



**Koç Holding**  
**TSRS Compliant Sustainability Report**  
2024

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# About the Report

➤ ➤ ➤ **Koç Holding 2024 TSRS Compliant Sustainability Report has been prepared in alignment with Turkish Sustainability Reporting Standards (TSRS), effective as of the publication date. TSRS, issued by the Public Oversight, Accounting, and Auditing Standards Authority in the Official Gazette dated December 29, 2023 and numbered 32414(1.M), and adopts the international standards published by the International Sustainability Standards Board (ISSB).** It covers both TSRS 1 (General Requirements for Disclosure of Sustainability Related Financial Information) and TSRS 2 (Climate-related Disclosures). In line with TSRS 2 - Climate-related Disclosure Standard, information on risks, opportunities, strategy, governance, risk management, metrics and targets related to climate change is presented. In addition, TSRS 1 - General Provisions on Disclosure of Sustainability-related Financial Information were taken into account in the preparation of the report. The report covers the period between **January 1, 2024, and December 31, 2024.**

The term Koç Group is used to include Koç Holding A.Ş. and all subsidiaries included in **Koç Holding 2024 Consolidated Financial Statements**. In addition, information and data pertaining to the Joint Ventures have been disclosed at an aggregated level. The list of consolidated subsidiaries and the list of consolidated Joint ventures can be found in **Appendix: Koç Holding Consolidation Scope**. The sustainability related disclosures presented in this report are consistent with those of the 2024 Consolidated Financial Statements, providing a holistic view of the Koç Holding's performance.

The financial data presented in this report have been prepared in compliance with the **Turkish Financial Reporting Standards (TFRS), issued by KGK**. Koç Holding's **2024 independent audit of the Consolidated Financial Statements** was conducted in accordance with the **Independent Auditing Standards**, which are a part

of the **Turkish Standards on Auditing** enacted by the **Public Oversight, Accounting, and Auditing Standards Authority (KGK)**, and also deemed applicable by the Capital Markets Board, which form part of Turkey's national auditing framework. The presentation currency for climate-related financial disclosures has been determined to be Turkish Lira (TL), in line with the presentation currency of the consolidated financial statements.

Scope 1 and 2 emissions data presented in this report have been consolidated for Koç Holding and its subsidiaries, in line with Koç Holding 2024 Consolidated Financial Statements. Scope 1 and 2 emissions data of joint ventures have been aggregated and presented separately. The list of consolidated subsidiaries and the list of consolidated joint ventures can be found in **Appendix: Koç Holding Consolidation Scope**. Other climate related performance indicators covers the following Group Companies and their subsidiaries: **Arçelik, Aygaz, Entek, KoçSistem, Otokar, Otokoç Otomotiv, Tüpraş, and Yapı Kredi**. Climate related performance data for the following joint ventures on a consolidated level has also been presented separately: **Arçelik LG, Ford Otosan, Opet, Tofaş and TürkTraktör**.

This report has been approved by Koç Holding Board of Directors. Climate related data presented in this report have been **assured by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (EY)**. Details of this assurance process are provided in the **"Appendices"** section under the heading **"Independent Assurance Statement"**. For the risk and opportunity analyses presented in this report, 100% of the financial consolidation scope has been taken into account. Companies that represent approximately 94% of the Group's combined revenues in 2024 have been included in the scope, based on either their level of exposure to climate risks or their financial materiality (i.e., having a revenue share above the defined threshold within combined revenues).

# About the Report

► ► ► For the subsidiaries and joint ventures within the scope of this report, all relevant TSRS2 Sector-Based guidance report volumes were considered for materiality. Sectors where Companies' share in revenue is below the determined materiality threshold were excluded. Accordingly, sector-specific TSRS 2 Volumes that fall outside of scope - due to limited operational exposure or lack of material risk alignment - were not included. This scoping will be revisited periodically in line with Koç Holding's updated risk evaluation processes. The following TSRS 2 Sector-Based Guidance Report are included:

- Volume 2: Appliance Manufacturing
- Volume 13: Oil & Gas - Refining & Marketing
- Volume 16: Commercial Banks
- Volume 32: Electric Utilities & Power Generators
- Volume 46: Aerospace & Defense
- Volume 55: Hardware
- Volume 58: Software & IT Services
- Volume 63: Automobiles
- Volume 64: Car Rental & Leasing
- Volume 66: Marine Transportation
- Volume 67: Rail Transportation

This report, describes Koç Holding's climate specific approach and performance regarding each of the thematic areas: Governance, Risk Management, Strategy, and Metrics and

Targets. The anticipated financial impacts of climate-related material risks and opportunities are not disclosed, taking into account the measurement uncertainties involved in estimating these impacts, the regulatory uncertainties, and the additional effort and resources that such calculations would require given Koç Holding's diversified activities across multiple sectors on a consolidated basis.

## Transition Reliefs

In the first reporting year, Koç Holding has utilized the following transition reliefs:

TSRS 1 E3, TSRS 2 C3: Comparative information is not disclosed

TSRS 1 E4: TSRS compliant sustainability report is published after the release of the financial statements

TSRS 1 E5: Only climate related information is disclosed.

TSRS 1 E6: Comparative information with regards to climate related risks and opportunities is not disclosed.

KGK Provisional Article 3: In line with this exemption, Koç Holding has not disclosed Scope 3 emissions in its 2024 TSRS Compliant Sustainability Report, as the calculation has not yet been completed in accordance with the GHG Protocol referred to by TSRS.



# Governance of Climate Related Risks and Opportunities

# Climate Governance

## ► ► ► Governance of Climate Related Risks and Opportunities

Robust corporate governance is key for long-term success. Koç Holding BoD manages and represents the Company through its strategic decisions, taking into consideration particularly long-term interests in light of keeping the Company's risk-growth-profits balance at the most appropriate level through a rational and cautious risk management approach.

### Board Oversight, Skills, and Expertise

**Climate-related risks are overseen by the Risk Management Committee at the Board of Directors level.** According to its Working Principles, the role of the Risk Management Committee is defined as making recommendations to the Board on the risk management system designed to enable an early detection of the risks and their effective supervision and management. In this respect, the purpose of the Risk Management Committee is to receive and consider reports from Company management in order to review and evaluate current and potential strategic, operational, financial, legal, sustainability and any other risks to the Company which may impact its existence, development and continuity and to report on those risks to the Board, making recommendations as to preventive measures consistent with the Company's corporate risk profile. As such, its duties also include evaluation of options and making recommendations to the Board about developing and integrating internal control systems. The Committee convenes

at least six times a year. In 2024, the Committee worked to assess the Company's risk profile, identify measures to be taken in risk prone areas, implement information security policy, review compliance risks and the related studies thereof, assess sustainability risks and prepare the risk management chapters in the annual report. Sustainability Coordinator reports on sustainability and climate-related progress to the Risk Committee at least twice a year.

Two members of the Risk Management Committee are Peter Martyr as Chair and Ms. Caroline N. Koç as Member. Peter Martyr has extensive experience in global strategy, governance, and corporate risk management. He played a key role in advancing the firm's work on sustainability, ESG risk advisory, and regulatory compliance, particularly within sustainability and financial services. Caroline N. Koç brings a strong perspective on environmental and social sustainability through her long-standing involvement in civil society. As a founding member of the Mediterranean Conservation Society, she actively supports marine ecosystem preservation and biodiversity in Türkiye. She is also engaged in various education- and inclusion-focused initiatives.

Based on the Glass Lewis Board of Directors Talent Matrix assessment, 58% of Koç Holding Board members are identified having environmental skills and/or expertise. This includes but is not limited to serving as the founder/trustee/Board member of environmental NGOs and/or working on ESG as part of their professional work experience.

# Climate Governance

## ▶ ▶ ▶ Key top management roles to support Board oversight

**Chief Executive Officer (CEO):** Climate related risks and opportunities are governed by Koç Group Carbon Transition Program, managed under the leadership of the CEO of Koç Holding. Moreover, the CEO represents Koç Holding at global sustainability initiatives, such as the WEF CEO Action Group for the European Green Deal, demonstrating the company's commitment to global environmental goals. Koç Holding is also an endorsing company of the CEO Water Mandate, an initiative of the UN Global Compact, to align with an international framework on water management, as well as disseminate and learn from best practices at a global level.

**Chief Financial Officer (CFO):** The CFO of Koç Holding is engaged in overseeing the financial planning with regards to the climate transition plan and monitors the progress towards achieving the environmental targets. The CFO ensures the integration of the financial lens and plays a key role in translating our climate commitments into actionable financial strategies — embedding climate considerations into capital allocation, scenario analysis, and target monitoring. Moreover, as an endorsing company of the CFO Coalition for Sustainable Development Goals (SDGs), Koç Holding demonstrates its commitment to international standards and best practices in SDG-aligned investments.

**Corporate Communications and External Affairs Director:** The Corporate Communications and External Affairs Director at Koç Holding, operating at C-level, is accountable for driving progress in Environmental, Social, and Governance (ESG)

priority areas, with a particular emphasis on climate-related targets. The Sustainability Unit, which is part of the Corporate Communications and External Affairs Department, is responsible for the implementation of the strategy as well as coordinating the different units across the Group.

**Sustainability Coordinator:** The Sustainability Coordinator at Koç Holding manages the climate related strategy, including risk and opportunity management, target setting and implementation across Group Companies. Sustainability Coordinator reports the updates to the CEO and CFO 1-2 a year and to the Risk Committee at least twice per year. Sustainability Coordinator is also the Chair of the Environmental Council, the Group-wide council to address environmental challenges and opportunities. She serves on the Board of UN Global Compact Turkey and is the co-president of UN Global Compact Turkey Environment Task Force.

### Coordination among relevant functions at Koç Holding

Sustainability team works in coordination with the finance, strategy and business development, venture capital investment, HR, OHS, and Compliance units within the Holding, as deemed necessary. Climate related capital allocation is overseen together with Finance. As part of their role to identify M&A and/or business development opportunities, Strategy and Business Development monitors potential opportunities that could contribute to Koç Group's green transition, and evaluates their feasibility. Likewise, Koç Holding Venture Capital Investment works in coordination with the venture capital investments made by the Group Companies. Climate related investments are evaluated within the overall scope, subject to overall feasibility.

# Climate Governance

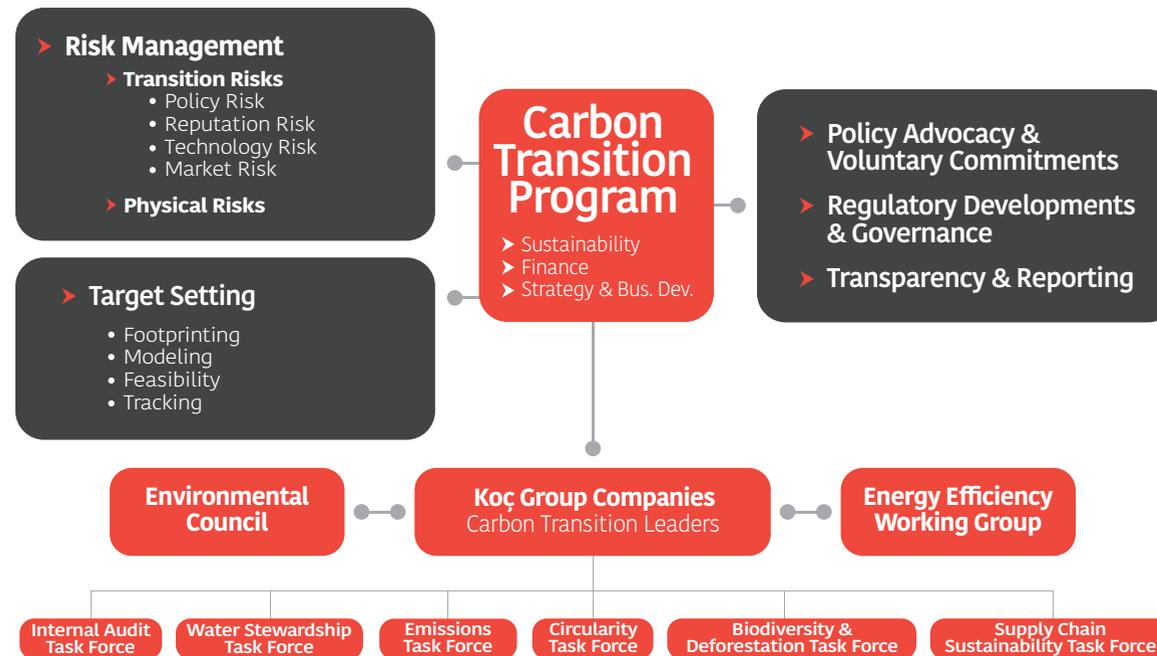
## ➤ ➤ ➤ Governance at Group Company level

Carbon Transition Program at Koç Holding advances with the contributions of Carbon Transition Leaders, which include senior managers from the Group companies, as well as employees from various departments such as R&D, environment, finance, innovation, human resources, corporate communication, marketing, purchasing, strategy, and production.

Within relevant Koç Group Companies, General Manager, Deputy General Manager or the manager reporting to the Deputy GM is responsible for overseeing the Carbon Transition Program. The responsible works in coordination with the Company's environmental, human resources, finance, law, audit, purchasing, innovation and digital transformation teams. The relevant units in the Koç Group companies are regularly informed of Koç Holding's

sustainability efforts. These departments meet twice a year to establish cross-sectoral connections, evaluate global trends and potential impacts, and share the companies' strategic priorities and best practices.

The Koç Group Environmental Council provides technical support. This council, comprised of experts from all Group Companies in environment, energy, water, product stewardship and sustainability fields, collaborates to create common knowledge and best practices across all sectors of operation. The council ensures alignment with the Group's long-term environmental strategies and oversees the implementation of environmental targets and performance indicators. While the task forces under Environmental Council meet as needed, all Environmental Council members across the Group meet 3-4 times annually.



# Climate Governance

## ► ► ► Controls and procedures used to support oversight of climate matters

Sustainability and climate-related risks and opportunities are **reported to the Risk Committee at least twice a year**. Updates and progress on Carbon Transition Program and Water Stewardship initiatives are **reported to the CEO and CFO** twice a year.

**Annual target setting process is conducted with the Group Companies** to support progress towards carbon-neutrality goal and material climate related risks and opportunities. As part of the process, Koç Holding Sustainability Unit holds meeting with relevant subsidiaries and joint ventures\* twice a year, to set the targets and to monitor progress. As a general principle, the Group Companies consider their subsidiaries, as part of the process and report their consolidated progress to Koç Holding. At the year-end meeting, these Group Companies as part of Carbon Transition Program meet and provide year-end update on their sustainability achievements.

**Koç Group Environmental Policy, effective as of 2021 following BoD approval**, is the framework of reference to manage the environmental impacts and **Koç Group Supply Chain Compliance Policy** along with **Supplier ESG Guide** are the reference document to ensure environmental risks are effectively managed in the supply chain.

We are among the companies that support the **Task Force on Climate-Related Financial Disclosures (TCFD)**, which is part of ISSB as of 2024. Our objective is to effectively manage the risks

and capitalize on potential opportunities arising from climate change in line with ISSB/KGK recommendations.

**Setting science-based targets** is another control mechanism at Koç Group to ensure a scientific approach in climate oversight. By setting science-based targets, these companies demonstrate their commitment to addressing climate change in line with scientific recommendations, driving meaningful reductions in emissions across their operations and supply chains. Koç Group Company Arçelik and JV Ford Otosan have SBTs in line with SBTi Corporate Net Zero Standard and received validation. Yapı Kredi also received validation for its SBT and became the only private Tier-1 bank in Turkey to do so.

Potential investments undergo **a holistic evaluation process including financial and environmental (exposure to climate risks and opportunities) criteria** during decision making and strategy setting processes. When alternatives with similar financial feasibility are reviewed, environmental trade-offs are taken into account to guide decision-making. **If deemed material, environmental due diligence is conducted** as part of the overall due diligence process.

**Trade-offs are also accounted for between negative and positive environmental impact regarding the same investment.** For example, while green hydrogen is a clean energy that contributes to emission reductions, its high water need is recognized as a trade-off requiring careful monitoring as part of water stewardship efforts. Similarly, the clean energy transition increases demand for critical minerals. These trade-offs are evaluated to ensure long-term value creation.

\* Subsidiaries: Arçelik, Aygaz, Divan, Entek, Otokar, Otokoç, SeturMarinas, Tüpraş, Yapı Kredi. Joint Ventures: Arçelik LG, Ford Otosan, Koçtaş, Opet, Tofaş, TürkTraktör

# Climate Governance

Finally, **the Internal Audit Task Force, as part of the Environmental Council**, conducts environmental audits across all Group Company facilities biannually, covering the past two years. The latest audit was conducted in 2024, across 18 Group Companies and 9 Joint Ventures. As part of our internal environmental audit process, an audit coordination team is established to oversee planning and execution. Internal auditors are comprised of technical experts from the Group Companies. Facility and auditor information is regularly updated. Facilities to be audited are prioritized based on environmental impact and risk materiality as well as exposure to environmental

regulations. Audits are conducted either on-site or remotely. Prior to audits, companies review and submit key compliance data, including waste and greenhouse gas inventories. During audits, legal compliance, waste management practices, and emission calculations are verified through document reviews and field inspections. Findings are discussed with company representatives, and final reports are classified and consolidated for broader sustainability reporting. All findings are reported by the Audit Coordination Team to Holding Sustainability Unit, after which they are shared with the Company GM/Director/Environment Managers.

	Subsidiaries										Joint Ventures					Other
	Koç Holding	Arçelik	Aygaz	Divan	Entek	Otokar	Otokoç	Setur Marinas	Tüpraş	Yapı Kredi	Ford Otosan	Koçtaş	Opet	Tofaş	TürkTraktör	
Koç Group Environmental Council and Task Forces	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Annual Target Setting with Koç Holding Sustainability Team		•	•	•	•	•	•	•	•	•	•	•	•	•	•	
Assigned Carbon Transition Leaders	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	
Sustainability Committee within the Company at the Operational Level	•	•	•	•		•	•		•	•	•			•	•	

# Climate Governance

## ► ► ► Remuneration

The remuneration principles for the board of directors and key executives of the Company are determined by the “Koç Holding A.Ş. Remuneration Policy for the Board of Directors and Executive Management” (“Remuneration Policy”). Koç Holding discloses the total compensation paid in accordance with the Remuneration Policy in its financial and annual reports as well as in its annual ordinary general assembly meeting, where the Remuneration Policy is submitted to the approval of the shareholders together with the payments made thereof.

Koç Holding uses a structured Objective and Key Result (OKR) methodology to set, monitor, and evaluate employee performance. OKRs reflect the goals for the current term and define what is to be achieved, while Key Results (KRs) within these scorecards capture specific, measurable outcomes and measure the degree of success in achieving them.

Key Results (KRs) of Koç Holding's senior management, except for Business Group Presidents, could cover the entire Group or relevant Group Companies, as needed in line with the agenda of the related year. The KRs of Business Group Presidents, on the other hand, pertain specifically to the companies within their respective sectors. Similar to Koç Holding structure, Group Companies may incorporate climate related KR's in their related senior managers' (i.e. CEOs, Carbon Transition Leaders and/or function heads) scorecards as part of the annual performance evaluation process.

The CEO, CFO, Corporate Communications and External Affairs Director, Human Resources Director, and Sustainability Coordinator of Koç Holding have sustainability-related objectives in their Objective Key Result (OKR) scorecards. The OKR system is a performance tool that sets, communicates, and monitors goals in an organization so that all employees work together in one direction. The results at the end of the year make up the final performance of the individual from which base salary raises and bonus calculations are made. The performance of our employees is valued holistically by taking all objectives into account, and consequently, the percentage of monetary incentives linked to the management of environmental issues cannot be disclosed separately.

In this respect, for 2024, considering the entire senior management of Koç Holding, 8% of all KRs are related to climate concerns, whereas the figure for ESG issues is 9%. This corresponds to 18% of total Key Results in the CEO's scorecard and focuses on ESG practices and the carbon transition. 20% of the CFO's KRs are climate related, whereas 30% of the KRs of the Corporate Communications and External Affairs Director is on climate and social sustainability. 5% of Human Resources Director's KRs are related to OHS and 8% of the Business Group Presidents' KRs are climate and energy transition related. Finally, 50% of the KRs in the scorecard of the Sustainability Coordinator of Koç Holding are on climate issues.

Moving forward, we will continue to work on this.



# Climate Related Risk and Opportunity Management

# Global and Sectoral Outlook

- ➤ ➤ 2024 has been a year of economic and geopolitical tensions with an increase in the frequency of extreme weather events.

The World Economic Forum's Global Risks Report 2025 highlights escalating environmental and social sustainability challenges, emphasizing their growing interconnection and potential to disrupt global stability over the next decade. According to the report, environmental risks continue to dominate the long-term global risk landscape: Over the next 10 years, 4 of the top 5 risks are environmental risks: extreme weather events, biodiversity loss and ecosystem collapse, critical change to Earth systems, and natural resource shortages. In addition, environmental degradation is closely linked to and cause of social sustainability issues such as involuntary migration, health insecurity and increasing societal polarization.

## Regulatory Developments

Since more than 40% of Koç Group's exports are to the EU and has operations within EU, Koç Holding closely monitors the EU Green Deal. 2024 has been a year impacted by the EU Competitiveness Compass Report, i.e. the Draghi Report, which calls for a bold, coordinated European investment strategy to boost competitiveness, accelerate the green and digital transitions, and strengthen the EU's economic resilience in the face of global challenges. As a consequence, the "omnibus" deregulation has been approved in 2025.

In Turkey, the Climate Law has been released, which foresees

the establishment of an Emissions Trading System for the country. Besides, the Water Efficiency Regulation has officially been released as of January 2025.

## Energy Sector Outlook

The year 2024 has been a period in which the global economy remained resilient, inflation showed a downward trend, and global trade regained momentum. However, rising geopolitical tensions in the Middle East and risks to oil supply security have continued to create uncertainty in global energy markets. International oil trade has faced significant challenges due to factors such as sanctions imposed on Russia, regional wars, and attacks on maritime routes, making energy supply security one of the top priorities on the global policy agenda. Global oil demand increased throughout the year, particularly driven by growth in Asian markets, and a rise in demand for petroleum products was also observed in Turkey. Gasoline became the product with the highest demand increase. The global green transition process has accelerated, with rising sales of electric vehicles and growing emphasis on the future potential of hydrogen fuels. Moreover, the aviation industry is also undergoing significant transformation. Sustainable aviation fuels (SAF) are expected to make up a significant share of aviation fuel sales. These developments will accelerate the reduction in fossil fuel consumption, with diesel demand in particular, expected to be replaced by electric vehicles and hydrogen. This transformation in the energy sector, especially in transportation, will create a significant shift requiring new strategic planning and investments

# Global and Sectoral Outlook

## ▶ ▶ ▶ **Automotive Outlook**

Since 2024, the global automotive sector is undergoing a major transformation under the influence of environmental risks such as extreme weather events and scarcity of natural resources. During this period, China continues its global leadership with a 45% market share in electric vehicles, while hybrid and electric vehicles account for approximately 50% of total sales in the European Union. New regulations, such as Euro 7 emission standards and the EU Battery Regulation, have driven important steps toward promoting sustainable production in the sector. Although automotive production in Turkey has slightly decreased, there has been a significant increase in sales of electric and hybrid vehicles, which are becoming increasingly prevalent in the overall vehicle fleet. Issues in sourcing critical raw materials have negatively impacted production processes in the automotive sector, creating major pressure on the supply chain. In this context, practices such as recycling and digital battery passports are becoming increasingly important for environmental sustainability. Investments in autonomous vehicle technologies are rapidly increasing, particularly in major economies like the EU and the US, making this area one of the key drivers of transformation in the industry.

## **Finance Outlook**

The financial sector has undergone major transformations through digitalization, artificial intelligence, and open banking practices. This transformation has made financial services more accessible and flexible, and has led to an increase in environmentally friendly investments through sustainable financing models. Moving forward, the financial sector is expected to accelerate strategic transformations, experience a rise in mergers and acquisitions, prioritize investor-friendly regulations, and focus on sustainable investments.

Sector-wise, investments in technology and the green transition have become the driving force of economic development. Industries have started to develop strategies aimed at reducing their environmental impact and have increasingly shifted toward green investments. Consumer behavior has become more conscious in the inflationary environment, with rising demand for sustainable products. Brands have focused on transparent communication and gaining consumer trust by fulfilling their environmental responsibilities. Moving forward, the green transformation is expected to gain further momentum, and sectoral strategies are anticipated to evolve with environmental responsibility at their core.

# Climate Related Risk and Opportunity Management

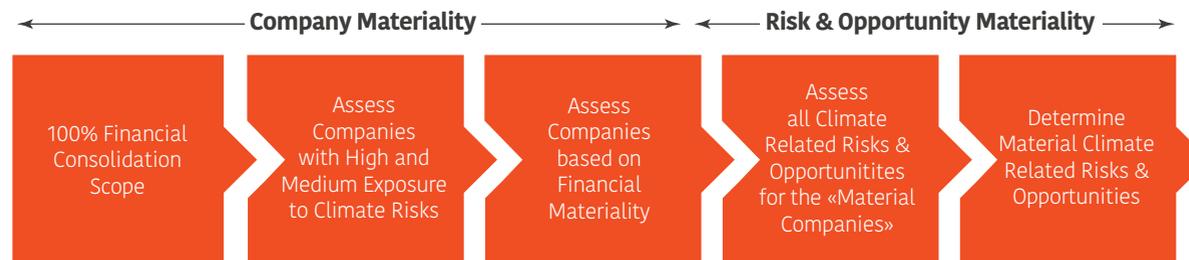
➤ ➤ ➤ Koç Holding's process for identifying, assessing, and managing climate related dependencies, impacts, risks, and opportunities is structured around the principles and recommendations of the ISSB/KGK. Our objective is to effectively manage the risks and capitalize on potential opportunities arising from climate change, ensuring that we provide regular and transparent disclosures to our stakeholders while extending these practices throughout our ecosystem. Our process, along with the results of the materiality assessment process is integrated into Koç Holding's company-wide risk management framework, ensuring that environmental issues are considered alongside other strategic risks. Environmental risk assessment is embedded within the broader multi-disciplinary risk

management strategy, allowing for a holistic view of the organization's risk landscape. This integration is supported by the Carbon Transition Program, which functions as our main strategy for climate-related subjects, helping us achieve our low-carbon transition targets.

## Basis of Preparation

Given Koç Holding's unique structure encompassing approximately 300 subsidiaries, joint ventures, and financial investments, we follow a 2 phase approach:

1. Identifying the material subset of Group Companies and sectors,
2. Identifying the material climate related risks and opportunities.



# Climate Related Risk and Opportunity Management

## ► ► ► Company Materiality

The assessment process began with a coverage of 100% of the consolidated financial scope. Activity-based data and sector-specific dynamics were analyzed to identify key areas of environmental and financial relevance. By linking each Group Company and subsidiary to their Global Industry Classification Standard, Companies with high and medium exposure to climate risks was documented, based on Morgan Stanley Capital International Inc. (MSCI) and Trucost's analysis, taking into account sectors' **dependencies on environmental systems**. From a financial and operational materiality perspective, Companies with a share in combined revenues below the determined threshold percentage and/or lower share of operational assets were left out of the scope.

On the other hand, Companies with low exposure to climate risks were also assessed from a financial and operational materiality perspective. Those with a share in combined revenues above the determined threshold % as well as those with large number of site operations (e.g. bank branches) were also added to the "material companies" subset. As a result, four core sectors - **energy, automotive, consumer durables, finance** - were determined

to be "climate-material" for in-depth evaluation based on their scale, exposure, and strategic importance. This corresponds to approximately 230 subsidiaries and joint ventures, corresponding to ~94% of combined revenues.

