It encompasses risk-based due diligence, supplier contracts, capacity building, audits, and improvement plans.

Sustainable Supply Chain Management

Local and Responsible Product Sourcing at Hillside

Hillside Beach Club gives priority to local and national suppliers in its procurement processes and considers food safety, resource efficiency, and the environmental impacts of products throughout their life cycles when selecting products. Through this approach, the facility aims to reduce the environmental impacts of its supply chain, support local economic development, and improve the resilience of procurement processes.

Hillside Beach Club defines “local” as an area with a radius of approximately **200 kilometers** encompassing **Fethiye, Muğla, and Antalya.** Systematically prioritizing local suppliers according to measurable criteria supports the creation of regional economic value. Shorter supply chains are also intended to reduce transportation-related environmental impacts, strengthen continuity of supply, and improve product traceability.

The practice covers all service and product procurement activities at Hillside Beach Club. In 2025, local vendors represented approximately 68% of the supplier network, while local stakeholders accounted for 62% of service providers and subcontracted operators. During the same period, purchases from local vendors represented 67.64% of total procurement, remaining consistently within a range of 63% to 69% over the past four years.

Products added to the supply chain in 2025 included 79 geographically indicated products sourced from different regions of Türkiye, as well as products manufactured by women’s cooperatives. This contributed to supporting local producers, preserving traditional production methods, and promoting inclusive economic development.

Of the total TL 1.31 billion in procurement conducted in 2025, approximately TL 885.6 million was directed to local vendors, demonstrating the impact of this practice on the local economy. Cooperation with local producers, suppliers, and service providers supports regional economic value creation while helping strengthen the responsible procurement approach.

Key Outcomes and Benefits

- **67.64%** of purchases sourced from local vendors
- Inclusion of **79 geographically indicated products** in the supply chain
- Support for market access for local producers and women’s cooperatives
- Reduction of transportation-related environmental impacts through shorter supply chains
- Improved product traceability and continuity of supply
- Expanded application of the responsible procurement approach

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Investing *in People*

Investing in Human Capital

Alarko Holding regards human capital as a fundamental component of sustainable growth, corporate resilience, and long-term value creation. The Holding considers the development of employees' knowledge, experience, and competencies not only a means of meeting current needs, but also a strategic investment that prepares its workforce for the future of work.

"Our People and Organization vision at Alarko Group is founded on a competent, agile, and inclusive workplace culture that supports our objective of building a sustainable future."

As the Alarko Group, we consider our human resources to be our most valuable asset; we view a participatory and development-oriented work environment, based on equal opportunities, where all our employees can realize their full potential as our strategic priority.

With this approach, we are implementing end-to-end innovative practices, from our Leadership School to talent management, and from our digital HR processes to artificial intelligence and Robotic Process Automation (RPA) solutions. Using our HR data analytics infrastructure, we make our processes measurable and continuously improve the employee experience by focusing on employee engagement and well-being.

In the coming period, we are committed to strengthening our principles of diversity and inclusion, expanding data-driven HR management across our entire Group, and shaping our talent architecture to meet the needs of the future. By integrating our people-centered management philosophy with our vision for environmental and social sustainability, we will continue to create long-term value for our employees, stakeholders, and society.

Pınar YAMANER
Chief People Officer

Inspired by the words of its founders, İshak Alaton, "At Alarko, there is no 'I,' only 'we,'" and Dr. Üzeyir Garih, "The most important element of an organization is its people," Alarko Holding regards collaboration, a sense of belonging, continuous development, and people-centric management as the cornerstone of its corporate culture. Alarko Holding's people management approach is built on a holistic system encompassing recruitment, career development, performance management, leadership development, employee experience, and continuous learning.

Under the People and Organization Policy, the Holding aims to develop highly engaged and competent human capital aligned with its corporate culture, unlock employee potential through the corporate experience, and direct that potential toward strategic objectives. People management processes are conducted in accordance with the values of respect for people, human happiness, change, passion for achievement, and ethical management. Common policies and practices support employee development across the Group, while programs tailored to the needs of individual business areas aim to strengthen sector-specific competencies.

~6,000 Employees

145,065 Hours of Employee Training

66,354 Hours of OHS Training

Detailed employee profile data by gender, age, employment type, and other categories is presented under Performance Indicators in the **Appendices.**

Investing in Human Capital

Alarko Holding's People and Organization Values

Respect for People

Every individual is regarded as a value, and it is believed that the principle of "Respect for People" is central to all values. This approach is the foundation for organizations to always succeed.

Human Happiness

At the core of success lies the belief in "Human Happiness," considering that happy individuals and organizations can successfully manage every process.

Change

Change is seen not as a phenomenon but as a journey. Every day, individuals and teams work with the motivation to achieve excellence in developing this journey.

Passion for Achievement

Inspired by roots and history, and strengthened by new goals every day, we embrace the "Passion for Achievement."

Ethical and Principled Management

People and organization management is carried out fairly, transparently, and accountably, with an emphasis on the importance of ethics and principled governance. All processes are managed in compliance with laws, regulations, and global standards.

Investing in Human Capital

Alarko Holding rejects discrimination based on gender, age, religion, language, ethnic origin, disability, or any other personal characteristic and is committed to providing equal opportunities to its employees and job applicants.

Respect for Human Rights

Alarko Holding recognizes respect for human rights as one of the fundamental elements of its corporate culture and way of doing business. Its Code of Ethics and Working Principles are based on the Universal Declaration of Human Rights (UDHR), the OECD Guidelines for Multinational Enterprises, and the fundamental principles and rights at work established by the International Labour Organization (ILO).

The Group rejects discrimination based on gender, age, religion, language, ethnic origin, disability, or any other personal characteristic and is committed to providing equal opportunities to its employees and job applicants. Child labor and forced labor are not tolerated, and suppliers and business partners are expected to adhere to the same principles.

As of year-end 2025, 1,777 employees across the Group were covered by collective bargaining agreements. Human rights-related risks are monitored through policies and procedures, ethics reporting mechanisms, and regulatory compliance processes.

Decent Work

A form of employment that provides workers with fair income, safe working conditions, social protection, equal opportunities, and respect for human rights. It is recognized as one of the core development indicators under the United Nations Sustainable Development Goals.

Talent Management and Employee Development

During recruitment, candidates are assessed based on the competencies, experience, and potential required for the position. Structured interview and assessment methods support a transparent and objective process.

Alarko Holding regards talent management as an integrated process that begins with recruitment and continues through orientation, performance and potential assessment, career planning, leadership development, and continuous learning. Common systems implemented across the Group connect employee competencies with corporate objectives, while academies and development programs tailored to individual business areas support the development of sector-specific competencies.

Recruitment and Orientation Processes

During recruitment, candidates are assessed based on the competencies, experience, and potential required for the position. Structured interview and assessment methods support a transparent and objective process. Equal opportunity is observed in recruitment, development, and promotion practices, and an open communication approach supports a positive candidate experience.

In 2025, 1,325 people joined Group companies; 50 positions were filled through internal applications, and 45 recent graduates joined the Group. The internal mobility approach enables employees to gain experience in different roles and develop their careers within the Group.

The ALL MY WAY internship programs, designed to prepare young talent for working life, provide university students and recent graduates with training, mentoring, applied learning, and project experience. Participants assume responsibilities in actual projects across the Group's different business areas and gain work experience that supports their professional and personal development. In 2025, 259 interns worked at Group companies, and 10 people who completed their internships transitioned to permanent positions.

Orientation programs conducted following recruitment help new employees learn about Alarko's culture, corporate values, business processes, and development opportunities. Programs delivered through in-person and digital methods facilitate access to common content for employees working in different cities and at project sites.

Green Skills

The complete set of knowledge, competencies, and behaviors that contribute to the objectives of the low-carbon economy, the circular economy, and resource efficiency.

Talent Management and Employee Development

ALL MY WAY

The ALL MY WAY Internship Program, implemented in cooperation between Alarko Group and Yenibirlider Association, opens the doors of Alarko Group to third-year university students. Through comprehensive training, project management, teamwork, and applied learning, the internship program aims to provide students with extensive exposure to the business world.

Key Outcomes and Benefits

- Sustainable career development through the knowledge, skills, and professional network gained

4 QUALITY EDUCATION

ALL MY WAY PRO Long-Term Internship Program

The long-term internship program for university students and recent graduates enables participants to learn about and experience the business world. Covering the Group companies, the program provides participants with long-term internship opportunities in different sectors and contributes to the professional and personal development of young talent. Participants gain business experience by working on actual projects and assuming responsibilities, supporting a strong start to their careers.

Key Outcomes and Benefits

- Opportunity to transition to suitable permanent positions at the end of the program, subject to performance and organizational fit
- Sustainable career development through the knowledge, skills, and professional network gained

4 QUALITY EDUCATION

ALL MY WAY International Internship Program

This internship program was developed to introduce Turkish students studying abroad to Alarko Group, enable them to gain work experience in Türkiye, and contribute to their professional and personal development. The program creates opportunities for participants to pursue professional development across the Group's different sectors and locations and combine the knowledge gained through their education abroad with experience in the Turkish business environment.

Key Outcomes and Benefits

- Sustainable career development through the knowledge, skills, and professional network gained

4 QUALITY EDUCATION

Talent Management and Employee Development

Digital Transformation of Orientation at Alarko Contracting Group

Alarko Contracting moved departmental orientation processes to a digital environment to improve the employee experience, reduce resource use, and increase operational efficiency. Making training that previously required physical attendance accessible regardless of location enabled employees at different project sites to access the same content.

Eliminating the need for travel and accommodation reduced transportation-related emissions, time requirements, and costs and established a standardized and traceable training model for new employees. The environmental and financial benefits are based on calculations made by the company using 2025 participation data and project assumptions.

Key Outcomes and Benefits

- Completion of the digital orientation process by 172 employees
- Standardization of orientation processes
- Approximately **23 metric tons of CO_2 emissions** prevented by minimizing travel
- **Savings of TL 3.46 million**
- Creation of an accessible and traceable training experience

4 QUALITY EDUCATION | 8 DECENT WORK AND ECONOMIC GROWTH | 13 CLIMATE ACTION

Performance, Talent, and Career Management

Alarko Holding regards supporting employees' professional and personal development as an important component of sustaining the company's growth and maintaining its competitive advantage. Individual performance and competency assessment processes are effectively integrated with potential assessment tools. Employees are supported in understanding their capabilities and developing their existing strengths. The company also aims to create a strategic roadmap that better serves organizational objectives while shaping employees' career paths. Retaining employees as a source of long-term value is therefore a high priority.

Performance management at Alarko Holding is based on linking corporate objectives with employees' individual objectives and competencies. Under the system, which uses the Balanced Scorecard methodology, employees' contributions to established objectives are monitored, and the results are used in development, career, promotion, and recognition processes.

Feedback discussions between managers and employees address strengths and areas for development, and the results are incorporated into employee development plans. Introduced in 2025 for employees in manager-level and more senior roles, the **Leadership Scorecard** assesses managers' performance in relation to business results, team management and the employee experience, leadership and development, leave management, centralized document management, and cost and efficiency. This enables leadership responsibilities relating to team development, resource management, and corporate operations to be monitored through measurable objectives.

Leadership objectives are structured under **Team Management and Employee Experience, Leadership and Development, Employee Leave Management, Centralized Document Management, and Cost and Efficiency.** Team Management and Employee Experience seeks to ensure that managers lead their teams effectively and implement practices that support employee engagement and employee experience. Leadership and Development focuses on managers' contributions to developing team members, strengthening the feedback culture, and enhancing leadership competencies.

Employee Leave Management aims to ensure that teams' leave processes are managed fairly and equitably while supporting business continuity. Under Centralized Document Management, critical documents are expected to be reviewed and updated regularly and maintained in compliance with legislation and company policies. Cost and Efficiency monitors the alignment of actual operating expenses with budgeted operating expenses, supporting the effective use of resources and stronger financial discipline. Through this structure, leadership performance is intended to be managed through an integrated perspective encompassing sustainability, employee experience, operational efficiency, and corporate governance.

Under the Career Architecture, career paths and competency expectations are defined for each position, and development steps established in accordance with employees' professional and personal objectives are monitored through a digital platform. In addition to preparing employees for different roles within the Group, the program supports a more systematic approach to internal mobility, rotation, and succession planning.

Talent Management and Employee Development

Career Architecture

Within Alarko Group of Companies, a tailored **Career Architecture** framework is implemented for each position to support employees' career development and meet the competitive requirements of the industries in which the Group operates. In line with the professional and personal goals of Alarko Group employees, individual career roadmaps are developed jointly with their managers to enhance sector-specific expertise and personal competencies. Relevant training programs are provided to employees as part of these roadmaps, and their career development is systematically monitored.

Key Outcomes and Benefits

- Definition of systematic career paths for employees' individual and professional development
- More effective promotion and rotation processes
- Support for equal opportunity
- Greater transparency and sustainability in talent management processes

Employees' performance and potential are considered together in the talent management process, with assessments conducted using a **nine-box talent matrix.** Assessment Center activities conducted periodically provide detailed evaluations of employee competencies, and the results are shared through individual feedback discussions. People and organization teams and managers use the findings to prepare individualized development plans and monitor progress. These assessments provide input for career planning, promotion, rotation, and succession planning for critical positions. In 2025, the development of **1,820 employees** across the Group was monitored through the performance assessment system. During the year, **207 employees** across the Group were promoted.

Alarko Future's Club (A.İ.K.): Learning Through Experience

Established in 1985 under the leadership of Alarko Group's founders, İshak Alaton and Dr. Üzeyir Garih, the Alarko Future's Club (A.İ.K.) is an internal learning structure that enables young employees to develop their technical, managerial, and social competencies. Operating under the concept of "a small Alarko within Alarko," the Club gives employees between the ages of 21 and 33 the opportunity to gain practical experience in different areas of corporate responsibility.

With its own board of directors, budget, committees, and corporate operating structure, the Alarko Future's Club enables young employees to assume direct responsibility for decision-making, budget management, project development, teamwork, and the allocation of responsibilities. Guidance and knowledge sharing by senior executives support participants in developing a strategic perspective early in their careers and gaining close exposure to different levels of management.

The Club's education, communications, arts, sports, social activities, project development, and information technology committees contribute to employees' social and cultural competencies in addition to their professional development. Representative offices in Ankara, İzmir, and other cities where Group companies operate support the participation of employees in different locations.

The Alarko Future's Club also develops initiatives in areas such as intergenerational knowledge transfer, preservation of institutional memory, interaction with international talent, and assessment of employee suggestions. Wisdom mentoring and reverse mentoring practices support the mutual sharing of knowledge and experience among different generations.

Key Outcomes and Benefits

- Leadership and management experience for young employees
- Support for a culture of internal entrepreneurship
- Stronger intergenerational knowledge sharing
- Contribution to preserving institutional memory
- Increased interaction among employees in different locations

Talent Management and Employee Development

Compensation Policy

Under the compensation strategy and policy established in accordance with the principle of equal pay for equal work, employees who make comparable contributions in the same position receive equal compensation without discrimination based on gender, age, ethnic origin, disability, or other characteristics.

Compensation processes based on industry competition, job evaluation, grade structure, and performance criteria are established by the Holding and implemented across the Group companies. The Compensation Committee is authorized to engage external consultants in fulfilling its responsibilities relating to the determination of employee compensation.

In accordance with competition law, Alarko Holding does not apply internal benchmarks when determining compensation levels. Compensation decisions and salary surveys are based entirely on publicly available data, with support from a consulting firm specializing in this area. The company's compensation policy and strategy are determined by considering third-party reports, survey findings, and statistics. The primary objectives of obtaining compensation-related support from external consultants are to retain highly qualified executives, maintain competitive compensation mechanisms, and ensure alignment with market standards.

Alarko Holding's long-term compensation strategies are designed in line with the company's sustainability-focused growth objectives. Performance-based bonus and incentive systems are used to encourage employees to focus on achieving company objectives. By offering long-term incentives, Alarko Holding supports the alignment of its senior executives with the company's long-term value creation.

Alarko Group's compensation policy is shaped by industry dynamics and competitive market conditions. The Korn Ferry methodology is used in compensation practices. A fair and equitable compensation policy is applied in salary increase and promotion processes, taking into account experience, knowledge, competencies, skills, and position requirements. Positions are analyzed using international job evaluation methodologies and classified within the grade structure. The Balanced Scorecard methodology, regarded as an integral part of the compensation strategy, provides an approach integrated with the performance management system.

The compensation system across Alarko Group is structured by grade, with minimum and maximum compensation ranges established for each grade. Compensation policies for members of the Alarko Holding Board of Directors and senior executives are determined in accordance with Capital Markets Board regulations. Compensation for Independent Members of the Board of Directors is determined by the General Assembly, and they do not receive performance-based compensation or bonuses. Compensation for other members of the Board of Directors is also determined by the General Assembly, and they do not receive performance-based compensation or bonuses.

Compensation for Alarko Holding's CEO, General Managers, executives who are not members of the Board of Directors, and members of other management bodies consists of three principal components:

Base Salary: Determined by considering the salaries of executives in similar sectors and the company's overall compensation policy. Typically revised once a year, but may be updated twice annually if deemed necessary.

Additional Benefits: Determined according to the relevant job title group.

Performance-Based Bonuses: Calculated by considering the company's financial status, overall performance, and the individual performance of the executive.

Equal Pay for Equal Work

The principle that employees performing the same or equivalent-value work receive equal pay and benefits, regardless of gender or other personal characteristics. It takes into account not only equality of job title but also the value of the work in terms of skill, responsibility, effort, and working conditions.

Talent Management and Employee Development

Alarko Holding applies a performance-based compensation policy to the CEO, General Managers, and other management bodies. Compensation for members of the Board of Directors is determined independently of performance targets.

Defined Targets and KPIs	Performance targets for the CEO, General Managers, non-board executives, and other management bodies are set within the scope of financial performance, strategic objectives, sustainability, and ethical standards. Board Members are not included in this evaluation system.
Performance Evaluation	Annual performance evaluations objectively and measurably assess the extent to which the CEO, General Managers, non-board executives, and other management bodies have achieved the defined targets and KPIs. Board Members are excluded from this evaluation system.
Compensation Components	Based on the results of competency assessments, individual goal evaluations, and corporate scorecards, the performance score for non-board executives and other management bodies is calculated within the framework of the compensation policy and competency and behavioral criteria. Corporate and individual goals are scored by the relevant resource or performance manager. The CEO and General Managers are responsible only for corporate objectives. Board Members are excluded from performance targeting and evaluation.
Calculation of Performance Score	Once competency assessments, individual goal evaluations, and corporate scorecard data entries are completed, the performance score is calculated. This score is used to determine performance-based salary increases and/or bonuses for the CEO, General Managers, non-board executives, and other management bodies. Board Members are not included in this performance and bonus system.
Incentive Plans	The policy includes both short-term and long-term incentive plans based on individual performance targets and overall company performance. These plans are specifically designed for the CEO, General Managers, non-board executives, and other management bodies.

In addition to financial indicators, Alarko Holding has a compensation policy that incorporates sustainability performance criteria. Sustainability-focused metrics have been incorporated into the performance scorecards of the CEO, General Managers, executives who are not members of the Board of Directors, and other management bodies across Alarko Group. Members of the Board of Directors are not included in this performance target-setting system. These metrics are assigned a weighting of between 5% and 10% in the total performance assessment. This approach supports a culture of sustainability within the company and encourages progress in sustainability and responsible business practices.

Alarko Golden Badge Award

Alarko Holding conducts the annual Gold Badge Award program to recognize outstanding employee performance, encourage exemplary practices, and strengthen corporate culture.

Employees across the Group companies who distinguish themselves through their performance, innovative initiatives, or practices that make a difference are nominated, and successful practices are recognized following an assessment. The program supports recognition of employee contributions and the sharing of good practices across the Group.

Key Outcomes and Benefits

- Greater visibility for outstanding performance and exemplary conduct
- Support for employee engagement and motivation
- Encouragement of innovative practices
- Expansion of good practices across the Group
- Stronger corporate culture and shared understanding of success

8 DECENT WORK AND ECONOMIC GROWTH

Talent Management and Employee Development

Alarko Holding regularly reviews its personnel administration and employee benefit practices in light of employee needs, market conditions, and workforce expectations. Personnel administration, compensation, and benefits processes are managed in an interconnected manner, with the aim of keeping employee offerings accessible and current.

Eligible employee groups are provided with private or supplementary health insurance, meal cards, and shuttle services on office days. Employees in manager-level and more senior positions are provided with a business telephone and line, as well as vehicle fuel and depreciation support, while senior executives are assigned company vehicles. The scope of employee benefits is evaluated based on market data analyses, employee feedback, and position grades.

Continuous Development and Training Programs

At Alarko Holding, training and development are regarded as a strategic investment that enables employees not only to perform effectively in their current roles, but also to prepare for responsibilities they may assume in the future. Development programs implemented across the Group support the strengthening of technical expertise and leadership competencies, adaptation to digital transformation, and the expansion of a sustainability-focused corporate culture.

Training and development activities are conducted through classroom programs, online learning platforms, workshops, mentoring, coaching, and on-the-job learning. Designed to address the needs of employees at different stages of their career journeys, the programs contribute to individual development while strengthening the organization's overall competency pool.

In 2025, Group employees received a total of **145,065 hours of training,** and the average training time per employee was **24.3 hours.** Training and development expenditures by the Group companies that provided data reached approximately **TL 35.8 million.**

Detailed breakdowns of recruitment, internal mobility, promotions, performance assessments, and training indicators are available in the **Performance Indicators** section.

Central development programs implemented across the Group are complemented by academies established in different business lines, from electricity distribution and energy generation to industry, tourism, and agriculture. These programs address employees' technical expertise, leadership capabilities, and career development together.

The Alarko Academy Development Model structures training under five principal categories based on employees' development requirements and career stages:

- **Alarko 101:** Designed for new employees to familiarize themselves with Alarko Group's mission, vision, and strategy, understand compliance with legal regulations, and gain awareness of fundamental topics
- **Increasing My Awareness:** Training focused on personal development and future competencies
- **Advancing in My Profession:** Training programs that develop technical and professional expertise
- **Leaders of the New Era:** Development initiatives focusing on leadership and management competencies
- **Developing Together:** Programs supporting corporate transformation, sustainability, and a culture of shared success

Employee Well-being

Refers to employees having a healthy and supportive work experience in physical, mental, social, and financial terms. Safe working conditions, workload, development opportunities, inclusion, work-life balance, and psychological safety are considered within this scope.

Talent Management and Employee Development

Leadership School

The Leadership School is a comprehensive training program specifically developed for managers and more senior executives across Alarko Group to strengthen and reinforce their leadership approaches. Seminars, workshops, and mentoring sessions are organized to develop participants' strategic thinking, decision-making, change and team management, and leadership skills. Leadership competencies are developed through actual business scenarios.

The program provides multidimensional development opportunities:

- **Assessment Surveys:** Surveys conducted at the beginning and end of the program obtain feedback from participants and their direct reports.
- **Training Modules:** Training is provided on topics including strategic decision-making, communication, and crisis and change management.
- **Coaching Sessions:** Participants hold one-on-one discussions with their managers and professional coaches to develop personal development plans.
- **Development Monitoring:** Development is supported through target monitoring, interim discussions, and individual reporting.

The Alarko Leadership School is positioned as an important investment in developing the organization's future managers and leaders.

Key Outcomes and Benefits

- Training was provided to 87 employees across the Group.
- Measurable improvement and development in leadership competencies
- More effective approaches to strategic thinking and decision-making
- Stronger leadership during change management and periods of crisis
- Improved team management skills
- Establishment of a sustainable and positive leadership culture within the organization

4 QUALITY EDUCATION | 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH

Corporate MBA Program

Since 2010, Alarko Holding has developed its future leaders and senior executives through the Corporate MBA Program. New participants are admitted every two years. The principal purpose of this prestigious program is to develop the capabilities of high-potential employees who may assume critical roles in Alarko Holding's future and create new career opportunities for them. The Corporate MBA is a development program designed for Alarko's future senior executives.

Key Outcomes and Benefits

- Acceleration of career journeys
- Preparation for critical positions
- Development of the leadership skills of high-potential participants
- Development of senior executives

4 QUALITY EDUCATION | 17 PARTNERSHIPS FOR THE GOALS

Talent Management and Employee Development

Training and Development Programs at Group Companies

The centrally coordinated training and leadership programs implemented across Alarko Group are complemented by academies and professional development initiatives designed in line with the technical and managerial needs of the Group companies. These programs support the development of employees' technical expertise, the strengthening of leadership and digital competencies, the preparation of young talent for professional life, and the transfer of sector-specific knowledge into the corporate structure.

Technical Expertise, Leadership and Young Talent Development at MEDAŞ

MEDAŞ supports the technical and managerial competencies of its employees through development programs tailored to different stages of their careers. The Engineering Development Academy aims to prepare engineering professionals for roles requiring operational and managerial responsibilities. Under the Leonardo Leadership Academy, development programs are delivered in the areas of self-leadership, team leadership, and business leadership. The Talentern Long-Term Internship Program, designed for university students, combines technical training, field experience, and mentoring opportunities, enabling young talents to gain professional experience and develop a deeper understanding of the electricity distribution sector.

Key Outcomes and Benefits:

- A total of **57,443 hours** of training provided to MEDAŞ employees in 2025
- Support for employee development in both technical and managerial responsibilities
- Strengthening leadership competencies at different career stages
- Provision of technical training, field experience, and mentoring opportunities for university students
- Development of a qualified talent pipeline to support electricity distribution operations

Professional Development in Tourism through Hillside Academy

Alarko Tourism Group supports the development of its employees and young talent through programs implemented under Hillside Academy. The training programs, which also include collaborations with universities, vocational high schools and apprenticeship schools, focus on accommodation, food and beverage services, guest experience, leadership and sustainability.

Through these programs, employees' professional and managerial competencies are enhanced, while students are supported in becoming familiar with the tourism sector, gaining work experience and accessing employment opportunities.

Key Outcomes and Benefits:

- A total of **20,517 hours of training** provided to Tourism Group employees
- Number of student interns working within the Group: **103**
- Number of young talents recruited following their training and internship experience: **5**
- Strengthening of collaboration between educational institutions and the tourism sector
- Development of qualified human resources for the tourism sector
- Support for young people's access to professional experience and employment opportunities

Talent Management and Employee Development

Technical Competency Development at CENAL

CENAL launched the CENAL Academy in 2025 to facilitate the transfer of technical knowledge into the corporate structure and enhance employees' professional expertise. The Academy provides training in technical areas that are critical to operational activities, including mechanical equipment maintenance, assembly and disassembly procedures, measurement and calibration.

The program aims to strengthen employees' practical technical competencies and build the knowledge required for operational processes within the organization.

Key Outcomes and Benefits:

- A total of **38,642 hours** of training provided to CENAL employees
- Average training hours per employee: **75.3 hours**
- Support for the transfer of technical knowledge and experience into the corporate structure
- Development of in-house competencies related to maintenance and operational activities
- Support for operational effectiveness and business continuity in technical processes

Development and Digital Leadership at Alarko Industry and Trade Group

Alarko Industry and Trade Group develops not only its employees' technical expertise but also the managerial competencies required to adapt to digital transformation. The MEXT Digital Leadership Program, designed for middle and senior managers, addressed topics such as business models transformed by the digital economy, next-generation leadership approaches, and value creation through digital tools.

Key Outcomes and Benefits:

- A total of **11,799 hours of training** provided to Group employees
- Enhancement of managers' awareness and competencies in the field of digital transformation
- Strengthening of the capacity to adapt to evolving business models
- Promotion of a value creation approach supported by digital tools
- Development of next-generation leadership competencies

Alarko Agriculture Academy

Alarko Agriculture Group supports the development of its employees and sector stakeholders through the Alarko Agriculture Academy. The Academy develops training content focusing on modern production techniques, the use of agricultural technologies, quality management and innovation. These initiatives aim to enable employees to adapt to evolving agricultural technologies, enhance sector-specific knowledge, and support productivity-oriented production processes.

Key Outcomes and Benefits:

- Development of a skilled and qualified workforce across the agriculture sector
- Development of knowledge and competencies related to modern production techniques
- Support for the effective use of agricultural technologies
- Strengthening of a quality and innovation-oriented working approach
- Enhancement of employees' and sector stakeholders' capacity to adapt to changing production conditions
- Contribution to improving productivity in agricultural production

Employee Engagement and Satisfaction

Alarko Holding regards employee engagement as a natural outcome of a high-quality workplace experience in which employees' views are heard and their well-being is supported. Practices in this area are developed based on regular feedback and the operating conditions of the Group companies.

The Internal Customer Satisfaction Survey assessed employees' experiences of internal services and processes. The results were analyzed by company and department, and action plans were prepared for areas requiring improvement. Progress on the identified actions was monitored throughout the year and reported to the relevant management levels.

Survey findings were supplemented by focus groups and individual interviews. These activities addressed views relating to collaboration among teams, participation in decision-making, performance management, career opportunities, internal communication, and the overall employee experience. Needs identified through direct employee input provided information for improvement practices tailored to each company's working conditions.

A Leadership Survey was also conducted in 2025 to assess the leadership approach, which has a significant influence on the employee experience. The survey identified managers' strengths and areas for development, and individual development plans were prepared. The next Employee Engagement Survey is planned for 2026.

92.54%*

Employee Engagement Survey Participation Rate

70%

Employee Engagement Survey Result

24,180*

Internal Customer Satisfaction Surveys Conducted

78%*

Internal Customer Satisfaction Survey Result

**The Employee Engagement Survey and Internal Customer Satisfaction Survey are conducted every two years. Accordingly, the Employee Engagement Survey will be conducted in 2026, while the Internal Customer Satisfaction Survey was conducted in 2025.*

Employee Engagement and Satisfaction

Alarko Holding addresses employee well-being across physical, psychological, and social dimensions. Through the Corporate Well-Being Platform, employees and their immediate family members are supported in accessing psychological counseling and nutritional counseling services.

Hybrid working remained available to eligible white-collar employees to support work-life balance. Group companies develop their working models and employee experience practices in accordance with their operating conditions.

In 2025, Alarko implemented numerous initiatives to improve employee engagement and satisfaction by enhancing the employee experience and supporting a culture of feedback, development, leadership, well-being, and internal engagement.

Employee engagement and satisfaction surveys were conducted to gain a better understanding of employees' expectations, needs, and areas for development. Based on the findings, areas for action were identified by company and function. The results were used not only for measurement, but also to develop action plans focused on the development of managers and teams.

Focus groups were conducted to give greater visibility to employees' views and suggestions. Direct employee feedback was obtained on collaboration among teams, decision-making processes, performance management, career opportunities, communication, and the employee experience. These activities contributed to aligning internal practices more closely with employee expectations.

Leadership development was also treated as an important component of the employee engagement strategy in 2025. A Leadership Survey was conducted to identify leaders' strengths and areas for development. Individual development plans were developed for managers based on the results, enabling the development process to be monitored in a more structured manner.