## Risk and Opportunity Monitoring

Climate-related risks and opportunities are reviewed periodically within Koç Holding's broader risk evaluation processes. Identified topics are reviewed in light of new internal insights and relevant external developments (please see "**Global and Sectoral Outlook**", including evolving climate-related data, stakeholder expectations, and regulatory changes.

Work is ongoing to improve the consistency of monitoring practices across Group Companies. Current efforts aim to strengthen the reflection of sustainability-related considerations within existing risk tracking and reporting mechanisms. These practices are expected to evolve in alignment with updates to materiality assessments and Group-wide strategy processes.

Our risks are not only categorized and quantified but also linked directly to our material topics and value chain impacts.

# Climate Related Risk and Opportunity Management

## ➤ ➤ ➤ Risk and Opportunity Identification, Assessment, and Prioritization

Following the company materiality phase, the evaluation of climate-related risks and opportunities is initiated in line with the identified priority subsidiaries and joint ventures. As part of the process to determine the climate related material risks and opportunities for Koç Holding, risks and opportunities of priority subsidiaries and priority joint ventures are evaluated together.

Three-phase process began with the compilation of a climate-related risk and opportunity inventory from the subsidiaries and joint ventures identified as prior. In this context, a total of 188 risks and opportunities were determined, including 160 from subsidiaries and 28 from joint ventures.

In the second phase, the relevant subsidiaries and joint ventures report their most material climate-related risks and opportunities that reasonably expected to impact their future financial performance and cash flows using a standardized checklist submitted to Koç Holding. Accordingly, in 2024, a total of 63 climate-related risks and opportunities were

reported by 7 subsidiaries and 5 joint ventures identified as prior previously. A total of 36 risks were reported, 22 from subsidiaries and 14 from joint ventures, respectively. Notably, 7 risk topics were reported by more than one company as among their significant climate-related risks. Likewise, a total of 27 climate-related opportunities were collected, 14 from Group Companies and 13 from Joint Ventures, and 5 opportunity themes were prioritized by more than one company. These recurring risk and opportunity themes highlighted common focus areas.

This approach enabled both the identification of company-specific risks and the aggregation of key themes into a centralized climate risk pool, supporting Holding-level analysis and consistency.

In the third and final phase of the process, the climate-related risks and opportunities submitted by the companies through the standardized checklist were assessed by the Koç Holding Sustainability Team using the Holding's climate-related risk and opportunity prioritization criteria. This evaluation also considered global trends, stakeholder expectations, and regulatory developments.

# Climate Related Risk and Opportunity Management

- ➤ ➤ This assessment enabled the identification of company-specific climate-related risks and opportunities based on their materiality at the Holding level. The following ten criteria were used to evaluate the materiality of risks and opportunities at the Holding level:
1. High recurrence across Group Companies
  2. Potential to impact multiple sectors
  3. Likelihood of occurrence within the next five years
  4. Financial impact or value creation potential on EBIT
  5. Impact on sectors with a relatively high environmental footprint
  6. Impacts related to reputation and media perception
  7. Impacts related to Occupational Health and Safety (OHS)
  8. Impacts related to cybersecurity and data privacy
  9. Exposure to physical climate risks in regions where facilities are concentrated.
  10. Scalability or applicability across the Group

The first three criteria relate to the likelihood of a risk or

opportunity, while the remaining criteria address magnitude. The likelihood and magnitude values that the Group Companies assign to their top risks and opportunities and report to the Holding are evaluated to determine the overall likelihood and magnitude for each risk and opportunity at the Holding level.

In addition to these criteria, a synthesis perspective was applied to capture forward-looking insights across the following three dimensions:

- Topics with high potential or sectoral prominence
- Alignment with the Group's global operational profile and evolving regulations
- The depth and breadth of exposure across the Group

In the strategic synthesis dimension, alignment of the risk or opportunity theme with emerging regulations (e.g., EU CBAM, ETS, Climate Law) was also considered an indicator increasing the likelihood of realization.

# Climate Related Risk and Opportunity Management

Climate-related risks and opportunities that met these criteria to the highest extent were prioritized and consolidated in accordance with the principle of aggregation. As a result, the following risks and opportunities were identified as the most material climate-related topics that may reasonably affect Koç Holding's future financial performance and cash flows:

## Risks:

1. Policy Risk – Carbon Pricing
2. Market Risk – Exposure of CBAM-linked Suppliers to Climate Risks
3. Reputational Risk
4. Physical Risk – Extreme Weather Events
5. Physical Risk – Water

## Opportunities:

1. Technological Opportunities – Renewable Energy, Energy Efficiency, and Low-Carbon Product Opportunities
2. Resource Efficiency Opportunity – Water Recovery and Recycling

Details can be found in “**Climate Related Material Risks and Opportunities**”

# Climate Related Material Risks & Opportunities

## Time Horizons and Planning Alignment

We classify and assess transition and physical risks along with related opportunities across **short, medium, and long-term horizons**, considering their impact on various parts of our value chain, financial performance, and strategic decision-making.

- Short-term: 0-1 years
- Medium-term: 2-5 years
- Long-term: 6-10 years

These timeframes are aligned with Koç Holding's internal strategic and operational planning cycles. Short-term risks and opportunities are integrated into annual business plans and budgeting processes. Medium- and long-term perspectives are considered within the scope of capital investment decisions, transition planning, and longer-range sustainability targets.

All identified climate-related risks and opportunities are assessed in relation to these horizons, and financial impacts are evaluated accordingly based on their expected timing. This structure supports consistency in impact analysis and facilitates scenario-based strategic decision-making.

## Scenario Selection and Climate Resilience

Scenario analysis helps us assess and evaluate our climate resilience against alternative future pathways. We assessed comparative climate-related risks analysis using globally recognized scenarios, covering both transition and physical risks. When determining the scenarios, we aimed to cover low, medium, and high emissions scenarios with differentiating impact on the planet and with differing realization levels of the Nationally Determined Contributions (NDCs).

For transition risks, in the energy sector, we utilized shadow carbon pricing of our Group Company Tüpraş, which has

been established after reviewing multiple sources including Network for Greening the Financial System (NGFS), the Intergovernmental Panel on Climate Change (IPCC), WoodMac, Bloomberg, S&P Global, the World Bank, the International Energy Agency (IEA) and the International Carbon Action Partnership (ICAP). For the automotive, consumer durables and finance sectors, we utilized carbon price estimation by BloombergNEF for 2025 alongside the IEA's NZE, APS, and STEPS scenarios to evaluate policy and market risks.

For physical risks, we integrated IPCC's SSP pathways (SSP1-2.6, SSP2-4.5, and SSP3-8.5) and leveraged the World Bank Knowledge Portal CMIP, WRI Aqueduct and WWF Water Risk Filter tools to analyze region-specific climate projections, such as temperature rise and extreme weather patterns.

Selected scenarios and physical risks indicators are subject to change in the upcoming years. They will be reviewed with the Group Companies annually and may be updated as needed.

		BloombergNEF Carbon Price (2025)	Global (IEA) Scenarios
Transition Risk – Policy Risk	2.4-2.8°C	For all Scenarios Used	Stated Policies Scenario (STEPS)
	1.9-2.3°C		Announced Pledges Scenario (APS)
	1.3-1.5°C		Net Zero Emissions by 2050 Scenario

		IPCC AR6 Scenarios	Tools
Physical Risks	limit warming to 2°C	SSP1-2.6	World Bank Knowledge Portal CMIP Tool
	limit warming to 3°C	SSP2-4.5 RCP4.5	
	exceed warming of 4°C	SSP5-8.5 RCP8.5	WRI Aqueduct WWF Risk Filter Suite

# Climate Related Material Risks & Opportunities

➤ ➤ ➤ Climate related material risks and opportunities of Koç Group may be found below:

Risk/Opportunity Type		Risk/ Opportunity Primary Driver and Description	Likelihood and Magnitude	Impact	Time Horizon	Affected Value Chain
Transition Risk	Policy Risk	<b>Carbon pricing risk</b> Risk of policy action to promote low-carbon transition in direct operations or upstream value chain (e.g. through carbon taxes)	<b>Likelihood:</b> Virtually certain <b>Magnitude:</b> Medium	Potential increase in operational costs due to carbon taxes; possible profit margin decline if additional costs are not passed on to customers.	Medium Term	Own operations, upstream
	Market Risk	<b>Increased operational costs and pricing pressure risk</b> When suppliers to group companies face increasing carbon taxes, they may pass on these costs through higher priced products.	<b>Likelihood:</b> Very likely <b>Magnitude:</b> Medium-Low	Rising procurement costs from upstream suppliers; potential input price volatility and reduced cost competitiveness.	Short term	Upstream
	Reputation Risk	Increased scrutiny, stakeholder concerns and negative feedback from investors, lenders and insurers regarding climate-related risks	<b>Likelihood:</b> Likely <b>Magnitude:</b> Medium-Low	Reduced investor confidence, potential limitations in accessing capital, and reputational harm affecting market positioning.	Medium Term	Own operations, Upstream, Downstream
Physical Risk	Acute	<b>Water &amp; Extreme Events</b> Increased frequency of extreme weather events or long-term changes in physical conditions	<b>Likelihood:</b> More likely than not <b>Magnitude:</b> High	Physical asset damage, operational interruptions, increased insurance premiums, and local supply chain disruptions.	Short Term	Own operations Upstream
	Chronic		<b>Likelihood:</b> Likely <b>Magnitude:</b> High			
Opportunities	Technology	<b>Financial opportunities arising from climate change</b> Company specific climate-related opportunities varying from resource efficiency, energy source, products/ services to market and resilience related ones.	<b>Likelihood:</b> Virtually certain <b>Magnitude:</b> Medium	New revenue streams from low-carbon products and services; improved cost efficiency through technology upgrades and energy transition.	Medium Term	Own operations, Downstream
	Resource Efficiency (Water Recycling & Recovery)	Expanding water recycling and recovery investments enables to reduce freshwater dependency and optimize cost and resource efficiency.	<b>Likelihood:</b> Very likely <b>Magnitude:</b> Medium	Lower long-term operational costs, reduced water-related risks, and improved sustainability performance metrics.	Medium to Long Term	Own Operations

# Climate Related Material Risks

## 1. POLICY RISK

### ► ► ► Rationale & Definition

Policy and regulatory risks refer to potential changes in climate-related regulations that may directly or indirectly impact Koç Holding's operations and financial performance. One of the most material risks is carbon pricing, including carbon taxes and emission trading systems (ETS). These instruments aim to accelerate the transition to a low-carbon economy by internalizing the environmental cost of carbon emissions. Countries are expected to implement stricter climate policies aligned with the Paris Agreement, leading to an expansion and intensify in global carbon pricing mechanisms. According to **International Carbon Action Partnership's Emissions Trading Worldwide Status Report 2025**, over 19% of global GHG emissions are currently covered by ETS, corresponding to 1/3 of the population. Furthermore, 11 ETS are currently under development and 9 more are under consideration.

EU ETS is already in place. Turkey is preparing to implement its Emissions Trading System (TR-ETS) as early as 2025-

2026, expected to become fully operational in 2028 following the pilot, aligning with its Nationally Determined Contributions (NDCs) and the 2053 net-zero target. Additionally, Pakistan, Bangladesh, and Russia markets, where Arçelik and Aygaz have operations, are in preparation phases for carbon pricing mechanisms.

### Approach

Koç Holding evaluates policy-related risks, particularly carbon pricing, through scenario-based financial modeling, which considers variable carbon pricing trajectories. The analysis is designed to assess the potential financial impact of carbon pricing on Scope 1 & 2 emissions across the Group. The modeling accounts for:

- Koç Holding's **carbon neutrality target for 2050**
- Group company-specific **emission reduction pathways**
- **Estimated carbon price by BloombergNEF** (2025–2030)
- **International Energy Agency (IEA) scenarios** for long-term projections (2035–2050)

# Climate Related Material Risks

## 1. POLICY RISK (continued)

▶ ▶ ▶ While the scenario-based carbon pricing analysis provides input for strategic and financial planning, it is subject to several limitations and uncertainties that should be considered when interpreting the results. These limitations reflect the evolving nature of climate-related policies and the complexity of estimating long-term financial impacts.

Uncertainties and Estimations:

- **Policy and market dynamics may shift:** Carbon pricing assumptions are based on currently available information but may change due to new regulations, political shifts, or global economic developments.
- **Carbon offsetting not included:** The model does not incorporate carbon offset mechanisms, as Koç Holding does not currently hold or utilize carbon credits.
- **Organizational boundary:** The analysis includes the Group Companies and Joint Ventures in consumer durables, energy, automotive, and finance sectors. Revenues of the subsidiaries in scope correspond to ~61% of Koç Holding's combined revenues and revenues of the joint ventures in scope correspond to ~33% of Koç Holding's combined revenues.
- **Emission pathway assumptions:** As some Group Companies do not currently have company-specific annual emission reduction pathways aligned with the 2050 carbon neutrality target, proxy decarbonization trajectories were developed by Koç Holding to model future emissions reductions, taking into account the

interim and final targets.

- **TR ETS pilot period:** It is assumed that TR ETS will be launched in 2026 and that 2026-2027 will be the pilot period, with no carbon pricing applied.
- **Carbon pricing coverage and applicability:** While TR ETS is expected to be launched in the near term, no official carbon pricing has been defined to date. Therefore, in order to maintain consistency and comparability, carbon pricing assumptions also reflect international markets and overseas operations where applicable.
- **Electricity supply from Entek:** Internal supply from Entek to Group Companies is included in the scope. However, future changes in Entek's renewable/non-renewable supply mix could not be modeled due to limited visibility.

### Scenario-Based Carbon Pricing Analysis

This scenario analysis has been updated in 2024. The assessment is built on three core climate action scenarios, incorporating estimated carbon prices by BloombergNEF short-term projections (2025-2030) and aligning with IEA projections for long-term modeling (2035-2050).

By integrating these internationally recognized pathways, Koç Holding ensures that assessments are robust and reflective of both national and global climate policies.

# Climate Related Material Risks

## 1. POLICY RISK (continued)

➤ ➤ ➤ These scenarios reflect potential carbon pricing trajectories and their expected financial impacts on Koç Holding operations:

Related Sector(s)	Scenario	Risk/ Opportunity Primary Driver and Description	Impact	Carbon Prices (USD/tCO <sub>2</sub> e)*
Energy	Shadow prices referenced by Koç Energy Group Companies	Includes the assumptions of the energy group in the financial evaluations of its investments.	These values are drawn up by considering Türkiye's macroeconomic outlook and level of development, in addition to the source and guide documents set out within the scope of the carbon pricing tool. A carbon pricing mechanism is not yet in operation in Türkiye. A potential update to the shadow carbon price will be evaluated in line with the National Emission Trading System, which is expected to enter into force with a pilot period after the adoption of the Climate Law.	2028 - 25 2030 - 33 2035 - 38 2040 - 43 2050 - 48
Automotive, Consumer Durables, Finance**	Stated Policies Scenario (STEPS)	Reflects current policy settings based on sector-by-sector and country-by-country assessments of existing energy-related policies as of 2024. Includes planned manufacturing capacities for clean energy technologies.	Carbon pricing grows slowly due to weak policy enforcement, leaving a significant gap between current emissions and net-zero targets.	2028 - 72,2 2030 - 140 2035 - 145 2040 - 149 2050 - 158
	Announced Pledges Scenario (APS)	Assumes that all government and industry climate commitments, including NDCs and net-zero pledges, are met in full and on time. Targets universal electricity access and clean cooking solutions.	Carbon pricing increases at a moderate pace, impacting emissions-intensive industries and partially bridging the implementation gap.	2028 - 40 2030 - 40 2035 - 65 2040 - 110 2050 - 160
	Net Zero Emissions by 2050 Scenario (NZE)	Establishes a pathway for the global energy sector to reach net zero CO <sub>2</sub> emissions by 2050, without relying on reductions outside the energy sector. Ensures universal electricity and clean cooking access by 2030.	Carbon pricing rises sharply due to aggressive decarbonization measures, increasing operational costs for carbon-intensive industries.	2028 - 90 2030 - 90 2035 - 125 2040 - 160 2050 - 200

\* For 2028-2030 BloombergNEF carbon price forecast; beyond 2030 IEA scenario forecast has been referenced.

\*\* In addition to IEA, Group Company Yapı Kredi also considered NGFS as part of the risk's financial impact evaluation.

# Climate Related Material Risks

## 1. POLICY RISK (continued)

### ► ► ► Current Impact on Business Model and Value Chain

Rising carbon prices pose a risk of increased operational costs for emissions-intensive Group Companies, particularly in the energy and industrial sectors. This may reduce profitability if additional costs are not transferred to customers. Additionally, upstream suppliers facing higher carbon costs may increase input prices, indirectly affecting Koç Group companies operating in the consumer durables and automotive sectors. Over time, Scope 1 and 2 emissions costs may become a material consideration in business model planning, procurement strategies, and pricing decisions. These effects are more visible in Turkey, where regulatory developments are accelerating with the upcoming TR ETS, and in European markets, where Koç Group companies exporting products are indirectly exposed to EU carbon pricing via supplier dynamics and the CBAM framework.

In the short term, due to direct operational activities within EU, Group Company Arçelik is currently exposed to EU ETS. Additionally, consumer durables companies' direct export-oriented operations to the EU may face indirect exposure to carbon pricing through increased supplier costs or shifting customer expectations in the short term. Since Turkish Emissions Trading System (ETS) has not yet imposed binding financial obligations, energy operations do not currently face significant direct financial exposure.

The impact from the Joint Ventures and other financial investments stands out in the automotive sector. Our Joint Venture Ford Otosan is currently within the scope of EU ETS. The indirect exposure of the consumer durables sector to carbon pricing in the short term is also valid for the automotive sector.

### Anticipated Impact on Business Model and Value Chain

National and international carbon pricing mechanisms are expected to expand—such as the anticipated launch of Turkish Emissions Trading System (TR ETS) with stronger carbon pricing signals potentially emerging closer to 2035 and tightening of the EU ETS free allowances. Additionally, Pakistan and Bangladesh markets, where Arçelik and Aygaz operate, are in preparation phases for carbon pricing mechanisms. Therefore, emissions-related costs are expected to grow over the next 3-10 years. This is likely to impact business model planning, long-term procurement strategies, and product pricing, particularly for Group Companies that rely on fossil fuel-based energy or carbon-intensive suppliers. Carbon pricing may also trigger reallocation of capital investments toward low-emission technologies and facilities.

More specifically for Koç Group, the impact of carbon pricing is anticipated to rise more for the energy sector over the medium and long term. Once Turkey's national system matures and free allowances tighten, energy businesses may face increasing carbon cost, particularly if emission intensity remains high. As regulatory mechanisms strengthen and free allowances are reduced, carbon pricing exposure is expected to shift from indirect to direct, increasing the financial relevance of carbon liabilities. The finance sector may increasingly be expected to incorporate climate-related considerations into capital allocation, disclosures, and stress testing. The evolving carbon pricing landscape may indirectly influence the regulatory and reputational environment in which banks operate.

# Climate Related Material Risks

## 1. POLICY RISK (continued)

➤ ➤ ➤ **Strategy Integration and Climate Resilience**  
The scenario-based carbon pricing analysis feeds directly into Koç Holding's **climate risk management and decarbonization strategies**, including the Carbon Transition Program. Results inform both **financial planning**—such as internal cost of carbon modeling and capital allocation decisions—and operational decision-making, including energy sourcing strategies and emissions abatement investments.

The analysis also provides insights for long-term strategy development by assessing potential carbon pricing impacts across multiple scenarios. It contributes to portfolio-wide decision-making by incorporating Group-wide emission reduction pathways and a consolidated outlook for climate-material Group Companies. This approach helps align the Group's strategy with its 2050 carbon neutrality target and enhances climate resilience across different policies and market trajectories. We focus on renewable energy solutions, energy efficiency measures, sustainable product stewardship and supply chain decarbonization. Moreover, Koç Group companies in the energy, automotive, consumer durables, and finance sectors follow their own sectoral pathways and reflect it in their industry dynamics. Accordingly, the energy industry plans its transition with a focus on well-balanced, diversified, and clean energy portfolio by manufacturing different types of energy such as zero-carbon electricity, green hydrogen, sustainable aviation fuels, and biofuels within an integrated business model. The transition of the automotive sector relies on increased weight occupied by electric vehicles and vehicles that use alternative fuels in the product portfolio and the transformation of the supply chain.

For the consumer durables sector, low carbon transition entails production of energy-efficient products, reduction of

emissions generated during use and transformation of the supply chain. Finally, Yapı Kredi, our Group Company in the finance sector, targets to channel its capital to low-carbon initiatives and to transform its portfolio in line with clean energy investments. The successful implementation of our sectoral transition pathways is closely tied to the timely maturation and feasibility of low-carbon technologies such as green hydrogen, which is assumed to be more scalable in the NZE scenario. This dependency is also evaluated among our emerging risks. More information can be found in "**Transition Pathways**" section.

Koç Holding Venture Capital Investment and the venture capital firms established by Group Companies including Tüpraş Ventures and Driventure seek to invest and/or establish partnerships with the start-ups that can help realize the emission reduction pathways.

Trade-offs are also accounted for between negative and positive environmental impact regarding the same investment. For example, while green hydrogen is a clean energy that contributes to emission reductions, its high water need is recognized as a trade-off requiring careful monitoring as part of water stewardship efforts. Similarly, the clean energy transition increases demand for critical minerals. Arçelik established two Waste Electrical and Electronic Equipment (WEEE) Recycling Plants in Türkiye since 2014, being the only home appliance manufacturer in Europe to have its own WEEE Recycling Plants. Ford Otosan built a prototype by re-purposing scrap and post-consumer EV batteries in Energy Storage Systems, the first within the Ford Motor Company System.

A detailed overview of the technological and innovative solutions supporting risk mitigation can be found in the "**Technology and Innovation for Climate**".

# Climate Related Material Risks

## 2. MARKET RISK

### ► ► ► Rationale & Definition

Market risks arise from climate-related shifts in supply and demand, affecting revenues, cost structures, and competitiveness. As carbon pricing mechanisms evolve, suppliers of Koç Group companies face increasing cost pressures, particularly in sectors with high embedded emissions. These rising costs may be passed down the supply chain, leading to fluctuations in raw material, commodity, and carbon prices.

### Approach (including judgments, uncertainties, and errors)

Koç Holding assesses climate-related market risks through a combination of supplier-level exposure analysis and commodity-based cost modeling. To anticipate these challenges, we evaluate the potential impact of CBAM-related risks, Group Companies Arçelik, Aygaz and Otokar along with Joint Ventures Ford Otosan and Tofaş are within the reporting scope of CBAM. However Group Companies Aygaz and Otokar, and Tofaş (as JV) are not financially impacted because they do not export finished goods nor have a manufacturing facility within Europe. For that reason, we focus on Arçelik and Ford Otosan's European operations over the 2025-2030 period. Revenues of the companies in scope correspond to ~28% of Koç Holding's combined revenues. The analysis examines sectoral risk intensities and carbon-related cost passthroughs based on benchmark product categories. The analysis scope focuses on steel and aluminum procurement. Cost fluctuations under evolving CBAM coverage are modeled using projected embedded emissions, estimated EU carbon prices, and commodity import volumes.

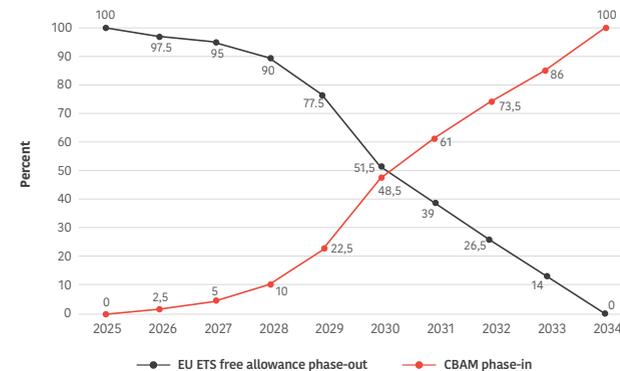
### Uncertainties and Estimations:

While this approach provides a basis for anticipating market disruptions, some limitations apply:

- Not all **benchmarking studies related to emission factors at the raw material and product level** have been finalized, which affects precision in sectoral exposure modeling.

- CBAM is a component of the broader EU ETS, and the analysis assumes a **fixed EU carbon price** while adjusting for **changing free allowance coverage** and **estimated reduction targets disclosed by associations such as European Steel Association (EUROFER)**, especially for non-EU suppliers.
- The analysis is based on data provided by Group Companies, and as it extends to 2030, it incorporates **growth projections**, which introduces a degree of uncertainty regarding volume and emissions intensity.
- The analysis takes into account the quantification of the direct costs resulting from CBAM tariffs and does not consider the indirect costs, which are difficult to quantify.
- It is assumed that no green steel procurement will take place before 2030.
- Assuming that TR ETS pilot period will end at the end of 2027 and that TR ETS price will be effective starting 2028, TR ETS price is deducted from EU ETS price, to avoid duplications.

EU ETS free allowances phase-out and CBAM phase-in



<https://icapcarbonaction.com/en/news/eu-adopts-landmark-ets-reforms-and-new-policies-meet-2030-target>

# Climate Related Material Risks

## 2. MARKET RISK (continued)

- ➤ ➤ **Current Impact on Business Model and Value Chain**  
Market-related climate risks can lead to **increased procurement costs**, particularly for energy- and emissions-intensive raw materials CBAM-related goods. These effects are particularly evident in **European export operations**, where competitiveness is increasingly influenced by supplier decarbonization maturity.

Specifically for Koç Group, such risks are especially relevant to manufacturing-intensive Group Companies in the consumer durables sector, where supplier cost structures directly impact product pricing and margin optimization. Arçelik, with direct operations within EU and with upstream exposure in emissions-intensive sectors such as steel and aluminium are more impacted in the short term. This cost arises from direct carbon-related charges (e.g. CBAM tariffs). For the joint ventures, the risk is relevant for the manufacturing-intensive automotive sector. Ford Otosan also has direct operations within EU and is subject to upstream exposure from steel and aluminium.

### **Anticipated Impact on Business Model and Value Chain**

In the medium to long term, CBAM-related compliance and cost pressures are expected to intensify as the mechanism transitions from reporting-only to full financial liability. In turn, this can lead to supply chain reconfiguration, changing pricing volatility, market competitiveness, consumer price sensitivity, and technology-related innovation pressures.

While the impact scale may be higher for Group Company Arçelik and Joint Venture Ford Otosan, which have direct operations within EU, the impact scope is anticipated to be broader, covering the automotive sector with high export rate. Moreover, indirect effects are anticipated to arise due to suppliers' exposure to increasing tariffs and possibility of transferring it along the value chain in case they do not align with decarbonization benchmarks. This may imply margin compression and diminished competitiveness for Group Companies, independent of having direct operations

within EU. For Yapı Kredi, Group Company in the financial sector, regulations such as CBAM may weaken customers' competitiveness and repayment performance, leading to an increase in default risk and credit losses.

### **Strategy Integration and Climate Resilience**

Koç Holding integrates market risk analysis into its **supply chain and procurement risk management practices**. Findings from CBAM-related evaluations contribute to sourcing strategies and supplier engagement processes focused on carbon-related risks and cost pass-throughs, supported by structured supplier governance mechanisms.

As part of the **Supplier ESG Guide** and the ongoing **Supplier ESG Initiative**, Koç Holding monitors and evaluates its supplier base on environmental and climate-related criteria. Additionally, 475 suppliers have been classified as carbon-strategic, operating across various geographies. Among these, we have identified the steel, aluminium suppliers, which are highly relevant to Koç Holding's market risk exposure due to their carbon intensity and CBAM relevance.

Koç Holding uses this supplier mapping to enhance risk assessments and proactively engage with suppliers in carbon-intensive sectors, encouraging alignment with decarbonization expectations. As of 2024, Arçelik has **supplier-specific climate targets**, including commitments to increase the share of suppliers with emission reduction roadmaps, improve supplier data quality, and expand the scope of supplier climate assessments. This structured approach enables **forward-looking planning** and strengthens **supply chain resilience** against evolving regulatory and market dynamics. As part of the Supplier ESG Initiative, target setting coverage is aimed to expand. Yapı Kredi, one of our Group companies, aims to integrate its sectoral decarbonization priorities into its strategic credit planning and resource allocation decisions.