Development plans were also prepared by department and company as part of the Internal Customer Satisfaction Survey. Actions addressing the identified areas for development are being monitored by the relevant teams, and year-end completion status and development outcomes will be submitted to the Chief People Officer and the CEO of the Group.

Investments were made in employees' personal and professional development through the Alarko MBA Program, Yenibirlider Development Program, leadership development initiatives, mentoring practices, and talent management processes. These programs aim to increase employees' sense of belonging, career awareness, and readiness for the future.

Well-being and employee satisfaction initiatives supported physical, mental, and social well-being. Well-being practices, informational content, social events, and internal awareness activities were implemented to encourage healthy living habits. Hybrid working practices also continued in a manner that supports employees' work-life balance.

Group companies maintain various participation mechanisms through which employees can communicate their views, suggestions, and expectations. Digital platforms, direct discussions with managers, focus groups, ethics reporting channels, and internal communication practices support the integration of employee views into decision-making and improvement processes.

Employee Participation and Feedback Mechanisms

The Innovative Ideas and Continuous Improvement Mechanism implemented at MEDAŞ enables employees to contribute directly to digitalization, innovation, and process improvement. Employee suggestions are evaluated against defined criteria, and suitable ideas are implemented and recognized.

The Employee Happiness Platform and Ethics Hotline enable employees to communicate suggestions, feedback, and ethics-related concerns securely and accessibly.

Key Outcomes and Benefits

- Support for employees' active participation in process improvement
- Encouragement of ideas focused on digitalization and innovation
- Ability for employees to provide direct feedback to management
- Accessible and secure ethics reporting processes
- Stronger participatory corporate culture

8 DECENT WORK AND ECONOMIC GROWTH

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

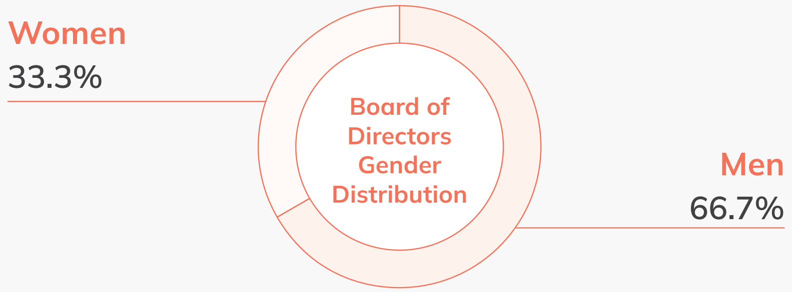
Equal Opportunity and Inclusion

Alarko Holding regards equal opportunity as a fundamental management principle extending across every stage of the employee experience. The People and Organization Policy rejects discrimination based on gender, sexual orientation, age, religion or belief, language, race, ethnic origin, disability, social status, or other personal characteristics and is based on providing equal opportunities to all candidates and employees.

This approach is reflected in recruitment, development, performance, promotion, compensation, and career processes. Candidates and employees are assessed based on the qualifications, competencies, and experience required for the role. In addition to applicable employment legislation, internationally recognized good practices relating to human rights, fair working conditions, and inclusion are taken into consideration.

Gender balance is considered in recruitment committees to support women employees in assuming management responsibilities, and equal opportunity is applied in access to leadership, development, and mentoring programs. The representation of women at different management levels is monitored by company, and identified areas for development are reflected in people and organization practices.

Board of Directors Gender Distribution



Women's Representation on the Board of Directors

Equal opportunity and gender equality are at the heart of Alarko Holding's sustainability approach. Accordingly, Alarko Holding attaches importance to achieving equitable representation of women on its Board of Directors. Under the current structure, the proportion of women members supports inclusive viewpoints and equitable perspectives in decision-making processes. As of the end of 2025, women represented 33.3% of the members of the Alarko Holding Board of Directors. In line with its commitment to the Women on Board Association, Alarko Holding aims to increase this proportion to 40% by 2030.

Through the contributions of women leaders, Alarko Holding focuses on improving the quality of its corporate governance. This robust approach is regarded as one of the principal drivers of sustainable growth.

Attaching great importance to inclusion, Alarko Holding respects every employee and undertakes initiatives to ensure that all employees feel valued.

Equal Opportunity

The ability of individuals to have fair access to recruitment, development, promotion, pay, and decision-making processes, regardless of gender, age, disability, ethnic origin, belief, or similar characteristics. It requires not merely offering the same treatment to everyone but also removing structural barriers.

Equal Opportunity and Inclusion

Gender Equality

Alarko Holding's approach to gender equality encompasses not only women's participation in the workforce, but also equal access to education, development, leadership, and decision-making processes. This approach is supported through initiatives conducted under the Women's Empowerment Principles and reflected in practices relating to women's entrepreneurship, equal opportunity in education, and the development of an inclusive workplace culture. Initiatives relating to women's entrepreneurship and equal opportunity in education are presented in the **Corporate Social Responsibility** section.

In 2025, Alarko Holding joined the Business Against Domestic Violence Network, led by the Sabancı University Corporate Governance Forum in cooperation with TÜSİAD, to strengthen its institutional capacity to address domestic violence. Under the membership, the six-module Train-the-Trainer Program was completed and a Workplace Policy on Domestic Violence was prepared. The Policy aims to integrate a zero-tolerance approach to violence into corporate processes and establish support mechanisms and an internal governance structure.

Alarko Agriculture: From Women's Employment to Corporate Commitment

Alarko Agriculture regards women's employment not merely as a quantitative indicator, but as an important component of corporate culture and sustainable growth.

The company became a signatory to the Women's Empowerment Principles in 2025 and initiated Gender Equality Certification activities following the reporting period.

Key Outcomes and Benefits

- Stronger corporate commitment through becoming a WEPs signatory
- Initiation of the Gender Equality Certification process
- Support for an equitable and inclusive workplace culture

5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH

Inclusive Employment and Equal Pay

Group companies support women's participation in employment and career development according to the conditions of the sectors in which they operate. Local employment, young talent programs, internship-to-employment practices, and company-specific representation targets are among the principal mechanisms supporting this approach.

Group companies apply the principle of equal pay for equal work in compensation processes and do not differentiate based on gender. Detailed information on the compensation approach is provided under Compensation and Recognition.

Gender Equality

The ability of all genders to have equal access to, and to benefit fairly from, rights, resources, opportunities, pay, and decision-making mechanisms. Equality requires not only the prevention of discrimination but also the removal of structural barriers and biases.

Employee Health and Safety

At Alarko Group, Occupational Health and Safety is regarded not only as a means of protecting employee health and safety, but also as a fundamental component of sustainable operations. Taking into account the different risk profiles of the energy, contracting, industry, agriculture, and tourism sectors, the Group manages Occupational Health and Safety processes through a preventive and risk-based approach. Accordingly, there were no fatal workplace accidents among employees across the Group in 2025.

The early identification of hazards, elimination of risks at the source to the extent possible, employee participation, continuous training, and regular audits are among the key priorities. Occupational Health and Safety governance is conducted in accordance with applicable legislation, company policies and procedures, and management systems. The People and Organization Group is responsible for coordinating Occupational Health and Safety processes at the Group level, while implementation is regularly monitored through Occupational Health and Safety committees established within the companies.

The Group's Occupational Health and Safety approach covers contractors, subcontractors, suppliers, and other business partners in addition to employees. All stakeholders working in the field are expected to comply with the Occupational Health and Safety rules of the relevant companies. These obligations are supported through contracts, training, work permits, and field inspections.

2025 Key Occupational Health and Safety Indicators

- **66,354 hours** of Occupational Health and Safety training provided to employees
- **75,037 hours** of Occupational Health and Safety training provided to nonemployee workers
- **142** drills, including **138** emergency drills

Under Occupational Health and Safety management, risk assessments are updated regularly with consideration given to the nature of activities, site conditions, equipment, and working methods. Findings from occupational accidents, near-miss incidents, employee reports, and field inspections are evaluated through digital monitoring and incident reporting systems. Corrective and preventive actions are monitored together with the responsible parties and completion dates.

Digital Occupational Health and Safety Management

In 2025, Alarko Agriculture implemented the Intraprise Occupational Health and Safety Management Software to monitor Occupational Health and Safety processes at different production locations under a common management structure.

The system enables nonconformities, near-miss incidents, corrective and preventive actions, and statutory obligations to be monitored digitally. Data from different production facilities is consolidated on a common platform, enabling risks to be assessed at an earlier stage.

Key Outcomes and Benefits

- Stronger data integrity in Occupational Health and Safety processes
- Digital monitoring of near-miss incidents and nonconformities
- Systematic monitoring of corrective and preventive actions
- Earlier assessment of risks
- Support for standardized Occupational Health and Safety processes across the Group

3 GOOD HEALTH AND WELL-BEING
8 DECENT WORK AND ECONOMIC GROWTH

Occupational Health and Safety-OHS

A systematic area of management aimed at protecting workers and other persons who may be affected by work-related activities from work-related injury and ill health. It encompasses hazard identification, risk control, worker participation, training, incident investigation, and continual improvement.

Employee Health and Safety

Theoretical and practical training, toolbox talks, field inspections, committee meetings, and emergency drills are conducted across the Group companies to increase Occupational Health and Safety awareness.

Employees are encouraged to report hazards, near-miss incidents, and nonconformities, and these reports are treated as fundamental inputs to preventive management.

Mobile Field Observation at the M6 Metro Project

Alarko Contracting Group manages Occupational Health and Safety processes at its project sites in line with the ISO 45001:2018 Occupational Health and Safety Management System standard and its zero-accident objective. Accordingly, the mobile field observation application implemented at the M6 Metro Project in Romania in 2025 was also made available to subcontractors.

Nonconformities, hazardous conditions, and areas for improvement identified in the field are recorded through the application. Reports are communicated to the responsible individuals and monitored until corrective actions have been completed.

Key Outcomes and Benefits

- Faster flow of information between the field and management
- Digital recording of nonconformities
- Improved traceability of corrective actions
- Active participation of subcontractors in Occupational Health and Safety processes
- Stronger preventive safety culture

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Emergency plans at Group companies are prepared according to the risk profiles of the activities and facilities. Scenarios involving fire, evacuation, natural disasters, chemical spills, and other activity-specific emergencies are tested through drills. Findings from the drills are used to improve response plans, team responsibilities, and facility infrastructure.

Indicators relating to occupational accidents, injuries, occupational diseases, lost days, and fatalities for employees and nonemployee workers are presented under Performance Indicators in the **Appendices.**

Strengthening Fire Safety Infrastructure

In 2025, Alarko Carrier improved fire detection and response infrastructure at its Gebze and Eskişehir production facilities.

A fire booster system and sprinkler systems were commissioned at the Eskişehir facility, and detection systems for chemical and flammable substances were installed. At the Gebze facility, insulation applications designed to prevent the spread of fire and smoke were implemented, and firefighting equipment was upgraded.

Key Outcomes and Benefits

- Increased fire detection and response capacity
- Reduced fire-related risks
- Stronger emergency preparedness
- Support for employee safety
- Improved facility safety infrastructure

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Digital *Transformation*

R&D and Innovation

"We formulate our digital transformation strategies in alignment with our sustainability objectives."

As Alarko Group, we regard digital transformation as one of the fundamental drivers of sustainable value creation. We focus on reducing system loads and resource consumption through energy-efficient digital infrastructure, optimized software architectures, automation systems, and AI-powered analytics tools. Data center consolidation, virtualization, and cloud solutions further support this approach.

In the coming period, investments in energy-efficient infrastructure, artificial intelligence, the Internet of Things, and big data will be among our key focus areas. By integrating Green Software principles into our development processes, we aim to build software infrastructures that consume fewer resources.

Serkan DEMİR
Chief Information Officer

Alarko Group regards research and development and innovation as a strategic development area encompassing the creation of new products and technologies, improvement of business processes, enhancement of operational efficiency, and development of new business models. Activities conducted across the Group aim to strengthen data-driven management, leverage artificial intelligence and automation technologies, develop digital competencies, and support sustainable growth.

Research and development activities are conducted through Alarko Dijital's Technopark projects, Alarko Carrier's Research and Development Center, MEDAŞ's project portfolio for electricity distribution technologies, and Alarko Agriculture Group's research infrastructure. Partnerships with universities, TÜBİTAK, technology providers, business partners, and industry stakeholders support the Group's development capacity and knowledge transfer across its different business areas.

Green Artificial Intelligence

An approach that aims to reduce energy consumption and environmental impacts in the development and use of artificial intelligence systems. Model efficiency and resource optimization are among its core elements.

R&D and Innovation

Key Indicators in 2025

- **TL 679.1 million** in total research and development budget
- **TL 19.9 million** in environmentally focused research and development expenditures and six environmentally focused research and development projects
- **TL 34.2 million** in research and development budget for low-carbon products and services
- **35** R&D projects
- **Five** patent applications in 2025 and three registered patents in total

Measuring Digital Maturity and Innovation Capacity

The A-Link Project, launched to assess the Group's digital transformation and innovation capacity, continued in 2025. The assessment analyzed the existing level of maturity across culture and people, governance and leadership, competency, innovation, and technology. The findings informed updates to the digital transformation roadmap and the identification of priority development areas.

The innovation dimension addressed the capacity to develop new products and services, explore new service delivery methods, respond proactively to changing requirements, and reassess and implement business processes.

Innovation Governance

Innovation activities are managed through a two-tier governance structure that supports shared learning, prioritization, and strategic alignment among Group companies. Agile Committee meetings are held twice a year with representatives from different functions at the Holding and Group companies. The meetings evaluate ongoing projects, emerging technology opportunities, artificial intelligence applications, process improvement areas, and leading practices that may be expanded across companies.

At year-end, the Agile Committee's findings are presented to the Digital Transformation Committee, which convenes with the participation of General Managers and the CEO of Alarko Group. At the Group level, the Committee evaluates the benefits generated by projects, technology matters related to sustainability targets, and priorities for the upcoming period. This structure enables projects originating from company needs to be aligned with shared strategic priorities and monitored by senior management.

Project Portfolio Management

A Project Management Office (PMO) structure has been established to manage the expanding portfolio of digital transformation projects across the Group in accordance with common standards. Under the PMO, project teams received training, standardized reporting templates were developed, and project management processes began to be conducted through common digital platforms. These activities aim to increase project visibility, improve resource use, and strengthen centralized reporting capacity.

2025 PMO Performance Indicators*

Indicator	2025 Result
Standardization of project management processes	50%
Use of the Effort Tracking System as a decision-support tool	90%
Digitalization of process and task monitoring	80%
Digital data integrity and authorization control	80%
Consolidation of Group projects under the PMO	70%

The percentages represent internal performance indicators used in Alarko Dijital's 2025 Digital Transformation Report.

R&D and Innovation

Research and Development Structure and Intellectual Property

Alarko Dijital conducts technology-focused research and development activities under the Technopark incentive framework. In 2025, the assessment, review, and advisory processes for research and development projects were combined into a common digital workflow, improving the traceability of incentive, exemption, and reporting processes. The resulting data model supports regular monitoring of project performance and incentive returns and enables decisions regarding the research and development portfolio to be based on consistent data.

Two research and development projects were conducted in 2025, with a budget of TL 16.1 million allocated to these activities. One of these projects, the Robotic Process-Assisted Warehouse Dispatch Management Project, uses artificial intelligence and robotic process automation to improve route and loading planning, reduce manual workloads, and enhance the efficiency of logistics operations. As of the end of 2025, the project remained in the development phase.

In 2025, the software developed under the Digital Agriculture Technologies and Artificial Intelligence-Enabled Smart Greenhouse Project, which was completed in 2024, was registered as a computer program by the General Directorate of Copyright of the Ministry of Culture and Tourism. This represents the first registration of software code developed within the Group.

Research and Development and Technology Development Across Business Areas

Group companies conduct research and development and technology development activities tailored to the requirements of their respective business areas.

Energy-Efficient HVAC Technologies at Alarko Carrier

Alarko Carrier has been operating as an accredited R&D Center since 2012. Supported by collaborations with universities and TÜBİTAK, as well as Carrier's global technology infrastructure, the company conducts research and development activities focused on next-generation HVAC systems, energy-efficiency solutions, and environmentally friendly technologies.

In 2025, the company carried out **15 R&D projects** with an R&D budget of **TL 188.2 million** and allocated **TL 17.3 million** to environmentally focused R&D activities.

Key Outcomes and Benefits:

- Development of energy-efficient HVAC solutions
- Improvement of the environmental performance of products
- Strengthening of product development capabilities for low-carbon technologies
- Promotion of knowledge and technology transfer through university-industry collaboration

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R&D and Innovation

Innovation Culture

In addition to technology investments, Alarko Holding develops its innovation capacity through a corporate culture that supports employee participation. Future Talks, Digital Literacy and Artificial Intelligence Awareness Programs, and internal idea development mechanisms support employees' knowledge of and competencies in emerging technologies. Expanding artificial intelligence applications across the Group, improving data literacy, and integrating productivity technologies into business processes are among the priority areas for the coming period.

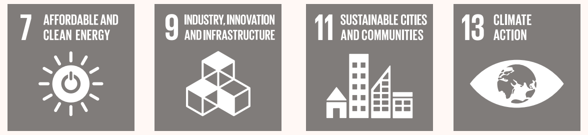
Smart and Resilient Grid Solutions at MEDAŞ

MEDAŞ's R&D activities focus on grid reliability, resilience to disasters, data analytics, the development of domestic technologies, and the impacts of electric mobility on energy systems. Projects involving domestically developed thermoplastic insulators, an AI-powered underground asset detection system, and analyses of the impacts of e-mobility on the electricity distribution grid are among the prominent examples in the company's project portfolio.

In 2025, the company carried out **14 R&D projects** with an R&D budget of **TL380.3 million** and allocated **TL 34.2 million** to R&D activities focused on low-carbon products and services.

Key Outcomes and Benefits:

- Strengthening the reliability and resilience of the electricity distribution grid
- Supporting domestic technology development capabilities
- Monitoring grid assets using data-driven methods
- Enhancing technical capabilities to assess and manage the impacts of electric mobility on the grid



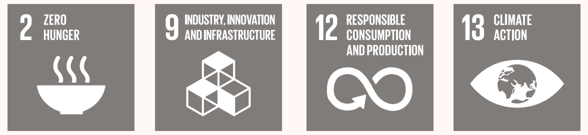
Strengthening Research Infrastructure at Alarko Agriculture

R&D activities within Alarko Agriculture Group are conducted in the fields of plant breeding, fertilizer formulation, food processing technologies, and agricultural technologies. The Plant Tissue Culture and Molecular Genetics Laboratories established in 2025 have strengthened the Group's research capacity for developing varieties resilient to climatic conditions, diseases, and pests.

In 2025, the Agriculture Group carried out **four R&D projects** with an R&D budget of **TL 94.6 million**. During the same period, two new laboratories were established, and registration applications were submitted for two cluster tomato varieties.

Key Outcomes and Benefits:

- Increasing research capacity in plant breeding and molecular genetics
- Supporting the development of varieties resilient to climatic conditions and diseases
- Improving productivity and product quality in agricultural production
- Strengthening scientific research infrastructure



Digitalization and Artificial Intelligence

Alarko Holding regards digitalization as a strategic capability that strengthens data-driven management, integrates processes, improves operational efficiency, and supports the development of new business models. Activities across the Group focus on establishing common data structures, integrating enterprise applications, incorporating artificial intelligence and automation technologies into business processes, strengthening information security, and developing employees' digital competencies.

The Group evaluates the speed and cost benefits provided by digital technologies together with data quality, service continuity, resource efficiency, accessibility, and security. Activities relating to data management, artificial intelligence, process automation, business intelligence, enterprise applications, and digital accessibility continued in 2025.

Key Indicators in 2025

- Enterprise resource planning processes implemented at more than 10 Group companies
- 8 TB of data and 1,200 users within the scope of A-DATA use at MEDAŞ and MEPAŞ
- Approximately 30% water and energy savings through artificial intelligence-enabled greenhouse management at Alsera
- 112 person-days in monthly time savings through system integration at MEPAŞ

Artificial Intelligence and Responsible Use

Artificial intelligence activities across the Group began to be structured under the alarko.ai framework in 2025. alarko.ai brings artificial intelligence governance, generative artificial intelligence applications, data analytics, automation solutions, and future enterprise artificial intelligence services together under a common program.

An artificial intelligence-enabled Human Resources Assistant was introduced on the A-Live intranet platform during the year. The application enables employees to access human resources policies and procedures by asking questions in natural language. Work was also conducted on Optical Character Recognition (OCR), translation, summarization, content and media generation, meeting assistants, GPT-based scenarios, and use cases combining artificial intelligence with Robotic Process Automation (RPA).

A governance framework covering data privacy, ethical use, licensing and copyrights, security, algorithmic bias, and artificial intelligence-related risks was established to support the secure and responsible expansion of artificial intelligence use. The European Union Artificial Intelligence Act (EU AI Act), Türkiye's Personal Data Protection Law (KVKK), and the General Data Protection Regulation (GDPR) were referenced in developing the framework.

To develop organizational competency, an Artificial Intelligence Awareness Seminar and Artificial Intelligence Vision Workshop were held in cooperation with the Turkish Artificial Intelligence Initiative (TRAI). Nine thematic sessions addressing smart manufacturing, finance, generative artificial intelligence and artificial intelligence agents, energy, aviation and logistics, retail, artificial intelligence infrastructure, cybersecurity, law, and ethics supported knowledge sharing among Group companies.

Artificial Intelligence-Enabled Smart Greenhouse Management at Alsera

Water, fertilizer, and energy use in Alsera's modern greenhouses is managed through Internet of Things (IoT) sensors, artificial intelligence-enabled analytics, and recovery systems. Continuous monitoring of greenhouse conditions enables irrigation and fertilization processes to be optimized according to crop requirements, improving resource efficiency.

The project received an award in the "Digitalization and Artificial Intelligence in Food" category at the 2025 Sustainable Food Awards.

Key Outcomes and Benefits

- 98% drainage water recovery rate
- Water and energy savings of up to 72%
- Rainwater storage capacity of 4,000 metric tons
- Artificial intelligence-enabled production optimization
- Increased resource efficiency
- Support for digitalization in agricultural production

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Digitalization and Artificial Intelligence

Data and Business Intelligence

A-DATA, part of the Alarko Data Portal, provides the Group's common business intelligence and decision-support infrastructure. Data generated in different systems is combined within a common structure through Extract, Transform, and Load (ETL) processes and made available through authorization-based dashboards, forecasting applications, and mobile reports.

At the Holding level, nominal and indexed International Financial Reporting Standards data, the management budget, consolidated revenue and profit results, and monthly revenue forecasts by company are monitored through A-DATA. Human resources and information technology indicators have also been incorporated into the common reporting structure. At operating companies, operational data relating to sales, inventory, customer experience, outage management, obligation monitoring, and agricultural irrigation consumption is used in decision-making.

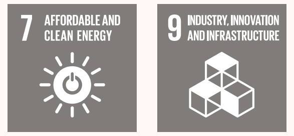
Data-Driven Operations at MEDAŞ and MEPAŞ

The data warehouse, mobile reporting, and decision-support applications developed at MEDAŞ and MEPAŞ support data-driven management of grid operations, obligation monitoring, and customer processes.

The agricultural irrigation anomaly detection application identifies unusual consumption patterns, while the obligation management system enables annual obligations to be monitored automatically. Integration projects developed at MEPAŞ enable numerous transactions to be conducted through a single interface.

Key Outcomes and Benefits

- Automatically generated obligations: 735
- Mobile-access outage reports: 9
- Time savings: 112 person-days per month
- Support for data-driven decision-making
- Increased operational visibility
- Faster and more standardized processes



Enterprise Applications and Process Automation

The Enterprise Resource Planning (ERP) transformation is being conducted as a long-term program to establish common data and process structures across the Group. During 2024 and 2025, ERP processes were implemented at more than 10 companies, while integration activities continued across finance, procurement, logistics, human resources, and production processes.

M-Files document management, digital archiving applications, and robotic process automation solutions were expanded as part of process automation activities. These initiatives aim to increase efficiency in document management, workflows, and reporting processes.

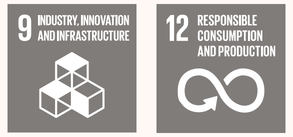
ESG Data Management Through RPA at Alarko GYO

Alarko GYO has introduced Robotic Process Automation (RPA) to support the collection, verification, and reporting of sustainability data from tenants.

The system has automated data collection, validation, and consolidation processes, with the aim of significantly reducing the time required for manual reporting. The application was launched at the end of 2025, and its impacts on operational efficiency and data quality are expected to become more clearly observable in 2026.

Key Outcomes and Benefits

- Time savings: 90%
- Standardized and traceable collection of ESG data
- Support for data verification processes
- Improved reporting quality
- Reduced manual workload



Digitalization and Artificial Intelligence

Digital Applications Across Business Areas

In addition to common systems, the digitalization program is expanding through applications tailored to the business areas of Group companies. Key areas include production and traceability in agriculture, grid and customer processes in energy, sales and inventory visibility in industry, the guest experience in tourism, and access to corporate information and digital workflows in contracting operations.

The data quality level of the Tourism Group's customer relationship management system increased to 97% in 2025, supported by artificial intelligence-enabled algorithms used to consolidate duplicate guest records. Online reviews, room-level satisfaction results, and member segments are analyzed through business intelligence applications. The email infrastructure was migrated to a hybrid cloud, and the use of collaboration tools such as Microsoft Teams, Planner, and Copilot was expanded. Paper forms used in certain operational processes were digitized through M-Files and OPEX applications.

In 2025, comprehensive digitalization initiatives were undertaken in line with the objectives of reducing environmental impacts and advancing the green transition. Within this scope, the subcontractor guarantee processes of the Contracting Group were migrated to the M-Files infrastructure and integrated into a digital approval workflow. This transition eliminated the circulation of physical documents and the use of paper, enabling processes to be managed more efficiently, securely, and transparently, with full traceability. Concurrently, the PBY Help Desk application, which manages ERP-related incident and enhancement records, was migrated to a web-based infrastructure. In addition, the Sustainable Balance Platform, launched to promote a sustainability culture across the organization, provides digital training content, videos, and informative materials covering environmental issues, climate, energy efficiency, waste management, and social responsibility. In 2025, two online training sessions entitled "Sustainability: Small Steps, Big Impact" and "Gender Equality" were delivered through the Platform, and informative posters were developed to support sustainability awareness initiatives. The Platform contributes to embedding the sustainability agenda into everyday working life.

Digital Traceability of Production at Alarko Agriculture

Alarko Agriculture Group is developing digital traceability applications to strengthen data-driven management across production processes. Alsera's smart greenhouse applications use artificial intelligence-enabled image processing, object recognition and tracking, performance measurement, anomaly detection, and recording and notification functions. In 2025, the Smart Greenhouse software received the first computer program registration certificate in the Group's history.

Under the Alsera Weighing System Project, professional cameras, an artificial intelligence processing unit, QR code-based pallet tracking, weighing station entry and exit controls, and ERP integration are used together. The system analyzes weight losses between individual weighing operations and automatically reports unusual results.

The Seed Master platform used in seed breeding processes supports the management of genetic pedigrees, inherited characteristics, environmental conditions, and plant performance data. An end-to-end traceability infrastructure is also being developed, covering production areas and product identities, fertilization, harvesting, packaging, processing, and storage records. Digital systems used at Palmira Agro analyze fertilizer composition in real time and transfer the results to operational processes.

Key Outcomes and Benefits

- Receipt of the first computer program registration in the Group's history
- Artificial intelligence-enabled production and performance monitoring
- Real-time traceability across production processes
- Support for data-driven decision-making
- Increased digitalization and efficiency in agricultural production

Digital Accessibility and Sustainable Software

The Group's digital touchpoints are being developed across websites, the A-Live intranet portal, and enterprise applications. The Alarko GYO, Alarko Gotion, Alarko Capital, and Alarko Agriculture websites were completed in 2025, while work continued to renew the Alsim Alarko website. Functions supporting recognition and employee interaction were developed within A-Live.

The digital accessibility panel added to Group company websites is designed to help users with different visual, hearing, and motor capabilities access content more easily. The application aims to provide a clearer and more inclusive digital experience that can be adapted to different user requirements.

The planned Smart Sustainability Platform is intended to manage environmental, social, and governance data through a common infrastructure. The platform is expected to establish a structure spanning the collection of data and supporting evidence, greenhouse gas calculations, comparative analyses, and reporting aligned with the Global Reporting Initiative (GRI) and Turkish Sustainability Reporting Standards (TSRS). Development and implementation of the platform are included in the 2026 roadmap.

Green Software was addressed in 2025 through research, assessment, and roadmap development activities. Software architecture, data storage strategies, the use of application programming interfaces, processor and memory requirements, server loads, and energy consumption were evaluated from a sustainability perspective. Green Software principles are intended to be incorporated into the enterprise software development life cycle between 2026 and 2030.

Work was conducted to expand the use of GitLab, Continuous Integration and Continuous Delivery (CI/CD), the microservices approach, and code quality measurement within the software development infrastructure. Artificial intelligence-enabled secure software development, robotic test automation, and the Corporate Memory Project are included in the future roadmap. Cybersecurity, information security, and data privacy practices are addressed in detail in the Cybersecurity and Data Security section.

Sustainable Products and Solutions

Climate change, pressure on natural resources, and the transition to a low-carbon economy require the environmental performance of products and services to be addressed as part of the value creation approach. Alarko Group applies its engineering, technology, and operational capabilities across different business areas to develop solutions that support the energy transition, resource efficiency, and climate change adaptation.

Technologies that support renewable energy generation and grid flexibility in the energy sector; energy-efficient products and systems with low global warming potential in HVAC; applications that improve resource use in agriculture; and solutions that facilitate access to renewable energy in retail energy services are fundamental components of this approach. Through products and services developed across the Group, Alarko aims to reduce natural resource use, lower emissions intensity, and support customers in making sustainable choices.

Low-Carbon Energy and HVAC Solutions

While increasing its renewable energy generation capacity, Alarko Holding is also investing in storage technologies that provide flexibility to energy systems. The Group aims to increase its installed renewable energy capacity from 136 MW as of the end of 2025 to 650 MW by 2030. Energy storage systems, demand-side participation, and grid flexibility solutions are important components of this transition.

Alarko Gotion - Energy Storage Investment Program

Altek Alarko's subsidiary, Alarko Gotion Green Energy Storage Systems Manufacturing Inc., in which Gotion Singapore holds a 40% equity interest, was established on May 23, 2025. The company's scope of operations includes the design, engineering, R&D, software development, manufacturing, after-sales maintenance and repair services, and wholesale of rechargeable lithium-ion cells, energy storage systems, and related components.

Following the approval of support under the HIT-30 Incentive Program, the grid-scale Battery Energy Storage System (BESS) manufacturing facility, with an annual production capacity of 3 GWh, is planned to commence mass production within 12 months. Subject to the successful outcome of the ongoing incentive negotiations, the prismatic lithium iron phosphate (LFP) battery cell manufacturing facility, planned to have an annual production capacity of 5 GWh, is targeted to become operational by the end of 2028.

Key Outcomes and Benefits:

- Establishment of domestic manufacturing capacity for energy storage technologies
- Enhancement of grid flexibility and support for renewable energy integration
- Development of integrated expertise covering the entire energy storage system lifecycle, from design through recycling

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In HVAC, Alarko Carrier focuses on systems with high energy performance and refrigerants with low global warming potential. The company continues to develop next-generation heat pump solutions, alternative fuel technologies, and energy-efficient products.

Low-Carbon Product Development at Alarko Carrier

Alarko Carrier carries out initiatives aimed at improving the energy performance of HVAC products and reducing their environmental impacts.
In 2025:

- NXG air handling units using R454B refrigerant were launched on the market.
- Production of the new fan coil unit series equipped with EC motors commenced.
- Development work continued on the R290 heat pump, the R454B rooftop air-conditioning unit, and the boiler fueled by 100% hydrogen.

Key Outcomes and Benefits:

- **22.84%** efficiency achieved in N-type TOPCon photovoltaic panels

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Sustainable Products and Solutions

Resource Efficiency in Agriculture and Food

Alarko Agriculture Group develops sustainable products and technologies through an integrated production model spanning modern greenhouse cultivation, seed breeding, plant nutrition, and food processing.

Climate control, irrigation, fertilization, and energy use in Alsera's modern greenhouses are monitored through automation and artificial intelligence-enabled systems. Closed-loop irrigation and drainage water recovery return water and nutrient solutions to the production cycle. Investments in geothermal heating and rainwater harvesting also support resource efficiency in greenhouse production.

Genseed strengthened its scientific infrastructure for developing varieties resilient to climatic conditions, diseases, and pests through the Plant Tissue Culture and Molecular Genetics Laboratories established in 2025. An accelerated breeding method enabled two development cycles to be completed in a single season, and registration applications were submitted for two cluster tomato varieties.

Palmira Agro continued developing products tailored to producers' needs at its microgranular fertilizer factory, which uses CE-certified hybrid production technology. In 2025, the company introduced a microgranular fertilizer application device to its customers and developed a new fertilizer formulation for specialized turf areas. In addition to plant nutrition performance, the dense composition of microgranular products supports transportation and application efficiency.

Through REV technology, Alarko Gıda aims to preserve the nutritional value and natural characteristics of dried products while improving process efficiency.

Measurable Results from Seed to Food at Alarko Agriculture

- **Up to 72% water savings** achieved through closed-loop irrigation systems
- **2 varieties** of cluster tomato seeds submitted for registration in 2025
- **400 tonnes/year of finished product capacity** achieved at Alarko Gıda's new facility in Konya Ereğli

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Cybersecurity and Data Security

Alarko Holding considers cybersecurity and data security fundamental components of organizational resilience in an increasingly digitalized business environment. Activities conducted across the Group are intended to protect information assets, maintain system continuity, safeguard data privacy, and increase resilience to evolving cyber threats.

Information security activities are conducted within the framework of the Information Security Management System (ISMS). Risk analyses of information assets are conducted regularly, and identified improvement areas are monitored through risk treatment plans. Regular vulnerability scans, penetration tests, and system resilience activities are conducted to increase cybersecurity maturity.

Security Information and Event Management (SIEM), Data Loss Prevention (DLP), Endpoint Detection and Response (EDR), and Security Operations Center (SOC) solutions are used as part of the security practices implemented across Group companies. These systems support the monitoring of security incidents, control of data movements, and response to potential threats.

A Privileged Access Management (PAM) solution was implemented to strengthen enterprise access security. Access controls for critical systems were enhanced, and external consultant access began to be managed centrally. Multi-Factor Authentication (MFA) applications were expanded, while regular reviews of inactive user accounts reduced access-related risks.

Security briefings, awareness communications, and phishing simulations were conducted to strengthen employee awareness. These activities are intended to increase organizational awareness of social engineering attacks, data security, and cyber threats.

Cybersecurity and Data Security Governance

The organizational structure supporting the effective execution of cybersecurity, information security, and digital transformation activities is organized under two principal functions.

Systems and Network Department	Project Management and Information Security Department
• Establishment and operation of enterprise systems, servers, networks, and communications infrastructure • Management of network security and access control processes • Support for data backup and disaster recovery processes • System performance, capacity management, and continuity activities • Operation and improvement of technical security components	• Coordination of information security policies and procedures • Information security risk management activities • Management of regulatory compliance and awareness activities • Coordination of phishing tests and security training • Support for PMO processes and digital transformation governance • Data Management and Data Security

The data management approach is based on the principles of data quality, data security, data retention, business continuity, and strategic use. Control mechanisms are applied to protect the accuracy, integrity, and currency of data, while applicable legislation and corporate policies are observed in data processing.

Encryption, access controls, secure backups, and data loss prevention applications are used to maintain data security. Data backup and recovery processes are tested regularly, and business continuity scenarios for critical systems are reviewed.

Data analytics and visualization applications are actively used to support decision-making. Data generated in finance, budgeting, human resources, and sustainability is visualized through the Power BI infrastructure and made available to the relevant teams.

Cybersecurity and Data Security

Enterprise Access Security Through a Zero Trust Approach

Alarko Holding is expanding applications that support a Zero Trust approach to make access to critical systems more secure and traceable.

The management of privileged access through PAM infrastructure, mandatory Multi-Factor Authentication, and regular reviews of access rights are intended to reduce the risk of unauthorized access to enterprise systems.

Key Outcomes and Benefits

- Centralized and traceable management of critical access privileges
- Stronger account security through Multi-Factor Authentication
- Controlled management of third-party access
- Reduced risk of unauthorized access
- Increased security and visibility across enterprise systems

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Alarko Holding Data Management System

Data Quality and Integrity

Data quality and integrity are fundamental to Alarko Holding's Data Management Strategy. Data consistency, currency, and accuracy are reviewed regularly. Maintaining data accuracy and integrity enables reliable data to be used in decision-making.

Data Security and Privacy

Policies and standards have been established to maintain data security and privacy. Measures including encryption, access controls, and secure backups safeguard the confidentiality and integrity of all company data.

Data Backup and Recovery

Regular backup and recovery activities are conducted to prevent data loss and maintain business continuity. Backup frequency, recovery times, and testing processes are determined according to the type and importance of the data, providing effective protection against potential data loss.

Data Retention and Compliance

The company's Data Retention Policy incorporates legal compliance requirements. The purpose, retention period, and conditions for retaining data are determined in accordance with applicable legislation.

Data Analytics and Strategic Use

To increase Alarko Holding's competitiveness in an increasingly digitalized world, data analytics and data mining techniques are used in data analysis and integrated into strategic decision-making processes.

Information Security Management System

An international management system standard for the systematic management of risks relating to the confidentiality, integrity, and availability of information assets.

Creating *Value for Society*

Strong Stakeholder Relationships

Alarko Holding maintains open, 360-degree communication channels and monitors and evaluates stakeholder expectations, suggestions, and feedback through an accessible and transparent structure.

Alarko Group considers it a priority to build meaningful relationships with all its stakeholders, particularly society and the business community, and to continually redefine the value it creates with a focus on a sustainable future. The Holding's operations across diverse sectors and geographies create a multi-stakeholder sphere of impact. Across this broad ecosystem, extending from customers and employees to shareholders, suppliers, business partners, competitors, and society, the Group considers the value it creates together with the quality of the relationships it builds. Viewing its impact on society and the environment as part of the same whole, Alarko acts with the awareness that every step it takes has implications for its stakeholders and the wider community.

Understanding stakeholder expectations and priorities and acting accordingly are fundamental components of Alarko Holding's responsible communication approach. Accordingly, the Holding maintains open, 360-degree communication channels and monitors and evaluates stakeholder expectations, suggestions, and feedback through an accessible and transparent structure. The outcomes of these activities are tracked through monitoring and measurement mechanisms, and the resulting findings are used to improve business processes, products and services, and the stakeholder experience. In this way, stakeholder views move beyond recorded data to become tangible inputs that strengthen trust and shared value creation.

Enduring Principles of Stakeholder Communication

- Compliance with Laws and Ethical Standards
- Accuracy and Transparency
- Quality, Professionalism, and Courtesy
- Environmental and Social Responsibility
- Awareness of and Respect for Stakeholder Sensitivities
- Equal Opportunity and Inclusion

Responsible Communication

An organization's conduct of its communications activities in accordance with the principles of accuracy, openness, accessibility, inclusiveness, and accountability, and its avoidance of unverifiable, selective, or misleading claims. It requires that limitations and areas for progress be disclosed in a balanced manner alongside positive results.

Responsible Brand Management and Communication

Brand management and communications activities across Alarko Group are conducted in a manner that supports the Group's strategic priorities, business areas, and objective of creating Joint Impact. While Group companies operating in different sectors align around a common corporate language, the specific conditions of each business area and stakeholder expectations are taken into consideration.

Communications activities conducted in accordance with the Responsible Communication Policy are based on accuracy, transparency, compliance with ethical principles, inclusion, accessibility, and accountability. Sustainability claims are supported by measurable results and verifiable data, and reliable and consistent information is provided across all communications content. The environmental and social impacts of brand and marketing activities are assessed throughout the process, from content production to the selection of channels and materials. Stakeholder feedback is used to improve communications activities and practices.

"We communicate our sustainability performance in clear and straightforward language."

We consider the corporate knowledge and experience Alarko has accumulated over 71 years together with the new responsibilities arising from a changing world. In line with our 2050 Net Zero commitment, we shape all our decisions according to sustainability principles and accelerate the transition to low-carbon business models across our existing operations.

We conduct structured programs to develop sustainability competencies across the Group and expand our green-collar task force. We bring our brand management, communications, and social investment activities together under the "Joint Impact" approach and strengthen our policy framework accordingly. We attach importance to involving our suppliers and business partners more extensively in our value creation processes and advancing our equal opportunity approach focused on women, children, and young people through new partnerships.

Our Responsible Communication Policy, a first in Türkiye, provides the framework for communicating our sustainability performance through tangible results without greenwashing. By establishing the communication of verifiable data through low-carbon design as a corporate standard, we are reaffirming this approach.

Canan COŞKUN
Director of Corporate Communications and Sustainability

In 2025, Alarko advanced its brand and social investment approach around "Joint Impact," based on creating shared value through contributions from Group companies. The objective was to ensure that brand management, communications, and social investment activities reinforced one another and that the resulting impact was measured, improved, and made lasting.

Alarko's Responsible Brand Approach

- Make a difference within its sphere of influence
- Empower and inspire
- Build meaningful relationships
- Exceed expectations
- Remain open to learning and development
- Maintain 360-degree communication
- Measure and enhance positive impact
- Continuously raise the bar through shared objectives

Initiatives that Strengthened the Policy Framework in 2025

- Sustainability Policy
- Corporate Gifts Policy
- Expanded Marketing Policy
- Crisis Communication Policy
- Workplace Policy on Domestic Violence

Responsible Communication Policy

With the Responsible Communication Policy it published in 2024, Alarko became the first holding company in Türkiye to develop a policy in this field. Implemented across the Group, the Policy establishes a common framework for accuracy, inclusion, measurable impact, and environmental responsibility in brand management, marketing, reporting, and corporate communications.

Key Provisions of Alarko's Responsible Communication Policy

- Treat sustainability as a fundamental component of the business and strategy development model and implement the 2050 Net Zero roadmap together with Group companies.
- Consider sustainability and social inclusion criteria in new investments and improve the environmental and social footprint of the existing investment portfolio.
- Invest in expertise, research and development, and innovation to develop solutions that improve people's quality of life.
- Expand positive impact through partnerships and support employee development, knowledge sharing, and managers' roles as thought leaders.
- Use inclusive and respectful language free from discrimination and avoid harsh or divisive messages and visuals that disregard social and environmental sensitivities.
- Reduce the environmental impacts of operations and brand communications and prioritize responsible suppliers and recycled or recyclable materials in procurement processes.
- Conduct long-term social investments that support equal opportunity and measure and improve the impact created.
- Transparently disclose sustainability performance using recognized reporting frameworks and actual data and avoid misleading claims and greenwashing.

Initiatives Implemented Under the Responsible Communication Policy

The Policy's approach to combating greenwashing was extended to public awareness activities in 2025. The "Greenwashing" content series published through corporate social media accounts used examples to address environmental claims that may mislead consumers and the communication patterns used in such claims. The series highlighted the fundamental principles of accurate, transparent, and reliable sustainability communication. Alarko Holding's Responsible Communication Policy is available here.

2025 Responsible Communication Indicators

- 90%: Proportion of press release content addressing sustainability
- 30%: Proportion of interview content addressing sustainability
- 50%: Proportion of special-day social media communications featuring a sustainability theme

Responsible Brand Management and Communication

Creating More by Using Less: Low-Carbon Reporting

The responsible communication approach was reflected not only in report content, but also in report design in 2024. The 2024 GRI-Aligned Sustainability Report, prepared under the "Simply Sustainability" approach, used a limited color palette and reduced the use of large visuals, dense graphic elements, and decorative pages. The Report aimed to present performance through concise, clear, data-driven, and easy-to-follow language. This approach, expressed as "creating more by using less," reduced visual density while improving access to information and strengthening the Report's functionality, thereby ensuring consistency between the message communicated and the way the communication was produced. This design approach was maintained in 2025 reporting.

Key Outcomes and Benefits

- Support for responsible communication by ensuring consistency between sustainability content and the way it is produced
- Reduction of the Report's digital footprint through a simplified design approach that reduces visual density
- More accessible, readable, and data-driven presentation of sustainability performance
- In addition to receiving the LACP Platinum Award, the Report was included in LACP's "Top 100 Communication Materials" list and received the Sustainability Report Design Award at the Istanbul Marketing Awards and a Bronze Stevie Award at the International Business Awards.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

A Common Corporate Language: Alarko Language Guides

The Alarko Language Guide series was developed to expand common communication standards across the Group and strengthen the corporate culture. Available to employees through the intranet, the series includes the Internal Correspondence Guide, Inclusive and Equitable Language Guide, Corporate Representation and Spokesperson Guide, and Corporate and Personal Social Media Use Guide.

The series is planned to be expanded in 2026 with new content addressing feedback culture and protocol rules. Alarko Contracting also produced a podcast to introduce employees to the approach set out in the Inclusive and Equitable Language Guide and make inclusive language a natural part of everyday working life

Key Outcomes and Benefits

- Stronger common corporate language and communication standards across the Group
- Guidance for employees on adopting a consistent and professional approach aligned with Alarko's values in written and verbal communications
- Increased awareness of inclusive and equitable language and its integration into everyday working life
- Contribution to protecting corporate reputation by expanding common principles for corporate representation, spokesperson activities, and social media use
- Creation of a sustainable reference resource for expanding a shared corporate culture and communication approach across Group companies

5 GENDER EQUALITY
10 REDUCED INEQUALITIES

Responsible Brand Management and Communication

Crisis Communication and Organizational Preparedness

Reputational risks and potential crisis situations across Alarko Group are managed within the framework of the Crisis Communication Policy. In addition to operational, financial, and reputational developments, the Policy covers crises arising from cybersecurity, legal, and regulatory matters and addresses pre-crisis preparedness, crisis management, and post-crisis recovery through an integrated approach.

The Policy defines the early detection of crises, rapid activation of the Crisis Management Team, advance determination of roles and responsibilities, centralized stakeholder communications based on verified information, media and social media management, post-crisis assessment, and initiatives to rebuild corporate reputation.

In 2025, Crisis Communication Awareness Training was provided to the corporate communications and human resources teams of Group companies. The training addressed the fundamental principles of crisis communication, case studies from different sectors, the communication approach to be followed during a crisis, practices to avoid, management of stakeholder expectations, and protection of corporate reputation.

Organizational preparedness activities were supported by the Risk Inventory Workshop conducted under the Enterprise Risk Management Project with the participation of the General Managers and department managers of Group companies. The workshop identified potential risk areas and sought to strengthen coordination between risk management and crisis communication processes.

Key Outcomes and Benefits

- Definition of common crisis communication policies, roles, and responsibilities across the Group
- Preparedness to deliver rapid, coordinated, and consistent communications during potential crises
- Establishment of a common approach for managing stakeholder communications centrally and based on verified information
- Increased awareness and competencies among corporate communications and human resources teams regarding crisis communication
- Stronger coordination between risk management and crisis communication processes

Digital Accessibility

The inclusive communications approach was extended to digital channels in 2025. A digital accessibility application introduced on Alarko Holding's corporate website supports equal access to content for individuals with different accessibility requirements. The application is intended to be expanded to Group company websites in 2026.

Key Outcomes and Benefits

- Support for equal access to corporate content for individuals with different accessibility requirements
- Contribution to strengthening inclusion across digital communication channels
- Support for the development of an accessible, user-centered digital experience
- Establishment of infrastructure for expanding the application to Group companies

10 REDUCED INEQUALITIES

Corporate Social Responsibility

+147,000

Number of People Reached Through Social Responsibility and Environmental Projects

Having supported Türkiye's development journey for many years through investments across different sectors, Alarko considers its objective of creating economic value together with its responsibility to contribute to social development. The Group believes that corporate success is strengthened through lasting value created for stakeholders, society, and future generations.

Alarko Holding considers contributing to sustainable economic and social development part of its corporate responsibility and structures its social responsibility activities around the principle of equal access to opportunities. While providing Group companies with a common framework through centralized projects and overarching policies, the Holding aims to increase the social benefits it creates together with its stakeholders. Accordingly, its social investments focus on "equal opportunity in education," "women's economic empowerment," and "social development."

Equal Opportunity in Education

Alarko's social investments in education range from scholarships and access to digital resources to healthy, climate-friendly learning environments, energy and environmental literacy, professional experience opportunities, and long-term internship programs. Access to education and the transition from education to working life form two complementary pillars of this portfolio.

Established in 1986, the Alarko Education and Culture Foundation provided nonrepayable scholarships during the 2025-2026 academic year to 40 students in their final year of university or pursuing graduate studies, 25 students attending technical and vocational high schools, and 65 children of employees requiring financial support. A total of 130 students were supported during the year. Since the Foundation's establishment, the total number of scholarships provided has reached 3,650, comprising 2,100 higher education scholarships and 1,550 secondary education scholarships.

Women's Economic Empowerment

Strengthening women's participation in economic life requires the combined development of access to knowledge, financing, mentoring, networks, and markets. Alarko conducts its initiatives supporting women's entrepreneurship and women's employment in the agricultural sector in line with this approach.

Alarko regards communications relating to social investments as more than a means of publicizing activities. It views communications as a sphere of impact that increases participants' visibility and supports experience sharing and new partnerships. Under the Pioneers of Entrepreneurship Program conducted in cooperation with the Habitat Association, women entrepreneurs received communications support in addition to training, mentoring, and grants. Entrepreneurs' success stories were shared through corporate communication channels, digital platforms, and television programs to help them reach broader audiences and business networks.

Social Value Creation

The complete set of long-term economic, social, and environmental benefits that an organization creates for society as a result of its activities. It is one of the fundamental concepts in social impact measurement.

Corporate Social Responsibility

Alarko Holding: Pioneers of Entrepreneurship Program

Launched in 2023 through cooperation between Alarko Holding and the Habitat Association, the Pioneers of Entrepreneurship Program expanded its content and geographical reach in 2025. Training in financial management, design thinking, brand identity, e-exports, and artificial intelligence-enabled digital marketing supported women's entrepreneurial competencies.

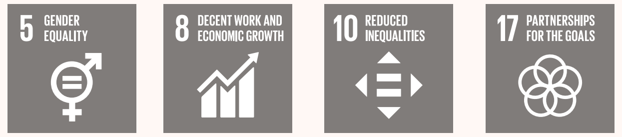
Following the training phase, entrepreneurs who passed the interviews entered the mentoring process, and business models selected by the jury received grant support. In 2025, Alarko Holding funded grants for 20 ventures, while Alarko Agriculture Group funded grants for five business models operating in innovative and efficiency-oriented agriculture. Alarko Agriculture Group thereby contributed directly to both the financing and industry expertise components of the Program.

"From Dreams to Success" gatherings and International Women's Day events brought together entrepreneurs, investors, and Program stakeholders and supported suitable ventures in connecting with the Group's supply network.

In addition, the "Elif Ergu ile Kadın Dediğin" program broadcast on Bloomberg HT with Alarko Holding's sponsorship in 2025 provided additional visibility to successful women entrepreneurs appearing as guests, as well as women who received grants under the Pioneers of Entrepreneurship Program.

Key Outcomes and Benefits

- More than 4,000 women reached since the Program's launch
- Total Training Hours: 580
- Grant support provided to 40 entrepreneurs since the Program's launch
- 2025 Social Return on Investment score: 3.53
- Competency improvements of between 78% and 88% measured across training topics in 2025



Social Development

Alarko Holding views development as the parallel advancement of economic indicators and social quality of life. In this context, culture, the arts, and science are considered areas of social investment that support children's and young people's creativity, forms of self-expression, and ability to produce collectively. Through the First Step into Art Program conducted in cooperation with the Istanbul Foundation for Culture and Arts (İKSV), a long-term stakeholder partnership has been developed around children's and young people's access to the arts. By communicating the experiences and creative outputs generated through the Program, Alarko supported broader social awareness of access to culture and the arts, creativity, and equal opportunity.

Corporate Social Responsibility

First Step into Art with Alarko

Implemented through cooperation between Alarko Holding and İKSV, the “First Step into Art” Program introduces children and young people to artistic production processes at an early age through workshops held alongside the Istanbul Film, Music, Jazz, and Theater Festivals. In 2025, 13 events were held under six modules covering stop-motion animation, hip-hop dance, jazz and rhythm, visual production, and creative drama, reaching 363 children and young people. The workshops’ average satisfaction score was measured at 93%.

Under the Program, participants had opportunities to design characters, produce short films, express themselves through rhythm and movement, and experience stage production processes. Creative drama activities conducted in cooperation with the Association for Social Development and Aid Mobilization (SGDD-ASAM) and the Educational Volunteers Foundation of Türkiye (TEGV) expanded the Program’s reach to different groups of children.

Key Outcomes and Benefits

- Increased access to the arts for children and young people
- Development of creativity and self-expression skills
- Creation of inclusive learning environments for different groups of children
- Support for social development through culture and the arts
- 6 modules, 13 events, 363 participants, and a 98% satisfaction rate

4 QUALITY EDUCATION | 10 REDUCED INEQUALITIES | 17 PARTNERSHIPS FOR THE GOALS

Alarko Holding and BCSD Türkiye Sustainable Agriculture Task Force

As a member of the Board of Directors of the Business Council for Sustainable Development Türkiye (BCSD Türkiye), Alarko Holding leads the association’s Women’s and Youth Employment in Agriculture working group. Together with business community stakeholders participating in the initiative, the Holding conducts a project designed to improve the competencies of women and young people working in the field in modern and sustainable agricultural practices and attract young people to the sector.

Under the project, field research designed and led by Alarko was conducted in 2025 with the participation of 267 industry stakeholders in the Aegean, Central Anatolia, and Black Sea regions. The “Strengthening Women’s and Youth Employment in Agriculture” report presenting the research findings identified women’s and young people’s needs relating to sustainable agriculture, entrepreneurship, technology use, social rights, and working conditions.

The research found that 64% of young people were interested in entrepreneurship training, only 14.5% of participants considered themselves proficient in technology use, and 25% considered professional development opportunities adequate. The results indicated that industry support should also encompass the development of digital and professional competencies.

The first field training designed based on the findings was held on December 17, 2025, at the Eskişehir Chamber of Industry, with support from Alarko Holding and Alarko Agriculture Academy. The program featured 14 speakers and reached 90 industry stakeholders, addressing sustainable agricultural practices, modern agricultural technologies, the future of seeds, fertilizer use, entrepreneurship, and business establishment processes.

Key Outcomes and Benefits

- Field research involving 267 industry stakeholders
- Identification of development areas relating to women’s and youth employment in agriculture
- 90 industry stakeholders reached through the first field training
- Stronger industry collaboration to develop the digital, professional, and entrepreneurial competencies of women and young people in agriculture

2 ZERO HUNGER | 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES | 17 PARTNERSHIPS FOR THE GOALS

Corporate Social Responsibility

Key Social Projects and Partnerships Conducted by Group Companies in 2025

Alarko Holding
- Pioneers of Entrepreneurship Women's Entrepreneurship Support Program
- First Step into Art Workshops for Children and Young People in Cooperation with İKSV
- Alarko Education and Culture Foundation Scholarship Program
- BCSD Türkiye
- Women's and Youth Employment in Agriculture Research and Eskişehir Field Training
- SustainHub Mentoring and Lead21 Support
- Mentoring and Internship Opportunities

Alarko Agriculture Group
- WEPs Signatory Status and Gender Equality Certification Process
- Pioneers of Entrepreneurship Women's Entrepreneurship Support Program – Empowering Women in Agriculture
- Alarko Agriculture Academy
- Good Agriculture = The Future School-Industry Partnership

Alarko Carrier
- Changing the Air in Schools Project
- Cooperation with Make-A-Wish Türkiye

Altek Alarko
- Computer Support for Karaisalı Secondary School in Adana
- Support for the Sports Area and Girls' Volleyball Team at Sarıköy Secondary School in Gönen

MEDAŞ
- Exhibitions at MEDAŞ Art Gallery
- April 23 Art Gathering with Children
- ETAP Entrepreneurship Support
- Computer Donations under the Digital Support for Education Initiative
- SOBE Half Marathon and Konyaspor Stadium Naming Sponsorship
- Talentern and KOZA Student Development Programs

MEPAŞ
- Audio Bill Project for Customers with Visual Impairments
- Save Your Energy for the Future Energy Literacy Program
- Third Traditional Electricity, History of Electricity, and Energy Efficiency Exhibition
- MEPAŞ Nextgen University Gatherings
- "Collect a Wish for Me" and SOBE Half Marathon Solidarity Initiatives

CENAL
- Main Sponsorship of the "Run Fast, Answer Quickly" Competition
- Sponsorship of the "Seven Colors, One Breath" Event and the 41st Karabiga Priapos Sea Festival
- Support Project for the Karabiga Regional Fishers' Cooperative
- Library Support for Balıklıçeşme Secondary School
- Mentoring and Internship Opportunities

Alarko Tourism/Hillside
- Hillside Academy Project
- Coastal and Marine Cleanup in Cooperation with Fethiye Municipality
- Sapling Support for ÇEKÜL
- Procurement of Recycled Products from the Karabağlar Çalıkuşu Women's Cooperative
- Support for Bodrum Turgutreis Kindergarten

Alsim Alarko
- Wish Tree Project for Children Supported by LÖSEV

Corporate Social Responsibility

Women's Empowerment and Professional Development in Agriculture

Established in 2025, Alarko Agriculture Academy created a continuous learning infrastructure for employees and industry stakeholders in sustainable agriculture, professional development, leadership, occupational health and safety, and gender equality. The "Good Agriculture = The Future" partnership, which aims to strengthen ties between agricultural high schools and the sector, was also launched during the year, and work to renovate school greenhouses and plan implementation phases is underway.

These initiatives for industry stakeholders are complemented by equality and inclusion practices within Alarko Agriculture's own workplace. With women representing 69.3% of its workforce as of the end of 2025, Alarko Agriculture became a signatory to the United Nations Women's Empowerment Principles (WEPs) and initiated the Gender Equality Certification process. The process examines recruitment, compensation, career development, leadership opportunities, and workplace practices and is supported by professional and leadership development programs delivered through Alarko Agriculture Academy.

Key Outcomes and Benefits

- Support for a qualified agricultural workforce
- Support for women's employment and leadership
- Stronger equitable and inclusive workplace culture

4 QUALITY EDUCATION | 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES

Alarko Carrier: Changing the Air in Schools Project

In 2025, Alarko Carrier brought the "Changing the Air in Schools" Project, through which it applies its technical expertise in HVAC to create healthier and more energy-efficient learning environments, to Cizre İnci Primary School. Following implementations at Midyat Çaldere and Ödemiş Balabanlı primary schools, the third implementation of the Project installed a heat pump, heat recovery unit, fan coil units, air purifiers with multistage filters, and a circulation pump at the school, which serves 30 students.

Key Outcomes and Benefits

- Climate-friendly solutions for learning environments
- An approximately 22 kWp solar power plant installed on the school roof
- A system that manages fresh-air requirements, thermal comfort, and indoor air quality based on indoor carbon dioxide levels
- Energy cost savings of between 30% and 40% annually for the school

4 QUALITY EDUCATION | 7 AFFORDABLE AND CLEAN ENERGY | 11 SUSTAINABLE CITIES AND COMMUNITIES | 13 CLIMATE ACTION

MEPAŞ: Save Your Energy for the Future

Focusing its social projects on the energy literacy of future generations, MEPAŞ aims to develop secondary school students' energy literacy through the "Save Your Energy for the Future" Program. School visits conducted under the Program address the role of energy in daily life, the efficient use of energy resources, and the importance of energy efficiency to sustainability. The Program thereby seeks to raise students' awareness of energy conservation from an early age.

In 2025, 2,500 students learned about the efficient use of energy resources. Seed pencils and informational publications distributed after the training supported the application of the knowledge acquired in daily life. Organized in cooperation with various public institutions, academics, and provincial directorates of national education, the Third Traditional Electricity, History of Electricity, and Energy Efficiency Exhibition introduced 3,050 students and visitors to the historical development of electricity and energy efficiency.