# Climate Related Material Risks

## 3. REPUTATION RISK

### ► ► ► Rationale & Definition

Reputation risks arise from stakeholder perceptions and expectations related to a company's climate performance, disclosures, and alignment with the low-carbon transition. As investors, regulators, customers, and financial institutions increasingly integrate sustainability and climate criteria into their decision-making, inconsistencies or gaps in climate-related performance and communication may lead to reputational harm and in turn, result in financial losses, harm long-term stakeholder relationships, business development opportunities, and market positioning. For Koç Holding, these risks are especially relevant as the Group operates across sectors with high public and stakeholder visibility, including energy, automotive, manufacturing, and finance.

### Approach (including judgments, uncertainties, and errors)

We approach reputational exposure from multiple dimensions. For all Group Companies, we follow a value chain approach, taking into account the suppliers, distributors and customers that we conduct business with. Stakeholder surveys and media screenings are other tools that we utilize to measure reputational risk.

We closely monitor the emerging regulations primarily through the Environment Council Task Forces to assess their impact on Koç Group Sectors and value chains.

Reputational risk is also closely tied to investor expectations, ESG ratings, and disclosure transparency. Publicly listed companies are more frequently included in ESG indices, making their climate-related performance more visible and subject to investor scrutiny. ESG ratings serve as a proxy for the maturity and credibility of a company's sustainability and

climate transition performance, directly influencing access to capital and investment decisions. Given this context, Koç Holding conducted a reputation risk screening based on transition-related indicators commonly used by ESG rating and investment analysts. The screening prioritized the following publicly listed Koç Group Companies, whose ESG scores are publicly available and comparably benchmarked: Koç Holding, Aygaz, Arçelik, Otokar, Tüpraş, and Yapı Kredi. It also included the following Joint Ventures: Ford Otosan, Tofaş, TürkTraktör. Revenues of the subsidiaries in scope correspond to ~57% of Koç Holding's combined revenues and revenues of the joint ventures in scope correspond to ~22% of Koç Holding's combined revenues.

The analysis focused on the following indicators:

- **S&P Carbon Global Standards Impact Classification**
- **Carbon Intensity Decile Ranking** (Scope 1 & 2, market-based)
- **Scope 1 & 2 GHG Transition Pathway** (indicates whether Group companies have SBTi approved reduction target)
- **Climate Strategy Score**, based on S&P Global ESG Scores where available

### Current Impact on Business Model and Value Chain

Reputation-related climate risks throughout the value chain may influence stakeholder trust, investor perception, access to capital, and brand preference. Currently, as a consequence of our carbon-neutral target, science based targets by Group Companies Arçelik and Yapı Kredi as well as Joint Venture Ford Otosan, adherence to environmental regulations, improving ESG transparency, and due diligence in line with Supply Chain Compliance Policy across the Group, we currently do not face material climate related reputation risks.

# Climate Related Material Risks

## 3. REPUTATION RISK (continued)

### ➤ ➤ ➤ Anticipated Impact on Business Model and Value Chain

As global climate disclosure frameworks and investor expectations continue to tighten, reputational risks are likely to intensify.

Energy Group Companies operating in carbon-intensive sectors may face higher expectations from investors regarding emissions reduction, media exposure risks, or market access limitations if climate-related strategies and performance are not aligned with peer benchmarks or regulatory trajectories. This may influence valuation, partnership opportunities, and talent attraction, particularly for energy Group companies.

For those Companies with already established science-based targets, a perceived misalignment with net-zero expectations or insufficient climate disclosure maturity may result in increased scrutiny, negative media coverage, or investor engagement pressure. Financially, it may reduce access to green financing and increase borrowing costs.

Regulatory developments such as the Corporate Sustainability Due Diligence Directive (CS3D) are anticipated to increase reputational exposure—particularly for Group Companies with high export dependency to EU, such as consumer durables and automotive companies. In this context, CS3D represents not only a compliance risk but also a reputational catalyst driven by stakeholder expectations regarding human rights and climate responsibility. These

risks are especially critical for Koç Holding, since more than 40% of the products are exported to EU.

As value chain accountability becomes more prominent under frameworks like CS3D, supplier-related reputational risks may trigger scrutiny not only from customers and regulators but also from investors. Suppliers that demonstrate poor environmental or social performance such as inadequate environmental management, human rights violations, or non-compliance with relevant regulations can adversely affect the reputation and stakeholder trust of Koç Group Companies.

Besides CS3D, particularly for the automotive sector, failure to comply with new supply chain sustainability regulations (e.g., Battery, Deforestation, CS3D) may lead to customs clearance issues, production disruptions, financial losses, and reputational damage due to non-compliance, inadequate supplier due diligence, or human rights violations across the value chain.

For Yapı Kredi, Group Company in the finance sector, reputational risks stemming from environmental and social issues are monitored through predefined sector norms and performance indicators. Financial exposure may result from increased scrutiny, lending limitations, credit transactions in emissions-intensive sectors, or reputational damage linked to sensitive sectors such as mining, thermal power, and water infrastructure.

# Climate Related Material Risks

## 3. REPUTATION RISK (continued)

► ► ► **Strategy Integration and Climate Resilience**  
To address reputational risks stemming from transition performance and disclosure maturity, Koç Holding incorporates ESG rating feedback, gap analyses, and peer benchmarking into its sustainability planning processes. As part of this effort, several Group Companies have set specific climate action targets to strengthen their transition narrative. These include developing **science-based emissions reduction targets**, enhancing **climate disclosure practices**, and aligning with global ESG frameworks.

Furthermore, Koç Holding's strategic response to reputational risks includes 3rd party due diligence aligned initiatives, enabling early identification of vulnerabilities across markets and stakeholder groups. This approach

supports compliance readiness for emerging regulatory frameworks such as the Corporate Sustainability Due Diligence Directive (CSDDD), while also aligning with evolving customer expectations around sustainability performance and transparency.

These risks may further planned to be mitigated through consistent progress towards decarbonization targets, cross-cutting sustainability initiatives centrally led by Koç Holding such as the Supply Chain Sustainability and Water Stewardship initiatives, and increasing alignment with upcoming regulations. Such efforts enhance resilience to reputational risks by demonstrating accountability, transparency, and proactive management across the value chain.

# Climate Related Material Risks

## 4. PHYSICAL RISK

### ▶ ▶ ▶ Rationale & Definition

Physical climate risks refer to the potential adverse impacts of acute weather events and chronic climate trends on the operations, assets, and supply chains of Koç Holding and its Group Companies. These include increasing frequency and intensity of extreme heat, flooding, hurricanes, water stress, and long-term sea level rise. Among these risks, **water-related physical risks**, such as water scarcity and flooding, represent a material concern given their direct effect on industrial operations and regulatory exposure.

### Approach (including judgments, uncertainties, and errors)

We conducted a physical risk assessment across 84 locations of 9 Group companies, covering both domestic and international sites in the consumer durables, automotive, and energy sectors.

The analysis is grounded in climate scenario modeling,

based on the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC). Three IPCC-aligned Shared Socioeconomic Pathways (SSPs) were used to reflect a range of potential global warming trajectories:

- **SSP1-2.6:** A low-emissions scenario aiming to limit global temperature rise to below 2°C.
- **SSP2-4.5:** A moderate-emissions scenario that assumes policy continuity and results in approximately 3°C warming.
- **SSP5-8.5:** A high-emissions scenario where limited climate policy implementation may lead to warming beyond 4°C.

These scenarios enable forward-looking risk identification and allow for the integration of climate-related considerations into business planning and strategic resilience efforts, as required under TSRS 2.

# Climate Related Material Risks

## 4. PHYSICAL RISK (continued)

### Tools and Data Sources

To ensure location-specific and science-based assessments, the following globally recognized data platforms and tools were utilized:

- World Bank Climate Change Knowledge Portal (CCKP Tool):** Used to obtain downscaled projections on temperature increases, precipitation variability, and extreme weather frequency under selected SSPs.
- WRI Aqueduct:** Employed to assess baseline water stress, drought risk, flood hazards, and seasonal water variability for facilities and key geographies.
- WWF Water Risk Filter:** Used to evaluate operational exposure to chronic water risks, such as long-term water scarcity, and to assess risks related to local hydrological and ecological conditions.

These tools provide quantitative and qualitative data, enabling the classification of risk levels at the facility level across multiple climate futures.

- Hot days (35°C)
- Water stress
- Flooding
- Heat\* and cold waves
- Wildfire
- Sea level rise

IPCC AR6 Scenarios	Key Assumptions	Expected Physical Risk Impact
SSP1-2.6	Assumes aggressive decarbonization, rapid renewable energy expansion, and sustainable economic policies, limiting warming to below 2°C by 2100.	Minimal impact on water stress, heat waves, and coastal flooding. Lower probability of extreme weather events, reducing financial risks related to infrastructure adaptation.
SSP2-4.5	Assumes gradual climate policies, leading to warming of 1.2-3.5°C by 2100. Economic and environmental trade-offs slow down global mitigation efforts.	Increased exposure to water stress, heat waves, and extreme flooding events. Higher adaptation costs due to more frequent and severe disruptions in key operational areas.
SSP5-8.5	Assumes business-as-usual emissions, with industrial growth and minimal climate policies, leading to warming exceeding 4°C by 2100.	Extreme climate-driven disruptions, including longer heat waves, severe water shortages, and intensified hurricanes. High infrastructure damage risks, rising operational costs, and potential relocation requirements for high-risk coastal locations.

\* Heat waves are understood to be periods of unusually hot and dry or hot and humid weather that have a subtle onset and cessation, a duration of at least two-three days, usually with a discernible impact on human and natural systems. (Source: World Bank CCKP Glossary)

# Climate Related Material Risks

## 4. PHYSICAL RISK (continued)

### ► ► ► Sectoral and Geographical Insights

#### Hot Days over 35°C

##### Consumer Durables

Arçelik's facilities in Southeast Asia, Asia and Africa represent the most climate-sensitive geographies in terms of extreme heat events consistently show very high exposure to hot days exceeding 35°C across all scenarios and timeframes.

This geographic concentration of risk highlights the need for climate adaptation efforts specifically in non-European manufacturing hubs.

##### Energy Sector

Under low emission scenarios, high-risk areas are observed primarily in Turkey's eastern and southern regions. In the short term (2025–2030), Entek's facilities show limited high-risk classification. However, toward 2050, rising temperatures under SSP4.5 and SSP8.5 scenarios result in increasing exposure for hydropower plants in Central Anatolia and southern Turkey. Southeastern Turkey-based refineries are already exposed to very high risk. Under more severe scenarios, facilities located in the Aegean region also shift into high-risk categories, indicating a progressive westward movement of risk exposure.

#### Heatwave

A similar pattern is observed for heatwave exposure, with Consumer Durables and Energy again leading in risk concentration. Independent of the scenario, % of facilities exposed to high and very high heatwave risk increases over time until 2050 vs. 2025 and this % is >85% in all scenarios.

#### Automotive

Automotive Group Companies currently show none or minimal exposure in 2025 or 2030, but are expected to encounter increasing risk by 2050 even under low emission pathways (SSP1-2.6). As climate change progresses, both intensity and duration of hot periods increase, causing sharp rises in heatwave risk by 2030 and 2050.

#### Wildfire

By 2030, very high wildfire risk focuses on South Africa under the SSP4-4.5 scenario. By 2050, >90% of the analyzed facilities are exposed to high and very high wildfire risk, except for the SSP1-2.6 scenario, which assumes <2°C warming.

#### Sea Level Rise

Sea Level Rise is a low risk for Koç Group operations both on absolute and relative terms. The risk pertains to the facilities in Southeast Asia.

	Hot Days			Heat wave			Cold wave			Wildfire			Sea Level Rise		
	Current	2030	2050	Current	2030	2050	Current	2030	2050	Current	2030	2050	Current	2030	2050
SSP1-2.6	18%	20%	26%	62%	50%	87%	2%	0%	0%	1%	27%	27%	n.a.	1%	1%
SSP2-4.5	18%	18%	26%	44%	49%	88%	4%	0%	0%	27%	27%	95%	n.a.	2%	4%
SSP3-8.5	18%	19%	33%	44%	70%	99%	0%	0%	0%	27%	70%	95%	n.a.	5%	5%

# Climate Related Material Risks

## 4. PHYSICAL RISK (continued)

As Koç Holding, we also conducted a comprehensive water risk analysis in 2023 for 2030 and 2050, evaluating water risks across 84 locations in 9 companies. We classified assets based on a low to very high risk scale to evaluate their significance. The risk assessment conducted in 2023 was updated in 2024 for 84 facilities of 9 companies operating in the energy, automotive, and consumer durables sectors across 14 countries. The assessment was carried out based on optimistic, usual, and pessimistic scenarios for the 2030 and 2050 projections. Basin-based risks were assessed using the World Resources Institute's Aqueduct and WWF's Water Risk Filter tools, focusing on water scarcity, flooding, and water quality dimensions. In addition to basin-based risks, a weighted total risk score was calculated for each facility by also considering operational risks, reputational risks, and regulatory risks based on facility-level water withdrawal data. As a result, it was 42% of our global facilities and 67% of Turkey facilities are currently located in high and very high **water-stressed regions**. **38% of our global facilities and 23% of our facilities** in Türkiye are currently located in high and very high flood risk regions. Facilities exposed to both drought and flooding risks are projected to increase across our global operations by 2030.

Based on the results of qualitative assessment, we determined our "priority basins". The basins included in the assessment were prioritized based on the following criteria:

- Basins classified as extremely high and high risk
- Basins where facilities with higher operational water withdrawal are located
- Basins where multiple facilities of our Group Companies are present
- Basins listed among the CEO Water Mandate's Global 100 Priority Basins

As a result, we determined our priority basins and

performed a financial impact analysis for the priority basins to quantify potential impacts. To quantify the impact, we analyzed water projections using basin-specific drought management plans developed by the Ministry of Environment, Urbanization, and Climate Change and working with the Group Companies, derived its impact on production capacity. By incorporating water budgets and medium-term projections, we quantified financial risks and strengthened our resilience strategy.

	% of Facilities in high and very high water-stressed regions		% of Facilities in high and very high flooding regions	
	Global	Turkey	Global	Turkey
<b>2025</b>	42%	67%	38%	23%
<b>2030</b>	50%	77%	40%	23%

	# of Facilities subject to	
	Water Scarcity	Flooding
<b>Low</b>	9	21
<b>Low-Med</b>	11	18
<b>Med-High</b>	34	14
<b>High</b>	14	24
<b>Ext High</b>	16	7

According to the water risk results, which include many of the indicators mentioned, the asset classifications are as follows.

	# of Facilities subject to Water Risk	
	2025	2030
<b>Low</b>	0	0
<b>Low-Med</b>	3	0
<b>Med-High</b>	0	3
<b>High</b>	16	13
<b>Ext High</b>	4	7

# Climate Related Material Risks

## 4. PHYSICAL RISK (continued)

- ➤ ➤ **Current Impact on Business Model and Value Chain**  
Physical climate risks can cause direct damage to assets, disrupt operations, increase insurance costs, and affect supply chain continuity. The most material exposures within Koç Holding relate to **water stress and flooding**, which pose challenges for manufacturing continuity, cooling processes, and raw material availability. The most significant exposures are observed in facilities located within **water-stressed or flood-prone basins**. Water pollution may cause the Companies to make additional investments to treat the incoming water.

Between 2025 and 2030, water-related risks are expected to result in operational financial losses. These projections account for water availability in prioritized basins mentioned above for selected years. For the consumer durables sector, water is also expected to have an impact on the downstream value chain.

**Anticipated Impact on Business Model and Value Chain**  
The intensification of extreme weather events under selected scenarios is expected to further increase exposure to **heatwaves, flooding, and seasonal droughts**, especially in regions with limited adaptation capacity. As water availability becomes increasingly constrained, Group Companies with **water-intensive processes** such as energy production, industrial manufacturing and hydroelectric power plant operations may face operational delays. Furthermore, regulatory pressures around water withdrawal and pollution may impose additional compliance costs, and failures in adaptation could lead to **reputational risks** in environmentally sensitive regions. Same issues hold true for the suppliers as well, which may cause supply chain disruptions.

### Strategy Integration and Climate Resilience

Koç Holding integrates physical risk assessments into its broader climate resilience and sustainability planning efforts. Insights from site-level exposure analyses are used to inform mitigation plans, operational planning, and long-term adaptation strategies.

In particular, water-related risks are addressed through an integrated approach that emphasizes **sustainable water use and circularity**. Across the Group, efforts are underway to **prepare site-specific mitigation plans**, supported by initiatives to **increase recycling and recovery rates** in water-intensive operations. Tüpraş evaluates alternative water sources such as greywater recovery. In 2024, Tüpraş recovered 73% of its total water withdrawal as greywater. Several Group Companies have set targets. Arçelik aims to reduce water withdrawal per product by 25%, water discharge per product by 25%, and increase water recycling and reuse ratio by 35% in all its manufacturing facilities by 2040 (Base Year: 2024). Ford Otosan targets a 40% reduction in freshwater use per vehicle by 2030 through recovery projects at its Gölçük, Yeniköy, and Eskişehir plants. (Base Year: 2019) More information can be found in "**Water Stewardship**" section.

We established "Water Stewardship" Task Force under the Koç Group Environmental Council. Koç Holding also launched "Water Stewardship Initiative" across the Group to manage water risks from a holistic perspective, taking into account both the operations and the basin.

This Group-wide perspective positions water management not only as a risk to be mitigated, but also as a strategic opportunity to drive **operational efficiency, regulatory compliance, and environmental performance improvements** across Koç Holding's value chain.

# Climate Related Material Opportunities

- ▶ ▶ ▶ Climate change presents both challenges and opportunities for businesses. By leveraging technology and resource efficiency, we aim to mitigate risks while unlocking financial and operational benefits. Our approach focuses on two key areas: low-carbon technologies to reduce emissions and water efficiency to address drought risks.

## Rationale & Definition

Investing in low-carbon solutions enables emission reductions through energy transformation, circular production systems, and sustainable product innovation, helping to manage regulatory and market risks. At the same time, water recycling and recovery initiatives support climate resilience by minimizing exposure to water scarcity and operational disruptions, leading to cost savings and long-term sustainability.

The two primary opportunities were considered significant in terms of both likelihood and severity due to frequent recurrence among energy- and production-intensive companies. Another frequently reported subject across various sectors is access to sustainable finance which was assessed as medium in likelihood and medium in severity, due to the relatively lower EBIT contribution of the companies reporting this opportunity. Nevertheless, sustainable finance acts as a strategic enabler that both increases the likelihood of realizing climate-related opportunities and reduces the impact of risks for Koç Holding.

## 1. TECHNOLOGICAL OPPORTUNITIES ARISING FROM CLIMATE CHANGE

Technological advancements in resource efficiency, energy transformation, and sustainable product innovation create financial opportunities in the transition to a low-carbon economy. Investing in low-carbon technologies and circular production systems enhances cost efficiency, operational resilience, and long-term competitiveness.

We monitor the pace of transformation across our companies by assessing taxonomy-aligned capital and operational expenditures (CapEx, OpEx) and revenue streams. This allows us to track the financial impact of climate-related opportunities and guide strategic investments.

We established a task force under the Koç Group Environmental Council to mitigate the impacts of products and services offered in various sectors, identify the low carbon products in line with national and international standards and identify requirements and related reporting criteria.

To explore how Koç Group companies leverage technology and innovation to create sustainable products, visit the **“Technology and Innovation for Climate”** section.

# Climate Related Material Opportunities

## 1. TECHNOLOGICAL OPPORTUNITIES ARISING FROM CLIMATE CHANGE (continued)

➤ ➤ ➤ **Approach (including uncertainties, judgments and errors)**  
Group Companies in scope\* are Arçelik, Aygaz, Entek, Otokar, Otokoç, Tüpraş, Yapı Kredi. The Joint Ventures in scope are: Ford Otosan, OPET, Tofaş, TürkTraktör. These Companies have manufacturing/operational facilities with relatively large impact, except Yapı Kredi in the finance sector. Yapı Kredi was included because it has a wide network of branches across the country and due to the rapid transformation of sustainable finance. Time frame is 2025-2030.

To be able to quantify the financial investments from technological opportunities arising from climate change, we considered both operational opportunities (renewable energy, energy efficiency, energy savings initiatives) and product opportunities (low-carbon products). For product opportunities, we limited the study to “low-carbon” and for low-carbon product definition, we refer to EU Taxonomy as the framework basis. The analysis includes uncertainties with regards to the approval of planned financial investments as well as the cost of switching to lower emission technologies.

Koç Holding sustainability and finance teams conducted one-on-one interviews with all Group Companies in scope to align on the scope of the work before collecting relevant data. Duplicate data regarding Group-wide renewable energy project, which was led by Entek, was eliminated.

### Current Impact on Business Model and Value Chain

This opportunity helps mitigate our carbon pricing risk, detailed under “Policy Risk”. Through investments in low-carbon technologies, energy efficiency, and circular product design, we aim to enhance the resilience of our operations, improve cost-efficiency, and reduce our exposure to transition risks such as carbon pricing and the EU’s Carbon Border Adjustment Mechanism (CBAM).

Current opportunity impact we realize is due to the investments made as part of “Group-wide Renewable Energy Project”, which became operational in some Companies in 2024. This project in general pertains to the operations in Turkey and is being led by Entek, aiming to increase the share of renewable energy in self-consumption of electricity. Also, the benefits realized from energy

efficiency investments since 2023.

These efforts support our carbon-neutrality targets by lowering Scope 1 and 2 emissions through operational improvements. At the same time, our low-carbon product initiatives—particularly in the mobility and white goods sectors—help reduce Scope 3 emissions generated during product use. Arçelik, one of the Group Companies, has calculated the financial impact of the opportunity based on the sales of its energy-efficient products, which account for ~62% of Arçelik’s consolidated revenue.

### Anticipated Impact on Business Model and Value Chain

When compared with the current investments and impact, more renewable energy and low-carbon product investments are anticipated to occur up until 2030. Therefore the anticipated benefits in the medium term are expected to be higher. Given the long-term benefit creation nature of renewable energy and low-carbon product investments, we anticipate that both cost and emissions savings realization will expand beyond 2030.

We see these opportunities not only as enablers of climate risk mitigation, but also as levers for value creation. By aligning with international frameworks such as the EU Taxonomy and prioritizing innovation across our value chain, we strengthen our long-term competitiveness and improve access to green finance. These outcomes also help reinforce our reputation, investor confidence, and customer loyalty

### Strategy and Financial Planning Integration

The CAPEX and OPEX investments towards realizing this opportunity occurs in line with the transition pathways established as part of the Carbon Transition Program, and/or science based targets of Group Companies Arçelik and Yapı Kredi as well as Joint Venture Ford Otosan. The product opportunities are related to R&D investments and lead to additional revenues.

“Product Stewardship” Task Force under the Koç Group Environmental Council works to further mitigate the impacts of products and services offered in various sectors, identify the low-carbon products in line with national and international standards and identify requirements and related reporting criteria.

\* Revenues of the subsidiaries in scope correspond to ~61% of Koç Holding’s combined revenues and revenues of the joint ventures in scope correspond to ~33% of Koç Holding’s combined revenues.

# Climate Related Material Opportunities

## 2. RESOURCE EFFICIENCY - WATER RECYCLING & RECOVERY

► ► ► We focus on enhancing water efficiency through wastewater recovery and recycling initiatives, encouraging group companies to establish closed-loop water systems and reduce reliance on freshwater sources. Based on our analysis of Group Companies' investments in water recovery and recycling initiatives, between 2025 and 2030, we foresee investments in water recovery and recycling initiatives, resulting in projected savings for reduction in freshwater withdrawals and financial savings. By optimizing water use, we aim to strengthen resource efficiency and cost resilience across our operations.

### Approach (including uncertainties, judgments and errors)

Group Companies in scope of this opportunity are Arçelik, Aygaz, Entek, Otokar, Tüpraş, and the joint ventures in scope are: Ford Otosan, Opet, Tofaş, TürkTraktör because these Companies have manufacturing/operational facilities with relatively large water footprint impact.

To be able to assess our impact regarding this opportunity, Companies' wastewater recovery and water recycling projections in m<sup>3</sup> along with the investment forecast until 2030 is obtained to the best extent available. Given uncertainties regarding future projections, time frame was limited to 2025-2030. Also, local water prices were obtained from the Group Companies. We assess the savings realized by this opportunity by multiplying the amount of freshwater savings with the difference between freshwater unit price and grey water unit price, which were projected in line with Koç Holding's inflation expectations. For companies that treat and reuse their own wastewater, the corresponding value has been multiplied by the third-party water price to calculate the savings. This study was conducted with the best available information regarding water prices, which may vary depending on water availability and/or regulatory developments over time.

### Current Impact on Business Model and Value Chain

This opportunity helps mitigate our water risk, detailed under "Physical Risks", helps us become more climate-resilient, less dependent on natural resources and realize cost savings. Because water is a shared stakeholder challenge across basins, the more we implement recycling and recovery initiatives across our Group Companies, we contribute towards the sustainability

of the basins where we operate, for all stakeholders in the ecosystem.

Among the Group Companies, the impact is bigger for the energy sector, which is the most water-dependent sector among our main business lines. Also, hydropower operations incur both cost savings and less dependence on freshwater.

### Anticipated Impact on Business Model and Value Chain

Moving forward, the impact of the opportunity may expand, as a consequence of increasing freshwater prices, water scarcity, and regulatory developments. We anticipate that Tüpraş, in line with its greywater recovery investments, and Arçelik, in line with its public water recycling target, will realize more cost savings. Geographically, we anticipate the greywater recovery and water recycling investments concentrating more at facilities operating in Koç Holding's priority basins. In addition for Group Companies with global operational presence, such as Arçelik, we anticipate that the investments may concentrate at very high and high water risk locations, such as Southeast Asia and/or Africa.

### Strategy and Financial Planning Integration

Even though we do not yet have a Group-wide target yet, Koç Holding has developed its Water Stewardship Framework, which the Group Companies act in line with. In addition, Arçelik has a public target to increase water recycling and reuse ratio by 35% in all its manufacturing facilities by 2040 (Base Year: 2024). Other Group Companies have internal annual targets that they monitor with the aspiration to increase greywater recovery. As a consequence, in 2024, Tüpraş recovered 73% of its total water withdrawal as greywater. Entek achieved a water recovery rate of over 94% through the use of greywater. JV Ford Otosan aims to reduce clean water use per vehicle by 40% by 2030 and invests in wastewater recovery and remote well water level monitoring project.

This Group-wide perspective positions water management not only as a risk to be mitigated, but also as a strategic opportunity to drive **operational efficiency, regulatory compliance, and environmental performance improvements** across Koç Holding's value chain.



**Climate Strategy**

# Climate Strategy: Carbon Transition Program

## Carbon Transition Program

In line with the global climate agenda and the European Green Deal, we aim to be carbon neutral by 2050. In order to achieve this target and devise a roadmap for transitioning to a low-carbon economy we launched the Carbon Transition Program across the Group. Within the scope of the first focus area of the Carbon Transition Program, main transition risks and physical risks have been identified in line with TCFD\* and TSRS recommendations. The main risks and financial impacts to be faced by the Koç Group and companies in the short, medium and long term have been identified under different climate scenarios. Setting targets and creating roadmaps for the companies for effective management of these risks is among the other objectives of the Program. In addition to risk management, we intend to seize opportunities in relation to emerging new product and service areas and implement resilient business models.