Key Outcomes and Benefits

- Contribution to developing energy literacy from an early age
- A total of 5,550 students and visitors reached with information on the historical development and efficient use of energy
- Stronger partnerships with public, educational, and academic stakeholders to raise energy awareness

4 QUALITY EDUCATION | 7 AFFORDABLE AND CLEAN ENERGY | 11 SUSTAINABLE CITIES AND COMMUNITIES | 13 CLIMATE ACTION

Corporate Memberships and Supported Initiatives

MEMBERSHIPS AND SIGNATORY ORGANIZATIONS		
Holding	Alarko Holding	DEİK – Foreign Economic Relations Board
		TABA – Turkish American Business Association
		TKYD – Corporate Governance Association of Türkiye
		KİD – Corporate Communicators Association
		TÜYİD – Turkish Investor Relations Society
		KOTEDER – Association of Executives of Listed Companies
		TÜSİAD – Turkish Industry and Business Association
		BCSD Türkiye – Business Council for Sustainable Development Türkiye
		UNGC – United Nations Global Compact
		WEPs – Women's Empowerment Principles
		International Data Corporation – Advisory Board Membership
		Business Against Domestic Violence Companies Network (BADV)

MEMBERSHIPS AND SIGNATORY ORGANIZATIONS		
Contracting Group	ALSİM	İTO – Istanbul Chamber of Commerce
		TMB – Turkish Contractors Association
		DEİK – Foreign Economic Relations Board
		İNTES – Turkish Employers' Association of Construction Industries
		WEPs – Women's Empowerment Principles
Energy Group	MEPAŞ	EDİDER – Energy Digitalization Association
	MEDAŞ	ELDER – Electricity Distribution Services Association
	ALTEK	EÜD – Electricity Producers Association
		GÜYAD – Renewable Energy Investors Association
		PİLDER – Battery Manufacturers and Suppliers Association
		DEİK – Foreign Economic Relations Board
	CENAL	İTO – Istanbul Chamber of Commerce
		İMMİB – Istanbul Mineral and Metals Exporters' Associations
		BTO – Biga Chamber of Commerce
		İMEAK – Chamber of Shipping
		TERSANED – Association of Thermal Power Plant Electricity Producers, Industrialists, and Businesspeople

Corporate Memberships and Supported Initiatives

MEMBERSHIPS AND SIGNATORY ORGANIZATIONS		
Industry and Trade Group	Alarko Carrier	ÇEDBİK – Turkish Green Building Council
		DOSİDER – Association of Heating Equipment Manufacturers and Businesspeople
		ISKAV – Heating, Cooling and Air Conditioning Research and Education Foundation
		İSİB – Turkish HVAC&R Exporters' Association
		İSKİD – Turkish HVAC&R Manufacturers' Association
		POMSAD – Turkish Pump and Valve Manufacturers' Association
		SOSİAD – Refrigeration Industry Businesspeople Association
		High Council of Science
		BİTEKDER – Information Technologies Association
Tourism Group	Attaş	Global Sustainable Tourism Council (GSTC)
		HİB – Services Exporters' Association
		TYD – Turkish Tourism Investors Association
		FETOB – Fethiye Hoteliers Association
		TÜRÇEV – Foundation for Environmental Education in Türkiye (Blue Flag)
		Travelife
		TURMEPA – Turkish Marine Environment Protection Association

MEMBERSHIPS AND SIGNATORY ORGANIZATIONS		
Land Development Group	Alarko GYO	GYODER – Association of Real Estate Investors
		TKYD – Corporate Governance Association of Türkiye
Agriculture Group	Alarko Agriculture	Istanbul Exporters' Associations
		Istanbul Fresh Fruit and Vegetable Exporters' Association
		SERA-BİR – Greenhouse Investors and Producers Association
		Sustainability Academy
		WEPs – Women's Empowerment Principles (2025)
		Ereğli Konya Chamber of Commerce and Industry
		Konya Ereğli Industrial Zone Organization
		Turkish Seed Industry Association
		Plant Breeders Sub-Union
		Seed Industrialists and Producers Sub-Union

Awards and Certifications

AWARDS			
		Award	Awarding Organization
Holding	Alarko Holding	Türkiye's 50 Sustainability Leaders – Group CEO	Fast Company
		Enterprise Pioneers Project – Işıldayanlar Award	Işıldayanlar Conference
		Future of the Republic: Young Teachers Project – Equal Opportunity in Education Award	Women-Friendly Brands 2025 Awareness Awards
		2024 Annual Report – Gold Award	LACP Vision Awards 2025
		2024 Annual Report – EMEA Region Top 100 Reports	LACP Vision Awards 2025
		2024 Annual Report – Best Agency Report Silver Award	LACP Vision Awards 2025
		2024 Annual Report – Top 20 Turkish Reports	LACP Vision Awards 2025
		2024 Annual Report – Technical Achievement Award	LACP Vision Awards 2025

AWARDS			
		Award	Awarding Organization
Holding	Alarko Holding	2024 Sustainability Report – Platinum Award	LACP Inspire Awards 2025
		2024 Sustainability Report – Platinum Award	LACP Spotlight Awards 2025
		2024 Sustainability Report – Top 100 Communication Materials	LACP Inspire Awards 2025
		2024 Sustainability Report – Top 100 Corporate Publications	LACP Spotlight Awards 2025
		2024 Sustainability Report – Best In-House	LACP Spotlight Awards 2025
		Bronze Stevie Award	International Business Awards (Stevie Awards)
		Sustainability Report Design	Istanbul Marketing Awards
Contracting Group	ALSİM	Top 250 International Contractors	Engineering News-Record (ENR)

Awards and Certifications

AWARDS			
		Award	**Awarding Organization**
Energy Group	**MEPAŞ**	"Good Idea" Award in the Sustainability Category – Audio Invoice Project	7th CX Awards Türkiye
		"Green Steps" Award in the Sustainability Category – Digital Invoice Project	9th CX Awards Türkiye
	MEDAŞ	Consumer Satisfaction Survey – First Place in Türkiye	ELDER
		Customer Satisfaction Survey – Second Place in Türkiye	TEDAŞ
		Muhtar (Local Administrator) Satisfaction Survey – 1st Place in Türkiye	TEDAŞ
		Corporate Reputation Survey	ELDER
Industry And Trade Group	**Alarko Carrier**	Export Leaders – Leading Exporter of Air Handling Units, Rooftop Units, Fan Coil Units, and Packaged Air Conditioning Units	İSİBİSİB (Turkish HVAC-R Exporters' Association)
		Diamond Award – Combination Boiler Category – Customer Experience	Şikayetvar A.C.E. Awards
Tourism Group	**Attaş**	Best Eco-Friendly Resort in Europe	Haute Grandeur
		Best Family Resort in Türkiye	Haute Grandeur
		Best Luxury Hotel Apartments in Türkiye	Haute Grandeur
		Most Unique Guest Experience in Türkiye	Haute Grandeur

AWARDS			
		Award	**Awarding Organization**
Tourism Group	**Attaş**	Luxury Family Beach Resort in Türkiye	World Luxury Awards
		Luxury Sustainable Resort in Eastern Europe	World Luxury Awards
		Luxury Beach Resort Spa in Türkiye	World Luxury Awards
		Luxury Wellness Spa in Türkiye	World Luxury Awards
		Readers' Choice Awards 2025 – Rest of Europe	Condé Nast Traveller
		Customer Excellence Award 2024	British Airways Holidays
		Recommended on HolidayCheck 2025	HolidayCheck
		Travellers' Choice Award 2025	Tripadvisor
		The Best Resort Hotel Award 2025	Gault & Millau
Agriculture Group	**Alarko Agriculture**	Istanbul Fresh Fruit and Vegetable Exporters' Association Certificate of Achievement	Istanbul Fresh Fruit and Vegetable Exporters' Association
		Sustainable Food Awards 2025 – Digitalization and Artificial Intelligence in Food Category	Sustainability Academy

Awards and Certifications

CERTIFICATIONS		
Contracting	ALSİM	ISO 14001 Environmental Management System
		ISO 9001 Quality Management System
		ISO 45001 Occupational Health and Safety Management System
		I-REC International Renewable Energy Certificate
Energy	MEPAŞ	ISO 27001 Information Security Management System
		ISO 9001 Quality Management System
		ISO 10002 Customer Satisfaction Management System
		ISO 18295 Customer Contact Center Management System
		I-REC International Renewable Energy Certificate
		Zero Waste Certificate
	MEDAŞ	ISO 27001 Information Security Management System
		ISO 9001 Quality Management System
		ISO 10002 Customer Satisfaction Management System
		ISO 45001 Occupational Health and Safety Management System
		ISO 18295 Customer Contact Center Management System
		ISO 14001 Environmental Management System
		I-REC International Renewable Energy Certificate
		Zero Waste Certificate
	ALTEK	I-REC International Renewable Energy Certificate
		ISO 9001 Quality Management System

CERTIFICATIONS		
Energy	CENAL	ISO 27001 Information Security Management System
		ISO 9001 Quality Management System
		ISO 45001 Occupational Health and Safety Management System
		ISO 50001 Energy Management System
		ISO 14001 Environmental Management System
		TS EN 450-1 Fly Ash for Concrete Certification Regulation
		EPDK (Energy Market Regulatory Authority) – Cybersecurity Regulation Standard
		Zero Waste Certificate
		ASTM C618 Fly Ash Certificate of Conformity
		TS EN 450-1 A/B Certificate of Constancy of Performance for Fly Ash for Concrete
		G Bottom Ash Certificate of Conformity (UTO)
Industry and Trade	Alarko Carrier	ISO 14001 Environmental Management System
		ISO 27001 Information Security Management System
		ISO 9001 Quality Management System
		ISO 45001 Occupational Health and Safety Management System
		TS EN 17025 Accreditation for Submersible Pump Testing Laboratory
		Zero Waste Certificate Basic Level
		R&D Center Certificate

Awards and Certifications

CERTIFICATIONS		
Tourism	Attaş	ISO 14001 Environmental Management System
		ISO 14064-3:2018 Greenhouse Gas Inventory Verification
		ISO 27001 Information Security Management System
		ISO 22000 Food Safety Management System
		ISO 45001 Occupational Health and Safety Management System
		ISO 50001 Energy Management System
		ISO 46001 Water Efficiency Management System
		ISO 27701 Privacy Information Management System
		Safe Tourism Certificate
		Travelife Gold – Accommodation Sustainability
		Hygienic Room Audit Program
		Health and Hygiene Certificate
		Basic Zero Waste Certificate
		I-REC International Renewable Energy Certificate
		Bicycle-Friendly Accommodation Facility Certificate
		GSTC Sustainable Tourism Certificate
		Blue Flag
		Carbon Offset Certificate

CERTIFICATIONS		
Land Development	Alarko GYO	LEED/BREEAM Green Building Certification
Agriculture	Alarko Agriculture	ISO 9001 Quality Management System
		Kosher Certification
		Halal Food Certificate
		Organic Product Certification
		Sedex SMETA
		Global GAP
		Global GAP SPRING
		GRASP
		Good Agricultural Practices
		BRC Food Safety Standard (British Retail Consortium)
		Non-GMO Certification
		I-REC International Renewable Energy Certificate
		CE Certificate

Appendices

Performance Indicators

Alarko Holding Group Companies – Environmental Performance Indicators

Indicator / Metric	Alarko Holding	MEPAŞ	MEDAŞ	Altek	CENAL	ALCEN	MESAŞ	Utilitek	Alsim Alarko	Alarko GYO	Attaş	Alarko Carrier	Alarko Digital	Alarko Capital	Alarko Agriculture	Total
	2025															
Energy Management																
Direct Energy Consumption																
Gasoline (liter)	26,598.74	16,310.25	118,631.32	15,097.64	14,789.90	2,108.42	0	0	123,842.32	0	14,658.96	206,742.51	0	0	91,248.79	**630,028.85**
Diesel (liter)	13,631.34	36,892.29	667,018.92	5,541.67	217,846.42	14,211.08	0	0	201,539.66	0	13,478.59	17,506.65	34.15	0	384,423.91	**1,572,124.68**
Natural Gas (sm³)	32,902.32	8,507.24	578,913.53	0.00	717.73	0	0	0	111,524.62	0	379,273.08	377,664.11	0	0	6,181,593.97	**7,671,096.60**
Refrigerant Gases (kg)	397	9.20	0	208.05	2,618.30	0	0	0	0	0	414.56	2,143.70	0	0	0.40	**5,791.21**
Direct Energy Consumption (GJ)	2,257.38	2,058.49	43,348.89	679.16	75,662,347.44	570.81	0	0	14,775.04	0	13,903.00	19,749.18	1.21	0	230,861.97	**75,990,552.56**
Indirect Energy Consumption																
Purchased Electricity (MWh)	1,241.15	565.52	741,808.92	2,182.55	319.53	0	0	2.11	7,754.12	1,141.29	6,646.48	2,565.06	2.91	0	13,396.57	**777,626.22**
Electricity Consumption (GJ)	4,468.15	2,035.89	2,670,504.53	7,857.18	1,150.32	0	0	7.58	27,914.82	4,108.64	23,927.37	9,234.21	10.49	0	48,227.65	**2,799,446.82**
Heat Consumption (GJ)	0	532.65	0	0	0	0	0	0	0	2,960.96	0	0	0	0	1,944.55	**5,438.17**
Total Energy Consumption (GJ)	6,725.53	4,627.03	2,713,853.42	8,536.34	75,663,497.75	570.81	0.00	7.58	42,689.85	7,069.61	37,830.37	28,983.38	11.70	0	281,034.17	**78,795,437.54**
Renewable Energy Consumption (MWh)	1,241.15	565.52	592.78	2,898.87	0	0	0	0	749.53	0	7,014.04	257.47	2.91	0	7,299.44	**20,621.71**
Renewable Energy Generated (MWh)	0.00	0.00	256.19	79,984.00	102,550.00	0	0	0	0	0	0	638.90	0	0	1,243.18	**184,672.27**

Performance Indicators

Alarko Holding Group Companies – Environmental Performance Indicators

Indicator / Metric	Alarko Holding	MEPAŞ	MEDAŞ	Altek	CENAL	ALCEN	MESAŞ	Utilitek	Alsim Alarko	Alarko GYO	Attaş	Alarko Carrier	Alarko Digital	Alarko Capital	Alarko Agriculture	Total
	2025															
Emissions Management																
Scope 1 Emissions (tons of CO_2e)	327.27	86.39	1,497.22	106.40	3,498,602.23	22.20	0	0.02	647.16	0	1,334.98	547.41	0.53	0	14,181.47	3,517,353.27
Location-Based Scope 2 Emissions (tons CO_2e)	538.66	137.70	130,685.47	636.35	69.34	0	0	0.46	1,352.11	581.17	2,884.57	420.93	1.26	0	5,574.42	142,882.42
Market-Based Scope 2 Emission (tons CO_2e)	0	14.98	130,295.09	0	69.34	0	0	0.46	1,309.87	581.17	0.00	420.92	1.26	0	2,833.38	135,526.46
Scope 3 Emissions (tons CO_2e)	802.97	4,197,327.43	16,769.39	490.10	586,425.64	4.95	88,276.13	34.81	89,092.83	1,885.59	10,888.20	1,270,563.84	120.22	2,475.30	110,062.01	5,037,000.29
Total (Scope 1 + Scope 2 Market-Based + Scope 3)	1,130.24	4,197,428.79	148,561.70	596.50	4,085,097.21	27.15	88,276.13	35.29	91,049.86	2,466.76	12,223.18	1,271,532.17	122.01	2,475.30	127,076.88	8,689,880.03
Total (Scope 1 + Scope 2 Location-Based + Scope 3)	1,668.90	4,197,551.51	148,952.08	1,232.84	4,085,097.21	27.15	88,276.13	35.29	91,092.10	2,466.76	15,107.75	1,271,532.18	122.01	2,475.30	129,817.91	8,697,235.99
Biogenic Emissions	0	0	0	0	0	0	0	0	0	0	150.25	0	0	0	0	150.25

Performance Indicators

Alarko Holding Group Companies – Environmental Performance Indicators

Indicator / Metric	Alarko Holding	MEPAŞ	MEDAŞ	Altek	CENAL	ALCEN	MESAŞ	Utilitek	Alsim Alarko	Alarko GYO	Attaş	Alarko Carrier	Alarko Digital	Alarko Capital	Alarko Agriculture	Elimination	Total
	2025																
Scope 3 Emissions (tons CO_2e)																	
Category 1: Purchased Goods and Services	593.64	4,197,293.30	1,345.22	382.36	1,232.36	0	88,276.13	32.03	86,642.57	206.71	8,733.84	8,862.09	95.73	0	52,328.10	(2,494,935.40)	**3,110,280.24**
Category 2: Capital Goods	19.57	5.91	14,165.22	6.00	16.13	0	0	0	1,736.72	0.25	677.80	86.58	19.28	0	29,328.06	0	**46,061.52**
Category 3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	78.66	19.26	1,051.78	12.00	582,015.60	4.95	0	0.05	505.23	68.85	347.22	161.62	0.12	0	2,771.65	0	**587,037.00**
Category 4: Upstream Transportation and Distribution	0.20	0	9.81	0	37.77	0	0	0	0	0	611.87	0	0	0	1,324.67	0	**1,984.32**
Category 5: Waste Generated in Operations	0.38	0.10	1.45	0.21	0.98	0	0	0	114.98	30.31	18.53	37.11	0.33	0	2,434.41	0	**2,638.79**
Category 6: Business Travel	18.71	1.23	69.89	24.50	3.56	0	0	0.79	29.33	12.30	360.26	233.73	0.39	0	160.03	0	**914.73**
Category 7: Employee Commuting and Working from Home	91.81	7.64	126.01	65.03	57.26	0	0	1.94	64.00	2.97	138.67	168.33	4.37	0	606.43	0	**1,334.48**
Category 8: Upstream Leased Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0	**0**
Category 9: Downstream Transportation and Distribution	0	0	0	0	3,061.98	0	0	0	0	0	0	0	0	0	2,914.85	0	**5,976.84**
Category 10: Processing of Sold Products	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Category 11: Use of Sold Products	0	0	0	0	0	0	0	0	0	0	0	1,261,009.53	0	0	18,048.20	0	**1,279,057.73**
Category 12: End-of-Life Treatment of Sold Products	0	0	0	0	0	0	0	0	0	0	0	4.85	0	0	0.61	0	**5.46**
Category 13: Downstream Leased Assets	0	0	0	0	0	0	0	0	0	1,564.19	0	0	0	0	0	0	**1,564.19**
Category 14: Franchises	0	0	0	0	0	0	0	0	0	0	0	0	0	0	145.00	0	**145.00**
Category 15: Investments	0	0	0	0	0	0	0	0	0	0	0	0	0	2,475.30	0	0	**2,475.30**

Performance Indicators

Alarko Holding Group Companies – Environmental Performance Indicators

Indicator / Metric	Alarko Holding	MEPAŞ	MEDAŞ	Altek	CENAL	Alsim Alarko	Alarko GYO	Attaş	Alarko Carrier	Alarko Digital	Alarko Agriculture	Total
2025												
Water and Wastewater Management (m³)												
Water Withdrawal*	**1,437.31**	**1,011.36**	**16,996**	**1,572.34**	**1,285,029,810.03**	**28,493.89**	**28,197.13**	**97,209**	**31,345**	**235.43**	**3,705,105**	**1,288,941,412.49**
Municipal Water Supply	1,437.31	1,011.36	16,986	363.24	0	28,493.89	25,957.13	97,209	31,345	235.43	66,355	269,393.36
Groundwater	0	0	0	995	0	0	2,240	0	0	0	3,638,750	3,641,985
Surface Water	0	0	0	214.10	1,285,028,310.03	0	0	0	0	0	0	1,285,028,524.13
Rainwater	0	0	10	0	1,500	0	0	0	0	0	0	1,510
Water Discharge	**1,437.31**	**1,011.36**	**16,996**	**1,566.75**	**1,247,470,330.87**	**28,493.89**	**28,197.13**	**59,832**	**31,345**	**235.43**	**2,620,080**	**1,250,259,525.74**
Municipal Water Supply	1,437.31	1,011.36	16,986	358	0	28,493.89	25,957.13	59,832	31,345	235.43	66,355	232,011.12
Groundwater	0	0	10	1,198.75	1,500	0	2,240	0	0	0	2,553,725	2,558,673.75
Surface Water	0	0	0	10	1,247,468,830.87	0	0	0	0	0	0	1,247,468,840.87
Total Water Consumption	**0**	**0**	**0**	**15.59**	**37,559,479.16**	**0**	**0**	**37,377**	**0**	**0**	**1,085,025**	**38,680,376.75**
Municipal Water Supply	0	0	0	5.24	0	0	0	37,377	0	0	0	37,382.24
Groundwater	0	0	0	-203,75	0	0	0	0	0	0	1.085.025	1.083.311,25
Surface Water	0	0	0	214	37.559.479,16	0	0	0	0	0	0	37.559.683,26

**The amount of water withdrawn from areas posing a water risk to the community as a whole is 0.3%.*

Performance Indicators

Alarko Holding Group Companies – Environmental Performance Indicators

Indicator / Metric	Alarko Holding	MEPAŞ	MEDAŞ	Altek	CENAL	Alsim Alarko	Alarko GYO	Attaş	Alarko Carrier	Alarko Agriculture	Total
2025											
Circularity and Waste Management (tons)											
Total Waste Generated	**0.17**	**3.36**	**51,105.51**	**0.63**	**444.68**	**235.85**	**5,446.38**	**1,372.69**	**346.42**	**4,163.86**	**63,119.55**
Total Hazardous Waste	0	0	0	0.34	337.40	0.07	780.93	23.04	10.07	4.33	**1,156.17**
Total Non-Hazardous Waste	0.17	3.36	51,105.51	0.29	107.28	235.78	4,665.45	1,349.65	336.35	4,159.53	**61,963.38**
Total Waste Recycled	**0**	**3.36**	**51,105.51**	**0.63**	**423.08**	**235.78**	**5,446.38**	**1,372.03**	**229.15**	**58.54**	**58,874.64**
Hazardous Waste	0	0	0	0.34	337.30	0.00	780.93	22.38	10.06	3.77	**1,154.97**
Non-Hazardous Waste	0	3.36	51,105.51	0.29	85.78	235.78	4,665.45	1,349.65	219.08	54.77	**57,719.67**
Total Waste Disposed	**0.17**	**0**	**0**	**0**	**21.50**	**0.07**	**0**	**0.66**	**117.28**	3,760.95	**3,900.04**
Hazardous Waste	0	0	0	0	0	0.07	0	0.66	0.01	0	**0.55**
Non-Hazardous Waste	0.17	0	0	0	21.50	0	0	0	117.27	3,760.95	**3,899.49**

Performance Indicators

Alarko Holding Group Companies – Environmental Performance Indicators

Indicator / Metric	Alarko Holding	MEPAŞ	MEDAŞ	Altek	CENAL	Alsim Alarko	Alarko GYO	Attaş	Alarko Carrier	Alarko Digital	Alarko Agriculture	Total
2025												
Sustainable Supply Chain Management												
Number of Local Suppliers	306	20	284	195	1,250	255	132	1,771	215	45	542	5,015
Number of Foreign Suppliers	6	0	3	7	100	40	0	694	105	0	18	973
Total Number of Suppliers	**312**	**20**	**287**	**202**	**1,350**	**295**	**132**	**2,465**	**320**	**45**	**560**	**5,988**

Performance Indicators

Alarko Holding Group Companies – Social Performance Indicators

Indicator / Metric	Alarko Holding	MEPAŞ	MEDAŞ	ALCEN	Altek	CENAL	Alsim Alarko	Alarko GYO	Attaş	Alarko Carrier	Alarko Digital	Alarko Agriculture	Total
2025													
Number of Employees	**89**	**184**	**734**	**1,460**	**45**	**513**	**586**	**18**	**647**	**535**	**15**	**1,133**	**5,959**
Female	45	85	92	26	6	26	95	7	248	120	7	785	**1,542**
Male	44	99	642	1,434	39	487	491	11	399	415	8	348	**4,417**
Number of White-Collar Employees	**89**	**184**	**420**	**20**	**20**	**135**	**312**	**17**	**82**	**355**	**15**	**232**	**1,881**
Female	45	85	89	12	6	12	84	7	40	115	7	87	**589**
Male	44	99	331	8	14	123	228	10	42	240	8	145	**1,292**
Number of Blue-Collar Employees	**0**	**0**	**314**	**1,440**	**25**	**378**	**274**	**1**	**565**	**180**	**0**	**901**	**4,078**
Female	0	0	3	14	0	16	11	0	208	5	0	698	**955**
Male	0	0	311	1,426	25	362	263	1	357	175	0	203	**3,123**
Number of Full-Time Employees	**88**	**184**	**734**	**1,460**	**45**	**513**	**578**	**16**	**647**	**523**	**15**	**1,133**	**5,936**
Female	44	85	92	26	6	26	92	7	248	119	7	785	**1,537**
Male	44	99	642	1,434	39	487	486	9	399	404	8	348	**4,399**
Number of Part-Time Employees	**1**	**0**	**0**	**0**	**0**	**0**	**8**	**2**	**0**	**12**	**0**	**0**	**23**
Female	1	0	0	0	0	0	3	0	0	1	0	0	**5**
Male	0	0	0	0	0	0	5	2	0	11	0	0	**18**

Performance Indicators

Alarko Holding Group Companies – Social Performance Indicators

Indicator / Metric	Alarko Holding	MEPAŞ	MEDAŞ	ALCEN	Altek	CENAL	Alsim Alarko	Alarko GYO	Attaş	Alarko Carrier	Alarko Digital	Alarko Agriculture	Total
2025													
Number of Employees in Management Positions	**26**	**47**	**147**	**3**	**12**	**32**	**126**	**12**	**169**	**110**	**6**	**73**	**763**
Female	12	21	21	1	3	6	22	2	46	36	2	18	**190**
Male	14	26	126	2	9	26	104	10	123	74	4	55	**573**
Proportion of Female Employees in Management Positions	46.15%	44.68%	14.29%	33.33%	25.00%	18.75%	17.46%	16.67%	27.22%	32.73%	33.33%	24.66%	**24.90%**
Number of Employees Covered by Collective Bargaining Agreements	**0**	**0**	**314**	**1,283**	**0**	**0**	**0**	**0**	**0**	**180**	**0**	**0**	**1,777**
Female	0	0	3	12	0	0	0	0	0	5	0	0	**20**
Male	0	0	311	1,271	0	0	0	0	0	175	0	0	**1,757**
Number of Foreign Employees	**0**	**0**	**0**	**0**	**0**	**0**	**200**	**0**	**35**	**1**	**0**	**235**	**471**
Female	0	0	0	0	0	0	45	0	25	1	0	184	**255**
Male	0	0	0	0	0	0	155	0	10	0	0	51	**216**
Number of Employees with Disabilities	**1**	**3**	**15**	**42**	**0**	**14**	**2**	**0**	**18**	**11**	**0**	**23**	**129**
Female	0	0	2	5	0	1	1	0	6	1	0	3	**19**
Male	1	3	13	37	0	13	1	0	12	10	0	20	**110**
Number of Employees in Revenue-Generating Positions	**3**	**25**	**0**	**0**	**1**	**6**	**0**	**0**	**27**	**136**	**0**	**576**	**774**
Female	1	3	0	0	1	2	0	0	18	25	0	511	**561**
Male	2	22	0	0	0	4	0	0	9	111	0	65	**213**

Performance Indicators

Alarko Holding Group Companies – Social Performance Indicators

Indicator / Metric	Alarko Holding	MEPAŞ	MEDAŞ	ALCEN	Altek	CENAL	Alsim Alarko	Alarko GYO	Attaş	Alarko Carrier	Alarko Digital	Alarko Agriculture	Total
2025													
Number of Employees by Years of Service													
Number of Employees with 0–5 Years of Service	*38*	*106*	*328*	*915*	*11*	*80*	*496*	*6*	*335*	*182*	*13*	*1,122*	**3,632**
Female	22	49	46	22	5	6	78	4	161	46	6	783	**1,228**
Male	16	57	282	893	6	74	418	2	174	136	7	339	**2,404**
Number of Employees with 6–10 Years of Service (Inclusive)	*10*	*46*	*172*	*250*	*16*	*314*	*39*	*1*	*109*	*107*	*0*	*2*	**1,066**
Female	4	20	24	3	1	15	8	1	30	16	0	1	**123**
Male	6	26	148	247	15	299	31	0	79	91	0	1	**943**
Number of Employees with More than 11 Years of Service	*41*	*32*	*234*	*295*	*18*	*119*	*51*	*11*	*203*	*246*	*2*	*9*	**1,261**
Female	19	16	22	1	0	5	9	2	57	58	1	1	**191**
Male	22	16	212	294	18	114	42	9	146	188	1	8	**1,070**

Performance Indicators

Alarko Holding Group Companies – Social Performance Indicators

Indicator / Metric	Alarko Holding	MEPAŞ	MEDAŞ	ALCEN	Altek	CENAL	Alsim Alarko	Alarko GYO	Attaş	Alarko Carrier	Alarko Digital	Alarko Agriculture	Total
2025													
Number of Employees by Age													
30 Years and Under	*15*	*68*	*231*	*657*	*6*	*106*	*103*	*2*	*256*	*131*	*3*	*279*	**1,857**
Female	11	35	40	9	1	3	18	2	107	33	2	160	**421**
Male	4	33	191	648	5	103	85	0	149	98	1	119	**1,436**
31–50 Years	*49*	*113*	*490*	*774*	*31*	*346*	*370*	*2*	*327*	*352*	*11*	*714*	**3,579**
Female	27	50	52	17	5	20	61	0	128	80	4	511	**955**
Male	22	63	438	757	26	326	309	2	199	272	7	203	**2,624**
51–60 Years	*15*	*3*	*10*	*25*	*6*	*51*	*94*	*6*	*57*	*51*	*1*	*133*	**452**
Female	5	0	0	0	0	3	15	4	12	6	0	111	**156**
Male	10	3	10	25	6	48	79	2	45	45	1	22	**296**
61 Years and Over	*10*	*0*	*3*	*4*	*2*	*10*	*19*	*8*	*7*	*1*	*0*	*7*	**71**
Female	2	0	0	0	0	0	1	1	1	1	0	3	**9**
Male	8	0	3	4	2	10	18	7	6	0	0	4	**62**

Performance Indicators

Alarko Holding Group Companies – Social Performance Indicators

Indicator / Metric	Alarko Holding	MEPAŞ	MEDAŞ	ALCEN	Altek	CENAL	Alsim Alarko	Alarko GYO	Attaş	Alarko Carrier	Alarko Digital	Alarko Agriculture	Total
2025													
Distribution of Managers by Gender	**26**	**47**	**47**	**3**	**12**	**32**	**126**	**12**	**169**	**67**	**6**	**24**	**571**
Number of Executives at Senior Management Level (N-1)	*5*	*3*	*4*	*0*	*2*	*6*	*19*	*1*	*3*	*7*	*1*	*7*	**58**
Female	1	0	0	0	0	1	1	0	0	2	0	2	**7**
Male	4	3	4	0	2	5	18	1	3	5	1	5	**51**
Number of Executives at Middle Management Level (N-2)	*17*	*5*	*23*	*3*	*6*	*25*	*58*	*9*	*8*	*26*	*2*	*14*	**196**
Female	8	3	2	1	1	0	10	2	5	7	1	3	**43**
Male	9	2	21	2	5	25	48	7	3	19	1	11	**153**
Number of Executives at First-Line Management Level (N-3)	*4*	*39*	*20*	*0*	*4*	*1*	*49*	*2*	*158*	*34*	*3*	*3*	**317**
Female	3	18	5	0	2	1	11	0	41	13	1	0	**95**
Male	1	21	15	0	2	0	38	2	117	21	2	3	**222**