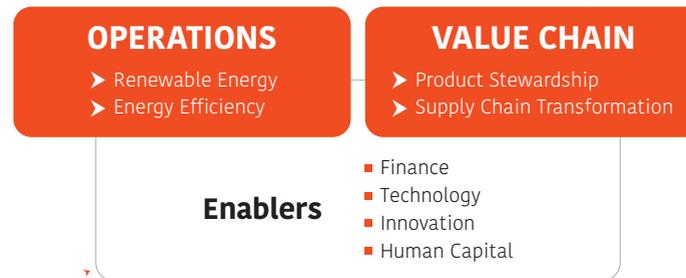
\*As of 2024, TCFD takes place under the ISSB roof.

## Transition Pathway

As Koç Holding, we have established a roadmap to support the transition to a low-carbon economy and to achieve our 2050 carbon-neutral target.

To achieve our vision of a low-carbon future, we focus on renewable energy solutions, energy efficiency measures, sustainable product stewardship and initiatives to decarbonize our supply chain. Moreover, Koç Group companies in the energy, automotive, consumer durables, and finance sectors follow this approach within their own sectoral pathways and reflect it in their industry dynamics.

### Transition Pathway



# Carbon Transition Program

## Operations - Energy Efficiency

We are working to improve the energy efficiency of our operations across all of our businesses. This involves identifying opportunities to reduce energy consumption, optimizing manufacturing processes, and exploring new technologies to help us operate more efficiently.

## Operations - Renewable energy

Most Group companies have a target to supply all electricity in their operations from renewable sources. In line with this, we invest in wind, solar, and other forms of clean energy. We are investing in renewable energy generation where feasible and purchasing renewable energy certificates.

## Group-Wide Renewable Energy Project

- Entek is an independent power producer (IPP) within the Koç Group and is committed to providing clean and sustainable energy solutions to meet the growing demand for power. The company has two wind power plant, one natural gas power plant, and eight hydroelectric power plants.

In line with the Koç Group's commitment to reducing carbon emissions, Entek is leading one important project in the Group's journey toward achieving carbon neutrality. The Group initiative focused on solar power generation, aims to increase the share of renewable energy in the Group's overall electricity

consumption within Koç Group Companies.

Under the framework of the Project, we have made significant strides in the development of solar power plant projects for Koç Group companies. By the end of 2024, official approvals for solar projects have been obtained from the relevant authorities.

This project will enable us to increase the share of renewable energy in the Group's electricity consumption and further reduce emissions.

## Otokoç: Koç Group's First Ground-Mounted Solar Power Plant

- Otokoç Otomotiv has implemented a solar power plant (SPP) project with an annual generation capacity of 17.4 GWh as part of Koç Holding's Carbon Transition Program, which supports the Group's 2050 net-zero emissions target. Coordinated by EntekSENS and utilizing locally produced solar panels by

Arçelik, the project is the first ground-mounted SPP to become operational among Koç Group companies.

Through this investment, Otokoç Otomotiv prevents 8,411 tons of CO<sub>2</sub>e emissions annually.

# Carbon Transition Program

## ▶ ▶ ▶ Value Chain - Product Stewardship

Koç Group companies are working to adapt their products and services for a low-carbon future while seizing business opportunities. Our strategy involves overseeing every stage of a product's life cycle, from cradle to grave, enabling us to efficiently control emissions throughout our value chain and enhancing our competitive position.

## Value Chain - Supply Chain Transformation

At Koç Group, we view our value chain as an integral part

of our transition, with suppliers playing a vital role. We are committed to support and enhance the sustainability performance of suppliers. As part of Koç Group's Supplier ESG Transformation Initiative, we integrate ESG strategies into supplier selection, retention, assessment, and development processes. We identify material risks and impacts, ensuring supplier practices align with Koç Group's Supply Chain Compliance Policy. We continuously review purchasing practices to avoid conflicts with ESG requirements.

# Carbon Transition Program

## ► ► ► Enablers

In our low-carbon transition pathway, we recognize finance, technology, innovation, and human capital as pivotal enablers.

**Finance** plays a key role in facilitating transformation and access to low-cost financing for green transition. For instance, Yapı Kredi, a Koç Group company operating in financial sector, not only has its own targets to transform and decarbonize its portfolio as a bank but also utilizes other green financial instruments. A notable example is the successful completion of its first Sustainable Eurobond issuance, amounting to 500 million \$.

**Technology** is indispensable for achieving our low-carbon targets, enabling us to minimize the environmental impact of our operations and transform our product portfolio. Within the Koç Group, multiple companies are leading the way in advanced digital production. Three facilities from Koç Group companies have been acknowledged as Global Lighthouses by the World Economic Forum for their cutting-edge Industry 4.0 operations.

By embracing different and disruptive ideas, we can catalyze meaningful progress. Koç Group is leading climate-focused **innovation** across Group companies, reducing carbon emissions, increasing energy efficiency, and conserving freshwater through open innovation, intrapreneurship, R&D, and collaborative partnerships. To explore how Koç Group companies leverage technology and innovation for a low-carbon transition, you can visit the **“Technology and Innovation for Climate”** section.

**Human capital** stands as a keystone in our transition. Our workforce, empowered by future skills, serves as the driving force behind our sustainability efforts. We aim for them to become data citizens who will transform their work, mainstreaming sustainability throughout the Group and ensuring our transition is not only successful but also enduring. We have examples of our colleagues who work in sales or field operations becoming data analysts. Through these new competencies, our teams can now develop artificial intelligence models that transform the way they work.

# Carbon Transition Program

## ► ► ► Sectoral pathways

In line with the overarching focus areas of renewable energy, energy efficiency, product stewardship and supply chain decarbonization Koç Group companies have identified sectoral priorities and transition pathways specific to the sectors in which they operate.

## Energy

It will not be possible to reach a low carbon economy without the transition of the energy sector. Sector companies that invest early in clean energy transition and alternative fuels will stand out.

Koç Holding Group Companies operating in the energy sector are exploring the potential of zero-carbon electricity, alternative fuels like hydrogen and biofuels and promoting sustainable practices to mitigate their Scope 3 emissions.

## Tüpraş

► ► ► Tüpraş aims to lead Turkey's energy transition by making its existing assets more competitive and profitable through energy efficiency and decarbonization projects. The company also plans to invest in new areas that support sustainable development creating a balanced and diversified clean energy portfolio.

By 2030, Tüpraş aims to reduce its Scope 1 and Scope 2 emissions by 20% compared to 2017, by 25% in 2035, and become a carbon-neutral energy company by 2050.\*

Tüpraş's investment areas in its Strategic Transition Plan:

- Biofuels
- Zero-carbon electricity
- Green hydrogen
- Sustainable refining

\* updated in line with the slower-than-expected feasibility of green hydrogen technology

# Carbon Transition Program

## ► ► ► Automotive

The automotive sector has a critical role in the global carbon transition. The shift towards low emission vehicles will disrupt value chains and zero emission cars and trucks will be the main focal points of this transition. Companies that invest in these vehicles work to establish new value chain models and develop their manufacturing capabilities will gain leverage in the sector. In line with that, an important part of the carbon transition journey of Koç Holding Group Companies in the automotive sector is focused on their

products and their value chains. Electric vehicles, vehicles with alternative fuels, sustainable production and the impact suppliers create are also tackled as important parts of their efforts.

## Finance

The financial sector is committed to mobilizing capital to low-carbon initiatives and shift their portfolio towards clean energy investments.

## ► ► ► Yapı Kredi

Yapı Kredi is committed to integrating climate risk considerations into its credit decision-making processes. As part of our Carbon Transition Program, Yapı Kredi has published its strategy with its credit portfolio in 2024 for assessing the compatibility of expected emissions reductions. This strategy will play a critical role in the carbon transition pathways of Koç Holding and green transformation of real sector in Turkey. Yapı Kredi received SBTi verification in 2024 for the targets determined for both its operations-related and financed emissions in 2023 in line with its SBTi

commitment. The verification made the Bank the only private Tier-I bank to receive SBTi verification in Türkiye with the most comprehensive loan portfolio target in the Turkish banking sector. In addition, Yapı Kredi determined sector-specific emission reduction targets in 2024 in accordance with the recommendations of the Net Zero Banking Alliance (NZBA) guidelines and published them publicly together with the net-zero roadmap developed on a sectoral basis to achieve these targets. The Bank works to implement sectoral action plans in line with the net-zero roadmap.

# Carbon Transition Program

## Consumer Durables

There are significant opportunities for the consumer durables sector to transition towards a low-carbon economy such as technological innovation to decarbonize operations and products and achieve energy and resource savings.

The reduction of product emissions during their use is a significant factor in achieving the decarbonization goals of the consumer durables sector. Koç Holding Group companies in the Consumer Durables sector focus on developing energy-efficient products to achieve this goal.

## Arçelik

Arçelik has a detailed roadmap for the transition to a low-carbon economy. This roadmap includes a commitment to achieve net-zero emissions by 2050 in line with the Science Based Targets initiative (SBTi) Corporate Net Zero Standard. In alignment with the SBTi's 1.5°C climate scenario, Arçelik aims to reduce its absolute Scope 1 and Scope 2 emissions by 42% by 2030 compared to the 2022 base year, and to reduce its Scope 3 emissions from the use of sold products by 42% over the same period. By 2050, Arçelik commits to a 90% reduction in Scope 1, 2, and 3 emissions compared to 2022 levels, and will invest in high-quality nature-based and technology-based carbon removal projects to address the remaining 10% of emissions.

In order to achieve the committed transition, Arçelik will;

- Increase green electricity procurement to 100%
- Reaching 100 MWp renewable energy installed capacity by 2030 and 110 MWp by 2040
- Invest further in energy efficiency projects in production
- Transition to 100% electric vehicles and forklifts
- Use Low GWP refrigerant in production
- Use green hydrogens where possible
- Increase penetration of super-energy-efficient products globally
- Accelerate the phase out of high-GWP refrigerants with the transition to low-GWP refrigerant in all products

# Technology and Innovation For Climate

- ▶ ▶ ▶ We strongly believe that the digital and green transitions reinforce each other. These two pillars prepare us for future needs and help gain competitive advantage.

At Koç Holding, we prioritize digital and sustainable production to ensure environmentally responsible manufacturing through the deployment of technology. Beyond our internal operations, we also extend our focus to our stakeholders and leverage technology for the climate adaptation of our value chain in the face of climate crisis.

## Fostering digital and sustainable production

To align with our carbon neutrality objective, our Group companies leverage the power of new technologies including artificial intelligence, machine learning, digital twin, data analytics, the internet of things (IoT), robotics, and automation. By harnessing these technologies,

they unlock the potential of solutions such as predictive forecasting, scenario modelling, anomaly detection, or simulation. This not only delivers substantial environmental benefits but also drives significant financial gains.

Moreover, our information technology company, KoçDigital is committed to developing technological solutions in such a way that will benefit the environment and communities. With the Green Intelligence Program, digital solutions are being developed to enable companies to manage their environmental impacts.

Three facilities from Koç Group companies have been acknowledged as Global Lighthouses by the World Economic Forum for their cutting-edge Industry 4.0 operations, including Arçelik's Ulmi, Eskişehir and Ankara factories and Ford Otosan's Gölcük Factory.

## ▶ ▶ ▶ Arçelik's Sustainability Lighthouse Factory

The washing machine plant in Ulmi, Romania, was recognized as member of the "Global Lighthouse Network", a prestigious community of manufacturers leading in Fourth Industrial Revolution technologies. Furthermore,

Arçelik's dedication to sustainable practices in water and energy management brought Ulmi washing machine plant a position among the World Economic Forum Global Lighthouse Network's 10 Sustainability Lighthouses.

# Technology and Innovation For Climate

Energy efficiency stands as a crucial pillar in our transition pathway. This involves identifying opportunities to reduce

energy consumption, optimizing production processes, and exploring new technologies to help us become more efficient.

## ➤ ➤ ➤ Arçelik – Ankara Dishwasher Manufacturing Plant

A comprehensive digital transformation process has been initiated at the Dishwasher Manufacturing Plant to meet the increasing demand for high-quality and complex products. In this process, advanced Industry 4.0 applications integrated with the IIoT platform FLOW, developed within the plant, have been implemented. The project aims to provide innovative solutions to adapt to rising production demands and changing market dynamics. As a result of the project, the Ankara Dishwasher Manufacturing Plant has become a part of the WEF Global Lighthouse Network.

Behind the success of the project lies the cleaning cycle design developed using statistical learning and evolutionary multi-objective optimization techniques. Precise closed-loop feedback systems have been applied in operations such as plastic injection, mechanical assembly, and sheet metal forming. In sheet metal forming operations, advanced molds controlled by load sensors and hydraulic actuators have been used. Algorithms such as Random Forest, Gradient Boosting, and XGBoost, as well as multi-objective optimization applications, have been implemented for cleaning cycle design. In mechanical assembly

processes, quality predictions are made using Decision Tree algorithms, while Convolutional Neural Networks (CNN) and Generative AI chatbot applications have been developed for advanced plastic injection processes.

The achievements described are based on a before-and-after comparison, clearly demonstrating the impact of the project. In the facility, CO<sub>2</sub> emissions have been successfully reduced despite the increased production.

With the smart factory concept, transformation costs, energy consumption and emissions reduced, while labor efficiency and autonomous material handling operations increased. Additionally, due to advancements in quality control processes, the field failure rate has been improved. On the human resources side, employees have gained competencies in areas such as data analytics, automation, agile project management, and digital transformation within the 4IR fields. Furthermore, 11 Robotic Process Automations (RPA) have been developed within the scope of digital transformation.

# Technology and Innovation For Climate

## ▶ ▶ ▶ Otokar - Hydrogen Fuel Cell Powered Public Transportation Bus

Otokar remains committed to ongoing innovation, striving to develop cutting-edge products and services that anticipate future needs. Otokar focuses on alternative fuel and electric, smart, autonomous vehicles and transportation solutions. The Fuel Cell (hydrogen fuel cell) powered public

transportation bus is an example of the latest technology applications. The hydrogen fuel vehicles represent a new trend in the sector as a sustainable solution for public transportation.

## ▶ ▶ ▶ WAT Motor & WAT Mobilite

The company aims to strengthen its domestic presence and expand exports with high-efficiency electric motors. WAT is also investing in future technologies, including electronically commutated (EC) motors, industrial permanent magnet motors (supported by TÜBİTAK's Green Transformation in Industry program), and expanding into micro motors, servo motors, and drives for motion control systems.

WAT Mobilite, established in 2023 through the collaboration of WAT, Opet, Otokoç, and Entek offers integrated e-mobility infrastructure solutions

aligned with Türkiye's electric vehicle transformation goals. The company provides end-to-end services including the design, production, and installation of domestic EV charging stations, as well as the operation of a growing nationwide charging network. Charging stations are produced at WAT Motor's local manufacturing facilities using in-house engineering and digital platforms. WAT Mobilite contributes to accelerating access to clean transportation infrastructure and supporting the reduction of transport-related emissions.

### **Leveraging technology for climate adaptation of value chain**

As we're working towards our carbon neutrality goal and minimize our impact, it is equally important to lower dependence on natural resources. Climate change presents significant physical risks,

particularly with heightened water stress. At Koç Group, we proactively address this challenge through the development of innovative solutions for climate adaptation as well as mitigation. This strategic approach aims to enhance the resilience of our operations.

# Technology and Innovation For Climate

## ► ► ► Tüpraş – Water Treatment Units

Artificial Intelligence based prediction algorithms are employed to estimate the amount of oxygen in the activated sludge in the Kırkkale Refinery wastewater treatment units. This allows potential operational problems to be determined proactively by providing early warnings

to operators and engineers without needing to wait for the laboratory results. The project went onstream in 2024, with usage monitoring planned to be carried out in 2025.

## ► ► ► Entek - AI-driven hydrology forecasting

Entek initiated a project aimed to increase energy production utilizing the same amount of water. The project integrates AI-driven hydrology forecasting into dam operations with machine learning and deep learning. The model considers multiple variables, including topographic trends and meteorological data such as temperature, snow depth, humidity, underground water levels and operational decisions from neighboring plants. The data used spans over the past 25 years, and

this enhances the prediction capabilities significantly. This resulted in an increase in energy generation productivity.

**Technologies:** Artificial Intelligence, Machine Learning

**Solution:** Forecasting/Predictive Insight

**Scale:** Deployed at scale

**Outcome:** Productivity Gains

# Technology and Innovation For Climate

## ➤ ➤ ➤ Innovation for Climate

Research and Development (R&D) Capacity, Innovation Culture & Intrapreneurship and Open Innovation & Partnerships are high and medium material topics in the 2023 Materiality Analysis.

### A Culture of Innovation for Sustainable Solutions

Recognizing innovation as one of the cornerstones of sustainable development, there is a holistic approach in applying innovation and R&D. Koç Group's climate-focused innovation strategies drive tangible projects across its companies including reducing carbon emissions, increasing energy efficiency, and reducing use of freshwater. There are four prolonged approaches: open innovation, intrapreneurship, R&D and fostering

collaborations. Open innovation enables Koç Group Companies to tap into external expertise and accelerate problem-solving, tackling pressing challenges related to climate change. Through active monitoring and startup scouting, open innovation is a way to extend business to pioneering ideas and applications. Open innovation enables Koç Group Companies to tap into external expertise and accelerate problem-solving, tackling pressing challenges related to climate change. Through active monitoring and startup scouting, open innovation is a way to extend business to pioneering ideas and applications.

Tüpraş is a leading example for open innovation and in September 2022 established Tüpraş Ventures for direct investment in start-ups with a strong focus in the energy transition.

## ➤ ➤ ➤ Tüpraş Ventures

Tüpraş Ventures is a wholly owned subsidiary of Tüpraş, invests in, partners with, and supports startups in the field of energy transition solutions and solutions that contribute to sustainable production in line with the company's innovation focus areas in hydrogen, biofuel and synthetic fuels, fuel cells, energy storage, and zero-carbon electricity. Company's primary geographic investment focus areas are North America and Europe. Tüpraş achieves early access to technologies and learning.

Tüpraş Ventures has established a long-term cooperation with Emerald, one of the first venture capital firms to focus on sustainable industrial innovation.

Tüpraş Ventures's investment portfolio includes Longenics,

develops energy efficient, safe and modular systems for green hydrogen production, Verdagy is working on anion exchange membrane (AEM) technology that aims to overcome the technical disadvantages of existing electrolyzers in green hydrogen, AIS Field, operating in the field of robotic solutions and carrying out tank bottom maintenance and lonomr, developing special materials used in green hydrogen production systems.

In order to take the first step in the transition from gray hydrogen to green hydrogen, a water electrolyzer will be developed in cooperation with Longenics company. The first green hydrogen production will be carried out in Tüpraş.

# Technology and Innovation For Climate

- ➤ ➤ Intrapreneurship empowers employees, nurturing creative thinking and allowing promising internal ideas to flourish. In line with the talent management strategies, Koç Group companies are actively fostering a culture of innovation. This includes investments in developing competencies critical for the future, equipping employees with the necessary skills and motivation to thrive as intrapreneurs and active contributors in the innovation ecosystem

The importance attached to achieving growth driven by

technology, R&D and innovation, is reflected in Koç Group Companies' ongoing investments in R&D. Leveraging robust R&D capabilities, providing solutions that are both innovative and sustainable ensures competitive advantage and a positive impact.

Arçelik introduces innovation into every stage of its production. Sustainability is a core principle in their R&D, focusing on sustainable technologies.

## ➤ ➤ ➤ Arçelik Defy - Solar Off-Grid Initiative

In South Africa, a project has been implemented under the Solar – Off Grid initiative, driven by sustainability motivations and supported by goals such as raising regional awareness and increasing the visibility of the Defy brand. The project focuses on two product groups from the most basic segment of the portfolio: a 60 cm bottom-freezer refrigerator and a

chest freezer. Through the hybrid technology applied, both solar-stored battery power and grid electricity can be used in combination. This approach is expected to create differentiation in the market with value-added products that align with our core principle of sustainability.

# Technology and Innovation For Climate

## ➤ ➤ ➤ **Aygaz - GreenOdor & Bio-DME**

Since LPG is an odorless gas, it must be odorized with a distinct component in accordance with the EN 589 Standard to detect potential leaks. However, conventional odorants increase the total sulfur content of LPG, leading to harmful SOx emissions. Following four years of R&D and three years of product development, Aygaz developed GreenOdor, a sulfur-free LPG odorant. Compared to traditional odorants,

GreenOdor offers lower SOx emissions, reduced chemical usage, and cost advantages. Aygaz also continues its process development efforts to produce Bio-DME (Dimethyl Ether) from organic waste, as part of a project carried out in collaboration with İnönü University under the TÜBİTAK TEYDEB 1505 University-Industry Collaboration Support Program.

## ➤ ➤ ➤ **Fostering collaboration**

Koç Group companies support the wider innovation ecosystem to contribute carbon emissions reduction objective through fostering partnerships, knowledge sharing, and collaboration between academia, research institutions, their own R&D capacity, and other innovators. The Hydrogen Technologies Center established at Koç University in collaboration with Koç Group companies is an example bringing academic research and industry expertise together for development of viable applications.

For instance, Tüpraş works with Koç University KÜTEM on the “Electrolyzer Development Project” which involves the work on the H2S (hydrogen sulphide) electrolysis system development for clean hydrogen production. The work was successfully completed on a laboratory scale with the necessary system parameters determined for demoscale production in this process. In 2025, the Company aims to combine the systems that will provide demo-scale production and ensure they work as a whole.

# Water Stewardship

- ▶ ▶ ▶ Due to climate change, there are increasing risks associated with water, making it a topic of critical concern for both societies and businesses. According to the Koç Group climate-related risk and opportunity analysis in which 84 sites belonging to 10 Group companies were examined, water stress was identified as the most severe physical risk in the context of a moderate climate scenario.

Water stewardship is also a top priority for our stakeholders. As a result of 2023 Materiality Analysis, water stewardship emerged as a new issue and became one of the high material topics.

Koç Holding Sustainability Unit establishes the strategy and direction for assessing, managing, and mitigating water related risks and opportunities. Updates on water related risks and progress is reported at least twice a year to the Board Of Directors' Risk Management Committee by Koç

Holding Sustainability Coordinator. Water Stewardship Task Force is part of the Environmental Council, led by Koç Holding Sustainability Coordinator. The Task Force consists of members from consumer durables, energy and automotive sectors and ensures assessment of water risks and opportunities, tracks water related regulations and coordinate the water management best practices' implementation across Koç Group Companies.

As Koç Holding, we are a signatory of the CEO Water Mandate, which brings stakeholders together to develop sustainable solutions in water management, and a member of the New Endorsers Group, where signatories come together to share knowledge and proven practices. Koç Holding is also among the members of the WEF Water Futures Community.

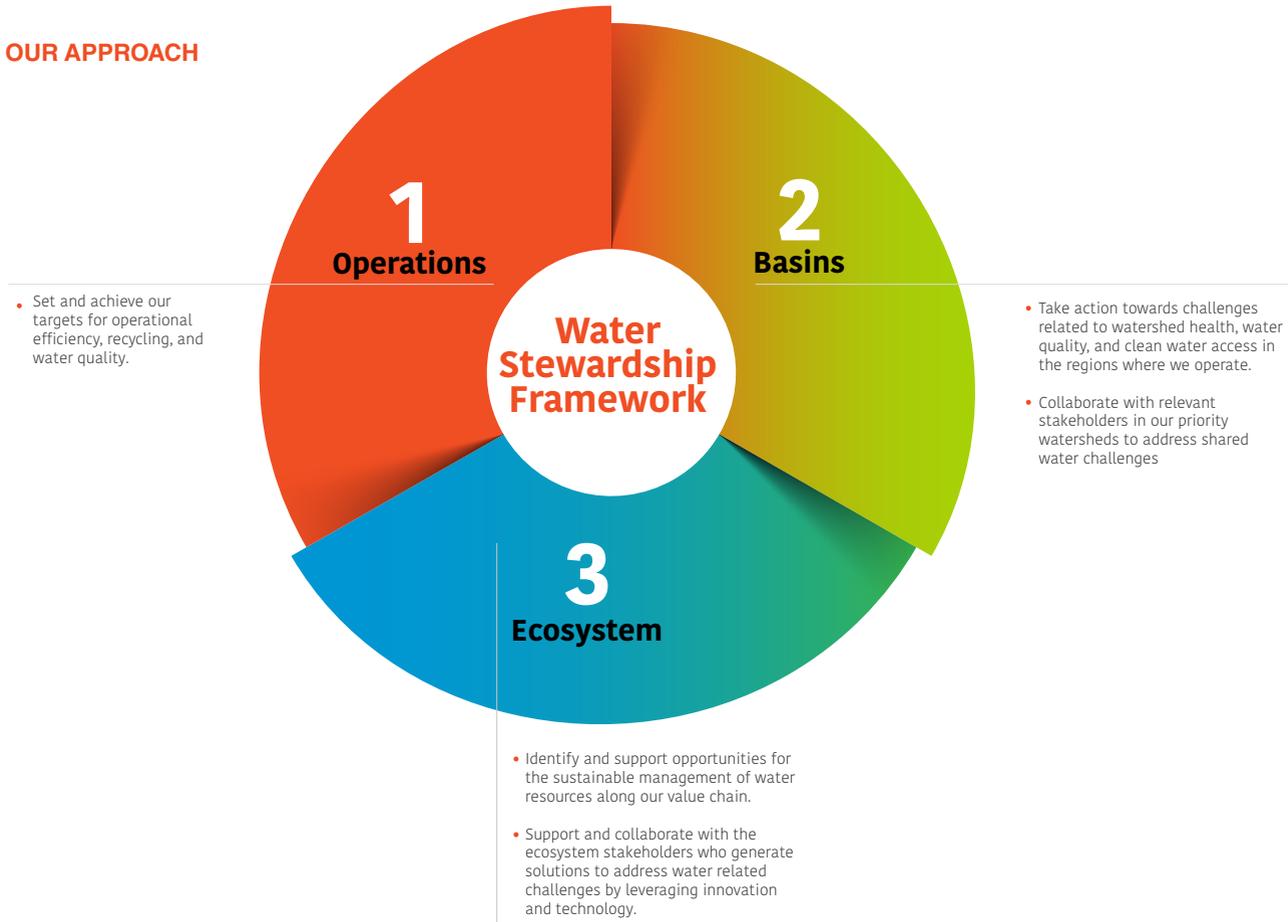
Arçelik is a supporter of the CEO Water Mandate and the 'Water Resilience' target of the 'Forward Faster' initiative. Tüpraş became the first Turkish industrial company to become a member of Water Europe, with the aim of becoming part of the global water ecosystem by further advancing its efforts in water efficiency and wastewater treatment through international collaboration.

# Water Stewardship

➤ ➤ ➤ As Koç Group, we are working towards sustainable water management in line with our Water Stewardship approach.

While improving water efficiency in our operations, we also contribute to projects focused on communities, watersheds, and ecosystems.

## OUR APPROACH



# Water Stewardship

## ➤ ➤ ➤ WATER RISK ASSESSMENT

The risk assessment conducted in 2023 was updated in 2024 for 84 facilities of 9 companies operating in the energy, automotive, and consumer durables sectors across 14 countries. The assessment was carried out based on optimistic, usual, and pessimistic scenarios for the 2030 and 2050 projections.

Basin-based risks were assessed using the World Resources Institute's Aqueduct and WWF's Water Risk Filter tools, focusing on water scarcity, flooding, and water quality dimensions. In addition to basin-based risks, a weighted total risk score was calculated for each facility by also considering operational risks, reputational risks, and regulatory risks based on facility-level water withdrawal data. As a result, it was determined that 42% of our global operations are located in high and very high water-stressed regions.

The basins included in the assessment were filtered based on the following criteria:

- Basins classified as extremely high and high risk
- Basins where facilities with higher operational water withdrawal are located
- Basins where multiple facilities of our Group Companies are present
- Basins listed among the CEO Water Mandate's Global 100 Priority Basins

As a result, the priority basins across the Koç Group were identified, and a study was conducted to assess the financial impact of water risks in these basins on operations. For details, please see "**Climate Related Material Risks and Opportunities**".