Performance Indicators

Alarko Holding Group Companies – Social Performance Indicators

Indicator / Metric	Alarko Holding	MEPAŞ	MEDAŞ	ALCEN	Altek	CENAL	Alsim Alarko	Alarko GYO	Attaş	Alarko Carrier	Alarko Digital	Alarko Agriculture	Total
2025													
Number of Employees Promoted	**3**	**29**	**28**	**0**	**4**	**10**	**18**	**0**	**77**	**14**	**1**	**23**	**207**
Female	3	15	8	0	2	1	5	0	23	3	1	8	69
Male	0	14	20	0	2	9	13	0	54	11	0	15	138
Number of Managers by Age Group	**26**	**47**	**147**	**3**	**12**	**34**	**126**	**12**	**170**	**110**	**6**	**24**	**717**
30 Years and Under	*0*	*3*	*6*	*0*	*0*	*0*	*2*	*0*	*34*	*6*	*0*	*1*	52
Female	0	2	0	0	0	0	0	0	9	1	0	1	13
Male	0	1	6	0	0	0	2	0	25	5	0	0	39
31–50 Years	*19*	*44*	*137*	*3*	*9*	*27*	*92*	*2*	*110*	*82*	*5*	*17*	547
Female	11	19	21	1	3	5	17	0	33	33	1	4	148
Male	8	25	116	2	6	22	75	2	77	49	4	13	399
51–60 Years	*4*	*0*	*2*	*0*	*2*	*6*	*24*	*4*	*22*	*22*	*1*	*5*	92
Female	1	0	0	0	0	0	5	2	4	2	1	1	16
Male	3	0	2	0	2	6	19	2	18	20	0	4	76
61 Years and Over	*3*	*0*	*2*	*0*	*1*	*1*	*8*	*6*	*4*	*0*	*0*	*1*	26
Female	0	0	0	0	0	0	0	0	0	0	0	0	0
Male	3	0	2	0	1	1	8	6	4	0	0	1	26

Performance Indicators

Alarko Holding Group Companies – Social Performance Indicators

Indicator / Metric	Alarko Holding	MEPAŞ	MEDAŞ	ALCEN	Altek	CENAL	Alsim Alarko	Alarko GYO	Attaş	Alarko Carrier	Alarko Digital	Alarko Agriculture	Total
2025													
Parental Leave													
Number of Employees Who Took Parental Leave	***2***	***12***	***54***	***25***	***0***	***13***	***7***	***0***	***4***	***2***	***0***	***5***	**124**
Female	2	6	7	0	0	2	6	0	2	2	0	5	**32**
Male	0	6	47	25	0	11	1	0	2	0	0	0	**92**
Number of Employees Who Returned to Work After Parental Leave	***2***	***12***	***54***	***25***	***0***	***12***	***1***	***0***	***4***	***2***	***0***	***2***	**114**
Female	2	6	7	0	0	1	0	0	2	2	0	2	**22**
Male	0	6	47	25	0	11	1	0	2	0	0	0	**92**
Number of Employees Still Employed 12 Months After Returning from Leave	***2***	***11***	***54***	***25***	***0***	***11***	***0***	***0***	***4***	***2***	***0***	***2***	**111**
Female	2	5	7	0	0	1	0	0	2	2	0	2	**21**
Male	0	6	47	25	0	10	0	0	2	0	0	0	**90**

Performance Indicators

Alarko Holding Group Companies – Social Performance Indicators

Indicator / Metric	Alarko Holding	MEPAŞ	MEDAŞ	ALCEN	Altek	CENAL	Alsim Alarko	Alarko GYO	Attaş	Alarko Carrier	Alarko Digital	Alarko Agriculture	Total
	2025												
New Hires													
Total Number of New Hires	***15***	***41***	***63***	***239***	***2***	***29***	***270***	***0***	***175***	***18***	***3***	***470***	**1,325**
Female	7	20	9	5	0	0	23	0	85	6	0	343	**498**
Male	8	21	54	234	2	29	247	0	90	12	3	127	**827**
30 Years and Under	*4*	*35*	*52*	*180*	*1*	*13*	*65*	*0*	*113*	*10*	*0*	*125*	**598**
Female	2	16	8	3	0	0	6	0	45	2	0	64	**146**
Male	2	19	44	177	1	13	59	0	68	8	0	61	**452**
31–50 Years	*11*	*6*	*11*	*58*	*1*	*14*	*163*	*0*	*58*	*8*	*3*	*274*	**607**
Female	5	4	2	2	0	0	14	0	38	4	0	221	**290**
Male	6	2	9	56	1	14	149	0	20	4	3	53	**317**
51–60 Years	*0*	*0*	*0*	*1*	*0*	*2*	*39*	*0*	*4*	*0*	*0*	*69*	**115**
Female	0	0	0	0	0	0	3	0	2	0	0	57	**62**
Male	0	0	0	1	0	2	36	0	2	0	0	12	**53**
61 Years and Over	*0*	*0*	*0*	*0*	*0*	*0*	*3*	*0*	*0*	*0*	*0*	*2*	**5**
Female	0	0	0	0	0	0	0	0	0	0	0	1	**1**
Male	0	0	0	0	0	0	3	0	0	0	0	1	**4**

Performance Indicators

Alarko Holding Group Companies – Social Performance Indicators

Indicator / Metric	Alarko Holding	MEPAŞ	MEDAŞ	ALCEN	Altek	CENAL	Alsim Alarko	Alarko GYO	Attaş	Alarko Carrier	Alarko Digital	Alarko Agriculture	Total
	2025												
Number of Interns Hired Within the Year	*9*	*11*	*88*	*2*	*0*	*25*	*2*	*3*	*103*	*3*	*9*	*4*	**259**
Female	3	5	24	2	0	1	0	1	65	1	3	3	**108**
Male	6	6	64	0	0	24	2	2	38	2	6	1	**151**
Number of Interns Who Were Hired Full-Time After Their Internship	*1*	*0*	*2*	*0*	*0*	*2*	*0*	*0*	*5*	*0*	*0*	*0*	**10**
Female	1	0	0	0	0	0	0	0	1	0	0	0	**2**
Male	0	0	2	0	0	2	0	0	4	0	0	0	**8**
Number of New Graduates Hired	*1*	*4*	*7*	*17*	*0*	*4*	*5*	*0*	*0*	*4*	*0*	*3*	**45**
Female	1	4	1	1	0	0	1	0	0	2	0	0	**10**
Male	0	0	6	16	0	4	4	0	0	2	0	3	**35**
Distribution by Gender of Positions Filled Through Internal Applications	**3**	**0**	**1**	**0**	**1**	**29**	**0**	**0**	**5**	**4**	**0**	**7**	**50**
Female	1	0	0	0	0	0	0	0	2	1	0	2	**6**
Male	2	0	1	0	1	29	0	0	3	3	0	5	**44**
Number of New Foreign Employees Hired	*0*	*0*	*0*	*0*	*0*	*0*	*62*	*0*	*12*	*0*	*0*	*0*	**74**
Female	0	0	0	0	0	0	12	0	9	0	0	0	**21**
Male	0	0	0	0	0	0	50	0	3	0	0	0	**53**

Performance Indicators

Alarko Holding Group Companies – Social Performance Indicators

Indicator / Metric	Alarko Holding	MEPAŞ	MEDAŞ	Altek	CENAL	Alsim Alarko	Alarko GYO	Attaş	Alarko Carrier	Alarko Digital	Alarko Agriculture	Total
	2025											
Talent Management and Employee Development												
Number of Employees Whose Development Was Tracked Through the Performance Evaluation System in 2025	61	165	695	14	132	73	7	171	324	14	164	1,820
Average Training Hours per Employee	**14**	**47**	**78**	**12**	**75.3**	**6**	**9**	**32**	**22**	**36**	**2**	**24**
Female	19	44	173	51	75	12	10	31	30	43	1	24
Male	9	49	65	7	75	5	8	32	20	30	4	25
Total Training Hours Provided to Employees	**1,222**	**8,641**	**57,443**	**559**	**38,642**	**3,406**	**156**	**20,517**	**11,799**	**536**	**2,144**	**145,065**
Female	839	3,759	15,933	304	1,951	1,106	71	7,633	3,593	300	888	36,376
Male	383	4,882	41,510	255	36,691	2,300	85	12,884	8,206	236	1,256	108,688
Total Training Hours on Ethics	360	57	213	90	0	11	90	0	0	60	7	888
Total Training Hours on Environment/ Sustainability	407	138	1,399	111	420	517	111	1,387	975	111	22	5,597
Total Training Hours on Diversity and Inclusion	315	0	0	140	0	32	35	2	21	70	0	614
Total Training Hours on Digital Transformation	0	183	815	0	0	0	0	0	63	0	36	1,097
Total Training Hours on Data Security and Privacy	210	43	575	140	0	19	0	566	91	35	22	1,700

Performance Indicators

Alarko Holding Group Companies – Social Performance Indicators

Indicator / Metric	Alarko Holding	MEPAŞ	MEDAŞ	Altek	CENAL	Alsim Alarko	Alarko GYO	Attaş	Alarko Carrier	Alarko Digital	Alarko Agriculture	Total
	2025											
Training Hours by Age												
Total Training Hours for 30 Years and Under	*196*	*4,078*	*21,153*	*50*	*8,798*	*574*	*47*	*7,944*	*2,148*	*103*	*624*	**45,715**
Female	143	1,900	6,833	50	250	285	47	3,084	727	82	352	**13,753**
Male	53	2,178	14,320	0	8,548	288	0	4,860	1,421	21	272	**31,962**
Total Training Hours for 31–40 Years	*369*	*2,828*	*27,150*	*157*	*28,719*	*1,208*	*0*	*5,078*	*4,986*	*296*	*1,088*	**71,879**
Female	332	1,344	7,900	66	1,660	371	0	1,975	1,429	134	392	**15,603**
Male	37	1,484	19,250	91	27,059	838	0	3,103	3,556	162	696	**56,276**
Total Training Hours for 41–50 Years	*440*	*1,733*	*8,950*	*280*	*750*	*1,061*	*0*	*5,347*	*3,236*	*87*	*376*	**22,260**
Female	262	515	1,200	188	225	271	0	2,082	1,215	34	144	**6,136**
Male	178	1,218	7,750	92	525	790	0	3,265	2,021	53	232	**16,125**
Total Training Hours for 51–60 Years	*182*	*2*	*129*	*72*	*375*	*517*	*109*	*1,946*	*1,360*	*50*	*56*	**4,798**
Female	102	0	0	0	225	178	24	488	178	50	0	**1,245**
Male	80	2	129	72	150	338	85	1,458	1,182	0	56	**3,553**
Total Training Hours for 61 Years and Over	*35*	*0*	*61*	*0*	*0*	*46*	*0*	*202*	*69*	*0*	*0*	**413**
Female	0	0	0	0	0	1	0	4	44	0	0	**49**
Male	35	0	61	0	0	45	0	198	25	0	0	**364**

Performance Indicators

Alarko Holding Group Companies – Social Performance Indicators

Indicator / Metric	Alarko Holding	MEPAŞ	MEDAŞ	Altek	CENAL	Alsim Alarko	Alarko GYO	Attaş	Alarko Carrier	Alarko Digital	Alarko Agriculture	Total
	2025											
Training Hours by Management Level												
Total Training Hours for Senior Management (N-1)	*24*	*37*	*178*	*16*	*450*	*161*	*32*	*119*	*506*	*0*	*128*	**1,651**
Female	8	0	0	0	75	0	0	0	75	0	80	**238**
Male	16	37	178	16	375	161	32	119	431	0	48	**1,413**
Total Training Hours for Middle Management (N-2)	*163*	*336*	*3,407*	*210*	*1,876*	*685*	*53*	*329*	*1,540*	*107*	*80*	**8,786**
Female	129	129	186	0	0	260	0	247	618	0	32	**1,601**
Male	34	207	3,221	210	1,876	425	53	82	922	107	48	**7,185**
Total Training Hours for First-Line Management (N-3)	*308*	*399*	*6,219*	*0*	*150*	*837*	*24*	*3,345*	*1,932*	*18*	*112*	**13,344**
Female	221	195	1,472	0	75	518	0	1,176	731	0	24	**4,411**
Male	87	204	4,747	0	75	319	24	2,169	1,201	18	88	**8,932**

Performance Indicators

Alarko Holding Group Companies – Social Performance Indicators

Indicator / Metric	Alarko Holding	MEPAŞ	MEDAŞ	ALCEN	Altek	CENAL	Alsim Alarko	Alarko GYO	Attaş	Alarko Carrier	Alarko Digital	Alarko Agriculture	Total
	2025												
Employee Departures													
Number of Employees Who Voluntarily Resigned	*3*	*12*	*48*	*188*	*2*	*32*	*81*	*0*	*131*	*20*	*1*	*570*	1,088
Female	2	2	11	5	1	2	15	0	63	8	0	465	574
Male	1	10	37	183	1	30	66	0	68	12	1	105	514
Number of Employees Who Left (30 Years and Under)	*3*	*8*	*35*	*134*	*1*	*12*	*15*	*1*	*96*	*12*	*1*	*177*	495
Female	2	2	9	1	0	0	3	0	37	5	0	125	184
Male	1	6	26	133	1	12	12	1	59	7	1	52	311
Number of Employees Who Left (31–50 Years)	*4*	*4*	*13*	*54*	*1*	*18*	*51*	*0*	*34*	*44*	*1*	*347*	571
Female	2	0	2	4	1	2	8	0	25	4	0	299	347
Male	2	4	11	50	0	16	43	0	9	40	1	48	224
Number of Employees Who Left (51–60 Years)	*0*	*0*	*0*	*0*	*0*	*2*	*14*	*0*	*1*	*19*	*0*	*43*	79
Female	0	0	0	0	0	0	4	0	1	1	0	38	44
Male	0	0	0	0	0	2	10	0	0	18	0	5	35
Number of Employees Who Left (61 Years and Over)	*0*	*0*	*0*	*0*	*0*	*0*	*1*	*1*	*0*	*1*	*0*	*3*	6
Female	0	0	0	0	0	0	0	0	0	0	0	3	3
Male	0	0	0	0	0	0	1	1	0	1	0	0	3

Performance Indicators

Alarko Holding Group Companies – Social Performance Indicators

Indicator / Metric	Alarko Holding	MEPAŞ	MEDAŞ	ALCEN	Altek	CENAL	Alsim Alarko	Alarko GYO	Attaş	Alarko Carrier	Alarko Digital	Alarko Agriculture	Total
	2025												
Number of Employees Who Voluntarily Resigned	*3*	*20*	*30*	*66*	*0*	*61*	*52*	*2*	*30*	*82*	*1*	*361*	**708**
Female	1	14	4	1	0	2	6	0	8	10	0	288	**334**
Male	2	6	26	65	0	59	46	2	22	72	1	73	**374**
Number of Employees Who Left (30 Years and Under)	*0*	*7*	*10*	*4*	*0*	*0*	*9*	*1*	*9*	*14*	*0*	*77*	**131**
Female	0	6	1	0	0	0	1	0	3	5	0	48	**64**
Male	0	1	9	4	0	0	8	1	6	9	0	29	**67**
Number of Employees Who Left (31–50 Years)	*3*	*13*	*17*	*24*	*0*	*0*	*31*	*0*	*13*	*49*	*1*	*228*	**379**
Female	1	8	3	1	0	0	5	0	4	4	0	188	**214**
Male	2	5	14	23	0	0	26	0	9	45	1	40	**165**
Number of Employees Who Left (51–60 Years)	*0*	*0*	*2*	*1*	*0*	*0*	*8*	*0*	*3*	*18*	*0*	*54*	**86**
Female	0	0	0	0	0	0	0	0	1	1	0	51	**53**
Male	0	0	2	1	0	0	8	0	2	17	0	3	**33**
Number of Employees Who Left (61 Years and Over)	*0*	*0*	*1*	*0*	*0*	*0*	*4*	*1*	*5*	*1*	*0*	*2*	**14**
Female	0	0	0	0	0	0	0	0	0	0	0	1	**1**
Male	0	0	1	0	0	0	4	1	5	1	0	1	**13**

Performance Indicators

Alarko Holding Group Companies – Social Performance Indicators

Indicator / Metric	Alarko Holding	MEPAŞ	MEDAŞ	ALCEN	Altek	CENAL	Alsim Alarko	Alarko GYO	Attaş	Alarko Carrier	Alarko Digital	Alarko Agriculture	Total
	2025												
Employee Health and Safety													
Number of Accidents	**1**	**0**	**125**	**73**	**0**	**22**	**29**	**2**	**125**	**30**	**0**	**112**	**519**
Employees	1	0	3	73	0	17	8	0	125	30	0	112	369
Contractors/Business Partners/ Specialist Teams/Suppliers/ Subcontractors/Other	0	0	122	0	0	5	21	2	0	0	0	0	150
Accident Frequency Rate	0	0	7.03	20.69	0	16.38	4.73	1.04	0	6.17	0	10.84	
Injury Frequency Rate	0	0	3.26	11.05	0	13.49	4.73	1,04	0	6.17	0	27.45	
Injury Rate	0	0	0.76	3.12	0	0.28	4.73	0,25	0	6.92	0	5.32	
Accident Rate	0	0	0.80	4.80	0	0	0.02	0,25	0	0.07	0	9.07	
Number of Occupational Diseases	0	0	0	0	0	0	0	0	0	0	0	0	0
Occupational Disease Rate (%)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Absenteeism Due to Accidents	**0**	**0**	**1,698**	**1,088**	**0**	**194**	**274**	**12**	**9**	**95**	**0**	**29**	**3,399**
Employees	0	0	6	1,088	0	172	148	0	9	95	0	29	1,547
Contractors/Business Partners/ Specialist Teams/Suppliers/ Subcontractors/Other	0	0	1,692	0	0	22	126	12	0	0	0	0	1,852
Absenteeism	**0**	**4,104**	**67**	**450**	**0**	**1,634**	**508**	**0**	**37**	**2,518**	**0**	**35**	**9,353**
Employees	0	4,104	67	450	0	1,634	382	0	37	2,518	0	35	9,227
Contractors/Business Partners/ Specialist Teams/Suppliers/ Subcontractors/Other	0	0	0	0	0	0	126	0	0	0	0	0	126
Absenteeism Rate (%)	0%	1.38%	0.04%	0.12%	0%	1.29%	0%	0%	0%	1.80%	0%	15%	0
Lost Workday Rate	0	0	0	0	0	0.001	0.925	0	0	0.195	0	0.912	0

Performance Indicators

Alarko Holding Group Companies – Social Performance Indicators

Indicator / Metric	Alarko Holding	MEPAŞ	MEDAŞ	ALCEN	Altek	CENAL	Alsim Alarko	Alarko GYO	Attaş	Alarko Carrier	Alarko Digital	Alarko Agriculture	Total
	2025												
Occupational Health and Safety Trainings													
OHS Training Hours Provided to Employees	8	8	9,808	9,808	8	16,929	8,561	8	4,477	0	8	16,731	**66,354**
OHS Training Hours Provided to Contractors/Business Partners/Specialist Teams/Suppliers/Subcontractors/Other	0	0	22,808	0	0	7,520	31,093	13,200	416	0	0	0	**75,037**
Number of Employees Trained	53	193	634	1,212	14	505	350	14	627	0	14	3,343	**6,959**
Number of Contractors/Business Partners/Specialist Teams/Suppliers/Subcontractors Trained	0	0	2,362	0	0	12,348	550	0	52	0	0	0	**15,312**
Average OHS Training Hours per Employee	8	8	23	6	8	34	44	8	7	0	8	5	**0**
Total Training Duration (Person x Hours)	424	1,544	60,090,768	11,887,296	112	101,406,105	20,097,500	112	2,828,711	0	112	55,931,733	**1,610,724,030**
Other OHS Performance Indicators													
Number of Near Misses	0	0	21	14	0	8	14	5	0	2	0	29	**93**
Number of Hazardous Situations	0	0	18	14	0	181	721	220	0	0	0	1,762	**2,916**
Number of Health, Safety and Environment Field Audits	0	0	73,587	60,779	0	50	28	384	26	93	0	52	**134,999**
Closure Rate of Health, Safety and Environment Observations	0	0	1	1	0	0	1	1	1	1	0	26	**0**
Total Number of Drills	0	11	38	39	0	14	14	3	4	2	0	27	**152**
Number of Lost-Time Incidents	0	0	58	39	0	19	14	2	10	0	0	32	**174**
Number of Lost Days	0	0	1,698	1,088	0	0	274	12	37	0	0	269	**3,378**

Performance Indicators

Alarko Holding Group Companies – Social Performance Indicators

Indicator / Metric	Alarko Holding	MEPAŞ	MEDAŞ	ALCEN	Altek	CENAL	Alsim Alarko	Alarko GYO	Attaş	Alarko Carrier	Alarko Digital	Alarko Agriculture	Total
	2025												
Number of Occupational Diseases													
Employees	0	0	0	0	0	0	0	0	0	0	0	0	0
Contractors/Business Partners/Specialist Teams/ Suppliers/Subcontractors/ Other	0	0	0	0	0	0	0	0	0	0		0	0
Occupational Disease Rate	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Number of Absences	0	0	0	0	0	0	0	0	0	0	0	0	0
Absenteeism Rate (%)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Incident Frequency Rate	**0**	**0**	**8**	**25**	**0**	**0**	**34**	**0**	**0**	**0**	**0**	**47**	
Employees	0	0	0	25	0	0	17	0	0	0	0	47	
Contractors/Business Partners/Specialist Teams/ Suppliers/Subcontractors/ Other	0	0	8	0	0	0	17	0	0	0	0	0	0

Performance Indicators

Alarko Holding Group Companies – Social Performance Indicators

Indicator / Metric	Alarko Holding	MEPAŞ	MEDAŞ	ALCEN	Altek	CENAL	Alsim Alarko	Alarko GYO	Attaş	Alarko Carrier	Alarko Digital	Alarko Agriculture	Total
	2025												
Number of Employees in High-Risk Roles	**0**	**0**	**7,451**	**1,208**	**0**	**476**	**900**	**0**	**0**	**0**	**0**	**45**	**10,080**
Employees	0	0	584	1,208	0	401	350	0	0	0	0	45	2,588
Contractors/Business Partners/ Specialist Teams/Suppliers/ Subcontractors/Other	0	0	6,867	0	0	75	550	0	0	0	0	0	7,492
OHS Committees													
Number of Established OHS Committees	7	1	4	7	2	1	4	2	1	3	2	4	38
Total Number of Members in OHS Committees	7	5	40	80	0	48	28	28	16	27	0	44	323
Number of Employee Representatives in Established OHS Committees	2	1	4	7	0	6	4	9	5	6	0	6	50

Indicator / Metric	Alarko Holding	MEPAŞ	MEDAŞ	ALCEN	Altek	CENAL	Alsim Alarko	Alarko GYO	Attaş	Alarko Carrier	Alarko Digital	Alarko Agriculture	Total
	2025												
Corporate Social Responsibility													
Number of People Reached Through Corporate Social Responsibility, Environmental and Inclusion Projects	**2,099**	**252**	**142,139**	**0**	**0**	**2,440**	**15**	**0**	**0**	**70**	**0**	**76**	**147,091**
Children (0–15 years)	363	80	785	0	0	270	15	0	0	70	0	15	1,598
Youth (15–24 years)	0	100	21	0	0	220	0	0	0	0	0	4	345
Women	1,736	40	0	0	0	750	0	0	0	0	0	36	2,562
General Public	0	32	141,333	0	0	1,200	0	0	0	0	0	21	142,586
Amount Spent on Inclusion Programs (TL)	**8,179,500**	**12,500**	**27,561,967**	**0**	**0**	**0**	**20,000**	**0**	**0**	**0**	**0**	**60,000**	**35,833,967**

Greenhouse Gas Emissions Reporting Guideline

1. Purpose and Scope

This guideline explains Alarko Holding A.Ş.'s methodologies for calculating, consolidating, and reporting greenhouse gas emissions. The indicators cover operations conducted during the financial year from 1 January to 31 December 2025.

Control Approach

The Company determines the organizational boundaries of its greenhouse gas inventory in accordance with the **financial control approach** defined in the GHG Protocol. Under this approach, the greenhouse gas emissions of entities over which the Company has financial control are included in the Group inventory. In determining control, the accounting policies and consolidation principles applied by the Company in financial reporting are taken into consideration.

Emissions are calculated in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol) and TS EN ISO 14064-1:2019. Global warming potential (GWP) values are based on the IPCC Sixth Assessment Report (AR6). As of the 2025 reporting period, Scope 3 emissions are classified according to the 15-category structure of the GHG Protocol Corporate Value Chain (Scope 3) Standard.

2. Calculation Methods

Scope 1 – Direct Emissions

Includes stationary combustion (coal, natural gas, and generator fuels), mobile combustion (leased and Company-owned vehicles), fugitive emissions (refrigerant refills, fire-suppression gases, and SF_6), process emissions, and emissions arising from land-use change. Activity data are tracked through invoices, fuel receipts, and maintenance service forms.

Emissions (tCO_2e) = Activity Data (L, m^3, kg, tonne) × Emission Factor (CO_2–CH_4–N_2O)

Emission factors are derived from the net calorific values in the Turkish Greenhouse Gas Inventory of the Republic of Türkiye Ministry of Energy and Natural Resources and the default factors in the 2006 IPCC Guidelines, and are converted into CO_2 equivalents using AR6 GWP values.

Scope 2 – Indirect Emissions

Emissions from purchased electricity are reported using both the **location-based** and **market-based** methods.

- **Location-based:** Annual electricity consumption (kWh) × national grid emission factor
- **Market-based:** Renewable electricity supply evidenced by a renewable energy certificate is calculated using a zero emission factor, while the remaining consumption is calculated using the grid factor.

Scope 3 – Other Indirect Emissions

Value-chain emissions are calculated for the relevant categories based on the materiality assessment. A spend-based method is used for items for which activity-based data are unavailable.

Emission factor sources: DEFRA 2025, EPA Supply Chain, the Ministry of Energy and Natural Resources (electricity WTT and T&D), and IPCC AR6. Data based on assumptions are flagged in the calculation files to ensure traceability.

3. Intra-Group Transactions

Transactions between Group companies are reported under the relevant scope in each company's own inventory:

- **Electricity purchases and sales:** Electricity procured from intra-Group generation facilities (CENAL, Altek) is reported under Scope 2 of the consuming company, while fuel-related generation emissions are reported under Scope 1 of the generating company. Grid losses relating to electricity distributed by MEDAŞ are monitored under Scope 2, while MEPAŞ customer consumption is monitored under Scope 3.
- **Purchases of products and services:** Intra-Group invoiced services (rent, management services, logistics, and use of shared facilities) are tagged as intra-Group in the purchasing company's Scope 3 data.

4. Elimination Process

Company inventories are reported individually, whereas the consolidated Group inventory is reported after the elimination of intra-Group transactions. The purpose is to prevent the same emission from being counted under more than one scope in the consolidated total. Intra-Group purchases and sales are separated using accounting records within the Group (trial balances and intra-Group current accounts), and activity data are tagged as "intra-Group / external". The emission scope under which the counterparty reports the intra-Group transaction is identified. In the consolidated total, intra-Group emissions already included in the counterparty's Scope 1 or Scope 2 are deducted from Scope 2 and Scope 3 items. Intra-Group electricity supply is eliminated from consolidated Scope 2, while intra-Group purchases of goods, services, and logistics are eliminated from consolidated Scope 3.

Emission Factors (Summary)

The main emission factors used in the calculations are summarized below. IPCC AR6 values are used for global warming potentials.

Greenhouse Gas Emissions Reporting Guideline

Scope	Activity / Source	Emission Factor	Unit	Source
Scope 1	Natural gas (stationary combustion)	1.940	$kgCO_2e/m^3$	Ministry of Energy and Natural Resources + IPCC 2006 T.2.3
Scope 1	Diesel (stationary combustion)	2.635	$kgCO_2e/L$	Ministry of Energy and Natural Resources + IPCC 2006 T.2.3
Scope 1	Petrol (stationary combustion)	2.226	$kgCO_2e/L$	Ministry of Energy and Natural Resources + IPCC 2006 T.2.4
Scope 1	LPG (stationary combustion)	2.882	$kgCO_2e/kg$	Ministry of Energy and Natural Resources + IPCC 2006 T.2.2
Scope 1	Coal (stationary combustion)	2.528	$kgCO_2e/kg$	Ministry of Energy and Natural Resources + IPCC 2006 T.2.3
Scope 1	LNG (stationary combustion)	2.226	$kgCO_2e/kg$	Ministry of Energy and Natural Resources + IPCC 2006 T.2.3
Scope 1	Fuel oil (stationary combustion)	3.121	$kgCO_2e/kg$	Ministry of Energy and Natural Resources + IPCC 2006 T.2.3
Scope 1	Diesel (road vehicle)	2.668	$kgCO_2e/L$	Ministry of Energy and Natural Resources + IPCC 2006 T.3.2.1
Scope 1	Petrol (road vehicle)	2.310	$kgCO_2e/L$	Ministry of Energy and Natural Resources + IPCC 2006 T.3.2.1
Scope 1	LPG (road vehicle)	1.658	$kgCO_2e/L$	Ministry of Energy and Natural Resources + IPCC 2006 T.3.2.1
Scope 1	Diesel (mobile machinery / off-road)	2.907	$kgCO_2e/L$	Ministry of Energy and Natural Resources + IPCC 2006 T.3.3.1
Scope 1	Refrigerants and fire-suppression gases	GWP value of the relevant gas	$kgCO_2e/kg$	IPCC AR6
Scope 2	Electricity (grid, location-based)	0.434	$kgCO_2e/kWh$	Ministry of Energy and Natural Resources Information Form
Scope 2	Electricity (I-REC certified)	0	$kgCO_2e/kWh$	–
Scope 3	WTT – Diesel	0.61101	$kgCO_2e/L$	DEFRA 2025
Scope 3	WTT – Petrol	0.58094	$kgCO_2e/L$	DEFRA 2025
Scope 3	WTT – Natural gas	0.3366	$kgCO_2e/m^3$	DEFRA 2025
Scope 3	Electricity WTT + T&D (proxy)	0.0684	$kgCO_2e/kWh$	DEFRA 2025
Scope 3	Flights – short-haul (including RF)	0.12786	$kgCO_2e$/passenger-km	DEFRA 2025
Scope 3	Flights – long-haul (including RF)	0.15282	$kgCO_2e$/passenger-km	DEFRA 2025
Scope 3	Hotel stay – Türkiye	32.1	$kgCO_2e$/room-night	DEFRA 2025
Scope 3	Municipal waste – landfill	497.24	$kgCO_2e$/tonne	DEFRA 2025
Scope 3	Wastewater treatment	0.17088	$kgCO_2e/m^3$	DEFRA 2025
Scope 3	Mains water supply	0.19130	$kgCO_2e/m^3$	DEFRA 2025
Scope 3	Employee shuttle services – diesel	2.57082	$kgCO_2e/L$	DEFRA 2025
Scope 3	Logistics – truck/HGV (average load)	0.10163	$kgCO_2e$/tonne-km	DEFRA 2025

Note: The derivation details of the emission factors (net calorific value, density, and gas-specific factors) are documented in the consolidation working files.

Independent Assurance Statement

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Independent Auditor Limited Assurance Report

To the Board of Directors of Alarko Holding A.Ş.