# Water Stewardship

## ► ► ► **As Koç Group, we set targets to use water resources efficiently.**

Among our Group Companies, Arçelik, Ford Otosan, and Aygaz have publicly announced their current targets. Arçelik aims to reduce water withdrawal per product by 25%, water discharge per product by 25%, and increase water recycling and reuse ratio by 35% in all its manufacturing facilities by 2040 (Base year: 2024). Ford Otosan targets a 40% reduction in freshwater use per vehicle by 2030 through recovery projects at its Gölcük, Yeniköy, and Eskişehir plants. (Base year: 2019)

## **We are improving water efficiency in our operations and expanding water recycling practices by utilizing alternative water sources.**

Over the past four years, Arçelik has saved 761,000 m<sup>3</sup> of water through efficiency projects, recycled 549,000 m<sup>3</sup> of water, and recovered 212,000 m<sup>3</sup> of rainwater. In 2024, Tüpraş recovered 73% of its total water withdrawal as greywater. Entek achieved a water recovery rate of over 94% through the use of greywater. Yapı Kredi increased its rainwater storage capacity over the past two years through rainwater systems installed at its Gebze, Darca, and Yeniköy Koru facilities.

In 2022, Otokar implemented roof modifications to make them suitable for rainwater collection, with the aim of increasing the use of recycled water in production. While harvesting rainwater through the rainwater collection system, deionized (pure) process water is recovered at the Cathodic Electrocoat Facility, ensuring water circularity.

## **We harness the power of technology to manage water resources more efficiently.**

With the support of artificial intelligence, Entek forecasts water inflow volumes in dams with 90% accuracy and 96%

faster than manual methods, contributing to efficient water use.

TürkTraktör, through its "Tarlam Cepte" mobile app, delivers smart irrigation guidance by analyzing water stress and irrigation data—supporting farmers in managing water resources more efficiently.

## **Together with our Group Companies, we develop innovative products that reduce water consumption.**

Arçelik's SaveWater technology enables up to 2.6 liters of water savings in dishwashers.

## **We support ecosystem stakeholders that provide solutions in water management.**

Yapı Kredi Leasing became the first company in Turkey to comply with blue finance criteria and secured a USD 120 million loan with a three-year term from the International Finance Corporation (IFC).

## **Our water management practices are recognized on international platforms.**

Koç Holding has earned an A- score in CDP (Carbon Disclosure Project), the world's largest environmental reporting platform, in the Climate Change and Water Security programs, placing it in the leadership category. Arçelik was included in CDP's Global A List for Water Security, standing out globally in sustainable water management. Yapı Kredi received A- from CDP Water Security Program and maintained its leadership status. In the upcoming period, we plan to use technology as a lever for the effective management of water resources, disseminating current best practices across the Group and developing innovative practices for the sustainability of basins for all stakeholders.



# Climate Related Metrics and Targets

# Climate Related Metrics and Targets

▶ ▶ ▶ Taking into account the Paris Agreement, Koç Holding committed to become carbon-neutral by 2050 and launched the Carbon Transition Program. As part of the program, the Group companies are actively engaged in their low-carbon transition initiatives. A key focus is placed on the effective monitoring and reporting of greenhouse gas (GHG) emissions, as well as striving to reduce emissions to the greatest extent possible.

In line with our 2050 carbon neutrality target, we commit to reducing gross Scope 1 and Scope 2 greenhouse gas emissions in absolute terms by 20%\* in 2030 and by 49% in 2040 compared to the 2017 baseline year (7.8 million tCO<sub>2</sub>e). This target and the methodology for setting the target has not been validated by a 3rd party. Scope 1 and market-based Scope 2 greenhouse gas emissions totaled 6.5 million tCO<sub>2</sub>e in 2024 for our Group companies within the scope of the carbon neutrality target.

In 2024, Arçelik received approval from the Science Based Targets initiative (SBTi) for its greenhouse gas (GHG) emissions reduction and net-zero targets, which are aligned with the Paris Agreement scenario aiming to limit global warming to 1.5°C above pre-industrial levels. Accordingly, as part of its near-term targets, the company aims to reduce its Scope 1 and 2 emissions by 42% and its Scope 3 emissions from the use of sold products by 42% by 2030, using 2022 as the base year. In the long term, Arçelik targets becoming a net-zero company by 2050. To achieve this goal, the company plans to reduce its Scope 1, 2, and 3 emissions by 90% by 2050 compared to 2022 levels.

Ford Otosan has set both near- and long-term GHG emissions reduction targets, which have been approved by SBTi. The company has committed to achieving net-zero

GHG emissions across its entire value chain by 2050. In this regard, Ford Otosan aims to reduce its absolute Scope 1 and 2 emissions by 77% by 2034 compared to the 2017 base year, and to reduce its absolute Scope 3 emissions from the use of sold products by 58.8% by 2034 compared to the 2021 base year. In the long term, the company targets a 90% reduction in absolute Scope 1 and 2 emissions by 2050 compared to 2017, and a 90% reduction in Scope 3 emissions from purchased goods and services, logistics activities, and product use by 2050 compared to 2021.

Yapı Kredi obtained SBTi validation in 2024 for both its operational and financed emissions targets, in line with the SBTi commitment it made in 2023. With this validation, the bank became the only private Tier-I bank in Türkiye to receive SBTi approval and the first in the Turkish banking sector to set the most comprehensive climate target for its lending portfolio.

Koç Holding did not purchase or use any carbon credits as part of their decarbonization strategy. Among the Group companies, Yapı Kredi has offset its Scope 1 and 2 emissions using Gold Standard carbon credits.

We aim to reduce our Scope 1 and Scope 2 greenhouse gas emissions by 20%\* in 2030 and 49% in 2040, compared to 2017 and become carbon-neutral by 2050.

\* The main reason for reducing the 2030 interim target from 27% (which has been approved in 2022) to 20% in connection with the goal of becoming carbon-neutral by 2050 is the postponement of the hydrogen transition in the energy sector to post-2035 due to its low feasibility. In alignment with the expected acceleration of carbon reduction solutions after 2035, our carbon-neutral target for 2050 remains unchanged.

# Climate Related Metrics and Targets

➤ ➤ ➤ **Scope 1 and 2 GHG Emission Calculation Methodology**  
 Koç Holding consolidates Scope 1 and Scope 2 greenhouse gas emissions in accordance with the GHG Protocol Corporate Standard. The operational control approach is applied. In accordance with TSRS 2 requirements, scope is aligned with that of 2024 Consolidated Financial Statements.

Emissions data is collected for Koç Holding, 10 Subsidiaries, 5 Joint Ventures and their subsidiaries and their joint ventures which correspond to ~94% of combined revenues\*. For companies that do not yet report emissions, estimations are made using a revenue-based model with Environmentally Extended Input-Output (EEIO) emission factors. This ensures consistent and comprehensive inclusion of all relevant entities in the consolidated inventory, supporting transparency and alignment with international reporting standards.

Emissions data are collected from Group companies and Scope 2 emissions are based on electricity consumption. To prevent double counting, electricity supplied by Entek to other Group Companies is treated as an internal transaction. Although this electricity is consumed by other companies, related emissions are accounted under Entek's Scope 1, reflecting the actual point of generation within the Group's operational boundary. Companies in which Koç Holding does not have operational

control, such as Ford Otosan, Opet, Tofaş, and TürkTraktör, are excluded from the consolidated Scope 1 and Scope 2 inventory. However, these entities are incorporated into the Group's Scope 3 reporting.

## Average-Data Method Using EEIO Emission Factors for Revenue-Based Calculations\*

For companies where emissions are calculated based on financial data (i.e., revenue-based estimations), we applied the average-data method using Environmentally-Extended Input-Output (EEIO) data.

### The methodology is as follows:

The revenue of the investee company is multiplied by the appropriate EEIO emission factor representative of the sector in which the company operates (expressed as kg CO<sub>2</sub>e per USD revenue).

The result is then multiplied by the reporting company's proportional equity share in the investee company to calculate the allocated emissions.

### Formula:

Emissions from equity investments =  $\sum [(Investee\ revenue \times \text{sectoral EEIO emission factor}) \times \text{equity share}]$

Scope 1&2 GHG Emissions (ton CO <sub>2</sub> e)	2024			
	Koç Holding	Subsidiaries*	Other Subsidiaries	Joint Ventures
Calculated Scope 1 GHG Emissions	1,115	6,304,283	11,500	68,696
Calculated Scope 2 (market-based) GHG Emissions	722	212,699	11,171	34,100
Calculated Scope 2 (location-based) GHG Emissions	722	339,213	14,095	41,196
<b>Total Calculated Scope 1 and 2 Emissions (market-based)</b>	<b>1,837</b>	<b>6,516,982</b>	<b>22,671</b>	<b>102,796</b>
<b>Total Calculated Scope 1 and 2 Emissions (location-based)</b>	<b>1,837</b>	<b>6,643,496</b>	<b>25,594</b>	<b>109,892</b>
Revenue-based GHG Emissions	-	-	184,890	19,150
<b>Total Scope 1 and 2 Emissions (market-based)</b>	<b>1,837</b>	<b>6,724,542</b>		<b>121,946</b>
<b>Total Scope 1 and 2 Emissions (location-based)</b>	<b>1,837</b>	<b>6,853,980</b>		<b>129,042</b>

\* A total of 20,383 ton CO<sub>2</sub>e of Scope 1 and 2 emissions of Arçelik's joint ventures, Arçelik-LG Klima Sanayi ve Ticaret A.Ş. and VoltBek Home Appliances Private Limited, are reported within the scope of both subsidiaries and joint ventures in accordance with TSRS and in order to monitor the carbon neutrality target within the scope of Koç Holding Carbon Transition Program.

\*\* Emissions data is collected for Koç Holding, the following subsidiaries: Arçelik, Aygaz, Divan, Entek, KoçSistem, Otokar, Otokoç, Tüpraş, Yapı Kredi, Wat Motor and the following joint ventures: Arçelik-LG, Ford Otosan, Opet, Tofaş, TürkTraktör.

# Climate Related Metrics and Targets

➤ ➤ ➤ The approach Koç Holding adopts to manage the emissions resulting from its operations and its value chain is addressed in the Transition Roadmap that entails sector-specific decarbonization strategies for different Koç Group companies. Accordingly, the energy industry plans its transition with a focus on well-balanced, diversified, and clean energy portfolio by manufacturing different types of energy such as zero- carbon electricity, green hydrogen, sustainable aviation fuels, and biofuels within an integrated business model. The transition of the automotive sector

relies on increased weight occupied by electric vehicles and vehicles that use alternative fuels in the product portfolio and the transformation of the supply chain.

For the consumer durables sector, low carbon transition entails production of energy-efficient products, reduction of emissions generated during use and transformation of the supply chain. The finance sector, on the other hand, targets to channel its capital to low-carbon initiatives and to transform its portfolio in line with clean energy investments.

Energy Consumption (GJ)	2024	
	Subsidiaries	Joint Ventures
Net renewable energy consumption	1,653,295	1,915,817
Net non-renewable energy consumption	92,959,538	2,353,463
<b>Total</b>	94,612,833	4,269,280

# Water Stewardship

## Metrics

In 2024, the ratio of recovered water to total water withdrawal was 64% for subsidiaries and 4% for joint ventures, based on water management practices.

Water Withdrawal, Discharge and Consumption* (thousand m <sup>3</sup> )	2024	
	Subsidiaries	Joint Ventures
Water withdrawal	28,682	2,536
Water discharge	17,533	1,136
Water consumption	11,149	1,400

1. **Subsidiaries:** Arçelik, Aygaz, Entek, Koç Sistem, Otokar, Otokoç, Tüpraş, YapıKredi and their subsidiaries  
**Joint Ventures:** Arçelik LG, Ford Otosan, Opet, Tofaş, TürkTraktör

2. In parallel with the update of the calculation methodology to align with the ESRS E3 standard, the data for 2022 and 2023 has also been updated.

# Sectoral Metrics - Consumer Durables

Volume 2 - Appliance Manufacturing					Group Company
Sustainability Disclosure Topics & Metrics					
TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE	Arçelik
Product Lifecycle Environmental Impacts	Percentage of eligible products by revenue certified to an energy efficiency certification <sup>1</sup>	Quantitative	Percentage (%) by revenue	CG-AM-410a.1	68.80%
	Percentage of eligible products by revenue certified to an environmental product lifecycle standard	Quantitative	Percentage (%) by revenue	CG-AM-410a.2	0%
	Description of efforts to manage products' end-of-life impacts	Discussion and Analysis	n/a	CG-AM-410a.3	<p><b>End of Life Responsibility</b> Arçelik has two Waste Electrical and Electronic Equipment (WEEE) Recycling Plants in Türkiye. As part of the Extended Producer Responsibility (EPR), Arçelik established our take-back program in Türkiye for proper management of the products' end-of-life stage. In the scope of this program, Arçelik collects the old products from the market regardless of brand and replace them with new appliances through its extensive network of authorized dealers and services. The collected refrigerators are recycled at the plant in Eskişehir, while other white goods and SDAs are recycled at the plant in Bolu. Arçelik's plant in Eskişehir is the first e-waste recycling plant in Türkiye where chlorofluorocarbon (CFC) gases and ozone-depleting compounds used in old refrigerators are collected in a closed system. Materials such as plastic, iron, copper and aluminum obtained from recycled WEEE are sent to licensed recycling facilities to be gained back into the economy in accordance with the resource efficiency policy. Thanks to take-back program, while contributing to the circular economy, we also contribute to increasing awareness among consumers about recycling e-waste.</p> <p>In this way, Arçelik replaced the old, high energy and water-consuming products with energy and water efficient products. It is complied with Basel Convention and performed responsible management of WEEE in each country. In countries outside Türkiye where WEEE is managed by regulation, Arçelik works with producer responsibility organizations (PROs) or compliance schemes to comply with local WEEE regulations.</p> <p><b>Repairability</b> Arçelik designs its products with clear instructions, and accessible spare parts to make repairs easy and extend product lifecycles. By partnering with repair services and encouraging self-repair, the Company promotes reducing waste and supports its circular economy goals. With the provisions following the Circular Economy Action plan, the assessment and representation of the repairability of products will be mandatory in the EU. Arçelik contributed to the work on the tumble dryers, which will be one of the first products to be implemented a repairability score in Europe. Right to Repair Directive establishes regulatory requirements for manufacturers to ensure the accessibility of spare parts, provide repair information, and design products to be easily repairable, with the aim of promoting sustainability.</p> <p><b>Recyclability</b> Arçelik designs recyclable products to reduce environmental impact and also continues to focus on improving the recyclability and disassembly of our products.</p>
Activity Metrics					
ACTIVITY METRIC		CATEGORY	UNIT OF MEASURE	CODE	
Annual Production <sup>2</sup>		Quantitative	Unit	CG-AM-000.A	White Goods: 32,494,752 Consumer Electronics: 1,183,811 Other: 1,546,239

<sup>1</sup> Eligible products certified to an energy efficiency certification: It refers to products that meet the energy efficiency requirements set by recognized certification programs, as outlined below. Eligible products include: Dishwasher, Front Load Washing Machine, Refrigerator (Cooling), Refrigerator (Freezer), Tumble Dryer, Washer Dryer, Television, Oven, Hood, Air Conditioner, Heater, and Heat Pump. For heaters and heat pumps, EU regulations have been taken into account regardless of the country in which they are sold. For other product categories, the applicable jurisdictional or international certification programs recognized in each country are listed below.

<sup>2</sup> White goods reportable segment comprises washing machines, dryers, dishwashers, refrigerators, ovens, cooking appliances and the services provided for these products. The consumer goods reportable segment comprises televisions primarily with flat screens, computers, cash registers, other electronic devices and the services provided to consumers for these products. Other segment comprises the revenues from air conditioners, small domestic appliances except products included in white goods and consumer electronics.

# Sectoral Metrics - Consumer Durables

Applicable jurisdictional or international certification programs	Products	Applicable jurisdictional or international certification programs	Products	Applicable jurisdictional or international certification programs	Products
Australian Label	Dishwasher Front load Washing Machine Refrigerator (Cooling) Tumble Dryer	Malaysia Label	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Tumble Dryer Air conditioner	Indonesia, Maldives, Philippines Labels	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Air conditioner
Russian, Uzbekistan, Turkmenistan, Tajikistan, Kazakhstan Label	Dishwasher Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Air conditioner	Thailand Label	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Air conditioner	Mauritius Label	Refrigerator (Cooling)
EU Label	Dishwasher Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Tumble Dryer Washer Dryer Television Oven Air conditioner	Israel Label	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer)	Oman Label	Refrigerator (Cooling)
USA Label	Dishwasher Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Tumble Dryer	Egypt Label	Dishwasher Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer)	Taiwan Label	Front load Washing Machine Refrigerator (Cooling)
China Label	Dishwasher Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer)	Iraq Label	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer)	India Label	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Air conditioner
Hong Kong Label	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Washer Dryer	UAE Label	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer)	Ukraine (Old EU Label and Current EU Label)	Dishwasher Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Tumble Dryer Washer Dryer Television Oven Air conditioner
Vietnam Label	Refrigerator (Cooling) Refrigerator (Freezer) Air conditioner	South Africa Label	Dishwasher Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Tumble Dryer	Palestine Label	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer)
Singapore Label	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer)	Saudi Arabia Label	Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer)	Other Countries: Since energy labels are not available for other countries, only products sold with the EU Label, Old EU Label, and Energy Star program have been taken into consideration.	Dishwasher Front load Washing Machine Refrigerator (Cooling) Refrigerator (Freezer) Tumble Dryer Washer Dryer Television Oven Air conditioner

# Sectoral Metrics - Energy Group

Volume 13 - Oil & Gas – Refining & Marketing					Group Company		
Sustainability Disclosure Topics & Metrics							
TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE	Tüpraş	Aygaz	Opet
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	Metric tonnes (t) CO <sub>2</sub> -e, Percentage (%)	EM-RM-110a.1	Gross total Scope 1 emissions: 6,172,417 The percentage of emissions covered under emissions limiting regulations is not reported.	Gross total Scope 1 emissions: 4,200 Percentage subject to emission-limiting regulations: 0%	Gross total Scope 1 emissions: 4,540  The percentage of emissions covered under emissions limiting regulation is not reported.
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	n/a	EM-RM-110a.2	<p>Under the Strategic Transition Plan, Tüpraş targets to achieve a 20% reduction in Scope 1 and Scope 2 emissions from production activities by 2030 and a reduction of 35% by 2035 as compared to 2017 baseline year, and to be a carbon-neutral energy company by 2050.</p> <p>Tüpraş aims to lead the transformation of the Turkish energy sector by investing in new areas such as sustainable aviation fuels (SAF), zero-carbon electricity and green hydrogen which support the transition to a low-carbon economy while managing its existing refinery operations with a sustainable profitability approach within the framework of its Strategic Transition Plan. In line with this plan, Tüpraş has embarked upon the journey of transforming itself into a carbon-neutral energy company with a balanced and diversified clean energy portfolio by reducing its emissions, and also shaping the future around four strategic pillars.</p> <p><b>1) Sustainable Refining:</b> Tüpraş focuses on reducing its Scope 1 and Scope 2 emissions through efficiency projects and decarbonization initiatives. Targeting to diversify its portfolio with higher added-value chemicals on the back of its investments, the Company aims to derive significant contribution to EBITDA through refining.</p> <p><b>2) Biofuels (SAF):</b> Tüpraş plans to produce 300 thousand tonnes of SAF by 2030 with the investments it will carry out. Raw material trade and supply agreements have been signed between Tiryaki Agro Gıda Sanayi ve Ticaret A.Ş. and Tüpraş and Tupras Trading Ltd for the supply of reliable and sustainable raw materials to be used in SAF production.</p> <p><b>3) Zero Carbon Electricity:</b> Tüpraş plans to establish capacities to meet electricity demand by evaluating zero-carbon resources and to devote a significant proportion of the electricity it generates to green hydrogen production. In addition, Tüpraş aims to be one of the leading companies in the field of zero-carbon electricity with the acquisition and growth of Entek. Tüpraş aims to reach 1 GW of installed capacity in 2030 and 2.5 GW by 2035.</p> <p><b>4) Green Hydrogen:</b> Tüpraş plans to convert the hydrogen in all of its processes from gray to green hydrogen by 2040, while aiming to reduce emissions from refining processes by approximately 25% with the conversion of the hydrogen units. Also, the company targets to reach an electrolyzer capacity of 1 GW by 2035 for providing the required green hydrogen for its facilities.</p> <p><b>Work carried out to reduce emissions</b> Projects are carried out in Tüpraş's refineries to bring about energy efficiency and reduce emissions. The projects are aimed at optimizing fuel consumption and thermal integration in processes, improving combustion efficiency, increasing efficiency in steam production, achieving savings in steam consumption, the recovery of flare gases and their use as fuel, minimizing purge gas in flare systems and optimizing electricity generation and consumption. Within the scope of energy efficiency activities being carried out at Tüpraş's refineries and its subsidiaries, 80 energy efficiency projects were realized in 2024, achieving an annual levelized energy reduction of 1,821 TJ and a reduction of around 142 thousand tonnes of CO<sub>2</sub>e. Thus, in 2024, the company achieved a 18% reduction in total of Scope 1 and Scope 2 emissions compared to the base year of 2017.</p>	<p>Aygaz has set targets to become carbon neutral by 2050 and to reduce its Scope 1 and Scope 2 greenhouse gas emissions by 50% by 2030, compared to the base year 2017. The total Scope 1 and 2 emissions, which were 15,050 tons CO<sub>2</sub>e in 2022, have been reduced to 11,917 tons CO<sub>2</sub>e as of the end of 2024. The company is implementing technological improvements at its facilities to reduce energy consumption and is developing low-carbon production practices. Through its Carbon and Energy Transformation Sub-Working Group, which focuses on emissions and energy transformation, Aygaz is developing strategic roadmaps to achieve its climate goals. Actions needed for the transition to a low-carbon economy are being planned, and priority is given to projects that will reduce energy consumption and carbon footprint. The use of renewable energy is being expanded across the company.</p>	<p>In line with Koç Holding's 2050 carbon-neutral target, Opet aims to reduce its Scope 1 and 2 greenhouse gas (GHG) emissions by 25% by 2030 compared to the 2017 baseline. For 2024, the defined Scope 1 and 2 GHG emission limit was 9,083 tons of CO<sub>2</sub>e, while the actual emission by year-end was 8,933 tons of CO<sub>2</sub>e remaining below the target.</p> <p>To achieve this goal, Opet continues to implement energy efficiency projects at its terminals and invest in renewable energy. As part of its energy efficiency efforts, hydraulic analyses are conducted on fuel pipelines when needed, enabling savings in pump and motor energy consumption. Additionally, with the installation of energy analyzers, the company monitors energy drawn from systems connected to control panels and develops efficiency-focused projects based on these insights.</p> <p>Regarding renewable energy investments, in addition to the existing solar power plant at the Mersin Terminal, a new 2.76 MW solar power plant established in Demirci, Manisa under the Selfie project began production in March 2025. Another solar power plant with a capacity of 5.7 MW, located in Gölçarmara, Manisa, is also planned to be commissioned and start production by the end of 2025.</p> <p>Furthermore, Opet ensures transparency by calculating, verifying, and publishing its GHG emissions in accordance with the ISO 14064-1 standard. In addition, through internal quarterly sustainability bulletins, the company informs employees about key environmental indicators such as GHG emissions, water consumption, and waste generation.</p>

# Sectoral Metrics - Energy Group

Volume 13 - Oil & Gas – Refining & Marketing					Group Company		
Sustainability Disclosure Topics & Metrics							
TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE	Tüpraş	Aygaz	Opet
Water Management	(1) Total water withdrawn (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic metres (m³), Percentage (%)	EM-RM-140a.1	(1) 25,240 (2) 10,250 100% of raw water withdrawal from water-stressed area	(1): Total Water Withdrawal = 167.7 Percentage of Water Withdrawn from Areas with Extremely High Water Stress: 16.19%. Percentage of Water Withdrawn from Areas with High Water Stress: 36.27%. (2): Total Water Consumption = 69.3 Percentage of Water Withdrawn from Areas with Extremely High Water Stress: 22.35%. Percentage of Water Withdrawn from Areas with High Water Stress: 37.41%.	(1) 104.0 (2) 6.2  Amount of water withdrawn from areas with High or Extremely High Water Stress: 0
	Total addressable market and share of market for advanced biofuels and associated infrastructure	Quantitative	Presentation currency, Percentage (%)	EM-RM-410a.2	With the license agreement signed with Honeywell UOP and the use of Ecofining™ technology, Tüpraş started to work on biofuel production using Ecofining™ technology, under the license agreement it signed with Honeywell UOP. Tüpraş plans to convert 400000 tonnes of plant and animal-based waste raw materials into Sustainable Aviation Fuel in the facility to be established at the Izmir Refinery. With the expectation that biofuels will provide a competitive advantage in air transportation and play a permanent role in the decarbonization of the sector, Tüpraş has turned to renewable fuels which are obtained from non-food second-generation resources and wastes in its capacity investments, which will be gradually stepped up.  In 2024, raw material trade and supply agreements were signed between Tiryaki Agro Gıda Sanayive Ticaret A.Ş. and Tüpraş and Tupras Trading Ltd to secure a reliable and sustainable supply of raw materials. Within the framework of the agreements reached, the process for waste oil trade was started by Tupras Trading Ltd with effect from 1 January 2025, with Tiryaki Agro and/or its affiliates to supply at least 300,000 tonnes of Tüpraş's annual requirement of 450,000 tonnes of vegetable and animal waste oil for 10 years starting from 1 January, 2029.	Aygaz does not offer any biofuel products for sale.	Opet does not offer any biofuel products for sale.
Product Specifications & Clean Fuel Blends	Volumes of renewable fuels for fuel blending: (1) net amount produced, (2) net amount purchased	Quantitative	Barrels of oil equivalent (BOE)	EM-RM-410a.3	With the license agreement signed with Honeywell UOP and the use of Ecofining™ technology, Tüpraş started to work on biofuel production using Ecofining™ technology, under the license agreement it signed with Honeywell UOP. Tüpraş plans to convert 400,000 tonnes of plant and animal-based waste raw materials into Sustainable Aviation Fuel in the facility to be established at the Izmir Refinery. With the expectation that biofuels will provide a competitive advantage in air transportation and play a permanent role in the decarbonization of the sector, Tüpraş has turned to renewable fuels which are obtained from non-food second-generation resources and wastes in its capacity investments, which will be gradually stepped up.  In 2024, raw material trade and supply agreements were signed between Tiryaki Agro Gıda Sanayive Ticaret A.Ş. and Tüpraş and Tupras Trading Ltd to secure a reliable and sustainable supply of raw materials. Within the framework of the agreements reached, the process for waste oil trade was started by Tupras Trading Ltd with effect from 1 January 2025, with Tiryaki Agro and/or its affiliates to supply at least 300,000 tonnes of Tüpraş's annual requirement of 450,000 tonnes of vegetable and animal waste oil for 10 years starting from 1 January, 2029.	Aygaz's fuel blends do not contain any renewable fuels.	There is no renewable fuel in the fuel blendings.
	<b>Activity Metrics</b>						
ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE				
Refining throughput of crude oil and other feedstocks	Quantitative	Barrels of oil equivalent (BOE)	EM-RM-000.A	200,026,000	Aygaz does not engage in any activities related to refining crude oil or other raw materials.		OPET does not engage in any activities related to refining crude oil or other raw materials.
Refining operating capacity	Quantitative	Million barrels per calendar day (MBPD)	EM-RM-000.B	0.613	Aygaz does not carry out any activities related to the refining of crude oil or other raw materials.		OPET does not engage in any activities related to refining crude oil or other raw materials.