We have been engaged to perform a limited assurance engagement on whether the "Selected Information", as described in the Appendices - the Reporting Guideline section of Alarko Holding A.Ş.'s ("Alarko Holding" or the "Holding") GRI-aligned Sustainability Report for the year ended 31 December 2025 (the "Report"), has been prepared, in all material respects, in accordance with the reporting criteria developed by the Holding and set out in the Appendices - the Reporting Guideline section of the Report.The scope of our assurance is limited to the Selected Information listed and described below for the relevant activities:

- Scope 1 - Direct greenhouse gas (GHG) emissions (pages 93 and 153)
- Scope 2 - Indirect energy greenhouse gas (GHG) emissions (pages 93 and 153)
- Biogenic emissions (pages 93 and 155)

Management's responsibilities

The Holding's management is responsible for the preparation and reporting of the Selected Information in accordance with the reporting criteria developed by the Holding and set out in the Appendices - the Reporting Guideline section of the Report, and for the information and assertions contained therein; for determining the Holding's objectives in respect of sustainability performance and reporting, including the identification of stakeholders and material topics; and for designing, implementing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

The Holding's management is responsible for preventing and detecting fraud and error, and for identifying and ensuring compliance with laws and regulations applicable to the Holding's activities.

Our responsibilities

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information,and International Standard on Assurance Engagements (ISAE) 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board. These Standards require that we plan and perform the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement.

KPMG applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code),which operates under the International Federation of Accountants (IFAC), together with the ethical requirements in Turkey, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Procedures performed

A limited assurance engagement on a Selected Information consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Selected Information, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:

- Conducting interviews with relevant personnel at corporate and business-unit levels responsible for providing the information included in the Selected Information;
- Re-performing, on a sample basis, calculations made in preparing the Selected Information for the reporting period;
- Comparing the information presented in the Selected Information with the relevant underlying sources and assessing whether all relevant information in those sources had been included in the Selected Information;
- Reading the disclosures and presentation of the Selected Information in the Report to assess whether they were consistent with our overall knowledge and experience of the Holding's sustainability performance.

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, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than a reasonable assurance engagement.

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

Independent Assurance Statement

KPMG

Inherent limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Selected Information may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Selected Information, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Selected Information described above and disclosed in the Appendices - the Reporting Guideline section of the Report has not been prepared, in all material respects, in accordance with the reporting criteria set out the Appendices - the Reporting Guideline section of the Report.

Restriction of use of our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Alarko Holding for any purpose or in any other context. Any party other than Holding who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Holding for our work, for this limited assurance report, or for the conclusions we have reached.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Şirin Soysal
Partner
1 September 2026
İstanbul, Turkiye

GRI Content Index

Statement of use	Alarko Holding A.Ş has reported in accordance with the GRI Standards for the period 1 January to 31 December 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	No GRI Sector Standard has been used for this GRI index.

GRI STANDARD	DISCLOSURES	LOCATION AND/OR DIRECT ANSWERS
GENERAL DISCLOSURES		
	The Organization and its Reporting Practices	
GRI 2: General Disclosures 2021	2-1 Organizational details	About Alarko Holding, page 11 Business Areas, pages 14-39 Capital and Subsidiary Structure, page 40 Contact, page 214
	2-2 Entities included in the organization's sustainability reporting	About the Report, pages 3-4
	2-3 Reporting period, frequency and contact point	Reporting is conducted annually. About the Report, pages 3-4
	2-4 Restatements of information	The 2024 greenhouse gas emissions have been reviewed, and the revised information is presented on a comparative basis.
	2-5 External assurance	Independent Assurance Statement, pages 180-181
	Activities and Workers	
	2-6 Activities, value chain and other business relationships	Business Areas, pages 14-39 Value Chain and Business Model, page 51 Sustainable Supply Chain Management, pages 103-104
	2-7 Employees	Investing in Human Capital, pages 106-108 Performance Indicators, pages 154-177
	2-8 Workers who are not employees	Investing in Human Capital, pages 106-108 Performance Indicators, pages 154-177

GRI Content Index

GRI STANDARD	DISCLOSURES	LOCATION AND/OR DIRECT ANSWERS
GRI 2: General Disclosures 2021	**Governance**	
	2-9 Governance structure and composition	Board of Directors and Senior Management, page 59 Board of Directors Skills Matrix, pages 59-60 Organizational Structure, page 62 Sustainability Governance, pages 71-74
	2-10 Nomination and selection of the highest governance body	Alarko Holding A.Ş. acts within the framework of the regulations it is subject to, in line with the minimum qualifications required for the selection of Board of Directors members. Board of Directors Skills Matrix, pages 59-60 Stakeholder Participation in the Board of Directors, page 61
	2-11 Chair of the highest governance body	Board of Directors and Senior Management, page 58
	2-12 Role of the highest governance body in overseeing the management of impacts	Enterprise Risk Management, pages 63-65 Sustainability Governance, pages 71-74
	2-13 Delegation of responsibility for managing impacts	Enterprise Risk Management, pages 63-65 Sustainability Governance, pages 71-74
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance, pages 71-74
	2-15 Conflicts of interest	Ethics, Compliance, and Transparency, page 66
	2-16 Communication of critical concerns	Stakeholder Dialogue, pages 75-80
	2-17 Collective knowledge of the highest governance body	Board of Directors and Senior Management, page 58 Sustainability Governance, pages 71-74
	2-18 Evaluation of the performance of the highest governance body	Board of Directors and Senior Management, page 58
	2-19 Remuneration policies	Talent Management and Employee Development, pages 109-118
	2-20 Process to determine remuneration	Talent Management and Employee Development, pages 109-118
	2-21 Annual total compensation ratio	Not disclosed for reasons of confidentiality.

GRI Content Index

GRI STANDARD	DISCLOSURES	LOCATION AND/OR DIRECT ANSWERS
GRI 2: General Disclosures 2021	**Strategy, Policies and Practices**	
	2-22 Statement on sustainable development strategy	Message from the Chairman of the Board of Directors, pages 6-7 Message from the CEO, pages 8-9 Sustainable Impact Journey and Strategy, pages 69-70
	2-23 Policy commitments	Alarko Holding Official Website Policies
	2-24 Embedding policy commitments	Ethics, Compliance, and Transparency, page 66 Sustainability Governance, pages 71-74 Sustainable Supply Chain Management, pages 103-104 Responsible Brand Management and Communication, pages 139-141 Policies
	2-25 Processes to remediate negative impacts	Stakeholder Dialogue, pages 75-80 Customer Satisfaction and Experience, pages 55-56
	2-26 Mechanisms for seeking advice and raising concerns	Ethics, Compliance, and Transparency, page 66 Stakeholder Dialogue, pages 75-80 Customer Satisfaction and Experience, pages 55-56
	2-27 Compliance with laws and regulations	No non-compliance with laws occurred during the reporting period, and no significant administrative fines were imposed for non-compliance with laws and regulations. Ethics, Compliance, and Transparency, page 66 Environmental Impact Management, pages 90-104
	2-28 Membership associations	Corporate Memberships and Supported Initiatives, pages 147-148
	Stakeholder Engagement	
	2-29 Approach to stakeholder engagement	Stakeholder Dialogue, pages 75-80 Strong Stakeholder Relationships, page 138
	2-30 Collective bargaining agreements	Investing in Human Capital, pages 106-108 Performance Indicators, pages 154-177

GRI Content Index

GRI STANDARD	DISCLOSURES	LOCATION AND/OR DIRECT ANSWERS
MATERIAL TOPICS		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Double Materiality Assessment, pages 81-82
	3-2 List of material topics	Double Materiality Assessment, pages 81-82
	Biodiversity	
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment, pages 81-82 Biodiversity and Ecosystems, pages 101-102
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	Sustainability Targets, page 89 Environmental Impact Management, page 91 Biodiversity and Ecosystems, pages 101-102 **Alarko Group of Companies Environment and Climate Change Policy**
	101-2 Management of biodiversity impacts	Biodiversity and Ecosystems, pages 101-102
	101-4 Identification of biodiversity impacts	Biodiversity and Ecosystems, pages 101-102
	101-5 Locations with biodiversity impacts	Biodiversity and Ecosystems, pages 101-102
	Climate Change and Carbon Management	
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment, pages 81-82 Environmental Impact Management, page 91 Climate Strategy and Net Zero Transformation, pages 92-93 Energy Management, pages 94-96

GRI Content Index

GRI STANDARD	DISCLOSURES	LOCATION AND/OR DIRECT ANSWERS
GRI 102: Climate Change 2025	102-1 Transition plan for climate change mitigation	Sustainability Governance, pages 71-74 Sustainability Targets, pages 89 Climate Strategy and Net Zero Transformation, pages 92-93
	102-2 Climate change adaptation plan	Climate Strategy and Net Zero Transformation, pages 92-93
	102-4 GHG emissions reduction targets and progress	Sustainability Targets, page 89 Performance Indicators, pages 154-177
	102-5 Scope 1 GHG emissions	Climate Strategy and Net Zero Transformation, pages 92-93 Performance Indicators, pages 154-177 Greenhouse Gas Emissions Reporting Guideline, pages 178-179
	102-6 Scope 2 GHG emissions	Climate Strategy and Net Zero Transformation, pages 92-93 Performance Indicators, pages 154-177 Greenhouse Gas Emissions Reporting Guideline, pages 178-179
	102-7 Scope 3 GHG emissions	Climate Strategy and Net Zero Transformation, pages 92-93 Performance Indicators, pages 154-177 Greenhouse Gas Emissions Reporting Guideline, pages 178-179
	102-10 Carbon credits	Performance Indicators, pages 154-177 Greenhouse Gas Emissions Reporting Guideline, pages 178-179
GRI 103: Energy 2025	103-1 Energy policies and commitments	Sustainability Targets, page 89 Energy Management, pages 94-96
	103-2 Energy consumption and self-generation within the organization	Performance Indicators, pages 154-177
	103-5 Reduction in energy consumption	Performance Indicators, pages 154-177

GRI Content Index

GRI STANDARD	DISCLOSURES	LOCATION AND/OR DIRECT ANSWERS
	Ethics, Compliance, and Transparency	
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment, pages 81-82 Ethics, Compliance, and Transparency, page 66
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Ethics, Compliance, and Transparency, page 66 Stakeholder Dialogue, pages 75-80
	205-3 Confirmed incidents of corruption and actions taken	No notifications were received through the Ethics Hotline in 2025.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	No incidents of discrimination occurred at Alarko Holding during the reporting period.
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	No incidents were identified during the reporting period in which the right to freedom of association and collective bargaining was violated.
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Alarko Holding does not employ child labor under any circumstances and expects the other stakeholders in its value chain, primarily its suppliers, to comply with the age provisions set out in the relevant laws and regulations.
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor, and measures taken	Alarko Holding, and all stakeholders in its value chain, primarily its suppliers, do not employ forced labor under any circumstances.
	Water Management	
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment, pages 81-82 Water and Wastewater Management, pages 97-98
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water and Wastewater Management, pages 97-98
	303-2 Management of water discharge-related impacts	Water and Wastewater Management, pages 97-98
	303-3 Water withdrawal	Performance Indicators, pages 154-177
	303-4 Water discharge	Water and Wastewater Management, pages 97-98 Performance Indicators, pages 154-177
	303-5 Water consumption	Performance Indicators, pages 154-177
	Circularity and Waste Management	
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment, pages 81-82 Circularity and Waste Management, pages 99-100

GRI Content Index

GRI STANDARD	DISCLOSURES	LOCATION AND/OR DIRECT ANSWERS
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Circularity and Waste Management, pages 99-100
	306-2 Management of significant waste-related impacts	Circularity and Waste Management, pages 99-100
	306-3 Waste generated	Performance Indicators, pages 154-177
	306-4 Waste diverted from disposal	Circularity and Waste Management, pages 99-100 Performance Indicators, pages 154-177
	306-5 Waste directed to disposal	Performance Indicators, pages 154-177
	Investing in Human Capital	
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment, pages 81-82 Investing in People, pages 105-124
GRI 401: Employment 2016	401-3 Parental leave	Performance Indicators, pages 154-177
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Performance Indicators, pages 154-177
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Management and Employee Development, pages 109-118
	Occupational Health and Safety	
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment, pages 81-82 Employee Health and Safety, pages 123-124
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Employee Health and Safety, pages 123-124 Awards and Certifications, pages 149-152
	403-2 Hazard identification, risk assessment, and incident investigation	Employee Health and Safety, pages 123-124
	403-4 Worker participation, consultation, and communication on occupational health and safety	Employee Health and Safety, pages 123-124
	403-5 Worker training on occupational health and safety	Employee Health and Safety, pages 123-124
	403-6 Promotion of worker health	Talent Management and Employee Development, pages 109-118 Employee Engagement and Satisfaction, pages 119-120
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainable Supply Chain Management, pages 103-104 Employee Health and Safety, pages 123-124
	403-9 Work-related injuries	Employee Health and Safety, pages 123-124 Performance Indicators, pages 154-177
	403-10 Work-related ill health	Performance Indicators, pages 154-177

GRI Content Index

GRI STANDARD	DISCLOSURES	LOCATION AND/OR DIRECT ANSWERS
	Equal Opportunity and Gender Equality in the Workplace	
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment, pages 81-82 Equal Opportunity and Inclusion, pages 121-122
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Equal Opportunity and Inclusion, pages 121-122 Performance Indicators, pages 154-177
	405-2 Ratio of basic salary and remuneration of women to men	There is no gender-based differentiation in employee remuneration at Alarko Holding.
	Creating Value for Society	
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment, pages 81-82 Corporate Social Responsibility, pages 142-146
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Corporate Social Responsibility, pages 142-146
	Cybersecurity and Data Security	
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment, pages 81-82 Cybersecurity and Data Security, pages 135-136
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No confirmed complaints concerning breaches of customer privacy or losses of customer data were recorded during the reporting period. Cybersecurity and Data Security, pages 135-136
	Digitalization and Innovation	
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment, pages 81-82 R&D and Innovation, pages 126-129 Digitalization and Artificial Intelligence, pages 130-132
	Business Continuity and Risk Management	
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment, pages 81-82 Operational Excellence and Business Continuity, pages 53-54 Enterprise Risk Management, pages 63-65 Internal Audit and Internal Control, page 67

UNGC Index

Issue Areas	Principles	Relevant Section of the Report
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Investing in Human Capital, pages 106-108
	Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	Investing in Human Capital, pages 106-108 Ethics, Compliance and Transparency, page 66
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Ethics, Compliance and Transparency, page 66 Investing in Human Capital, pages 106-108
	Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.	
	Principle 5: Businesses should uphold the effective abolition of child labour.	
	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges.	Enterprise Risk Management, pages 63-65 Environmental Impact Management, pages 90-104
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	Environmental Impact Management, pages 90-104
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	R&D and Innovation, pages 126-129 Sustainable Products and Solutions, pages 133-134
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Ethics, Compliance and Transparency, page 66

WEPs Index

Principles	Relevant Section of the Report
Principle 1: Establish high-level corporate leadership for gender equality.	Board of Directors and Senior Management, page 59 Equal Opportunity and Inclusion, pages 121-122
Principle 2: Treat all women and men fairly at work – respect and support human rights and non-discrimination.	Ethics, Compliance, and Transparency, page 66 Investing in Human Capital, pages 106-108 Talent Management and Employee Development, pages 109-118 Equal Opportunity and Inclusion, pages 121-122
Principle 3: Ensure the health, safety and well-being of all women and men workers.	Employee Engagement and Satisfaction, pages 110-120 Equal Opportunity and Inclusion, pages 121-122 Employee Health and Safety, pages 123-124
Principle 4: Promote education, training and professional development for women.	Talent Management and Employee Development, pages 106-108 Equal Opportunity and Inclusion, pages 122-123 Corporate Social Responsibility, pages 147-148
Principle 5: Implement enterprise development, supply chain and marketing practices that empower women.	Corporate Social Responsibility, pages 147-148
Principle 6: Promote equality through community initiatives and advocacy.	Equal Opportunity and Inclusion, pages 121-122 Corporate Social Responsibility, pages 147-148
Principle 7: Measure and publicly report on progress to achieve gender equality.	Equal Opportunity and Inclusion, pages 121-122 Corporate Social Responsibility, pages 142-146

WEF Stakeholder Capitalism Index

PRINCIPLES OF GOVERNANCE

Pillar	Sub-themes, Core Metrics and Disclosures	Relevant Section
Governing Purpose	**Stated Purpose** The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	About Alarko Holding, page 11
Quality of Governing Body	**Governance Body Composition** Composition of the highest governance body and its committees by: executive or non-executive; independence; tenure on the governance body; number and nature of other significant positions and commitments held by each member; gender; membership of under-represented social groups; competencies relating to economic, environmental and social topics; and stakeholder representation.	Board of Directors and Senior Management, page 58 Board of Directors Skills Matrix, pages 59-60
Stakeholder Engagement	**Material Issues Impacting Stakeholders** A list of the topics that are material to key stakeholders and the company, how the topics were identified, and how the stakeholders were engaged.	Double Materiality Assessment, pages 81-82
Ethical Behavior	**Anti-corruption** 1. Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region. a. Total number and nature of incidents of corruption confirmed during the current year, but related to previous years. b. Total number and nature of incidents of corruption confirmed during the current year, related to this year. 2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.	Ethics, Compliance, and Transparency, page 66
	Protected Ethics Advice and Reporting Mechanisms A description of the internal and external mechanisms for: 1. Seeking advice about ethical and lawful behavior, and organizational integrity. 2. Reporting concerns about unethical or unlawful behavior, and lack of organizational integrity.	
Risk and Opportunity Oversight	**Integrating Risk and Opportunity into Business Process** Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.	Enterprise Risk Management, pages 63-65 2025 Sustainability Report Compliant with Turkish Sustainability Reporting Standards (TSRS) Cybersecurity and Data Security, pages 135-136

WEF Stakeholder Capitalism Index

PLANET

Theme	Sub-themes, Core Metrics and Disclosures	Relevant Section
Climate Change	**Greenhouse Gas (GHG) Emissions** For all relevant GHGs (e.g. carbon dioxide, methane, nitrous oxide, F-gases), report in metric tonnes of carbon dioxide equivalent (tCO_2e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3 emissions where appropriate).	Climate Strategy and Net Zero Transformation, pages 92-93 Performance Indicators, pages 154-177
	TCFD implementation Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050	Enterprise Risk Management, pages 63-65 Sustainability Targets, page 89 2025 Sustainability Report Compliant with Turkish Sustainability Reporting Standards (TSRS)

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PEOPLE

Pillar	Sub-themes, Core Metrics and Disclosures	Relevant Section
Dignity and Equality	**Diversity and Inclusion (%)** Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).	Equal Opportunity and Inclusion, pages 121-122 Performance Indicators, pages 154-177
	Pay Equality (%) Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.	Equal Opportunity and Inclusion, pages 121-122
	Risk for Incidents of Child, Forced or Compulsory Labor (%) An explanation of the operations and suppliers considered to have significant risk for incidents of child labor, forced or compulsory labor. Such risks could emerge in relation to: a. the type of operation (such as manufacturing plant) and type of supplier b. the countries or geographic areas with operations and suppliers considered at risk.	Investing in Human Capital, pages 106-108 Sustainable Supply Chain Management, pages 103-104
Health and Well-being	**Health and Safety (%)** 1. Number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. 2. Explanation of how the organization facilitates workers' access to nonoccupational medical and healthcare services, and the scope of access provided for employees and workers.	Performance Indicators, pages 154-177
Skills for the Future	**Training Provided (#)** 1. Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees). 2. Average training and development expenditure per full-time employee (total cost of training provided to employees divided by the number of employees).	Talent Management and Employee Development, pages 109-118 Performance Indicators, pages 154-177

WEF Stakeholder Capitalism Index

PROSPERITY

Pillar	Sub-themes, Core Metrics and Disclosures	Relevant Section
Employment and Wealth Generation	Absolute Number and Rate of Employment 1. Total number and rate of new employee hires during the reporting period, by age group, gender and region. 2. Total number and rate of employee turnover during the reporting period, by age group, gender and region.	Talent Management and Employee Development, pages 109-118 Performance Indicators, pages 154-177
Innovation of Better Products and Services	Total R&D Expenses Total costs related to research and development.	R&D and Innovation, pages 126-129
Community and Social Vitality	Total Social Investment Total social investment sums up a company's resources going towards "S" in ESG efforts defined in the Chief Executives for Corporate Purpose (CECP) Valuation Guide.	Corporate Social Responsibility, pages 142-146

Sustainability *Glossary*

Sustainability Glossary

A

Active Building
A building approach in which the structure can generate more energy than it consumes, or feed the energy it generates back into the grid through smart systems. It can be supported by renewable energy systems, energy storage solutions, and digital energy management.

Acute Physical Climate Risk
A physical climate risk arising from sudden and severe events such as floods, storms, extreme precipitation, heatwaves, or wildfires. It can cause damage or disruption to facilities, employees, infrastructure, logistics, and the supply chain within a short period of time.

Agricultural Technologies-AgriTech
The complete set of technological solutions aimed at increasing the efficiency, traceability, and sustainability of agricultural production. Sensors, artificial intelligence applications, automation systems, and precision agriculture technologies can fall within this scope.

AI-enabled Grid Optimization
The optimization of fault management, load forecasting, and operational performance through the analysis of grid data using artificial intelligence algorithms. It can contribute to improved service quality and resource efficiency.

Air Pollution
The presence in the atmosphere of gases, particulates, or biological substances that can harm human health, ecosystems, or materials. While greenhouse gases are a principal cause of climate change, not every greenhouse gas is a local air pollutant; the two issues are managed separately but are related.

Alternative Fuel
A fuel that can be used partially or entirely in place of conventional fossil fuels such as gasoline, diesel, or coal. Biofuel, biogas, green hydrogen, and fuels derived from appropriately processed waste can fall into this category; the environmental benefit is assessed based on life-cycle impact.

Avoided Emissions
Greenhouse gas emissions that do not occur, compared with alternative scenarios, as a result of the use of a product, service, or technology. They should be assessed separately from an organization's own emissions, and the methodology used should be clearly stated.

B

Base Year
The reference year against which changes in emissions, energy, water, or similar performance indicators are compared. The data quality, organizational boundary, and recalculation rules of the base year must be clearly defined; base year data may be recalculated in the event of significant structural changes.

Baseline Water Stress
An indicator expressing the ratio of total annual water withdrawal in a basin to the available renewable water supply. A rising ratio indicates that competition among users, and vulnerability to drought or rising demand, may increase.

Basin-based Water Management
The management of water resources based on natural basin systems rather than administrative boundaries. It supports the joint assessment of water risks, ecosystem needs, and stakeholder expectations.

Bicycle-Friendly Accommodation Facility Certificate
A certificate issued in Türkiye by the relevant tourism authority to accommodation facilities that provide cyclist guests with secure parking, maintenance and repair facilities, route information, and other suitable services. It supports sustainable transport and low-impact tourism experiences.

Biocapacity
The capacity of ecosystems to generate natural resources and absorb the resulting waste, particularly carbon dioxide emissions. It refers to the potential of a region or the planet to operate within ecological limits.

Biodiversity
The totality of genetic diversity, species diversity, and ecosystem diversity. Organizations should assess their relationship with biodiversity not only in terms of direct impacts but also in terms of their dependencies on natural resources and ecosystem services.

Biological Asset Risk
The likelihood of a loss in value of living assets in agricultural production activities due to climatic conditions, disease, pests, or market fluctuations. It is one of the significant risk factors in agricultural investment and production planning.

Biomass
Plants, agricultural residues, organic waste, and similar materials of biological origin. It can be used as an energy source or product input; its sustainability performance depends on life-cycle factors such as feedstock source, land use, transport, combustion emissions, and regrowth period.

BIST Sustainability Indices
Equity indices in which companies traded on Borsa Istanbul may be included based on specific assessment criteria relating to their environmental, social, and governance performance. Inclusion in an index indicates that a company's performance met the conditions of the index methodology during a given period.

Sustainability Glossary

Blue Flag
A voluntary international environmental award and eco-label operated by the Foundation for Environmental Education and coordinated in Türkiye by the Turkish Environmental Education Foundation. It is based on meeting criteria for bathing water quality, environmental management, environmental education, safety, and services at beaches; compliance is renewed periodically.

Blue Water
Refers to surface and groundwater freshwater sources such as rivers, lakes, reservoirs, and aquifers. In the water footprint approach, the blue water footprint indicates the volume of water consumed from these sources.

Blue Water Efficiency Certificate
An entry-level certificate issued in Türkiye, under the Water Efficiency Regulation, to operations that establish a water efficiency system and meet its core criteria. It aims to institutionalize an approach based on measurement, monitoring, targets, an action plan, and continual improvement.

Bluewashing
An organization presenting its performance on human rights, ethics, social responsibility, or adherence to international principles in a more favorable light than is actually the case, or using symbolic commitments to obscure problematic practices. Verifiable data, balanced narrative, and disclosure of concrete progress reduce this risk.

Bottom Ash and Fly Ash
Mineral-based by-products generated from the combustion of coal. Where technical and regulatory conformity is ensured, they can be used as secondary raw materials in cement, concrete, and construction materials, thereby reducing both the need for disposal and the use of primary raw materials.

BRCGS Global Standard Food Safety
A third-party audit-based standard that defines product safety, quality, hygiene, traceability, and operational control requirements in food production. It may appear in older sources under the name British Retail Consortium or BRC.

Building Decarbonization
The transformation process aimed at reducing greenhouse gas emissions arising from the operation and life cycle of buildings. Energy efficiency, electrification, and renewable energy applications are among the principal tools of this process.

Building Energy Model
A digital model that enables a building's energy consumption and performance to be assessed through simulations at the design or operational stage. It can be used to support energy efficiency scenarios and investment decisions.

Building Management System-BMS
A digital control system that enables the centralized monitoring and management of mechanical, electrical, HVAC, lighting, and security systems. It can contribute to improved energy efficiency and optimized building performance.

Building Research Establishment Environmental Assessment Method-BREEAM
An international rating system that assesses the sustainability performance of buildings and infrastructure projects across categories such as energy, water, materials, waste, transport, ecology, health, and management.

Business Continuity
The capacity to maintain critical products and services at an acceptable level during and after a disruptive event. Risk assessment, business impact analysis, alternative resources, emergency arrangements, recovery objectives, and regular testing support this capacity.

Business Ethics
The conduct of corporate decisions and behavior in accordance with the principles of integrity, fairness, transparency, respect for human rights, avoidance of conflicts of interest, and legal compliance. It is supported by a code of ethics, reporting mechanisms, training, and accountability practices.

Business Model Resilience
An organization's capacity to create value and sustain its activities in the face of economic, technological, environmental, and societal change. A resilient business model incorporates critical dependencies, alternatives, capital requirements, and transformation options into long-term planning.

C

Capital Transition Plan
A strategic plan that sets out how an organization will transform its investments, asset portfolio, and capital allocation in order to achieve its sustainability and climate targets. It is expected to be consistent with financial planning.

Carbon Border Adjustment Mechanism-CBAM
A European Union regulation that aims to apply carbon costs to imported products. It aims to prevent carbon leakage and encourage low-carbon production.

Carbon Capture and Storage – CCS
The capture of carbon dioxide from industrial facilities or energy production processes and its storage in geological formations. It can contribute to reducing emissions released into the atmosphere.

Carbon Credit
A tradable unit, generally representing one tonne of CO_2e, verified as having been reduced or removed from the atmosphere as a result of a specific project or activity. The integrity of a credit depends on additionality, permanence, avoidance of double counting, a robust baseline scenario, and independent verification.

Carbon Dioxide Equivalent-CO_2e
Expresses the heat-trapping effect of different greenhouse gases on the climate in a common unit of measurement. The quantity of a gas is converted into an equivalent amount of carbon dioxide using its global warming potential over a specified time horizon.

Sustainability Glossary

Carbon Disclosure Project-CDP
An international non-profit organization, operating today under the name CDP, that runs an environmental disclosure system on climate, water security, and forests for companies and public bodies. A CDP score indicates the maturity of disclosure and management; on its own, it does not mean that environmental impact is low.

Carbon Footprint
The expression, in CO_2e, of the total greenhouse gas emissions associated with an organization, product, service, activity, or individual. For the result to be meaningful, the scope, boundaries, period, data sources, and calculation method used must be specified.

Carbon Intensity
The amount of greenhouse gas emissions generated per unit of a given economic output, energy production, or activity. It is one of the indicators commonly used to monitor decarbonization performance.

Carbon Label
A label that presents consumers with information on the greenhouse gas emissions a product or service generates over its life cycle. It can support the consideration of carbon impact in purchasing decisions.

Carbon Lock-in
A situation in which existing infrastructure, technology, or investment decisions cause the continued use of high-emission systems for many years to come. It is regarded as one of the structural barriers to the low-carbon transition.

Carbon Neutral
The condition in which greenhouse gas emissions within a defined boundary and period are reduced and any remaining emissions are balanced through appropriate removals or credits, resulting in a net effect of zero. It may be narrower in scope than net zero; the boundary and balancing method used should be clearly stated.

Carbon Pricing
The general term for instruments that establish a price per unit of carbon in order to reflect the climate cost of greenhouse gas emissions in economic decisions. A carbon tax, an emissions trading system, and an internal carbon price are different forms of implementation.

Carbon Removal
The long-term storage of carbon dioxide removed from the atmosphere through biological, geological, or technological methods. In net-zero targets, it is considered a complementary tool only for emissions that remain hard to abate.

Carbon Sink
A natural or artificial system that absorbs greenhouse gases from the atmosphere and stores them over the long term. Forests, soils, wetlands, and certain carbon removal technologies can be regarded as carbon sinks.

Carbon Washing
The presentation of an organization's climate performance, emission-reduction results, or carbon-neutrality claims in a more favorable light than is actually the case. This can include the selective use of data, incomplete disclosures, or excessive emphasis on low-integrity carbon credits.

Chronic Physical Climate Risk
A physical risk arising from climate trends that develop gradually over time, such as a rise in average temperature, changes in precipitation patterns, sea-level rise, water scarcity, or prolonged drought. It can affect asset life, productivity, resource access, and operating costs.

Circular Design
An approach in which products are designed to be more durable, repairable, reusable, and recyclable. It aims to reduce resource use and support circular economy objectives.

Circular Economy
An economic model that aims to preserve the value of products and materials for as long as possible, prevent waste and pollution at the design stage, and regenerate natural systems. Maintenance, repair, reuse, refurbishment, remanufacturing, and recycling are among its core practices.

Circular Product
A product designed with durability, repairability, reuse, and recycling principles taken into account. It aims to reduce resource use and waste generation throughout the product life cycle.

Circular Venture
A venture built on the principles of resource efficiency, reuse, recycling, or the circular economy. It aims to create economic value while reducing environmental impacts.

Circularity
The degree to which resources are used efficiently within closed loops and the economic value of products, components, and materials is preserved. It is assessed not only by recycling rate but also by indicators such as prevention, durability, reuse, use of secondary raw materials, and recovery.

Clean Technology-Cleantech
Refers to technologies and business models that reduce resource use, lower environmental impacts, or offer sustainable solutions. It has found widespread application in the fields of energy, waste, water, and transport.

Climate Change
A long-term change in the average characteristics and variability of the climate system. The principal cause of today's rapid warming is the accumulation of greenhouse gases resulting from fossil fuel use, land-use change, and other human activities.