# Sectoral Metrics - Energy Group

Volume 66 - Marine Transportation					Group Company		
Sustainability Disclosure Topics & Metrics							
TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE	Tüpraş	Aygaz	Opet
Greenhouse Gas Emissions	Gross global Scope 1 emissions	Quantitative	Metric tonnes (t) CO <sub>2</sub> -e	TR-MT-110a.1	175,421	There is no activity related to this metric.	There is no activity related to this metric.
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and analysis of performance	Discussion and Analysis	n/a	TR-MT-110a.2	In the short term, operational efficiency improvements (speed and route optimization, port process improvements) and maintenance programs (silicone paint, advanced propeller systems) are the focus for managing Scope 1 emissions. In the long term, energy efficient ship designs and transition to zero/low carbon fuels are targeted: construction of 2 methanol-ready tankers is ongoing at the shipyard. Emissions and fuel consumption per ton-mile are measured each year and the reduction is ongoing; in line with IMO targets, carbon emissions are targeted to be reduced by 20%+ by 2030 and net zero by 2050.		
	(1) Total energy consumed (2) percentage heavy fuel oil and (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	TR-MT-110a.3	(1) 2,318,000 (2) 51.3% heavy fuel (3) 0% renewable energy		
	Average Energy Efficiency Design Index (EEDI) for new ships	Quantitative	Grammes of CO <sub>2</sub> per nautical mile	TR-MT-110a.4	0.32		
<b>Activity Metrics</b>							
	<b>ACTIVITY METRIC</b>	<b>CATEGORY</b>	<b>UNIT OF MEASURE</b>	<b>CODE</b>			
	Number of shipboard employees	Quantitative	Number	TR-MT-000.A	367	There is no activity related to this metric.	There is no activity related to this metric.
	Total distance travelled by vessels	Quantitative	Nautical miles (nm)	TR-MT-000.B	521,664		
	Operating days	Quantitative	Days	TR-MT-000.C	365		
	Deadweight tonnage	Quantitative	Thousand dead-weight tonnes	TR-MT-000.D	661,787		
	Number of vessels in total shipping fleet	Quantitative	Number	TR-MT-000.E	16		
	Number of vessel port calls	Quantitative	Number	TR-MT-000.F	1,094		
	Twenty-foot equivalent unit (TEU) capacity	Quantitative	TEU	TR-MT-000.G	N/A		

# Sectoral Metrics - Energy Group

Volume 67 - Rail Transportation					Group Company		
Sustainability Disclosure Topics & Metrics							
TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE	Tüpraş	Aygaz	Opet
Greenhouse Gas Emissions	Gross global Scope 1 emissions	Quantitative	Metric tonnes (t) CO <sub>2</sub> -e	TR-RA-110a.1	14,768 It is calculated from the fuel data included in Scope 1 consumed by locomotives, shunting vehicles and company vehicles	There is no activity related to this metric.	There is no activity related to this metric.
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and analysis of performance	Discussion and Analysis	n/a	TR-RA-110a.2	The proportion of diesel-fueled locomotives in the fleet has begun to decrease with new investments. The fleet, which consisted of 100% diesel-fueled locomotives in 2017, reached a ratio of 42% diesel and 58% electric-diesel locomotives in 2022 with the investment in electric-diesel mode locomotives. With the new locomotives joining the fleet at the end of 2024, this ratio was realized as 36% diesel and 64% electric-diesel locomotives. Studies to increase the proportion of electrified lines in the railway infrastructure in the medium term are included in TCDD (The State Railways of the Republic of Turkey)'s climate change action plan.		
	Total fuel consumed, percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	TR-RA-110a.3	197,409 The usage rate of renewable energy in diesel fuel usage is 0%.		
<b>Activity Metrics</b>							
<b>ACTIVITY METRIC</b>		<b>CATEGORY</b>	<b>UNIT OF MEASURE</b>	<b>CODE</b>			
Number of carloads transported		Quantitative	Number	TR-RA-000.A	36,592	There is no activity related to this metric.	There is no activity related to this metric.
Number of intermodal units transported		Quantitative	Number	TR-RA-000.B	46		
Track kilometres		Quantitative	Kilometres	TR-RA-000.C	9,235		
Revenue tonne-kilometres (RTK)		Quantitative	RTK	TR-RA-000.D	2,495,518,725		
Number of employees		Quantitative	Number	TR-RA-000.E	217		

# Sectoral Metrics - Energy Group / Entek

Volume 32 - Electric Utilities & Power Generators					Group Company
Sustainability Disclosure Topics & Metrics					
TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE	Entek
<b>Greenhouse Gas Emissions &amp; Energy Resource Planning</b>	(1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations and (3) emissions-reporting regulations	Quantitative	Metric tonnes (t) CO <sub>2</sub> -e, Percentage (%)	IF-EU-110a.1	(1) 141,476 (2) NA (3) NA
	Greenhouse gas (GHG) emissions associated with power deliveries	Quantitative	Metric tonnes (t) CO <sub>2</sub> -e	IF-EU-110a.2	1,005,752
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and analysis of performance against those targets	Discussion and Analysis	n/a	IF-EU-110a.3	Kumköy, Damlapınar and Kepezkaya hydroelectric power plants and Kırık Wind Power Plant, which produce in Entek's renewable energy portfolio, produce carbon credits registered in the VCS system. It is planned that the projects which completed the first credit period will continue to produce carbon certificates for the next 10 years. The annual average carbon offset of the 4 projects is approximately 210,000 tCO <sub>2</sub> e. Süloğlu Elektrik Üretimi A.Ş., registered in the Gold Standard system, can produce certificates that can provide carbon offsets of approximately 140,000 tCO <sub>2</sub> e. Azmak and Menzelet Kılavuzlu hydroelectric power plants, registered in the I-REC system, can convert their entire annual production into I-REC certificates within the scope of renewable energy certificates, which are offered to end consumers by Entek for the purpose of offsetting Scope 2 emissions.
<b>Water Management</b>	(1) Total water withdrawn (2) total water consumed; % in High or Extremely High Baseline Water Stress regions	Quantitative	Thousand m <sup>3</sup> , Percentage (%)	IF-EU-140a.1	(1) Total Water Withdrawn 520.52, (2) Total Water Consumed: 419.96; % withdrawn in High or Extremely High Baseline Water Stress Regions %99,90; % consumed in High or Extremely High Baseline Water Stress Regions %99,91
	Number of incidents of non-compliance with water quality permits, standards, and regulations	Quantitative	Number	IF-EU-140a.2	0
	Description of water management risks and strategies to mitigate them	Discussion and Analysis	n/a	IF-EU-140a.3	Entek carries out its activities and continuously makes improvements in its systems with the goal to continuously reduce the amount of water withdrawal, increase the share of recycled water resources and ensure the reuse of more water. Water footprint assessment reports have been started to be prepared within the scope of ISO 14046 standard in all Entek facilities. There is no significant water consumption in Entek's hydroelectric and wind power plants due to the process. In Kocaeli Natural Gas Cycle Power Plant, which is the only location where water is used as a source in production, the amount of water consumption also changes in parallel with energy production. However, within the scope of the general efficiency studies carried out by the Company, the consumption level is continuously reduced with the measures taken to prevent leakage and losses. In 2018, the Company created the Downstream Impact Assessment and Management Plan within the scope of the Environmental and Social Action Plan (ESAP) in order to prevent the impacts on livelihoods located downstream of Menzelet and Kılavuzlu Hydroelectric Power Plants. In Kocaeli NGCS, which is located in a high water risk region, at least 96% of the total water drawn in process water usage, excluding malfunctions and mandatory situations, is provided by recycling wastewater (grey water).
<b>End-Use Efficiency &amp; Demand</b>	Percentage of electric load served by smart grid technology	Quantitative	Percentage (%) by MWh	IF-EU-420a.2	The electrical load delivered by smart grid technology is reported.
	Customer electricity savings from efficiency measures, by market	Quantitative	Megawatt hours (MWh)	IF-EU-420a.3	Customer electricity savings from efficiency measures are reported by market.
<b>Nuclear Safety &amp; Emergency Management</b>	Total number of nuclear power units, by results of most recent independent safety review	Quantitative	Number	IF-EU-540a.1	Entek is not related to nuclear power due to its field of activity and does not have any units in this context.
	Description of efforts to manage nuclear safety and emergency preparedness	Discussion and Analysis	n/a	IF-EU-540a.2	Entek is not related to nuclear power due to its field of activity, so there is no emergency preparation in this context.
<b>Grid Resiliency</b>	Number of non-compliance incidents with physical or cybersecurity standards or regulations	Quantitative	Number	IF-EU-550a.1	In compliance with the obligations of the Energy Market Regulatory Authority (EPDK), the following regulations, standards, and guidelines are adhered to: <ul style="list-style-type: none"> <li>• ISO 27001 Information Security Management System</li> <li>• TC CBO DDO Security Guide</li> <li>• EPDK Cybersecurity Competency Model for Energy Producers</li> </ul> In addition, aligned with Koç Holding's expectations, the ISO 22301 Business Continuity Management System is in place. Compliance with CIS-CAT cybersecurity criteria is also ensured. The implementation of the ISO 27701 Personal Data Management System is currently in progress. No system outages have occurred in the past year.
	(1) SAIDI, (2) SAIFI, and (3) CAIDI, inclusive of major event days	Quantitative	Minutes, Number	IF-EU-550a.2	No system outages have occurred in the past year.

# Sectoral Metrics - Energy Group / Entek

Volume 32 - Electric Utilities & Power Generators				Group Company
Sustainability Disclosure Topics & Metrics				
Activity Metrics				Entek
ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE	
Number of: (1) residential, (2) commercial, and (3) industrial customers served	Quantitative	Number	IF-EU-000.A	(1) 20 (2) 1,113 (3) 79
Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) other retail customers, and (5) wholesale customers	Quantitative	Megawatt hours (MWh)	IF-EU-000.B	(1) 1,408.5 (2) 334,254.6 (3) 932,483.4 (4) 0 (5) 0
Length of transmission and distribution lines	Quantitative	Kilometres (km)	IF-EU-000.C	170.6
Total electricity generated, percentage by major energy source, percentage in regulated markets	Quantitative	Megawatt hours (MWh), Percentage (%)	IF-EU-000.D	1.460.895,6  Natural Gas: 0,40% Wind: 1,10% Hydropower - no dam: 0,98% Hydropower - with dam: 1,14%
Total wholesale electricity purchased	Quantitative	Megawatt hours (MWh)	IF-EU-000.E	3500.9

# Sectoral Metrics - TürkTraktör

Volume 50 - Industrial Machinery & Goods*					Group Company
Sustainability Disclosure Topics & Metrics					
TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE	TürkTraktör
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	RT-IG-130a.1	(1) 213,133 (2) 54% (3) 62%
Fuel Economy & Emissions in Use-phase	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	Quantitative	Litres per 100 tonne-kilometres	RT-IG-410a.1	NA
	Sales-weighted fleet fuel efficiency for non-road equipment	Quantitative	Litres per hour	RT-IG-410a.2	13.8
	Sales-weighted fuel efficiency for stationary generators	Quantitative	Kilojoules per litre	RT-IG-410a.3	NA
	Sales-weighted emissions of NO <sub>x</sub> and PM for (a) marine diesel, (b) locomotive diesel, (c) on-road medium- and heavy-duty, (d) other non-road diesel engines	Quantitative	Grammes per kilojoule	RT-IG-410a.4	(a) NA (b) NA (c) NA (d) Nitrogen oxide (NO <sub>x</sub> ) and particulate matter (PM) emissions are below the limit values specified in the applicable mandatory regulations. However, since emission measurements are conducted only at the engine family level as required by regulations, and there are no specific measurements for each individual product sold, sales-weighted NO <sub>x</sub> and PM values cannot be calculated.
Activity Metrics					
ACTIVITY METRIC		CATEGORY	UNIT OF MEASURE	CODE	
Number of units produced by product category		Quantitative	Number	RT-IG-000.A	Number of tractors: 43,611 Number of caterpillar: 417
Number of employees		Quantitative	Number	RT-IG-000.B	2,571

\* As TürkTraktör does not sell products such as medium- and heavy-duty vehicles, stationary generators, marine diesel engines, locomotive diesel engines, or on-road medium- and heavy-duty engines, only the applicable metrics within Volume 50: Industrial Machinery and Goods have been reported.

# Sectoral Metrics - Automotive

Volume 63 - Automobiles					Group Company																																
Sustainability Disclosure Topics & Metrics																																					
TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE	Ford Otosan	Tofaş	Otokar																														
Fuel Economy & Use-phase Emissions	Sales-weighted average passenger fleet fuel economy, by region	Quantitative	gCO <sub>2</sub> /km	TR-AU-410a.1	<table border="1"> <thead> <tr> <th>Vehicle Type</th> <th>Europe</th> <th>Turkey</th> <th>Asia&amp;Pacifc</th> </tr> </thead> <tbody> <tr> <td>Passenger Car</td> <td>150.5</td> <td>170.4</td> <td>N/A</td> </tr> <tr> <td>LCV</td> <td>171.7</td> <td>171.7</td> <td>159.8</td> </tr> </tbody> </table>	Vehicle Type	Europe	Turkey	Asia&Pacifc	Passenger Car	150.5	170.4	N/A	LCV	171.7	171.7	159.8	It has not been disclosed due to the lack of disaggregated data.	<table border="1"> <thead> <tr> <th colspan="2">European Union (EU)</th> </tr> </thead> <tbody> <tr> <td>Autobus, Midi, Mini</td> <td>1,154.57</td> </tr> <tr> <td>Mini Electric</td> <td>32,406</td> </tr> <tr> <td>Autobus CNG</td> <td>1,195.73</td> </tr> <tr> <td>Autobus Electric</td> <td>415.386</td> </tr> <tr> <th colspan="2">Outside EU</th> </tr> <tr> <td>Autobus, Midi, Mini, Armored</td> <td>1,392.23</td> </tr> <tr> <th colspan="2">Turkey</th> </tr> <tr> <td>Autobus, Midi, Mini, Truck</td> <td>1,006.56</td> </tr> </tbody> </table>	European Union (EU)		Autobus, Midi, Mini	1,154.57	Mini Electric	32,406	Autobus CNG	1,195.73	Autobus Electric	415.386	Outside EU		Autobus, Midi, Mini, Armored	1,392.23	Turkey		Autobus, Midi, Mini, Truck	1,006.56
	Vehicle Type	Europe	Turkey	Asia&Pacifc																																	
	Passenger Car	150.5	170.4	N/A																																	
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Autobus, Midi, Mini, Truck	1,006.56																																				
Number of (1) zero emission vehicles (ZEV), (2) hybrid vehicles and (3) plug-in hybrid vehicles sold	Quantitative	Number	TR-AU-410a.2	<p>Türkiye (Domestic and International)</p> <p>(1) 20,059 (2) 4,382 (3) 12,280</p> <p>Romania</p> <p>(1) 64 (2) 160,493 (3) 0</p>	<p>(1) 1,401 (2) 3,595 (3) 46</p>	The number of ZEV and hybrid vehicles sold is not disclosed due to competition. There are no plug-in hybrid vehicles production.																															
Discussion of strategy for managing fleet fuel economy and emissions risks and opportunities	Discussion and Analysis	n/a	TR-AU-410a.3	<p>There is a risk of a €4,250 penalty per vehicle to be sold in EU countries for each gram of CO<sub>2</sub> emissions per tonne-kilometer (g/tkm) exceeding the European Union's 2025 CO<sub>2</sub> target. The period during which the target will be calculated and the penalty applied covers the VECTO reporting year from July 2025 to July 2026.</p> <p>To meet fleet-wide CO<sub>2</sub> emission targets in Europe for 2025 and beyond, the Company has developed two major projects. These projects are expected to positively impact the fuel efficiency competitiveness of its diesel trucks and play a significant role in the Company's market readiness for the transition to zero-emission vehicles.</p> <p>The Company continues its technical preparations and investments for the transition to EURO 7 emission standards. This process is seen as an opportunity to enhance product competitiveness through compliance with future regulations.</p> <p>In the field of electrification, the Company is building critical capabilities in battery technology, power electronics, and charging infrastructure through international collaborations carried out under Horizon Europe projects.</p> <p>With regard to hydrogen-powered vehicles, the Company is developing technologies in the field of zero-emission heavy-duty commercial vehicles through projects such as the H2-Ecotorg hydrogen internal combustion engine and the FCEV F-MAX fuel cell truck. These technologies aim to both strengthen domestic production capabilities and offer sustainable solutions for the European logistics sector.</p>	<p>Tofaş adopts low-emission technologies developed by Stellantis as part of its investments in vehicle electrification and hybrid systems, aligning this strategy with its R&amp;D budget. The company focuses on expanding electric, hybrid, and alternative fuel systems while supporting emissions reduction through lightweight materials and energy management software. In internal combustion engine vehicles, fuel consumption is reduced via thermal control systems and optimized torque management. This approach supports compliance with EU standards such as Euro 6, as well as global regulations like CAFE and China VI, while contributing to the decarbonization of products and production processes in line with the EU Green Deal and Carbon Border Adjustment Mechanism (CBAM).</p> <p>Efforts to improve fuel economy are shaped by both EU regulations and customer expectations, particularly in terms of urban mobility, fuel efficiency, and total cost of ownership. In this context, hybrid and electric versions of the Fiat 500 and the fully electric Jeep Avenger model have been introduced to the Turkish market.</p> <p>To counter the global competitive pressure posed by low-cost Chinese electric vehicles, Tofaş is strengthening its portfolio of low-emission, high-efficiency vehicles. In alignment with Stellantis, the company is transforming its product portfolio and developing low-carbon mobility solutions through projects supported by Horizon Europe.</p>	<p>Otokar's product development strategy is shaped in line with combating climate change, alignment with the European Green Deal and exports to the EU, and the global transition to a low-carbon economy. In this context, the company focuses on the development of electric and alternative fuel vehicles. Core strategic pillars include the development of electric, natural gas, and hydrogen-powered vehicles; reengineering of existing engine systems to achieve lower emissions; R&amp;D efforts in battery technologies and lightweight materials; monitoring of product-level carbon performance through life cycle assessment (LCA); and compliance with European regulations.</p> <p>In 2024, Otokar's e-Kent electric bus was launched and exported to Europe, and the first hydrogen-powered bus, developed in late 2023, was promoted across European markets throughout 2024. Additionally, the company contributed to the establishment of the Koç University Hydrogen Technologies Center (KUHyTech), which became operational in February 2024, supporting research into green hydrogen production, storage, and commercialization. Expanding the hydrogen vehicle portfolio remains a strategic priority in line with fast-transition scenarios such as NZE2050.</p> <p>Through this comprehensive approach, Otokar is developing low-carbon solutions not only at the product level but also across its entire value chain enhancing its competitiveness and responsiveness to customer expectations while aligning with European regulations and global sustainability trends.</p>																															
<b>Activity Metrics</b>																																					
<b>ACTIVITY METRIC</b>		<b>CATEGORY</b>	<b>UNIT OF MEASURE</b>	<b>CODE</b>																																	
Number of vehicles manufactured		Quantitative	Number	TR-AU-000.A	632,683	140,484	5,610																														
Number of vehicles sold		Quantitative	Number	TR-AU-000.B	661,007	173,746	5,394																														

# Sectoral Metrics - Otokoç

## UZUN DÖNEM KİRALAMA

Volume 64 - Car Rental & Leasing					Group Company
Sustainability Disclosure Topics & Metrics					
TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE	Otokoç
Fleet Fuel Economy & Utilisation	Rental day-weighted average rental fleet fuel economy, by region	Quantitative	Mpg, L/km, gCO <sub>2</sub> /km, km/L	TR-CR-410a.1	167 gCO <sub>2</sub> /km
	Fleet utilisation rate	Quantitative	Rate	TR-CR-410a.2	96%
Activity Metrics					
ACTIVITY METRIC		CATEGORY	UNIT OF MEASURE	CODE	
Average vehicle age		Quantitative	Months	TR-CR-000.A	24
Total available rental days		Quantitative	Days	TR-CR-000.B	13,163,336
Average rental fleet size		Quantitative	Number of vehicles	TR-CR-000.C	35,947

## KISA DÖNEM KİRALAMA

Volume 64 - Car Rental & Leasing					Group Company
Sustainability Disclosure Topics & Metrics					
TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE	Otokoç
Fleet Fuel Economy & Utilisation	Rental day-weighted average rental fleet fuel economy, by region	Quantitative	Mpg, L/km, gCO <sub>2</sub> /km, km/L	TR-CR-410a.1	166 gCO <sub>2</sub> /km
	Fleet utilisation rate	Quantitative	Rate	TR-CR-410a.2	68%
Activity Metrics					
ACTIVITY METRIC		CATEGORY	UNIT OF MEASURE	CODE	
Average vehicle age		Quantitative	Months	TR-CR-000.A	8.7
Total available rental days		Quantitative	Days	TR-CR-000.B	3,517,483
Average rental fleet size		Quantitative	Number of vehicles	TR-CR-000.C	13,274

# Sectoral Metrics - KoçSistem

Volume 55 - Hardware					Group Company
Sustainability Disclosure Topics & Metrics					
TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE	Koç Sistem
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	Percentage (%)	TC-HW-410a.1	0%
	Percentage of eligible products meeting EPEAT registration or equivalent	Quantitative	Percentage (%)	TC-HW-410a.2	0%
	Percentage of eligible products certified to an energy efficiency certification	Quantitative	Percentage (%)	TC-HW-410a.3	0%
	Weight of end-of-life products and e-waste recovered; percentage recycled	Quantitative	Metric tonnes (t), Percentage (%)	TC-HW-410a.4	7.2
Activity Metrics					
ACTIVITY METRIC		CATEGORY	UNIT OF MEASURE	CODE	
Number of units produced by product category		Quantitative	Number	TC-HW-000.A	0%
Area of manufacturing facilities		Quantitative	Square metres (m <sup>2</sup> )	TC-HW-000.B	0%
Percentage of production from owned facilities		Quantitative	Percentage (%)	TC-HW-000.C	0%

# Sectoral Metrics - KoçSistem

Volume 58 - Software & IT Services					Group Company
Sustainability Disclosure Topics & Metrics					
TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE	Koç Sistem
Environmental Footprint of Hardware Infrastructure	(1) Total energy consumed (2) percentage grid electricity (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	TC-SI-130a.1	(1) Total electricity consumed: 42,089.08 Electricity consumed in data centre: 30,804.53 (2)* %99.93 (3) %0.067
	(1) Total water withdrawn (2) total water consumed; percentage in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic metres (m³), %	TC-SI-130a.2	(1) 17,289 (2) 17,289  Amount of water withdrawn from areas with High or Extremely High Water Stress: 0
	Discussion of integration of environmental considerations into strategic planning for data centre needs	Discussion and Analysis	n/a	TC-SI-130a.3	
Managing Systemic Risks from Tech Disruptions	(1) Performance issues (2) service disruptions (3) total customer downtime	Quantitative	Number, Days	TC-SI-550a.1	(1) 0 (2) 0 (3) 0
	Description of business continuity/disruption plans	Discussion and Analysis	n/a	TC-SI-550a.2	KoçSistem conducts Business Impact Analysis (BIA) to identify and prioritize critical business functions and define acceptable downtime periods in case of outages. Potential risks—including technical failures, programming errors, cyberattacks, and environmental disruptions—are assessed through risk management studies. Mitigation measures such as system redundancy, insurance coverage, and resilient technologies are implemented. Comprehensive Business Continuity Plans (BCPs) are developed, covering communication strategies, alternative work locations, and emergency supply chain solutions. Cloud-based service dependencies and sourcing structures are also clarified. The effectiveness of these plans is regularly tested through exercises, ensuring personnel readiness and operational resilience. These integrated efforts support KoçSistem's ability to maintain service quality and reliability under disruption scenarios.
Activity Metrics					
ACTIVITY METRIC		CATEGORY	UNIT OF MEASURE	CODE	
(1) Number of licences or subscriptions (2) percentage cloud-based		Quantitative	Number, Percentage (%)	TC-SI-000.A	(1) 5,000 (vmware) (2) 0
(1) Data processing capacity (2) percentage outsourced		Quantitative		TC-SI-000.B	(1) 120 cabin (2) 0
(1) Amount of data storage (2) percentage outsourced		Quantitative	Petabytes, Percentage (%)	TC-SI-000.C	(1) 22 (2) 0

\* (2) ve (3) toplam enerji tüketimi üzerinden hesaplanmıştır.