Climate Change Adaptation
Adjustments that reduce vulnerability to current or expected climate impacts, limit harm, and enable potential benefits to be captured. Infrastructure reinforcement, water efficiency, product diversification, early warning, and business continuity plans are examples of adaptation measures.

Climate Justice
An approach that takes into account the unequal effects of climate change on different segments of society. Protecting vulnerable groups and ensuring the fair sharing of transition costs are essential.

Climate Overshoot Risk
Refers to the environmental, economic, and social risks that may arise from a temporary or permanent overshoot of established climate targets due to a rise in global temperature. It is increasingly used in long-term climate scenarios.

Sustainability Glossary

Climate Resilience
An organization's capacity to prepare for, withstand, adapt to, continue operating through, and, where necessary, transform in response to climate-related shocks and long-term changes. Resilience encompasses not only physical measures but also financial and strategic flexibility.

Climate Scenario Analysis
A method that examines the possible effects of climate-related risks and opportunities on a business model and strategy under different, plausible future conditions. A scenario is not a forecast; it uses temperature pathways, policy, technology, and physical variables to test resilience under uncertainty.

Climate Transition Plan
A strategic plan that sets out an organization's targets, investments, and implementation roadmap for reducing greenhouse gas emissions and adapting to a low-carbon economy. A credible plan is expected to be consistent with existing strategy and financial planning.

Climate-related Opportunity
A positive business outcome that the process of addressing and adapting to climate change can create through energy efficiency, new products and services, resource diversification, market access, resilience, or financing conditions. Like risks, opportunities are assessed in terms of time horizon and financial impact.

Climate-resilient Seed
A seed variety developed to adapt to climate-change-related conditions such as drought, heat stress, irregular rainfall, salinity, or disease pressure. It can help support the continuity of agricultural production and food security.

Closed-loop Irrigation
A practice in which drainage water returning from irrigation is collected and, following quality control and treatment where necessary, returned to the production system. It can reduce water and nutrient losses, particularly in controlled greenhouse production; system performance depends on monitoring, disinfection, and salinity management.

Conference of the Parties-COP
The supreme decision-making body meeting held by the countries party to the UNFCCC to review the implementation of the climate convention, take decisions, and advance international cooperation. Climate COPs are held each year in a different host country.

Conscious Simplicity
An approach that aims to reduce environmental impact by using content and design elements purposefully and in moderation.

Corporate Carbon Footprint
Refers to the total of an organization's Scope 1, Scope 2, and, where relevant, Scope 3 greenhouse gas emissions arising from its activities. Results are generally reported in terms of carbon dioxide equivalent.

Corporate Social Responsibility-CSR
An organization's assumption of responsibility for its impacts on society and the environment, and its conduct in an ethical, transparent, and accountable manner. It extends beyond donations and volunteering to cover the impacts of core activities and business relationships.

Corporate Sustainability Due Diligence Directive-CSDDD
A European Union regulation that requires companies to identify, prevent, and manage human rights and environmental impacts across their operations and value chains. It is based on a risk-based due diligence and remediation approach.

Corporate Sustainability Reporting
The process by which an organization systematically discloses its sustainability-related impacts, risks, opportunities, targets, and performance. It aims to support stakeholders' decision-making processes.

Corporate Sustainability Reporting Directive-CSRD
A reporting regulation in the European Union that requires companies to make more comprehensive, comparable, and assured disclosures about their sustainability impacts, risks, and opportunities. It forms the basis for the application of the ESRS standards.

Corporate Volunteering
Practices that support employees in voluntarily using their knowledge, skills, and time to create societal benefit. In addition to societal contribution, it can help strengthen employee engagement, corporate culture, and stakeholder relationships.

D

Decarbonization
The process of reducing the greenhouse gas intensity and absolute emissions of an activity, product, portfolio, or economy. Energy efficiency, renewable energy, electrification, process innovation, low-carbon raw materials, and business model transformation are among the principal tools.

Decent Work
A form of employment that provides workers with fair income, safe working conditions, social protection, equal opportunities, and respect for human rights. It is recognized as one of the core development indicators under the United Nations Sustainable Development Goals.

Demand Flexibility
The capacity for energy consumption to be adjusted in terms of timing or quantity. It supports the integration of renewable energy sources and resource efficiency.

Design for Durability
An approach in which products are designed to extend their useful life. Through a longer service life, it can contribute to reduced resource consumption and reduced life-cycle environmental impacts.

Digital Agriculture
The management of agricultural production processes using data, sensors, software, and digital technologies. It can contribute to optimized resource use, increased productivity, and strengthened decision-making processes.

Sustainability Glossary

Digital Carbon Passport
A data structure that enables the carbon data of a product, facility, or service to be tracked digitally throughout its life cycle. It can support carbon transparency and regulatory compliance.

Digital Grid Management
The real-time management of the electricity grid using sensors, communication systems, and data analytics. It can help reduce outage durations and improve operational performance.

Digital Product Passport-DPP
A data structure that digitally carries verifiable information about a product's composition, sourcing, production, conditions of use, environmental performance, repair, and end-of-use options throughout its life cycle. It supports traceability and circular product management.

Digital Sustainability
An approach that uses digital technologies in ways that contribute to sustainability objectives while managing their energy, resource, waste, privacy, accessibility, and human rights impacts. Data centers, device life cycles, cybersecurity, and inclusive design fall within this scope.

Distributed Energy Generation
The generation of electricity close to the point of consumption, generally at small- or medium-scale facilities. Rooftop solar power systems, microgrids, and on-site generation applications are examples of distributed energy generation.

Double Materiality
An approach that assesses a sustainability topic from two perspectives: financial materiality, which concerns the topic's effect on the business's financial condition and prospects, and impact materiality, which concerns the business's effect on people and the environment. A topic may be material from either or both of these dimensions.

Due Diligence
The process of identifying, assessing, and managing the environmental, social, ethical, and governance risks that may arise from an organization's activities, investments, or business relationships. It is one of the fundamental tools of human rights and responsible supply chain practices.

E

Eco-design
An approach in which a product's environmental impacts are taken into account at the design stage. Raw material selection, energy use, durability, repairability, and end-of-life management are considered together.

Eco-label
An independent evaluation or certification mark indicating that a product or service meets specific environmental criteria. It can help consumers make more informed choices.

Ecological Corridor
Natural or semi-natural areas that support species movement, the conservation of genetic diversity, and connectivity between ecosystems. They can help reduce the effects of habitat fragmentation.

Ecological Overshoot
A situation in which the natural resources and ecosystem services that humanity consumes in a given period exceed the Earth's capacity to renew itself over that same period. Ecological overshoot is associated with environmental pressures such as the depletion of natural capital, biodiversity loss, deforestation, soil degradation, and carbon accumulation. Over the long term, it can adversely affect the sustainability of ecosystems and the resilience of economic activities.

Ecology
The scientific discipline that studies the relationships of living organisms with one another and with the physical environment in which they live. Ecology provides a scientific framework for understanding the interactions among species, populations, habitats, ecosystems, and natural processes.

Ecosystem
A dynamic system composed of living organisms and the air, water, soil, and other physical environmental elements with which they interact. Ecosystems perform fundamental life-supporting functions such as the nutrient cycle, the water cycle, carbon storage, and climate regulation.

Ecosystem Restoration
The process of restoring the functions, biodiversity, and ecological integrity of degraded ecosystems. Going beyond conservation activities, it aims to create measurable improvement.

Ecotourism
A tourism approach that aims to minimize the environmental impacts of travel to natural areas and to provide benefits to local communities. It jointly pursues nature conservation and local development objectives.

Electric Mobility
Refers to the replacement of fossil-fuel vehicles in transport systems with electric vehicles and the related infrastructure. It can contribute to reduced emissions and an accelerated energy transition.

Electrification
The conversion of fossil-fuel-powered processes, equipment, and vehicles to operate on electricity. While its emission-reduction potential depends on the source of the electricity used, it is one of the principal tools of the low-carbon transition.

Electronic Product Environmental Assessment Tool-EPEAT
An international labelling system that assesses the environmental performance of electronic products. It is particularly important for IT equipment and digital infrastructure.

Embodied Carbon
Greenhouse gas emissions arising during the pre-use phases of a product's or building's life cycle. It covers emissions arising from raw material extraction, manufacturing, transport, and construction processes.

Emission
The release of a substance or energy from a specific source into the environment. Although the term is most often used in sustainability reporting for greenhouse gases, air pollutants, wastewater discharges, noise, and heat releases may also be assessed within the scope of emissions.

Sustainability Glossary

Emission Factor
A coefficient used to convert activity data into greenhouse gas emissions. For example, the quantity of fuel consumed or electricity purchased is multiplied by the appropriate emission factor to convert it into emissions expressed in CO_2e; the source and year of the factor used should be disclosed.

Emissions Trading System-ETS
A market-based carbon pricing instrument that sets a total emissions cap for specific facilities or sectors and allows emission allowances to be bought and sold. Each allowance generally represents the right to emit one tonne of CO_2e; an allowance is not the same instrument as a voluntary carbon credit.

Employee Well-being
Refers to employees having a healthy and supportive work experience in physical, mental, social, and financial terms. Safe working conditions, workload, development opportunities, inclusion, work-life balance, and psychological safety are considered within this scope.

Energy Data Management
The complete set of processes for collecting, verifying, analyzing, and reporting energy consumption and generation data. It supports the monitoring of corporate energy performance and sustainability indicators.

Energy Efficiency
The capacity to deliver the same product, service, or level of comfort using less energy, or to obtain more output from the same energy input. Efficiency should be assessed together with absolute energy consumption and production volume.

Energy Literacy
The competence to make informed decisions about energy use and its effects.

Energy Security
The ability to secure energy in sufficient quantity, without interruption, and on economical terms. Source diversity, infrastructure resilience, and storage capacity are among the factors that affect energy security.

Energy Storage System-ESS
A system that stores energy in electrical, chemical, mechanical, or thermal form for later use. Battery storage can balance the variability of renewable energy generation and support grid flexibility and supply security.

Enterprise Risk Management-ERM
The process by which an organization identifies, assesses, responds to, monitors, and reports, within a common framework, the risks that could affect its strategic objectives. It supports the integration of sustainability and climate risks into corporate risk processes rather than treating them as a separate list.

Environmental Product Declaration-EPD
A third-party verified document that quantitatively and comparably discloses the environmental impacts arising over a product's life cycle, in accordance with predetermined product category rules. An EPD does not automatically indicate that a product is environmentally friendly; rather, it demonstrates that its impacts have been transparently declared.

Environmental, Social and Governance-ESG
An assessment framework that addresses a company's impacts on the environment and society together with the consequences of these issues for the company's risks, opportunities, and quality of management. ESG supports the use of sustainability not merely as a reporting topic but as an input to decision-making.

Equal Opportunity
The ability of individuals to have fair access to recruitment, development, promotion, pay, and decision-making processes, regardless of gender, age, disability, ethnic origin, belief, or similar characteristics. It requires not merely offering the same treatment to everyone but also removing structural barriers.

Equal Pay for Equal Work
The principle that employees performing the same or equivalent-value work receive equal pay and benefits, regardless of gender or other personal characteristics. It takes into account not only equality of job title but also the value of the work in terms of skill, responsibility, effort, and working conditions.

EU Taxonomy
A European Union classification system that defines the conditions under which economic activities can be considered environmentally sustainable. It provides a common sustainability assessment framework for companies, investors, and financial institutions.

European Green Deal
A comprehensive policy framework aimed at transforming the European Union's economy into one that is climate-neutral, resource-efficient, and competitive. It includes regulations in the areas of climate, energy, industry, transport, agriculture, biodiversity, the circular economy, and financing, and supports a just and low-carbon transition aligned with the 2050 climate-neutrality target.

European Sustainability Reporting Standards-ESRS
European Union standards that set out the topics, metrics, and disclosure requirements to be reported in corporate sustainability reporting. They are based on the double materiality approach and are applied under the EU Corporate Sustainability Reporting Directive.

Extended Producer Responsibility-EPR
A policy approach under which producers take responsibility for the collection, recovery, and disposal processes of their products after use. It is one of the important tools of circular economy practices.

F

Financed Emissions
Greenhouse gas emissions arising from the activities financed by an investor, creditor, or financial institution. They are used in particular to assess the climate impacts of investment portfolios.

Financial Materiality
The condition in which information about a sustainability risk or opportunity is of a nature that could influence the decisions of the primary users of general-purpose financial reports. Under TSRS, the assessment takes into account the reasonably expected effects on cash flows, access to financing, and cost of capital.

Financial Resilience
An organization's capacity to sustain its financial performance in the face of economic fluctuations, climate risks, operational disruptions, or market changes. Capital structure, liquidity, and risk management practices affect this capacity.

Sustainability Glossary

Food Loss and Waste
The condition in which food is lost or discarded without being consumed at any point from production to consumption. It is directly linked to food safety, natural resource use, and climate change.

Food Safety
The control of biological, chemical, physical, and allergen-related hazards to ensure that food does not harm the consumer under its intended conditions of use. Traceability, hygiene, risk-based control, and recall capability are fundamental elements of food safety.

Forest Stewardship Council-FSC
A certification system that demonstrates that forest products are sourced responsibly and sustainably.

Fossil Fuel
Energy sources such as coal, oil, and natural gas that were formed through geological processes and that release fossil-derived carbon dioxide when burned. The low-carbon transition includes steps such as reducing fossil fuel use, improving energy efficiency, and shifting to clean energy.

G

Gender Equality
The ability of all genders to have equal access to, and to benefit fairly from, rights, resources, opportunities, pay, and decision-making mechanisms. Equality requires not only the prevention of discrimination but also the removal of structural barriers and biases.

Global Reporting Initiative-GRI
An independent, non-profit organization that develops global standards for organizations to report their impacts on the economy, the environment, and people in a consistent manner. The GRI Standards are based on determining material topics according to impact materiality.

Global Sustainable Tourism Council Standards-GSTC Standards
Provides global minimum principles for accommodation facilities, tour operators, and destinations in the areas of sustainable management, socioeconomic impacts, cultural impacts, and environmental impacts. GSTC develops standards and accredits certification bodies; it does not certify facilities directly.

Global Sustainable Tourism Council-GSTC
An international organization that develops global criteria for sustainable tourism and accredits certification programs.

Global Warming
The long-term rise in the Earth's average surface temperature caused by human activities, chiefly greenhouse gas emissions. Climate change is a broader concept, encompassing not only the rise in temperature but also changes in precipitation, extreme weather events, sea level, and ecosystems.

Global Warming Potential-GWP
A coefficient that compares the heat a given greenhouse gas traps in the atmosphere over a specified period with that of an equivalent amount of carbon dioxide. It is used to convert greenhouse gases into CO_2e; the assessment period and source set used in a report should be consistent.

GLOBALG.A.P. Integrated Farm Assurance
A voluntary farm assurance standard covering requirements relating to food safety, the environment, worker health and welfare, traceability, and production processes in agricultural production. Certification is carried out by independent conformity assessment bodies.

GLOBALG.A.P. Risk Assessment on Social Practice-GRASP
A module that, in addition to the GLOBALG.A.P. system, assesses social practices relating to the health, safety, representation, and working conditions of workers at farm level. It does not replace product safety certification; it complements social risk management.

Good Agricultural Practices-GAP
The complete set of practices for conducting agricultural production in a manner that protects human, animal, and environmental health and supports traceability, resource efficiency, and worker safety. It is not the same concept as organic farming; permitted inputs may be used in a controlled manner.

Green Artificial Intelligence
An approach that aims to reduce energy consumption and environmental impacts in the development and use of artificial intelligence systems. Model efficiency and resource optimization are among its core elements.

Green Bond
A debt instrument whose issuance proceeds are allocated to eligible environmental projects such as renewable energy, energy efficiency, clean transport, green buildings, or climate adaptation. It requires a transparent framework for project selection, management of proceeds, and impact reporting.

Green Building
A building that aims to reduce energy, water, material, waste, indoor environmental quality, and ecological impacts across the design, construction, operation, renovation, and end-of-use stages. Systems such as LEED and BREEAM can rate this performance against specific criteria.

Green Claim
A statement or communication made about the environmental performance of a product, service, or organization. Claims are expected to be substantiated in a manner that is clear, verifiable, comparable, and not misleading.

Green Cloud Computing
An approach in which cloud computing services are delivered using energy efficiency and low-carbon energy sources. It can contribute to reducing the environmental impacts of digital operations.

Green Collar Workforce
A workforce employed in, or developing competencies for, jobs that contribute to the low-carbon economy, resource efficiency, and environmental sustainability objectives. Support through new skills and transformation programs is important.

Green Construction Site
A construction site approach in which building activities are carried out with energy consumption, emissions, waste management, water use, noise, and environmental impacts taken into account. It aims to increase resource efficiency and reduce environmental impacts.

Sustainability Glossary

Green Consumer
A consumer who takes environmental impacts into account in purchasing decisions and prefers more sustainable products or services. Through their preferences, consumers can encourage sustainable production practices.

Green Data Center
A data center operated according to the principles of energy efficiency, use of renewable energy, water management, and low-carbon operation. It aims to reduce the environmental impacts of digitalization.

Green Digital Infrastructure
The design and operation of digital systems in accordance with the principles of energy efficiency, low-carbon energy use, and resource efficiency. It aims to reduce the environmental impacts of digital transformation.

Green Energy
A communications term describing energy that is generated from renewable sources and is regarded as having relatively low environmental impact. As it has no single, universal technical definition, the type of source and the environmental criteria used should be clearly stated.

Green Hydrogen
Hydrogen produced through the electrolysis of water using renewable energy sources. Because no fossil fuel is used in the production process, it is regarded as one of the important tools of the low-carbon energy transition.

Green Information Technology-Green IT
The design, operation, and management of information technology infrastructure in ways that reduce energy, water, and material use. It contributes to managing the environmental impacts of corporate digitalization.

Green Infrastructure
An infrastructure approach in which natural and semi-natural systems are planned in ways that support ecosystem services. It can contribute to stormwater management, climate adaptation, and increased urban resilience.

Green Jobs
Areas of employment that contribute directly to the conservation of natural resources, the reduction of emissions, energy efficiency, or the reduction of environmental impacts. Renewable energy, sustainable agriculture, waste management, and circular economy activities can fall within this scope.

Green Key
An international eco-label program that assesses the environmental performance of accommodation facilities. It covers water, energy, waste, and sustainable tourism practices.

Green Lease
A lease agreement between a building owner and a tenant that includes shared targets relating to energy efficiency, resource use, and sustainability performance. It can support improved building performance.

Green Revenue
Revenue derived from products, services, or activities that provide environmental benefit. When classifying such revenue, the taxonomy and eligibility criteria used must be clearly defined.

Green Roof
A roof system covered with vegetation. It can contribute to stormwater management, reducing the urban heat island effect, and supporting biodiversity.

Green Skills
The complete set of knowledge, competencies, and behaviors that contribute to the objectives of the low-carbon economy, the circular economy, and resource efficiency. Beyond technical expertise, it can also encompass transformation management and systems-thinking skills.

Green Taxonomy
A classification system that defines the conditions under which economic activities can be considered environmentally sustainable. It aims to direct sustainable investment and support comparability and transparency in green financing activities.

Green Venture
A venture that develops products, services, or technologies that contribute to solving environmental problems. Renewable energy, energy efficiency, the circular economy, and clean technologies are common fields of activity.

Greencrowding
An organization's rendering of its accountability for its sustainability performance invisible within collective commitments made at the sector or group level. Collective targets can make it harder to assess individual performance.

Greenhouse Automation
The automatic management, using sensors and control systems, of temperature, humidity, light, irrigation, and fertigation processes within a greenhouse. It can contribute to improved resource efficiency and optimized production performance.

Greenhouse Gas Inventory
A data set that systematically presents an organization's greenhouse gas sources, sinks, and emission quantities within a specific period and boundary. Calculation methodology, organizational and operational boundaries, emission factors, assumptions, and data quality are fundamental elements of an inventory.

Greenhouse Gas Protocol-GHG Protocol
An international accounting framework widely used by organizations to calculate and report their greenhouse gas emissions. It classifies emissions as Scope 1, Scope 2, and Scope 3, and is based on the principles of organizational boundary-setting, consistency, transparency, and accuracy.

Greenhouse Gas-GHG
A gas that traps heat in the atmosphere by absorbing and re-emitting infrared radiation. Carbon dioxide, methane, nitrous oxide, and various fluorinated gases are the principal greenhouse gases responsible for human-induced climate change.

Greenhushing
A situation in which an organization avoids sharing information about its sustainability targets, practices, or performance out of concern about criticism, verification obligations, or reputational risk. It can reduce transparency and adversely affect stakeholders' decision-making processes.

Greenlabelling
The presentation of a product's, service's, or practice's environmental benefit as eco-friendly, sustainable, or green without sufficient evidence. Vague or unverified environmental claims can mislead stakeholders.

Sustainability Glossary

Greenlighting
An organization's practice of highlighting only the positive results of its environmental performance while relegating material impacts, risks, or areas needing improvement to the background. It can create an incomplete or unbalanced perception of the organization's overall performance.

Greenmasking
An organization's failure to disclose, or its complication or reduced visibility of, material information relating to its environmental impacts. The incomplete presentation of information can make it harder for stakeholders to assess an organization's true performance.

Greenrinsing
An organization's regular postponement, alteration, or redefinition of its sustainability targets. Continually revising targets can reduce the trackability of progress and weaken stakeholder trust.

Greenshifting
A situation in which the responsibility for reducing environmental impacts is placed predominantly on consumers, customers, or other stakeholders. It can reduce the visibility of an organization's own responsibilities across its operations and value chain.

Greenwashing
Communication that presents a product's, service's, or organization's environmental performance in a more favorable light than is actually the case, without adequate evidence, or through selective information or vague statements. Clear scope, comparable data, verification, and disclosure of limitations reduce this risk.

Greywater
Wastewater from domestic sources other than toilet waste, such as showers, sinks, and laundry, which carries a lower pollutant load than blackwater. After appropriate collection and treatment, it can be reused for purposes such as irrigation or reservoir replenishment; direct use is not safe in all circumstances.

Grid Digitalization
The use of sensors, communication infrastructure, artificial intelligence, and data analytics technologies in grid operations. It supports improved operational efficiency and service quality.

Grid Flexibility
The capacity of the electricity system to adapt to variable generation and consumption conditions. It is of critical importance for the integration of renewable energy sources into the system.

Grid Resilience
The capacity of the electricity grid to maintain continuity of service in the face of natural disasters, technical failures, or extraordinary conditions. It is of strategic importance owing to the growing effects of climate change.

H

Habitat
A natural or semi-natural habitat that provides the feeding, shelter, breeding, and movement conditions a species needs to survive. The quality, size, and connectivity of habitats are of critical importance for the conservation of biodiversity. The degradation, fragmentation, or loss of natural habitats can create adverse effects on species and ecosystems.

Habitat Fragmentation
The division of natural habitats into smaller and isolated patches as a result of infrastructure, urbanization, or changes in land use. It can adversely affect species mobility and ecosystem integrity.

Habitat Loss
The complete disappearance or loss of function of natural habitats due to human activities or environmental change. It is recognized as one of the principal causes of global biodiversity loss.

Hard-to-abate Emissions
Greenhouse gas emissions that are difficult to eliminate entirely under current technological or economic conditions. Cement, steel, aviation, maritime shipping, and certain industrial processes can fall within this scope.

Hazardous Waste
Waste that poses a particular risk to human health and the environment owing to toxic, corrosive, flammable, explosive, infectious, mutagenic, or ecotoxic properties. It must be separately collected, labeled, temporarily stored, transported, and managed at licensed facilities.

Heat Pump
A system that transfers energy from a low-temperature source to a higher temperature level. It is regarded as one of the important technologies in electrification and decarbonization strategies.

Heat Recovery
The practice of reusing waste heat generated within a system. It can contribute to reduced energy consumption and improved system efficiency.

Hydroelectric Energy
The generation of electricity by harnessing the fall or flow of water. Although a renewable source, the effects of projects on water regimes, ecosystems, fish passage, sediment, local communities, and drought risk must also be assessed.

I

IFRS Foundation
The parent body of the International Accounting Standards Board and the International Sustainability Standards Board. It supports the development of globally comparable financial and sustainability reporting standards.

Impact
The positive or negative change that an organization causes for the economy, the environment, and people as a result of its activities, products, services, or business relationships. Impacts may be actual or potential, short- or long-term, and direct or indirect.

Impact Accelerator
A program that offers mentoring, training, network access, and investment opportunities to support the growth of impact-focused ventures. It can contribute to scaling ventures and increasing their impact.

Impact Entrepreneurship
An entrepreneurial approach that aims to develop innovative and sustainable solutions to societal or environmental problems. It aims to create financial sustainability and positive impact together.

Sustainability Glossary

Impact Investing
An investment approach that aims to generate measurable social or environmental benefit while also earning a financial return. Investment performance is assessed on the basis of both financial outcomes and impact indicators.

Impact Materiality
A perspective that assesses whether a sustainability topic is material based on the severity and likelihood of the organization's actual or potential impacts on the economy, the environment, and people. It plays a fundamental role in GRI reporting's approach to determining material topics.

Impact, Risk and Opportunity Management
An approach whereby an organization systematically identifies, assesses, and manages its sustainability-related impacts, financial risks, and value-creation opportunities. It is one of the fundamental building blocks of TSRS and ISSB reporting.

Inclusive Impact
An impact approach that aims for the benefits of sustainability efforts to reach all segments of society. It aims in particular to strengthen equal opportunity and increase participation in development processes for women, young people, and vulnerable groups.

Independent Assurance
The gathering of evidence and reporting of conclusions by an independent and competent assurance provider regarding the conformity of reported sustainability information with specified criteria. Assurance supports the reliability of data and may be conducted at a limited or reasonable level of assurance.

Indicator Set
The complete set of quantitative and qualitative indicators that an organization uses to monitor and report its sustainability performance.

Indoor Air Quality-IAQ
The assessment of indoor air in terms of health, comfort, and occupant experience. Parameters such as ventilation, particulate levels, volatile organic compounds, and humidity are taken into account.

Innovation
The creation of value through the implementation of a new or significantly improved product, service, process, or business model. Sustainability-focused innovation aims to generate commercial and societal benefit while taking environmental and social impacts into account across the life cycle.

Integrated Pest Management-IPM
An approach in which biological, cultural, mechanical, and chemical methods are used together, in a controlled manner, to control plant pests. Chemical control is treated as a last resort; the aim is to reduce environmental impacts and pesticide use.

Intergovernmental Panel on Climate Change – IPCC
A body within the United Nations that assesses the accumulated scientific knowledge on climate change and provides science-based assessments to policymakers. IPCC reports are one of the fundamental references in shaping global climate policy and corporate climate targets.

Internal Carbon Pricing
The assignment of a monetary value to greenhouse gas emissions within an organization's decision-making processes. It may be applied in the form of a shadow price, an internal fee, or an implicit price, and is used to compare investment options, stress-test transition risk, and steer low-carbon projects.

International Energy Agency-IEA
An international organization that develops analyses and scenarios on energy security, the energy transition, and clean energy technologies. Its published roadmaps and net-zero scenarios for the energy sector are regarded as global reference points.

International Integrated Reporting Framework
A reporting framework that supports organizations in disclosing their financial and non-financial performance together, from a value-creation perspective. It aims to provide a holistic assessment of the use of capitals and long-term value creation.

International Renewable Energy Certificate-I-REC
A certificate that tracks the energy attribute of electricity as having been generated from a renewable source and that, once transferred, forms the basis for a consumption claim. A certificate generally represents one MWh of renewable electricity generation; it is not a carbon credit and does not, on its own, alter the physical flow of electricity.

International Sustainability Standards Board-ISSB
An independent standard-setting board, within the IFRS Foundation, that develops a global baseline of sustainability-related financial disclosure standards focused on investor needs. IFRS S1 and IFRS S2 are its first two core standards.

Investment-grade Sustainability Data
Sustainability information that is reliable, verifiable, and comparable to a degree that makes it usable in investment and financing decisions. Data quality and assurance processes determine the usability of this information.

ISO 9001-Quality Management System
An international management system standard for the consistent delivery of products and services that meet customer and regulatory requirements, and for the continual improvement of processes. It is not itself a sustainability standard; it supports process discipline, risk-based thinking, and corporate resilience.

ISO 14001-Environmental Management System
An international management system standard for the systematic management of an organization's environmental aspects, compliance obligations, risks, and opportunities, and for the continual improvement of its environmental performance. Certification is carried out by competent, independent certification bodies.

ISO 14026-Environmental Labels and Declarations
Sets out the principles for organizations to present their environmental claims in a transparent, verifiable, and reliable manner.

ISO 14046-Water Footprint
Defines the principles and requirements for assessing the environmental impacts associated with the water use of products, processes, or organizations. It supports water management and the assessment of water risks.

Sustainability Glossary

ISO 14064-1-Greenhouse Gases-Part 1
An international standard that sets out principles and requirements for the quantification and reporting of greenhouse gas emissions and removals at the organizational level. The ISO standard does not itself issue certification; the resulting greenhouse gas statement may be subject to independent verification.

ISO 14067-Carbon Footprint of Products
An international standard for the quantification and reporting of the greenhouse gas emissions arising over a product's life cycle. It is widely used in product-level carbon footprint studies.

ISO 14068-1-Carbon Neutrality
An international standard that sets out the principles and requirements for establishing and verifying claims of carbon neutrality for organizations, products, and activities.

ISO 14091-Adaptation to Climate Change
An international standard that provides guidance for organizations to assess the current and future impacts of climate change, manage risks, and develop adaptation plans.

ISO 20400-Sustainable Procurement
An international guidance standard for organizations to integrate environmental, social, and ethical criteria into their procurement processes. It supports responsible supply chain management.

ISO 22000-Food Safety Management System
An international management system standard for organizations in the food chain to identify, control, and continually improve food safety hazards. It brings together the principles of hazard analysis, prerequisite programs, communication, and management systems.

ISO/IEC 27001-Information Security Management System
An international management system standard for the systematic management of risks relating to the confidentiality, integrity, and availability of information assets. It supports corporate resilience in terms of digital sustainability, business continuity, and stakeholder trust.

ISO 30415-Human Resource Management-Diversity and Inclusion
An international standard that provides guidance for organizations to integrate diversity, equity, and inclusion practices into corporate processes.

ISO 32210-Net Zero Guidelines
An international guidance standard developed to help organizations establish, implement, and report on net-zero targets.

ISO 37001-Anti-Bribery Management System
An international standard that sets out requirements for preventing, detecting, and managing bribery and corruption risks.

ISO 37301-Compliance Management System
An international management system standard for the systematic management of an organization's legal, regulatory, and ethical obligations.

ISO 45001-Occupational Health and Safety Management System
An international management system standard that sets out requirements for organizations to manage occupational health and safety risks, ensure worker participation, prevent incidents, and continually improve their performance.

ISO 50001-Energy Management System
An international management system standard for the systematic improvement of an organization's energy performance, energy efficiency, use, and consumption. It includes an energy review, energy performance indicators, targets, and a continual improvement approach.

ISO 59004-Circular Economy Vocabulary, Principles and Guidance
An international standard that sets out the core concepts, principles, and implementation framework relating to the circular economy. It is one of the fundamental references in the family of circular economy management system standards.

ISO 59010-Circular Economy Business Models
A standard that provides methods and implementation recommendations for organizations to develop circular business models.

ISO 59020-Circular Economy-Measuring and Assessing Circularity
An international standard that provides indicators and methods for organizations and systems to measure and assess circularity performance.

ISO 59040-Circular Economy Product Circularity Data Sheet
Provides a framework for sharing data on the circularity characteristics of products and materials in a standardized format.

J

Joint Impact
An approach in which different companies, units, and stakeholders work together around a shared sustainability goal, using aligned targets, measurement methods, and actions. Beyond individual efforts, it aims to generate results at the level of scale, learning, and the system within community structures.

Just Transition
An approach that takes into account the social and economic effects of the transition to a low-carbon, nature-positive economy on workers, suppliers, and local communities. It aims to create new job and skills opportunities while ensuring that transition costs do not place a disproportionate burden on vulnerable groups.

K

Key Biodiversity Area-KBA
Areas of critical importance for the conservation of biodiversity at a global scale. They are identified according to international criteria for the conservation of species and the maintenance of ecosystem integrity.

Key Sustainability Indicator-KSI
A key performance indicator that an organization identifies in order to monitor its sustainability performance in line with its strategic priorities. It is used to support management decisions and measure progress.

Sustainability Glossary

L

Leadership in Energy and Environmental Design – LEED
An international green building rating system that assesses buildings across categories such as energy, water, materials, indoor environmental quality, transportation, land use, and innovation. Projects can achieve different certification levels depending on the score they attain.

Life Cycle Assessment-LCA
A method that systematically assesses the environmental inputs and impacts of a product, service, or process from raw material sourcing through manufacturing, distribution, and use, to end of use. Results depend on the system boundary, functional unit, data quality, and impact categories selected.

Life Cycle Costing-LCC
A method that assesses the full purchase, operating, maintenance, and end-of-use costs of a product or asset. It can be used to support sustainable investment decisions.

Limited Assurance
A level of assurance in which the assurance provider reports whether, on the basis of the limited-nature procedures it has performed, anything has come to its attention causing it to believe that the reported information contains a material misstatement. It provides a lower, but still meaningful, level of assurance than reasonable assurance.

Local Community
The people and groups who live, work, or use shared resources in the geography where an organization operates or which it affects. An effective approach goes beyond the provision of information to include meaningful participation, grievance mechanisms, respect for rights, and monitoring of local development impacts.

Long-Term Value
An approach that creates lasting value for stakeholders by managing resources responsibly.

Loss and Damage Fund
An international financing mechanism that aims to support particularly vulnerable countries in addressing the unavoidable losses and damages caused by climate change. It is one of the important elements in discussions of climate justice and adaptation finance.

Low-carbon Economy
An economic structure in which production and consumption are carried out with low greenhouse gas intensity and in which energy efficiency, renewable energy, electrification, and low-carbon technologies become widespread. The transition may require different speeds and technology pathways depending on the sector.

Low-carbon Technology
Technologies that contribute to reducing the greenhouse gas emissions of products, processes, or services. Renewable energy systems, energy storage solutions, and electrification applications can fall within this scope.

M

Material Topic
A sustainability topic that could influence stakeholders' decisions or that is of critical importance to an organization's long-term success.

Materiality Assessment
The process of prioritizing, using defined criteria, the sustainability topics to be reported and brought into management focus. Depending on the standard used, financial materiality, impact materiality, or both are assessed; the methodology, stakeholder input, thresholds, and governance approval of the results should be disclosed.

Measurement, Reporting and Verification-MRV
The process of systematically measuring, reporting, and independently verifying data relating to greenhouse gas emissions, carbon reduction results, energy performance, or sustainability indicators. It is one of the fundamental practices supporting the reliability of carbon markets, emissions trading systems, climate finance mechanisms, and sustainability reporting.

Microgranular Fertilizer
A fertilizer form that allows nutrients to be applied in small, homogeneous granules, generally in precise doses to the seed or root zone. Its resource-efficiency potential is realized when it is managed according to the correct product, dose, application equipment, soil analysis, and crop requirements.

Microgrid
A local energy generation and consumption system that can operate either connected to the electricity grid or independently. It can support the integration of renewable energy sources and energy supply security.

Mitigation
Interventions, in the context of climate change, that reduce greenhouse gas emissions or increase removals from the atmosphere through sinks. Energy efficiency, renewable energy, process transformation, fuel switching, and forest conservation are examples of mitigation practices.

Modern Agriculture
The use of advanced technology, data analytics, precision agriculture practices, and innovative production methods to increase efficiency, resource-use effectiveness, and product quality in agricultural production.

N

Nationally Determined Contribution-NDC
National targets that countries set, under the Paris Agreement, for reducing greenhouse gas emissions and adapting to climate change. They are expected to be updated at regular intervals.

Natural Capital
The totality of natural resources and ecosystems that provide value to society and the economy. Water, soil, air, biodiversity, and ecosystem services are assessed within the scope of natural capital.

Sustainability Glossary

Nature Dependency
An organization's need for ecosystem services and natural capital in order to sustain its activities. Services such as water resources, fertile soil, pollination, climate regulation, and protection from natural hazards are assessed within the scope of nature dependency.

Nature Restoration
The process of improving degraded or non-functioning ecosystems in terms of biodiversity, ecosystem services, and ecological integrity. Unlike conservation activities, it aims to create measurable improvement outcomes.

Nature-based Solution-NbS
Practices that meet societal needs while also protecting or enhancing biodiversity and ecosystem services. They can play an important role in climate adaptation, water management, and disaster risk reduction.

Nature-positive Transition
The process of transforming economic activities so that they not only reduce climate impacts but also contribute to the conservation of biodiversity and the improvement of ecosystems. It requires organizations to take their impacts on nature into account in investment, operational, and supply chain decisions.

Negative Emission Technologies-NETs
Technological or biological applications that reduce net emissions by removing greenhouse gases from the atmosphere. Carbon capture and storage and biological carbon sequestration are examples of this group.

Net Zero Asset Managers Initiative-NZAM
An international collaborative initiative that aims to align asset managers' investment portfolios with net-zero emissions targets. It encourages the development of climate-related investment strategies.

Net-Zero Banking Alliance-NZBA
An international initiative that aims to align banks' loan and investment portfolios with net-zero emissions targets. Members are expected to set science-based targets and disclose their progress.

Net-zero Emissions
The condition in which human-induced greenhouse gas emissions within a defined boundary are reduced deeply, in line with science, and any remaining emissions that are hard to abate are balanced with permanent removals. The scope of the target, its interim milestones, reduction pathway, and removal approach should be disclosed.

Net-zero Roadmap
A plan that sets out, on a timeline, the emission sources, base year, interim and long-term targets, reduction levers, investment requirements, governance, and monitoring indicators needed to achieve a net-zero target.

Nonpoint Source Pollution-NPS
Pollution that cannot be traced to a single pipe or discharge point and that is carried into water bodies from a broad area through precipitation and surface runoff. Agricultural nutrients, pesticides, sediment, and urban runoff are common examples.

O

Occupational Health and Safety-OHS
A systematic area of management aimed at protecting workers and other persons who may be affected by work-related activities from work-related injury and ill health. It encompasses hazard identification, risk control, worker participation, training, incident investigation, and continual improvement.

Offsetting
The compensation of emissions from one source with a verified emission reduction or carbon removal achieved elsewhere. Offsetting should not substitute for direct emission reductions; it should primarily be applied, using high-integrity credits, to emissions that remain hard to abate.

Organic Agriculture
A production system that aims to support biodiversity, soil health, and ecological processes, and that restricts the use of synthetic fertilizers and pesticides and genetically modified organisms within the framework of relevant legislation and certification rules. The terms "natural" or "residue-free" do not carry the same meaning as an organic certificate.

Organic Product Certificate
A document, issued by an authorized inspection and certification body, that shows an agricultural product or processed food has been produced in accordance with the requirements of the relevant organic production legislation and control system. The document is limited to the specific product, producer, scope, and period.

Oversight Responsibility
Refers to the oversight responsibility of the board of directors or a relevant committee for the management and performance of sustainability matters.

P

Paris Agreement
An international climate agreement, adopted under the UNFCCC, that aims to hold the increase in global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit it to 1.5°C. Countries periodically update their nationally determined contributions.

Paris Rulebook
The complete set of decisions that define the accounting, transparency, reporting, and market mechanism rules for the implementation of the Paris Agreement. It supports the comparable and trackable implementation of countries' climate commitments.

Partnership for Carbon Accounting Financials – PCAF
An international accounting standard developed for financial institutions to measure and report the emissions arising from their loan and investment portfolios. It is widely used in the calculation of financed emissions.

Personal Carbon Footprint
Refers to the total greenhouse gas emissions arising from an individual's lifestyle, transport choices, energy consumption, and purchasing habits. It is used to assess climate impacts at the individual level.

Physical Climate Risk
The risk that climate change may pose to assets, operations, employees, the supply chain, and financial performance through weather events and long-term climate trends. It is addressed in two main groups: acute and chronic physical risks.

Sustainability Glossary

Planetary Boundaries
A scientific framework that defines the environmental limits within which human activity can safely be sustained. It covers critical systems such as climate change, biodiversity loss, land use, and freshwater use.

Plastic Neutrality
An approach that aims to balance the amount of plastic an organization places on the market with an equivalent amount of collection, recovery, or disposal activity. The methodology and scope used must be clearly stated.

Positive Impact
An approach that aims not merely to reduce an organization's negative impacts but to create measurable and lasting benefit for the environment and society. It is essential that the focus on generating impact and creating value be tracked using concrete indicators.

Principles for Responsible Investment-PRI
Six voluntary principles, supported by the United Nations, that support the integration of environmental, social, and governance factors into investment decisions and asset-ownership practices. Being a signatory to the principles is not, on its own, a guarantee of any particular investment performance.

Product Lifecycle Management-PLM
The systematic management of a product's entire life cycle, from the idea stage through to end of use. It supports the holistic assessment of environmental impacts and resource use.

Programme for the Endorsement of Forest Certification
An international certification system that verifies the sustainability of forest management and forest product supply chains.

Protected Cultivation
A cultivation method in which crop production is carried out under greenhouses, tunnels, or similar protective structures. It can contribute to extending the production season, increasing productivity, and reducing climate-related risks.

R

Rainwater Harvesting
The collection, storage, and quality-managed use, for its intended purpose, of rainwater falling on roofs and suitable surfaces. In uses that do not require drinking-water quality, such as irrigation, cleaning, or reservoir replenishment, it can reduce demand on the mains supply and groundwater.

Reasonable Assurance
A level of independent verification that provides high, but not absolute, assurance that a sustainability disclosure does not contain material misstatement.

Recycled Content
Refers to the proportion of recycled material used within a product. It can contribute to reduced use of primary raw materials and to circular resource management.

Recycling
The recovery process by which waste materials are converted back into products, materials, or substances. Energy recovery and the use of material as fuel are not considered recycling; in the hierarchy, prevention and reuse rank above recycling.

Refill System
A distribution model that enables product packaging to be reused. It can contribute to reducing the need for single-use packaging.

Refrigerant Management
The complete set of practices relating to the selection, use, leak control, recovery, and end-of-use management of refrigerants. It plays a critical role in reducing the climate impacts of HVAC systems.

Regenerative Agriculture
An agricultural production approach that aims to improve soil health, increase biodiversity, and strengthen ecosystem functions. It includes practices that can contribute to carbon sequestration, water management, and the conservation of natural resources.

Regenerative Economy
An economic model that aims not merely to protect natural systems but to renew and strengthen them. It is regarded as a transformation approach that goes further than sustainability.

Remanufacturing
The industrial reprocessing of products or components that have reached the end of their useful life, restoring them to their original performance level. It can achieve savings in materials and energy.

Renewable Energy
Energy obtained from naturally replenishing sources such as sun, wind, water, geothermal, and sustainable biomass. A renewable attribute does not mean that environmental impact is zero; project siting and life-cycle impacts must be managed separately.

Renewable Energy Resource Guarantee System (YEK-G)
A guarantee system that uses electronic certificates to track electricity generated in Türkiye as coming from renewable energy sources. It supports an energy-attribute claim; a YEK-G (Renewable Energy Resource Guarantee) certificate is not a carbon credit or an emission allowance.

Repairability
A characteristic that refers to how easily and economically a product can be repaired in the event of a fault or loss of performance. It is one of the important indicators of circular economy performance.

Reporting Boundary
The scope that defines the activities, affiliates, operations, and value chain elements included in a sustainability report. It supports transparent and consistent disclosure.

Respect for Human Rights
An organization's responsibility to prevent, mitigate, and remediate the adverse impacts of its activities and business relationships on human rights. It is assessed in line with the United Nations Guiding Principles on Business and Human Rights.

Responsible Communications
An organization's conduct of its communications activities in accordance with the principles of accuracy, openness, accessibility, inclusiveness, and accountability, and its avoidance of unverifiable, selective, or misleading claims. It requires that limitations and areas for progress be disclosed in a balanced manner alongside positive results.

Responsible Consumption
An approach in which environmental, social, and ethical impacts are taken into account when purchasing and using products and services. It is also addressed under the United Nations Sustainable Development Goals.

Responsible Design
A design approach that aims to reduce the carbon emissions arising from digital tools by simplifying the use of visuals, color, text, and page layout.

Sustainability Glossary

Responsible Project Management
An approach that considers technical performance together with environmental and social impacts in engineering solutions.

Responsible Supply Chain
The management of human rights, working conditions, environmental impacts, business ethics, and traceability criteria, alongside quality, cost, and lead time, in sourcing decisions. It encompasses risk-based due diligence, supplier contracts, capacity building, audits, and improvement plans.

Reusable Packaging
A packaging system designed for multiple use cycles. It supports reduced packaging waste and increased resource efficiency.

Reuse
The use of a product or component again for its original purpose. It supports the prevention of waste generation and increased resource efficiency.

Reuse Culture
Refers to an approach that encourages products to be used for different purposes or repeatedly, rather than consumed on a single-use basis. It can contribute to reduced waste generation and increased resource efficiency.

Right to Repair
A regulatory and design approach that supports consumers' ability to have their products repaired under reasonable conditions. It aims to extend product life and reduce waste generation.

Risk Management
The identification, analysis, prioritization, and development of appropriate responses to, and regular monitoring of, uncertainties that could affect the achievement of objectives. Effective risk management links risk ownership and controls to decision-making and performance processes.

S

Scalable Impact
The capacity of the social or environmental benefit generated by a solution or venture to be expanded to different geographies, sectors, or target groups. It is one of the important indicators in assessing impact ventures.

Science Based Targets initiative-SBTi
An initiative that provides a methodology and verification framework to help companies set greenhouse gas reduction targets in line with the pathways that climate science indicates are necessary to limit the rise in global temperatures. For a target to be designated science-based, it must meet specific criteria in terms of scope and method.

Scope 1 Emissions
Direct greenhouse gas emissions from sources that an organization owns or controls. Stationary and mobile fuel combustion, process emissions, and refrigerant leaks are typical examples.

Scope 2 Emissions
Indirect greenhouse gas emissions arising from the generation of purchased electricity, steam, heat, or cooling that an organization consumes. Electricity emissions may be calculated separately using the location-based and, where suitable contractual instruments are available, the market-based method.

Scope 3 Emissions
Other indirect greenhouse gas emissions, beyond Scope 2, that arise in an organization's value chain. It covers upstream and downstream categories such as purchased goods and services, capital goods, transportation, business travel, product use, investments, and end-of-life treatment.

Scope 4 Emissions/Avoided Emissions
A conceptual approach referring to the greenhouse gas emissions that the use of a product or service avoids compared with alternative scenarios. It is not an official emissions category under the GHG Protocol and should be assessed separately.

Second-hand Economy
An approach that creates economic value through the resale, sharing, or reuse of products. It supports resource efficiency and circular economy practices.

Sector Coupling
An approach that integrates the electricity, transport, heating/cooling, and industrial sectors around low-carbon energy systems. It can contribute to accelerating the energy transition.

Sharing Economy
An economic model that enables products and services to be used on the basis of shared access rather than ownership. It can contribute to reduced resource use and increased utilization efficiency of products.

Slow Consumption
A consumption approach that advocates choosing fewer, higher-quality, and longer-lasting products. It aims to reduce the environmental and social impacts of fast-consumption culture.

Smart Greenhouse
A greenhouse production system managed using sensors, automation systems, data analytics, and climate control technologies. While supporting the optimized use of water, energy, and nutrients, it can contribute to increased crop yield, quality, and resource efficiency.

Smart Grid
An energy infrastructure that enables the monitoring and management of electricity generation, transmission, distribution, and consumption processes through digital technologies. It can contribute to improved grid efficiency, reduced losses, and the integration of renewable energy sources into the system.

Smart HVAC System
A heating, ventilation, and air conditioning system whose performance is optimized using sensors, automation systems, and data analytics. It aims to reduce energy consumption and enhance occupant comfort.

Smart Meter
A digital measurement device that can remotely read, record, and transmit energy consumption data. It supports consumption management, energy efficiency, and operational traceability.

Social Bond
A debt instrument whose issuance proceeds are allocated to activities that provide social benefit, such as affordable housing, education, health, employment, or projects targeting vulnerable groups. It requires a transparent framework for the use of proceeds and impact reporting.

Social Capital
The value arising from the trust-based relationships an organization builds with employees, customers, local communities, and other stakeholders. It is regarded as an important asset for long-term corporate resilience and reputation.

Sustainability Glossary

Social Entrepreneurship
An entrepreneurial approach that aims to develop innovative, sustainable, and scalable solutions to societal problems. The creation of social benefit lies at the center of the business model.

Social Impact
The positive or negative change in people's living conditions, rights, and opportunities, and in communities, resulting from an organization's activities, products, services, or investments. Unlike inputs and activities, it focuses on outcomes and long-term change.

Social License to Operate
The condition in which an organization is accepted and regarded as legitimate by the communities and stakeholders where it operates. Unlike legal permits, it rests on trust, dialogue, and the fulfillment of stakeholder expectations.

Social Return on Investment-SROI
An analytical method that helps assess the social, environmental, and economic value created by a social investment or program. It supports linking the benefits achieved to the investment made and strengthening impact management.

Social Value Creation
The complete set of long-term economic, social, and environmental benefits that an organization creates for society as a result of its activities. It is one of the fundamental concepts in social impact measurement.

Soil Health
The capacity of soil to sustain its biological, chemical, and physical functions. Factors such as organic matter content, microbial activity, water-holding capacity, and biodiversity are among the key indicators.

Soilless Agriculture
A production system in which plants are grown using water, inert media, or nutrient solutions instead of soil. While enabling the precise management of water and nutrient use, it can provide controlled production conditions.

Solar Energy
The generation of electricity from solar radiation using photovoltaic systems, or of heat using solar collectors. Life-cycle impacts should be assessed together with panel manufacturing, land use, equipment lifetime, and end-of-use management.

Stakeholder
A person or group that can be affected by an organization's activities or that can affect the organization's ability to achieve its objectives. Employees, customers, investors, suppliers, public authorities, local communities, and civil society organizations are the principal stakeholder groups.

Stakeholder Capitalism
A management approach based on the responsibility of companies to create value not only for shareholders but for all stakeholders, including employees, customers, suppliers, society, and the environment.

Stakeholder Capitalism Metrics
A set of metrics developed by the World Economic Forum's International Business Council to support companies in reporting common sustainability indicators in the areas of people, planet, prosperity, and governance.

Stakeholder Engagement
The process by which an organization identifies its stakeholders; listens to their expectations, concerns, and suggestions through regular and accessible channels; and provides feedback on its decisions and their effects. It is not limited to surveys or meetings; how the results are reflected in decision-making processes should be monitored.

Supply Chain Traceability
The ability to track the origin, movement, and transformation stages of products, services, or raw materials throughout the value chain. It supports the management of human rights, environmental impact, and product safety risks.

Sustainability Accounting Standards Board Standards-SASB Standards
Standards that present, on a sector-specific basis, the sustainability topics and metrics that may be financially material to investor decisions. The SASB Standards are currently maintained by the International Sustainability Standards Board within the IFRS Foundation.

Sustainability Assurance
An evaluation process, carried out by an independent expert, regarding the accuracy, reliability, and conformity with standards of sustainability disclosures. It supports increased stakeholder trust and report quality.

Sustainability Disclosures Reporting Platform-SARP
A national reporting platform established by the Public Oversight, Accounting and Auditing Standards Authority (POA) to support the digital, standardized, and comparable presentation of sustainability disclosures under the TSRS.

Sustainability Governance
The complete set of structures and processes that govern decision-making, oversight, responsibility, authority, performance monitoring, and accountability on sustainability matters. It encompasses board oversight, senior management responsibility, committees, policies, controls, and incentive mechanisms.

Sustainability Statement
The section of a report in which an organization discloses its sustainability-related impacts, risks, opportunities, and performance. Under TSRS and ESRS, it is intended to be presented together with financial reporting.

Sustainability Strategy
A strategic framework that sets out an organization's long-term targets, roadmap, and value-creation approach in line with its environmental, social, and governance priorities. It is expected to be aligned with business strategy and corporate objectives.

Sustainability-Linked Bond-SLB
A debt instrument whose features are linked to the level of achievement of the issuer's sustainability performance targets. The targets are expected to be measurable, verifiable, and time-bound.

Sustainability-Linked Loan-SLL
A type of loan whose financial terms can vary depending on the borrower's achievement of predetermined sustainability performance targets. It focuses on progress against performance indicators rather than the intended use of proceeds.

Sustainable Business Model
A business model that systematically manages environmental and social impacts alongside the creation of economic value. It is based on long-term value creation and a stakeholder-oriented approach.

Sustainable Destination
A destination in which the environmental, social, cultural, and economic impacts of tourism activities are managed in a balanced manner. It jointly safeguards the well-being of local communities, the protection of natural assets, and the sustainability of the visitor experience.

Sustainable Development
A development approach that meets the needs of the present without compromising the ability of future generations to meet their own needs. It addresses economic prosperity, social justice, and environmental limits in a holistic manner.

Sustainability Glossary

Sustainable Development Goals-SDGs
17 global goals adopted by United Nations member states with the aim of ending poverty, protecting the planet, and improving prosperity by 2030. When assessing their contribution, companies should take into account negative impacts as well as positive contributions. The 17 goals are: 1: No Poverty, 2: Zero Hunger, 3: Good Health and Well-being, 4: Quality Education, 5: Gender Equality, 6: Clean Water and Sanitation, 7: Affordable and Clean Energy, 8: Decent Work and Economic Growth, 9: Industry, Innovation and Infrastructure, 10: Reduced Inequalities, 11: Sustainable Cities and Communities, 12: Responsible Consumption and Production, 13: Climate Action, 14: Life Below Water, 15: Life on Land, 16: Peace, Justice and Strong Institutions, 17: Partnerships for the Goals.

Sustainable Finance
The consideration of environmental, social, and governance risks and opportunities in financing and investment decisions. Green and social bonds, sustainability-linked loans, and transition finance are among the instruments in this field; the intended use and performance conditions vary by instrument.

Sustainable Innovation
The development of innovations in products, services, processes, or business models that deliver environmental and societal benefit. It is linked to resource efficiency, low-carbon solutions, and inclusive growth objectives.

Sustainable Lifestyle
An approach that shapes everyday life choices in line with environmental limits, social responsibility, and resource efficiency. It covers a broad area, from consumption habits to transport and energy use.

Sustainable Tourism
An approach that jointly considers the current and future economic, social, and environmental impacts of tourism and the needs of visitors, the industry, the environment, and host communities. It covers resource efficiency, local value, cultural heritage, human rights, and the visitor experience.

Systemic Risk
A situation in which an environmental, social, or economic problem creates risk at a scale that could affect not a single organization but entire sectors or the economic system. Climate change and water scarcity can be cited as examples in this category.

T

Task Force on Climate-related Financial Disclosures-TCFD
A task force that developed recommendations structuring climate-related financial disclosures under the headings of governance, strategy, risk management, and metrics and targets. The task force concluded its work in 2023; monitoring of the recommendations has been transferred to the International Sustainability Standards Board.

Taskforce on Nature-related Financial Disclosures-TNFD
A global set of recommendations that helps organizations identify, assess, manage, and disclose their nature-related dependencies, impacts, risks, and opportunities. It supports the integration of nature-related issues into strategy, risk management, and capital allocation.

Taxonomy Alignment
Refers to the extent to which an organization's activities meet the technical assessment criteria set out in a particular sustainability taxonomy. It is used in assessing sustainable revenue, investment, and expenditure.

Transition Finance
Financing provided to support transformation investments during the transition to a low-carbon economy. It is assessed with particular regard to the transition plans, performance targets, and transformation capacity of organizations operating in emission-intensive sectors.

Transition Plan
An action plan that sets out how an organization will move to a low-carbon, climate-resilient business model, through targets, a timetable, investment requirements, responsibilities, performance indicators, and key assumptions. A credible plan is linked to the organization's existing strategy and financial planning.

Transition Risk
The risk arising, during the transition to a low-carbon economy, from changes in policy and legislation, technology, market conditions, customer preferences, or reputational expectations. It can affect asset values, costs, revenues, access to financing, and competitiveness.

Transparency
A management approach that ensures stakeholders have access to accurate information and supports openness and accountability.

Travelife Gold Certification for Accommodation Sustainability
The top-tier level of an international certification program that assesses accommodation facilities' environmental management, employee, human rights, local community, and supply chain practices against specific criteria through independent audit.

Triple Transition
Refers to the management of the green transition, the digital transition, and human-centered societal transformation together, in a mutually reinforcing manner. It supports organizations in leveraging digital technologies to achieve their climate and sustainability targets, adapting the workforce to changing competency needs, and creating long-term value.

Turkish Sustainability Reporting Standards-TSRS
National standards, published by the Public Oversight, Accounting and Auditing Standards Authority (POA), that are based on the IFRS S1 and IFRS S2 standards of the International Sustainability Standards Board. TSRS 1 governs general sustainability-related financial disclosures, while TSRS 2 governs climate-related disclosures.

U

United Nations Framework Convention on Climate Change-UNFCCC
An international convention that aims to stabilize atmospheric greenhouse gas concentrations at a level that would prevent dangerous human-induced interference with the climate system. The Paris Agreement and the annual Conference of the Parties process are carried out under this framework.

United Nations Global Compact-UNGC
A voluntary corporate sustainability initiative that calls on companies to integrate ten principles in the areas of human rights, labor, the environment, and anti-corruption into their strategies and operations.

United Nations Guiding Principles on Business and Human Rights-UNGPs
A global reference framework concerning companies' responsibility to respect human rights. It sets out the core expectations relating to human rights due diligence, impact management, and remediation mechanisms.

Sustainability Glossary

V

Value Chain
The complete set of activities and business relationships that contribute to the creation of value, from the design of a product or service through the sourcing of raw materials, production, and distribution, to use and end of use. It covers not only an organization's own operations but also its upstream and downstream business partners.

Value Chain Emissions
Greenhouse gas emissions arising across an organization's suppliers, customers, and other business relationships. They are largely associated with Scope 3 emissions and, in many sectors, constitute a significant share of total carbon footprint.

Value Chain Reporting
An approach whereby an organization includes in its reporting scope not only its own activities but also the impacts arising from its suppliers, business partners, and customers. It is particularly important for Scope 3 emissions and human rights matters.

W

Waste Disposal
The final treatment of waste that cannot be recovered or is not suitable for recovery, in a manner that does not harm human health or the environment. Sanitary landfilling and certain incineration processes fall within the scope of disposal; in the waste hierarchy, it ranks after prevention, reuse, and recovery.

Waste Heat
Surplus thermal energy generated during industrial processes, energy production, HVAC systems, or other activities and released into the environment without being used. It can be recovered with appropriate technologies and utilized in processes, heating systems, or electricity generation, thereby contributing to improved energy efficiency and reduced emissions.

Waste Hierarchy
An approach that ranks waste management options in order of environmental priority. The general order is: prevention, reduction, reuse, recycling, other recovery methods, and, as a last resort, disposal.

Wastewater
Water whose physical, chemical, or biological properties have been altered as a result of domestic, industrial, agricultural, or commercial use. Before being discharged to a receiving environment or reused, it must be managed — and treated where necessary — to meet the relevant quality requirements.

Water Consumption
The volume of water that, after withdrawal, evaporates, is incorporated into a product, is transferred to another basin, or does not return to the same basin in a usable form. Water consumption is therefore different from, and generally lower than, water withdrawal.

Water Efficiency
The capacity to deliver the same function or production output using less water and to reduce water losses. Metering, leak control, process optimization, cascading use according to appropriate quality, and recovery are the principal practices.

Water Footprint
An indicator that assesses the direct and indirect freshwater use and pollution load associated with a product, service, organization, or pattern of consumption. It is generally examined through its blue water, green water, and grey water footprint components; basin conditions should also be taken into account for context.

Water Stress
The condition in which the pressure of water demand on the available quantity and quality is high, and accessibility, quality, infrastructure, or governance issues restrict water use. In risk assessment, basin-level conditions are as important as facility-level data.

Water Withdrawal
The total volume of water taken into an organization's boundary in a given period from surface water, groundwater, municipal water, rainwater, or another source. Not all water withdrawn is considered consumed; part of it may be treated and returned to the same basin.

Water-positive Approach
An approach that aims to contribute to protecting, replenishing, or improving a greater volume of water than an organization withdraws in the basins where it operates. It addresses water efficiency, reuse, and basin-scale collaboration together.

Wind Energy
The conversion of the kinetic energy of wind into electricity by means of turbines. Although a renewable source, siting, bird and bat movements, noise, landscape, and local stakeholder effects must be managed throughout the project life cycle.

Women Entrepreneurship
Refers to the creation of economic and social value through businesses founded or led by women. Access to financing, mentoring, and capacity-building programs are among the important means of support. Alarko's Girişim Öncüleri (Enterprise Pioneers) program is directly related to this area.

Women's Empowerment Principles – WEPs
Seven principles, developed by the United Nations Global Compact and UN Women, that guide companies on gender equality and women's empowerment in the workplace, marketplace, and community.

Z

Zero Waste
A management approach that aims to prevent waste generation, use resources efficiently, reuse products and materials, and achieve a high level of recovery. It does not represent a claim that no waste whatsoever is generated in absolute terms, but rather a systematic effort toward the continual reduction of waste sent to disposal.

Zero Waste Certificate
A certificate issued by the relevant public authority in Türkiye to buildings, campuses, or local administrations that meet the requirements under the Zero Waste Regulation. It is based on the separate collection of waste at source, monitoring, and the establishment of a management system; the certificate's level and scope should be clearly stated.

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