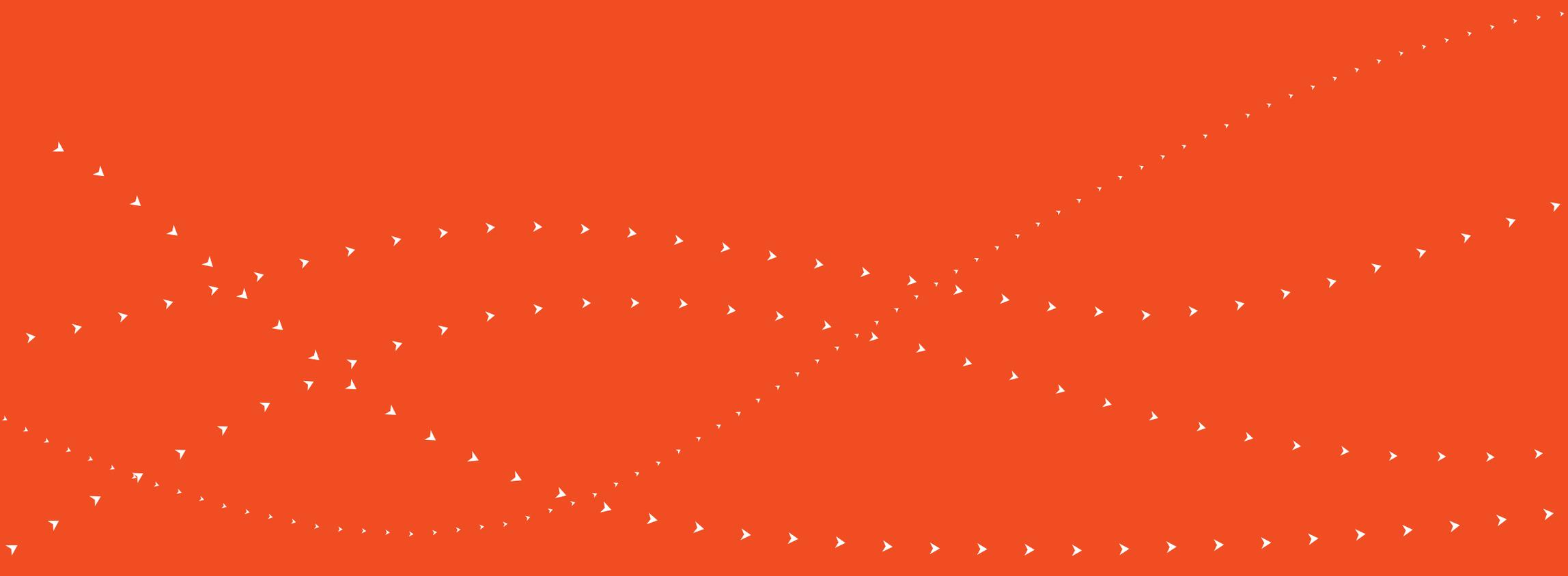
# Sectoral Metrics - Otokar

Volume 46 - Aerospace & Defence					Group Company
Sustainability Disclosure Topics & Metrics					
TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE	Otokar
Energy Management	(1) Total energy consumed (2) percentage grid electricity (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	RT-AE-130a.1	(1) 271,833 (2) 38% (3) 1%
	Revenue from alternative energy-related products	Quantitative	Presentation currency	RT-AE-410a.1	-
Fuel Economy & Emissions	Strategy discussion on fuel economy and GHG emissions of products	Discussion and Analysis	n/a	RT-AE-410a.2	In the military vehicle segment, for armored vehicles actively operating in combat zones, the primary focus is not on reducing emissions but on ensuring personnel safety, mobility, and operational durability. Otokar prioritizes alternative fuel solutions in missions that require low thermal and acoustic signatures such as reconnaissance, surveillance, and patrol operations as well as in autonomous applications aimed at minimizing personnel risk.  At the application level, performance and efficiency improvements continue for the Akrep II 4x4 alternative fuel-powered armored vehicle, while development projects are underway for electric motors and cross-drive transmissions for tracked vehicles. Additionally, the development of alternative fuel propulsion systems has been identified as a strategic priority to expand low-emission solutions in this segment.  Otokar also leverages both internal resources and industry partnerships in its R&D activities, including active participation in the Unmanned Ground Vehicles (UGV) Sectoral Strategy Focus Group led by the Defence Industry Agency.
<b>Activity Metrics</b>					
ACTIVITY METRIC		CATEGORY	UNIT OF MEASURE	CODE	
Production by reportable segment - ground vehicle		Quantitative	Number	RT-AE-000.A	557
Number of employees		Quantitative	Number	RT-AE-000.B	3,772

# Sectoral Metrics - Finance

Volume 16 - Commercial Banks					Group Company																																								
Sustainability Disclosure Topics & Metrics																																													
TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE	Yapı Kredi																																								
Incorporation of ESG Factors in Credit Analysis	Description of approach to incorporation of ESG factors in credit analysis	Discussion and Analysis	n/a	FN-CB-410a.2	<p>Yapı Kredi assesses all environmental and social impacts arising from its lending activities—including climate change-related risks—under the Environmental and Social Risk Assessment (ÇSRD/ESRA) System established in 2017.</p> <p>The ESRA System was updated in 2021 in line with national legislation, IFC Performance Standards, and the Equator Principles. In 2022, system automation was completed, enabling integrated tracking through the loan proposal interface.</p> <p>Under the policy, financing is not provided for new coal-fired power plants and coal mining projects. These activities are included in the Bank's Excluded Activities List. As of 2024, investment and project finance requests exceeding USD 10 million and not included in the Excluded Activities List are evaluated in line with the "Procedure for Identifying Environmental and Social Risks in Lending Activities."</p> <p>During the assessment, issues such as environmental and occupational health and safety legislation, sensitive areas, natural resource use, cultural heritage, community impact, stakeholder engagement, and public health and safety are considered. Using sector-specific questionnaires, projects are categorized by risk level. For high-risk projects, action and monitoring plans are developed in collaboration with the client, and where necessary, independent consultants are engaged in the process.</p>																																								
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ACTIVITY METRIC		CATEGORY	UNIT OF MEASURE	CODE																																									
(1) Number and (2) value of checking and savings accounts by segment: (a) personal, (b) small business		Quantitative	Number, Presentation currency	FN-CB-000.A	<table border="1"> <thead> <tr> <th></th> <th>31.12.2024</th> <th>Total Balance (million TL)</th> <th>Number of Accounts</th> </tr> </thead> <tbody> <tr> <td rowspan="3"><b>Total</b></td> <td>Personel</td> <td>845,379</td> <td>20,396,352</td> </tr> <tr> <td>SME (Small Businesses)</td> <td>111,377</td> <td>510,866</td> </tr> <tr> <td><b>Grand Total</b></td> <td><b>956,756</b></td> <td><b>20,907,218</b></td> </tr> <tr> <td rowspan="3"><b>Saving Accounts</b></td> <td>31.12.2024</td> <td>Total Balance (million TL)</td> <td>Number of Accounts</td> </tr> <tr> <td>Personel</td> <td>440,920</td> <td>523,469</td> </tr> <tr> <td>SME (Small Businesses)</td> <td>68,425</td> <td>11,194</td> </tr> <tr> <td><b>Total</b></td> <td><b>509,345</b></td> <td><b>534,663</b></td> </tr> <tr> <td rowspan="3"><b>Checking Accounts</b></td> <td>31.12.2024</td> <td>Total Balance (million TL)</td> <td>Number of Accounts</td> </tr> <tr> <td>Personel</td> <td>404,460</td> <td>19,872,883</td> </tr> <tr> <td>SME (Small Businesses)</td> <td>42,952</td> <td>499,672</td> </tr> <tr> <td><b>Total</b></td> <td><b>447,412</b></td> <td><b>20,372,555</b></td> </tr> </tbody> </table>		31.12.2024	Total Balance (million TL)	Number of Accounts	<b>Total</b>	Personel	845,379	20,396,352	SME (Small Businesses)	111,377	510,866	<b>Grand Total</b>	<b>956,756</b>	<b>20,907,218</b>	<b>Saving Accounts</b>	31.12.2024	Total Balance (million TL)	Number of Accounts	Personel	440,920	523,469	SME (Small Businesses)	68,425	11,194	<b>Total</b>	<b>509,345</b>	<b>534,663</b>	<b>Checking Accounts</b>	31.12.2024	Total Balance (million TL)	Number of Accounts	Personel	404,460	19,872,883	SME (Small Businesses)	42,952	499,672	<b>Total</b>	<b>447,412</b>	<b>20,372,555</b>
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# Appendices



# Events After The Reporting Period

- ➤ ➤ No transactions, other events or conditions occurring after the end of the reporting period and before the date of authorization of issue of this document have taken place that need to be disclosed in this report.

# Disclosure for Climate-Related Metrics

- ➤ ➤ This Disclosure for Climate-Related Metrics (“Manual”) outlines the reporting principles, scope, and methodologies applied in the preparation of Koç Holding’s 2024 TSRS Compliant Sustainability Report. The report complies with the Turkish Sustainability Reporting Standards (TSRS), effective as of the publication date.

To support stakeholder understanding and demonstrate cross-framework alignment, the report includes a **TSRS content index**.

This report covers the period between **January 1 and December 31, 2024**.

Scope 1 and 2 emissions data presented in this report have been consolidated for Koç Holding and its subsidiaries in line with Koç Holding 2024 Consolidated Financial

Statements. Scope 1 and 2 emissions data of joint ventures have been aggregated and presented separately. The list of consolidated subsidiaries and the list of consolidated joint ventures can be found in Appendix: Koç Holding Consolidation Scope. Other climate related performance indicators covers the following Group Companies and their subsidiaries: **Arçelik, Aygaz, Entek, KoçSistem, Otokar, Otokoç Otomotiv, Tüpraş, and Yapı Kredi**. Climate related performance data for the following joint ventures on a consolidated level has also been presented separately: **Arçelik LG, Ford Otosan, Opet, Tofaş and TürkTraktör**.

For each metric disclosed, the entities included within its reporting scope are specified. This information is provided in metric-specific tables or footnotes for transparency and auditability.

# Disclosure for Climate-Related Metrics

## Methodology

Data disclosed in this report is compiled using a combination of actual and modeled values. Each KPI is subject to methodology that includes the following components:

- **Data Collection for Environmental Metrics:** Environmental data collected from Group Companies via centralized external data platform. Where qualitative information is used, it is based on internal policies, stakeholder engagement, and risk assessments.
- Verified by responsible units within each reporting company before being submitted to Koç Holding.
- **Financial Data:** Financial figures align with Koç Holding's 2024 Consolidated Financial Statements unless otherwise specified.
- **Calculation Standards:** All environmental data (e.g., GHG emissions, energy, water, etc.) are calculated and consolidated if necessary, using internationally recognized standards such as the GHG Protocol, IPCC Guidelines, or local regulatory frameworks, unless otherwise stated.
- **GHG Emissions:** For emission factors, Group Companies use IEA 2024 (Based on 2022) emission factors, which can be found in **Appendix**.

**Scope 1 and 2:** Consolidated using the operational control approach, in accordance with TSRS 2. All companies in scope of the financial consolidation are included in Scope 1 and 2 consolidations.

- Emissions data is collected from Companies, where possible.\* For the rest of the companies listed on "**APPENDIX: KOÇ Group Consolidation**", revenue-based emissions are calculated using EEIO emissions factors in GHG Protocol. One limitation of this method is that for some sectors, EEIO factors do not exist, but the sum of revenues for such sectors make up as share of total combined revenues below the determined materiality threshold. Emissions for the subsidiaries which fall outside Koç Group consolidation scope are not calculated, because they are deemed immaterial based on the determined materiality threshold.

All reported data is reviewed by Koç Holding's Sustainability and Stakeholder Relations Department and validated by internal control mechanisms. Selected KPIs are subject to limited assurance by an independent third-party assurance provider. Assurance scope and results are disclosed in the "**Independent Assurance Statement**" section of the report.

## Data Transparency

Each KPI presented in the report includes:

- The **name and definition** of the indicator
- The **data source** and **calculation methodology**
- The **reporting boundary** (i.e., which companies are included)

This structure ensures traceability and clarity for internal and external users.

\* Emissions data is collected for Koç Holding, the following subsidiaries: Arçelik, Aygaz, Divan, Entek, KoçSistem, Otokar, Otokoç, Tüpraş, Yapı Kredi, Wat Motor and the following joint ventures: Arçelik-LG, Ford Otosan, Opet, Tofaş, TürkTraktör.

# Disclosure for Climate-Related Metrics

Type	Indicator	Scope
Environmental	<b>Greenhouse Gas Emissions (tCO<sub>2</sub>e)</b> This section presents the consolidated GHG emissions of Koç Group companies, including Arçelik, Aygaz (including subsidiaries), Entek, Ford Otosan, Opet, Otokar, Otokoç, Otomotiv, Tofaş, Tüpraş (including subsidiaries), TürkTraktör, and Yapı Kredi. <b>Emissions indicator definitions are based on GHG Protocol.</b>	
	Total Scope 1 Emissions	This indicator refers to all direct greenhouse gas emissions from sources that are owned or controlled by the company, such as emissions from company vehicles and on-site fuel combustion.
	Scope 1: Stationary Combustion	This indicator refers to direct GHG emissions from the combustion of fuels in stationary equipment owned or controlled by the company. <b>Fuel Consumption × Emission Factor</b>
	Scope 1: Fugitive Emissions	This indicator refers to direct GHG emissions resulting from the unintentional release (leakage) of refrigerant gases from refrigeration and air conditioning (RAC) equipment. <b>Quantity of Refrigerant Leaked (kg) × GWP of Refrigerant</b>
	Scope 1: Mobile Combustion Emissions	This indicator refers to direct GHG emissions from the combustion of fuels in owned or controlled mobile sources, including both on-road and non-road vehicles that fall within the company's organizational boundaries. <b>Fuel Consumed × Emission Factor</b> <b>Distance Traveled × Fuel Consumption per km × Emission Factor</b>
	Total Scope 2 Emissions – location-based	This indicator refers to indirect greenhouse gas emissions from the generation of purchased electricity, steam, heating, and cooling, calculated using emission factors specific to contractual instruments or supplier-specific attributes. <b>Total Electricity/Heat/Steam Consumption × Emission Factor</b>
	Total Scope 2 Emissions – market-based	This indicator refers to indirect greenhouse gas emissions from the generation of purchased electricity that is not sourced from renewable energy, steam, heating, and cooling, calculated using emission factors specific to the contractual instruments or supplier-specific information. <b>Total Electricity/Heat/Steam Consumption (excluding renewable energy under credible contracts) × Emission Factor</b>
	Total Scope 1 and 2 Emissions of Subsidiaries Owned by Koç Group Companies	This indicator refers to the combined direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions from all the subsidiary entities under the ownership and control of Koç Group companies.
	Greenhouse Gas Intensity per Revenue (ton CO <sub>2</sub> e/million TL consolidated revenue)	This indicator represents the ratio of total Scope 1 and Scope 2 (market-based) greenhouse gas emissions to the total consolidated revenues in million TL as reported in its financial statements for the reporting period. <b>(Total Scope 1 Emissions + Total Scope 2 Emissions [market-based]) / Total Consolidated Revenue (million TL)</b>

# Disclosure for Climate-Related Metrics

Type	Indicator	Scope
Environmental	<b>Energy Consumption (million GJ)</b> This section covers the Koç Group companies, including Arçelik, Aygaz, Entek, Ford Otosan, KoçSistem, Opet, Otokar, Otokoç Otomotiv, Tofaş, Tüpraş, TürkTraktör, and Yapı Kredi.	
	Total Energy Consumption (GJ, MWh)	This indicator refers to the sum of total amount of energy consumed from renewable and non-renewable sources, measured in gigajoules (GJ), after accounting for any energy produced and sold or transferred to the grid.
	Net Renewable Energy Consumption (GJ)	This indicator refers to the total amount of energy consumed from renewable sources, measured in gigajoules (GJ), after accounting for any energy produced and sold or transferred to the grid.
	Net Non-Renewable Energy Consumption (GJ)	This indicator refers to the total amount of energy consumed from nonrenewable sources, measured in gigajoules (GJ), after accounting for any energy produced and sold or transferred to the grid.

# Disclosure for Climate-Related Metrics

Type	Indicator	Scope
Environmental	Total Water Discharge (thousand m <sup>3</sup> )	This indicator refers to the total release of wastewater or treated water from industrial operations into the receiving environment, requiring monitoring and management to minimize environmental impact and ensure compliance with regulatory standards. It is the sum of water discharge to surface water, ground water, sea water, 3rd party.
	Water Consumption (thousand m <sup>3</sup> )	This indicator refers to the total amount of water used by an organization in its operations, including manufacturing processes, cooling systems, and sanitation facilities, with a focus on optimizing usage efficiency to mitigate environmental impact and resource depletion. Consumption = Withdrawal - Discharge

# Emission Factors

## Average-Data Method Using EEIO Emission Factors for Revenue-Based Calculations

For companies where emissions are calculated based on financial data (i.e., revenue-based estimations), we applied the average-data method using Environmentally-Extended Input-Output (EEIO) data.

The methodology is as follows:

- The revenue of the investee company is multiplied by the appropriate EEIO emission factor representative of the sector in which the company operates (expressed as kg CO<sub>2</sub>e per \$ revenue).
- The result is then multiplied by the reporting company's proportional equity share in the investee company to calculate the allocated emissions.

### Formula:

Emissions from equity investments =  $\sum [(Investee\ revenue \times sectoral\ EEIO\ emission\ factor) \times equity\ share]$

The emission factors and global warming potential (GWP) values used in the calculation of Scope 1 and Scope 2 greenhouse gas emissions were sourced from IPCC, Defra, IEA, and the Ecoinvent database.

Broad Category	EEIO Category
Construction materials and products	Residential structures (miscellaneous)
Manufactured products	Automobiles
Manufactured products	Ship
Manufactured products	Motors and generators
Manufactured products	Military armored vehicles, tanks, and tank components
Manufactured products	Motorcycles, bicycles, and parts
Services	Couriers and messengers services
Services	Information services
Services	Food services and drinking places
Services	Funds, trusts, and other financial vehicles
Services	Monetary authorities and depository credit intermediation
Services	Data processing, hosting, and related services
Services	Computer systems design services
Services	Insurance agencies, brokerages, and related activities
Services	Retail trade services
Services	Hotels and motels, including casino hotels
Services	Oil and gas operations support activities
Services	Automotive equipment rental and leasing services
Services	Wholesale trade services
Services	Travel arrangement and reservation services
Services	Amusement and recreation industries
Services	Management of companies and enterprises
Services	Nondepository credit intermediation and related activities
Services	Hospital services
Services	Business support services
Utilities	Natural gas distribution
	Direct Marketing

# Appendix 1: TSRS Content Index

► ► ► Koç Holding 2024 TSRS Compliant Sustainability Report has been prepared in alignment with Turkish Sustainability Reporting Standards (TSRS) issued by the Public Oversight, Accounting, and Auditing Standards Authority (KGK), which adopts the international standards published by the International Sustainability Standards Board (ISSB). In the first reporting year, Koç Holding utilizes the following transition reliefs:

**TSRS 1 E3, TSRS 2 C3:** Comparative information is not disclosed  
**TSRS 1 E4:** TSRS compliant sustainability report is published

after the release of the financial statements

**TSRS 1 E5:** Only climate related information is disclosed.

**TSRS 1 E6:** Comparative information with regards to climate related risks and opportunities is not disclosed.

**KGK Provisional Article 3:** In line with this exemption, Koç Holding has not disclosed Scope 3 emissions in its 2024 TSRS Compliant Sustainability Report, as the calculation has not yet been completed in accordance with the GHG Protocol referred to by TSRS.

TSRS	TSRS Paragraph	TSRS Requirement	Section for Disclosure
<b>GOVERNANCE</b>			
TSRS 1	All Paragraphs	Disclosures related to the paragraphs of TSRS 1 have been addressed with a climate focus under the relevant provisions of TSRS 2.	

# Appendix 1: TSRS Content Index

TSRS	TSRS Paragraph	TSRS Requirement	Section for Disclosure
<b>GOVERNANCE</b>			
TSRS 2	5	<b>The objective of climate-related financial disclosures on governance is to enable users of general purpose financial reports to understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee climate-related risks and opportunities.</b>	
TSRS 2	6(a)	Governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about:	Governance of Climate Related Risk and Opportunities Board Oversight, Skills, and Expertise Key top management roles to support Board oversight Governance at Group Company level
TSRS 2	6(a)(i)	How responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s)	Governance of Climate Related Risk and Opportunities Board Oversight, Skills, and Expertise Key top management roles to support Board oversight
TSRS 2	6(a)(ii)	How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate related risks and opportunities	Governance of Climate Related Risk and Opportunities Board Oversight, Skills, and Expertise
TSRS 2	6(a)(iii)	How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities	Governance of Climate Related Risk and Opportunities Board Oversight, Skills, and Expertise Key top management roles to support Board oversight Governance at Group Company level Controls and procedures used to support oversight of climate matters
TSRS 2	6(a)(iv)	How the body(s) or individual(s) takes into account climate related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities	Governance of Climate Related Risks and Opportunities Controls and procedures used to support oversight of climate matters
TSRS 2	6(a)(v)	How the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities, and monitors progress towards those targets, including whether and how related performance metrics are included in remuneration policies	Governance of Climate Related Risk and Opportunities Board Oversight, Skills, and Expertise Key top management roles to support Board oversight Remuneration Governance at Group Company level
TSRS 2	6(b)	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	Governance of Climate Related Risk and Opportunities Board Oversight, Skills, and Expertise Key top management roles to support Board oversight Governance at Group Company level
TSRS 2	6(b)(i)	Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee	Governance of Climate Related Risk and Opportunities Board Oversight, Skills, and Expertise Key top management roles to support Board oversight Governance at Group Company level
TSRS 2	6(b)(ii)	Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions	Controls and procedures used to support oversight of climate matters

# Appendix 1: TSRS Content Index

TSRS	TSRS Paragraph	TSRS Requirement	Section for Disclosure
<b>STRATEGY</b>			
TSRS 2	8	The objective of climate-related financial disclosures on strategy is to enable users of general purpose financial reports to understand an entity's strategy for managing climate-related risks and opportunities.	
TSRS 2	9	Specifically, an entity shall disclose information to enable users of general purpose financial reports to understand:	Climate Related Material Risks & Opportunities
TSRS 2	9(a)	The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects (see paragraphs 10-12)	Climate Related Material Risks & Opportunities
TSRS 2	9(b)	The current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain (see paragraph 13)	Climate Related Material Risks & Opportunities See <b>"Approach"</b> , <b>"Current and Anticipated Impact on Business Model and Value Chain"</b> sub-section for each risk and opportunity.
TSRS 2	9(c)	The effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan (see paragraph 14)	Climate Related Material Risks & Opportunities Carbon Transition Program Transition Pathway
TSRS 2	9(d)	The effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity's financial planning (see paragraphs 15-21)	Climate Related Material Risks & Opportunities See <b>"Approach"</b> , <b>"Strategy Integration"</b> sub-section for each risk and opportunity.
TSRS 2	9(e)	The climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities (see paragraph 22)	Climate Related Material Risks & Opportunities Carbon Transition Program Transition Pathway Technology and Innovation for Climate

# Appendix 1: TSRS Content Index

TSRS	TSRS Paragraph	TSRS Requirement	Section for Disclosure
<b>Climate-related risks and opportunities</b>			
TSRS 2	10	An entity shall disclose information that enables users of general purpose financial reports to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity shall:	Climate Related Material Risks & Opportunities
TSRS 2	10(a)	Description of climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects	Climate Related Material Risks & Opportunities
TSRS 2	10(b)	Explanation of each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk	Climate Related Material Risks & Opportunities
TSRS 2	10(c)	Disclosure of each climate-related risk and opportunity the entity has identified, over which time horizons—short, medium or long term— the effects of each climate-related risk and opportunity could reasonably be expected to occur	Climate Related Material Risks & Opportunities Time Horizons and Planning Alignment
TSRS 2	10(d)	Explanation of how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making	Climate Related Material Risks & Opportunities Time Horizons and Planning Alignment
TSRS 2	11	In identifying the climate-related risks and opportunities that could reasonably be expected to affect an entity's prospects, the entity shall use all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort, including information about past events, current conditions and forecasts of future conditions	Global and Sectoral Outlook Climate Related Risk & Opportunity Management
TSRS 2	12	In identifying the climate-related risks and opportunities that could reasonably be expected to affect an entity's prospects, the entity shall refer to and consider the applicability of the industry-based disclosure topics defined in the Industry-based Guidance on Implementing TSRS 2	About this Report Industry-based Guidance on Implementing TSRS 2

# Appendix 1: TSRS Content Index

TSRS	TSRS Paragraph	TSRS Requirement	Section for Disclosure
<b>Business model and value chain</b>			
TSRS 1	13	An entity shall disclose information that enables users of general purpose financial reports to understand the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain. Specifically, the entity shall disclose:	Climate Related Material Risks & Opportunities See " <b>Current and Anticipated Impact on Business Model and Value Chain</b> " sub-section for each risk and opportunity.
TSRS 2	13(a)	Description of current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain	Climate Related Material Risks & Opportunities See " <b>Current and Anticipated Impact on Business Model and Value Chain</b> " sub-section for each risk and opportunity.
TSRS 2	13(b)	Description of where in the entity's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets)	Climate Related Material Risks & Opportunities See " <b>Current and Anticipated Impact on Business Model and Value Chain</b> " sub-section for each risk and opportunity. For Physical Risks, also see " <b>Sectoral and Geographical Insights</b> " sub-section.
<b>Strategy and decision-making</b>			
TSRS 2	14	An entity shall disclose information that enables users of general purpose financial reports to understand the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose:	Climate Related Material Risks & Opportunities See " <b>Strategy Integration</b> " sub-section for each risk and " <b>Strategy and Financial Planning Integration</b> " for each opportunity.
TSRS 2	14(a)	Information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation	Climate Related Material Risks & Opportunities See " <b>Strategy Integration</b> " sub-section for each risk and " <b>Strategy and Financial Planning Integration</b> " for each opportunity.
TSRS 2	14(a)(i)	Current and anticipated changes to the entity's business model, including its resource allocation, to address climate-related risks and opportunities (for example, these changes could include plans to manage or decommission carbon-, energy- or water-intensive operations; resource allocations resulting from demand or supply-chain changes; resource allocations arising from business development through capital expenditure or additional expenditure on research and development; and acquisitions or divestments)	Climate Related Material Risks & Opportunities See " <b>Strategy Integration</b> " sub-section for each risk and " <b>Strategy and Financial Planning Integration</b> " for each opportunity. Carbon Transition Program Transition Pathway Technology and Innovation for Climate Water Stewardship
TSRS 2	14(a)(ii)	Current and anticipated direct mitigation and adaptation efforts (for example, through changes in production processes or equipment, relocation of facilities, workforce adjustments, and changes in product specifications)	Climate Related Material Risks & Opportunities See " <b>Strategy Integration</b> " sub-section for each risk and " <b>Strategy and Financial Planning Integration</b> " for each opportunity. Carbon Transition Program Transition Pathway Technology and Innovation for Climate Water Stewardship
TSRS 2	14(a)(iii)	Current and anticipated indirect mitigation and adaptation efforts (for example, through working with customers and supply chains)	Climate Related Material Risks & Opportunities See " <b>Strategy Integration</b> " sub-section for each risk and " <b>Strategy and Financial Planning Integration</b> " for each opportunity. Carbon Transition Program Transition Pathway Technology and Innovation for Climate Water Stewardship

# Appendix 1: TSRS Content Index

TSRS	TSRS Paragraph	TSRS Requirement	Section for Disclosure
<b>Strategy and decision-making</b>			
TSRS 2	14(a)(iv)	Any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies	Carbon Transition Program Transition Pathway Also see " <b>Sectoral pathways</b> " sub-section
TSRS 2	14(a)(v)	How the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets, described in accordance with paragraphs 33-36	Carbon Transition Program Transition Pathway Also see " <b>Sectoral pathways</b> " sub-section
TSRS 2	14(b)	Information about how the entity is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 14(a)	Carbon Transition Program Transition Pathway Also see " <b>Enablers</b> " sub-section
TSRS 2	14(c)	Quantitative and qualitative information about the progress of plans disclosed in previous reporting periods	Carbon Transition Program Transition Pathway Metrics and Targets
<b>Financial position, financial performance and cash flows</b>			
TSRS 2	15	An entity shall disclose information that enables users of general purpose financial reports to understand	Climate Related Material Risks & Opportunities See " <b>Current Impact on Business Model and Value Chain</b> " sub-section for each risk and opportunity.
TSRS 2	15(a)	The effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects)	Climate Related Material Risks & Opportunities See " <b>Current Impact on Business Model and Value Chain</b> " sub-section for each risk and opportunity.
TSRS 2	15(b)	The anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial planning (anticipated financial effects)	Climate Related Material Risks & Opportunities See " <b>Current and Anticipated Impact on Business Model and Value Chain</b> " sub-section for each risk and opportunity.
TSRS 2	16	Specifically, an entity shall disclose quantitative and qualitative information about:	Climate Related Material Risks & Opportunities See " <b>Current and Anticipated Impact on Business Model and Value Chain</b> " sub-section for each risk and opportunity. Also See " <b>Strategy Integration</b> " for risks and " <b>Strategy and Financial Planning Integration</b> " for opportunities.
TSRS 2	16(a)	Disclosure of quantitative and qualitative information on the effects of climate-related risks and opportunities on the entity's financial position during the reporting period	Climate Related Material Risks & Opportunities See " <b>Current and Anticipated Impact on Business Model and Value Chain</b> " sub-section for each risk and opportunity. Also See " <b>Strategy Integration</b> " for risks and " <b>Strategy and Financial Planning Integration</b> " for opportunities.
TSRS 2	16(b)	The climate-related risks and opportunities identified in paragraph 16(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements	There are no such climate-related risks and opportunities
TSRS 2	16(c)	How the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration	Climate Related Material Risks & Opportunities See " <b>Current and Anticipated Impact on Business Model and Value Chain</b> " sub-section for each risk and opportunity. Also See " <b>Strategy Integration</b> " for risks and " <b>Strategy and Financial Planning Integration</b> " for opportunities.

# Appendix 1: TSRS Content Index

TSRS	TSRS Paragraph	TSRS Requirement	Section for Disclosure
<b>Financial position, financial performance and cash flows</b>			
TSRS 2	16(c)(i), 16(c)(ii)	How the financial position is expected to change in the short, medium and long term, considering investment and disposal plans and the funding sources used to implement the strategy	Climate Related Material Risks & Opportunities See " <b>Current and Anticipated Impact on Business Model and Value Chain</b> " sub-section for each risk and opportunity. Also See " <b>Strategy Integration</b> " for risks and " <b>Strategy and Financial Planning Integration</b> " for opportunities.
TSRS 2	16(d)	How the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities	Climate Related Risk & Opportunity Management Climate Related Material Risks & Opportunities See " <b>Current and Anticipated Impact on Business Model and Value Chain</b> " sub-section for each risk and opportunity.
TSRS 2	17	In providing quantitative information, an entity may disclose a single amount or a range	The anticipated financial impacts of climate-related material risks and opportunities are not disclosed, taking into account the measurement uncertainties involved in estimating these impacts, the regulatory uncertainties, and the additional effort and resources that such calculations would require given Koç Holding's diversified operations and activities across multiple sectors on a consolidated basis.
TSRS 2	18	In preparing disclosures about the anticipated financial effects of a climaterelated risk or opportunity, an entity shall:D117	Climate Related Material Risks & Opportunities See " <b>Current and Anticipated Impact on Business Model and Value Chain</b> " sub-section for each risk and opportunity.
TSRS 2	18(a)	All reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort	Climate Related Material Risks & Opportunities See " <b>Current and Anticipated Impact on Business Model and Value Chain</b> " sub-section for each risk and opportunity.
TSRS 2	18(b)	An approach that is commensurate with the skills, capabilities and resources that are available to the entity for preparing those disclosures	Climate Related Material Risks & Opportunities See " <b>Current and Anticipated Impact on Business Model and Value Chain</b> " sub-section for each risk and opportunity.
TSRS 2	19	An entity need not provide quantitative information about the current or anticipated financial effects of a climate-related risk or opportunity if the entity determines that:	Climate Related Material Risks & Opportunities See " <b>Current and Anticipated Impact on Business Model and Value Chain</b> " sub-section for each risk and opportunity.
TSRS 2	19(a), 19(b)	The decision not to provide quantitative information due to the inability to separately identify the current or anticipated financial effects of a sustainability- or climate-related risk or opportunity, or because the level of measurement uncertainty involved in the estimation is so high that the resulting information would not be useful	
TSRS 2	20	In addition, an entity need not provide quantitative information about the anticipated financial effects of a climate-related risk or opportunity if the entity does not have the skills, capabilities or resources to provide that quantitative information.	
TSRS 2	21	If an entity determines that it need not provide quantitative information about the current or anticipated financial effects of a climate-related risk or opportunity applying the criteria set out in paragraphs 19-20, the entity shall:	
TSRS 2	21(a), 21(b)	The reasons for not providing quantitative information on climate-related risks and opportunities, along with the accompanying qualitative disclosures	
TSRS 2	21(c)	Quantitative information about the combined financial effects of that climate-related risk or opportunity with other climate-related risks or opportunities and other factors unless the entity determines that quantitative information about the combined financial effects would not be useful	

# Appendix 1: TSRS Content Index

TSRS	TSRS Paragraph	TSRS Requirement	Section for Disclosure
<b>Climate resilience</b>			
TSRS 2	22	Information that enables users of general purpose financial reports to understand the resilience of the entity's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the identified climate-related risks and opportunities. Climate-related scenario analysis to assess climate resilience using an approach that is commensurate with the circumstances	Climate Related Material Risks & Opportunities See " <b>Rationale &amp; Definition</b> " and " <b>Approach (including judgments, uncertainties, and errors)</b> " sub-section for each risk and opportunity
TSRS 2	22(a)	The entity's assessment of its climate resilience as at the reporting date, which shall enable users of general purpose financial reports to understand	Climate Related Material Risks & Opportunities See " <b>Rationale &amp; Definition</b> " and " <b>Approach (including judgments, uncertainties, and errors)</b> " sub-section for each risk and opportunity
TSRS 2	22(a)(i)	The implications, if any, of the entity's assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis	Climate Related Material Risks & Opportunities See " <b>Approach (including judgments, uncertainties, and errors)</b> " and " <b>Current and Anticipated Impact on Business Model and Value Chain</b> " sub-section for each risk and opportunity
TSRS 2	22(a)(ii)	The significant areas of uncertainty considered in the entity's assessment of its climate resilience	Climate Related Material Risks & Opportunities See " <b>Approach (including judgments, uncertainties, and errors)</b> " sub-section for each risk and opportunity
TSRS 2	22(a)(iii)	Capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term	Climate Related Material Risks & Opportunities Also See " <b>Strategy Integration</b> " for risks and " <b>Strategy and Financial Planning Integration</b> " for opportunities. Carbon Transition Program Transition Pathway Also see " <b>Sectoral pathways</b> " sub-section
TSRS 2	22(a)(iii)(1)	The availability of, and flexibility in, the entity's existing financial resources to respond to the effects identified in the climate-related scenario analysis, including to address climate-related risks and to take advantage of climate-related opportunities	Carbon Transition Program Transition Pathway Also see " <b>Sectoral pathways</b> " sub-section
TSRS 2	22(a)(iii)(2)	The entity's ability to redeploy, repurpose, upgrade or decommission existing assets	Carbon Transition Program Transition Pathway Also see " <b>Sectoral pathways</b> " sub-section
TSRS 2	22(a)(iii)(3)	The effect of the entity's current and planned investments in climate-related mitigation, adaptation and opportunities for climate resilience	Climate Related Material Risks & Opportunities Also See " <b>Strategy Integration</b> " for risks and " <b>Strategy and Financial Planning Integration</b> " for opportunities. Carbon Transition Program Transition Pathway Also see " <b>Sectoral pathways</b> " sub-section
TSRS 2	22(b)	How and when the climate-related scenario analysis was carried out	Climate Related Material Risks & Opportunities See " <b>Approach (including judgments, uncertainties, and errors)</b> " sub-section for each risk and opportunity
TSRS 2	22(b)(i)	Information about the inputs used during climate-related scenario analysis	Climate Related Material Risks & Opportunities See " <b>Approach (including judgments, uncertainties, and errors)</b> " sub-section for each risk and opportunity

# Appendix 1: TSRS Content Index

TSRS	TSRS Paragraph	TSRS Requirement	Section for Disclosure
<b>Climate resilience</b>			
TSRS 2	22(b)(i)(1)	Which climate-related scenarios the entity used for the analysis and the sources of those scenarios	Climate Related Material Risks & Opportunities See " <b>Scenario Selection and Analysis</b> " See " <b>Scenario-Based Carbon Pricing Analysis</b> " for Policy Risk See " <b>Approach</b> " for Market Risk See " <b>Tools and Data Sources</b> " for Physical Risks
TSRS 2	22(b)(i)(2)	Whether the analysis included a diverse range of climate-related scenarios	Climate Related Material Risks & Opportunities See " <b>Scenario Selection and Analysis</b> " See " <b>Scenario-Based Carbon Pricing Analysis</b> " for Policy Risk See " <b>Approach</b> " for Market Risk See " <b>Tools and Data Sources</b> " for Physical Risks
TSRS 2	22(b)(i)(3)	Whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks	Climate Related Material Risks & Opportunities See " <b>Scenario Selection and Analysis</b> "
TSRS 2	22(b)(i)(4)	Whether the entity used, among its scenarios, a climate related scenario aligned with the latest international agreement on climate change	Climate Related Material Risks & Opportunities See " <b>Scenario Selection and Analysis</b> " See " <b>Scenario-Based Carbon Pricing Analysis</b> " for Policy Risk See " <b>Approach</b> " for Market Risk See " <b>Tools and Data Sources</b> " for Physical Risks
TSRS 2	22(b)(i)(5)	Why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties	Climate Related Material Risks & Opportunities See " <b>Scenario Selection and Analysis</b> "
TSRS 2	22(b)(i)(6)	The time horizons the entity used in the analysis	Climate Related Material Risks & Opportunities See " <b>Time Horizons and Planning Alignment</b> "
TSRS 2	22(b)(i)(7)	What scope of operations the entity used in the analysis	Climate Related Material Risks & Opportunities See " <b>Approach (including judgments, uncertainties, and errors)</b> " sub-section for each risk and opportunity
TSRS 2	22(b)(ii)	The key assumptions made in the analysis	Climate Related Material Risks & Opportunities See " <b>Approach (including judgments, uncertainties, and errors)</b> " sub-section for each risk and opportunity
TSRS 2	22(b)(ii)(1)	Climate-related policies in the jurisdictions in which the entity operates	Global and Sectoral Outlook Also see " <b>Regulatory Developments</b> " sub-section
TSRS 2	22(b)(ii)(2)	Macroeconomic trends	Global and Sectoral Outlook Climate Related Material Risks & Opportunities See " <b>Rationale &amp; Definition</b> " sub-section for each risk and opportunity
TSRS 2	22(b)(ii)(3)	National- or regional-level variables (for example, local weather patterns, demographics, land use, infrastructure and availability of natural resources)	Global and Sectoral Outlook Climate Related Material Risks and Opportunities See " <b>Rationale &amp; Definition</b> " sub-section for each risk and opportunity
TSRS 2	22(b)(ii)(4)	Energy usage and mix	Global and Sectoral Outlook Climate Related Material Risks & Opportunities See " <b>Scenario Selection and Analysis</b> " See " <b>Scenario-Based Carbon Pricing Analysis</b> " for Policy Risk See " <b>Approach</b> " for Market Risk See " <b>Tools and Data Sources</b> " for Physical Risks

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TSRS	TSRS Paragraph	TSRS Requirement	Section for Disclosure
<b>Climate resilience</b>			
TSRS 2	22(b)(ii)(5)	Developments in technology	Global and Sectoral Outlook Climate Related Material Risks & Opportunities See " <b>Scenario Selection and Analysis</b> " See " <b>Scenario-Based Carbon Pricing Analysis</b> " for Policy Risk See " <b>Approach</b> " for Market Risk See " <b>Tools and Data Sources</b> " for Physical Risks
TSRS 2	22(b)(iii)	The reporting period in which the climate-related scenario analysis was carried out (see paragraph B18).	Climate Related Material Risks & Opportunities
TSRS 2	23	In preparing disclosures to meet the requirements in paragraphs 13-22, an entity shall refer to and consider the applicability of cross-industry metric categories, as described in paragraph 29, and industry-based metrics associated with disclosure topics defined in the Industry-based Guidance on Implementing IFRS S2 as described in paragraph 32	About this Report
<b>RISK MANAGEMENT</b>			
<b>TSRS 2</b>	<b>25</b>	<b>The objective of climate-related financial disclosures on risk management is to enable users of general purpose financial reports to understand an entity's processes to identify, assess, prioritise and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process.</b>	
TSRS 2	25	To achieve this objective, an entity shall disclose information about:	Climate Related Material Risks & Opportunities
TSRS 2	25(a)	The processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks	Climate Related Material Risks & Opportunities See " <b>Risk and Opportunity Identification, Assessment, and Prioritization</b> " sub-section
TSRS 2	25(a)(i)	Inputs and parameters used to identify climate-related risks	Climate Related Material Risks & Opportunities See " <b>Basis of Preparation</b> " sub-section See " <b>Company Materiality</b> " sub-section See " <b>Risk and Opportunity Identification, Assessment, and Prioritization</b> " sub-section
TSRS 2	25(a)(ii)	Whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks	Climate Related Material Risks & Opportunities See " <b>Scenario Selection and Analysis</b> " See " <b>Scenario-Based Carbon Pricing Analysis</b> " for Policy Risk See " <b>Approach</b> " for Market Risk See " <b>Tools and Data Sources</b> " for Physical Risks
TSRS 2	25(a)(iii)	How the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria	Climate Related Material Risks & Opportunities See " <b>Scoring Framework</b> " sub-section
TSRS 2	25(a)(iv)	Whether and how climate-related risks are prioritized relative to other types of risks	Climate Related Material Risks & Opportunities See " <b>Risk and Opportunity Identification, Assessment, and Prioritization</b> " sub-section See " <b>Scoring Framework</b> " sub-section
TSRS 2	25(a)(v)	How climate-related risks are monitored	Climate Related Material Risks & Opportunities See " <b>Risk and Opportunity Monitoring</b> " sub-section

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TSRS	TSRS Paragraph	TSRS Requirement	Section for Disclosure
<b>RISK MANAGEMENT</b>			
TSRS 2	25(a)(vi)	Whether and how the entity has changed the processes it uses compared with the previous reporting period	Processes have not changed.
TSRS 2	25(b)	The processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities	Climate Related Material Risks & Opportunities See <b>"Risk and Opportunity Identification, Assessment, and Prioritization"</b> sub-section
TSRS 2	25(c)	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	Climate Related Material Risks & Opportunities
<b>METRICS AND TARGETS</b>			
TSRS 2	27	<b>The objective of climate-related financial disclosures on metrics and targets is to enable users of general purpose financial reports to understand an entity's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation.</b>	
TSRS 2	28(a)	Information relevant to the cross-industry metric categories (see paragraphs 29–31)	Industry-based Guidance on Implementing TSRS 2
TSRS 2	28(b)	Industry-based metrics that are associated with particular business models, activities or other common features that characterise participation in an industry (see paragraph 32)	Industry-based Guidance on Implementing TSRS 2
TSRS 2	28(c)	Targets set by the entity, and any targets it is required to meet by law or regulation, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used by the governance body or management to measure progress towards these targets (see paragraphs 33–37).	Climate Related Metrics and Targets
<b>Climate related metrics</b>			
TSRS 2	29(a)(i)	Absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO <sub>2</sub> equivalent	Climate Related Metrics and Targets
TSRS 2	29(a)(i)(1)	Scope 1 greenhouse gas emissions	Climate Related Metrics and Targets
TSRS 2	29(a)(i)(2)	Scope 2 greenhouse gas emissions	Climate Related Metrics and Targets
TSRS 2	29(a)(i)(3)	Scope 3 greenhouse gas emissions	In line with KGK Provisional Article 3, Koç Holding does not disclose Scope 3 greenhouse gas emissions for the first year of sustainability reporting.
TSRS 2	29(a)(ii)	Measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions (see paragraphs B23–B25)	Climate Related Metrics and Targets
TSRS 2	29(a)(iii)	Disclose the approach it uses to measure its greenhouse gas emissions (see paragraphs B26–B29) including:	Climate Related Material Risks & Opportunities See <b>"Scope 1 and 2 GHG Emission Calculation Methodology"</b> and <b>"Average-Data Method Using EEIO Emission Factors for Revenue-Based Calculations"</b> sub-sections
TSRS 2	29(a)(iii)(1), 29(a)(iii)(2)	The measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions and the reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions	Climate Related Material Risks & Opportunities See <b>"Scope 1 and 2 GHG Emission Calculation Methodology"</b> and <b>"Average-Data Method Using EEIO Emission Factors for Revenue-Based Calculations"</b> sub-sections

# Appendix 1: TSRS Content Index

TSRS	TSRS Paragraph	TSRS Requirement	Section for Disclosure
<b>Climate related metrics</b>			
TSRS 2	29(a)(iii)(3)	Any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes	Processes have not changed.
TSRS 2	29(a)(iv)	For Scope 1 and Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(1)–(2), disaggregate emissions between	Climate Related Metrics and Targets
TSRS 2	29(a)(iv)(1)	The consolidated accounting group (for example, for an entity applying IFRS Accounting Standards, this group would comprise the parent and its consolidated subsidiaries)	Climate Related Metrics and Targets
TSRS 2	29(a)(iv)(2)	Other investees excluded from paragraph 29(a)(iv)(1) (for example, for an entity applying IFRS Accounting Standards, these investees would include associates, joint ventures and unconsolidated subsidiaries)	Climate Related Metrics and Targets
TSRS 2	29(a)(v)	For Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(2), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions (see paragraphs B30–B31)	Climate Related Metrics and Targets
TSRS 2	29(a)(vi)	Disclosure of Scope 3 greenhouse gas emissions in accordance with paragraph 29(a)(i)(3)	In line with KGK Provisional Article 3, Koç Holding has not disclosed Scope 3 emissions in its 2024 TSRS Compliant Sustainability Report, as the calculation has not yet been completed.
TSRS 2	29(a)(vi)(1)	The categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)	In line with KGK Provisional Article 3, Koç Holding has not disclosed Scope 3 emissions in its 2024 TSRS Compliant Sustainability Report, as the calculation has not yet been completed.
TSRS 2	29(a)(vi)(2)	Additional information about the entity's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance	In line with KGK Provisional Article 3, Koç Holding has not disclosed Scope 3 emissions in its 2024 TSRS Compliant Sustainability Report, as the calculation has not yet been completed.
TSRS 2	29(b)	Climate-related transition risks—the amount and percentage of assets or business activities vulnerable to climate-related transition risks	Climate Related Material Risks & Opportunities
TSRS 2	29(c)	Climate-related physical risks—the amount and percentage of assets or business activities vulnerable to climate-related physical risks	Climate Related Material Risks & Opportunities See <b>"Sectoral and Geographical Insights"</b> sub-section
TSRS 2	29(d)	Climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities	Climate Related Material Risks & Opportunities See <b>"Opportunities"</b> sub-section
TSRS 2	29(e)	Capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities	Climate Governance Controls and procedures used to support oversight of climate matters
TSRS 2	29(f)	Information about internal carbon prices	Climate Related Material Risks & Opportunities See <b>"Scenario-Based Carbon Pricing Analysis"</b> for Policy Risk
TSRS 2	29(f)(i)	Explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis)	Climate Related Material Risks & Opportunities See <b>"Scenario-Based Carbon Pricing Analysis"</b> for Policy Risk
TSRS 2	29(f)(ii)	The price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions	Climate Related Material Risks & Opportunities See <b>"Scenario-Based Carbon Pricing Analysis"</b> for Policy Risk

# Appendix 1: TSRS Content Index

TSRS	TSRS Paragraph	TSRS Requirement	Section for Disclosure
<b>Climate related metrics</b>			
TSRS 2	29(g)	internal carbon prices—the entity shall disclose:	Governance of Climate Related Risk and Opportunities Remuneration
TSRS 2	29(g)(i)	Description of whether and how climate-related considerations are factored into executive remuneration	Governance of Climate Related Risk and Opportunities Remuneration
TSRS 2	29(g)(ii)	The percentage of executive management remuneration recognised in the current period that is linked to climaterelated considerations	Governance of Climate Related Risk and Opportunities Remuneration
TSRS 2	30	All reasonable and supportable information available at the reporting date without undue cost or effort, used to prepare the disclosures required under paragraphs 29(b)–(d)	Climate Related Material Risks & Opportunities
TSRS 2	31	In preparing disclosures to meet the requirements in paragraph 29(b)–(g), an entity shall refer to paragraphs B64–B65	Climate Related Risk & Opportunity Management Climate Related Material Risks & Opportunities
TSRS 2	32	An entity shall disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the entity discloses, the entity shall refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the Industry-based Guidance on Implementing TSRS 2	Industry-based Guidance on Implementing TSRS 2
<b>Climate-related targets</b>			
TSRS 2	33	Disclosure of all quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets	Climate Related Metrics and Targets
TSRS 2	33(a)	The metric used to set the target	Climate Related Metrics and Targets
TSRS 2	33(b)	The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives)	Climate Related Metrics and Targets
TSRS 2	33(c)	The part of the entity to which the target applies (for example, whether the target applies to the entity in its entirety or only a part of the entity, such as a specific business unit or specific geographical region);	Climate Related Metrics and Targets
TSRS 2	33(d)	The period over which the target applies	Climate Related Metrics and Targets
TSRS 2	33(e)	The base period from which progress is measured	Climate Related Metrics and Targets
TSRS 2	33(f)	Any milestones and interim targets	Climate Related Metrics and Targets
TSRS 2	33(g)	If the target is quantitative, whether it is an absolute target or an intensity target	Climate Related Metrics and Targets
TSRS 2	33(h)	How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target	Global and Sectoral Outlook Metrics and Targets

# Appendix 1: TSRS Content Index

TSRS	TSRS Paragraph	TSRS Requirement	Section for Disclosure
<b>Climate-related targets</b>			
TSRS 2	34	Information about its approach to setting and reviewing each target, and how it monitors progress against each target	Governance of Climate Related Risk and Opportunities Key top management roles to support Board oversight Governance at Group Company level Controls and procedures used to support oversight of climate matters Carbon Transition Program
TSRS 2	34(a)	Whether the target and the methodology for setting the target has been validated by a third party	There is no third party validation for the target already set.
TSRS 2	34(b)	Processes for reviewing the target	Governance of Climate Related Risk and Opportunities Key top management roles to support Board oversight Governance at Group Company level Controls and procedures used to support oversight of climate matters Carbon Transition Program
TSRS 2	34(c)	The metrics used to monitor progress towards reaching the target	Climate Related Metrics and Targets
TSRS 2	34(d)	Any revisions to the target and an explanation for those revisions	Climate Related Metrics and Targets
TSRS 2	35	Information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance	Metrics and Targets Carbon Transition Program Technology and Innovation for Climate Water Stewardship
TSRS 2	36	For each greenhouse gas emissions target disclosed in accordance with paragraphs 33-35, an entity shall disclose:	Climate Related Metrics and Targets
TSRS 2	36(a)	Greenhouse gases covered by the target	Climate Related Metrics and Targets
TSRS 2	36(b)	Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target	Climate Related Metrics and Targets
TSRS 2	36(c)	Whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target	Climate Related Metrics and Targets
TSRS 2	36(d)	Whether the target was derived using a sectoral decarbonisation approach	Climate Related Metrics and Targets
TSRS 2	36(e)	The entity's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits the entity shall disclose information including, and with reference to paragraphs B70-B71:	Climate Related Material Risk - Policy Risk
TSRS 2	36(e-i)	How and to what extent the achievement of any net greenhouse gas emissions target depends on the use of carbon credits	Climate Related Material Risk - Policy Risk
TSRS 2	36(e-ii)	which third-party scheme(s) will verify or certify the carbon credits	Climate Related Material Risk - Policy Risk
TSRS 2	36(e-iv)	The extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits	Climate Related Material Risk - Policy Risk
TSRS 2	36(e-iii)	Any other factors necessary for users of general purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use (for example, assumptions about the permanence of the offset)	Climate Related Material Risk - Policy Risk
TSRS 2	37	In identifying and disclosing the metrics used to set and monitor progress towards reaching a target described in paragraphs 33-34, an entity shall refer to and consider the applicability of cross-industry metrics (see paragraph 29) and industry-based metrics (see paragraph 32), including those described in an applicable IFRS Sustainability Disclosure Standard, or metrics that otherwise satisfy the requirements in IFRS S1.	About this Report Industry-based Guidance on Implementing TSRS 2

# Appendix 2: Climate Related Material Risks & Opportunities Consolidated Table

Impact on Business Model and Value Chain					
RISKS	Organizational Boundary	Scenario Selection	Current Impact	Anticipated Impact	Strategy Integration
<b>Risk Type</b> Transition Risks / Policy Risk	<b>Subsidiaries:</b> Arçelik, Aygaz, Entek, Otokar, Otokoç, Tüpraş, Yapı Kredi  <b>Joint Ventures:</b> Ford Otosan, Opet, Tofaş, TürkTraktör	<ul style="list-style-type: none"> <li>Estimated carbon price by BloombergNEF (2025-2030)</li> <li>International Energy Agency (IEA) scenarios for long term projections (2035-2050)</li> </ul>	Rising carbon prices increase operational costs, particularly for emission-intensive energy and industrial companies; if these costs cannot be passed on, they may put pressure on profitability.	With the implementation of the TR ETS and the widespread adoption of global carbon pricing mechanisms, carbon-related costs are expected to increase over the next 5-10 years. In countries such as Pakistan and Bangladesh, where Koç Group companies like Arçelik and Aygaz operate, preparations for carbon pricing are also underway. Carbon pricing may lead to a shift in capital investments toward low-emission technologies.	Koç Group is implementing strategies focused on renewable energy, energy efficiency, and carbon reduction in the energy, automotive, durable goods, and finance sectors in line with its carbon neutrality goal.
<b>Name of the Risk</b> Carbon Pricing Mechanisms			In the short term, Arçelik—one of the Group companies with direct operations within the EU—and Ford Otosan—one of the joint ventures—are already subject to the EU Emissions Trading System (EU ETS). Since the Türkiye Emissions Trading System does not yet impose binding financial obligations, energy operations currently do not carry significant direct financial exposure.	In the energy sector, with the tightening of free allowances under the TR ETS and the development of Turkey's national system, carbon costs are expected to become a direct financial burden. Additionally, the financial sector will begin to integrate climate risks more extensively into processes such as capital allocation and stress testing.	While the energy sector is diversifying clean energy sources, the automotive sector is focusing on electric and alternative fuel vehicles, and the durable goods sector is concentrating on energy-efficient products and supply chain transformation; the finance sector is increasing low-carbon investments.
<b>Term</b> Medium Term			Own Operations, Upstream	In the medium to long term, compliance and cost pressures related to the Carbon Border Adjustment Mechanism (CBAM) are expected to intensify as the mechanism transitions from a reporting-only phase to a period of full financial liability.	Venture capital companies are investing in emission reduction technologies, while sustainability goals are supported by considering trade-offs such as environmental impacts and resource use.
<b>Likelihood</b> Virtually Certain			Country/Region Where the Risk Occurs EU, Turkey, Pakistan, Bangladesh	The impacts are anticipated to be more pronounced for Arçelik, a Group company with direct operations in the EU, and for Ford Otosan, one of the joint ventures.	
<b>Magnitude</b> Medium				Furthermore, if suppliers are exposed to increasing tariffs and fail to align with carbon reduction criteria, the likelihood of these costs being passed along the value chain may give rise to indirect impacts.	
<b>Stages of the Value Chain Where Risk is Concentrated</b> Own Operations, Upstream					
<b>Risk Type</b> Transition Risks / Market Risk	<b>Subsidiaries:</b> Arçelik, Aygaz, Otokar  <b>Joint Ventures:</b> Ford Otosan, Tofaş	Adjusting for changing free allowance coverage and estimated reduction targets disclosed by associations such as European Steel Association (EUROFER)	Climate-related market risks may increase the cost of procuring energy-intensive and emission-intensive raw materials, as well as products covered by the Carbon Border Adjustment Mechanism (CBAM), thereby affecting competitiveness in exports to Europe.	In the medium to long term, compliance and cost pressures related to the Carbon Border Adjustment Mechanism (CBAM) are expected to intensify as the mechanism transitions from a reporting-only phase to a period of full financial liability.	As part of Supply Chain Sustainability Initiative, Koç Holding monitors and evaluates its supplier base using environmental and climate-related criteria. Carbon-strategic suppliers have been identified. Among these, suppliers in the steel and aluminum sectors are of critical importance due to their high carbon intensity and relevance under the Carbon Border Adjustment Mechanism (CBAM), making them key to Koç Holding's exposure to market risks.
<b>Name of the Risk</b> Carbon Border Adjustment Mechanism			Within the Koç Group, manufacturing companies in the consumer durables sector may face challenges in pricing and margin management due to rising supplier costs. Arçelik, in particular, is more exposed to short-term cost increases due to its operations in the EU.	The impacts are anticipated to be more pronounced for Arçelik, a Group company with direct operations in the EU, and for Ford Otosan, one of the joint ventures.	Arçelik has set climate-specific supply chain targets, including commitments to increase the share of suppliers with emission reduction roadmaps, improve supplier data quality, and expand the scope of supplier climate assessments.
<b>Term</b> Short Term			On the joint venture side, in the automotive sector, Ford Otosan—operating in the EU—is similarly affected by carbon-related cost increases.	Furthermore, if suppliers are exposed to increasing tariffs and fail to align with carbon reduction criteria, the likelihood of these costs being passed along the value chain may give rise to indirect impacts.	
<b>Likelihood</b> Very Likely					
<b>Magnitude</b> Medium-Low					
<b>Stages of the Value Chain Where Risk is Concentrated</b> Upstream					
<b>Risk Type</b> Transition Risk/Reputation Risk	<b>Subsidiaries:</b> Arçelik, Aygaz, Otokar, Tüpraş, Yapı Kredi  <b>Joint Ventures:</b> Ford Otosan, Tofaş, TürkTraktör	N/A	Thanks to the carbon-neutral target set across the Group, the science-based emission reduction targets established by Group companies Arçelik and Yapı Kredi as well as joint venture Ford Otosan, compliance with environmental regulations, increased ESG transparency, and due diligence processes carried out in line with the Supply Chain Compliance Policy, the Group is not currently exposed to any significant climate-related reputational risk.	In the medium to long term, reputational risk may increase in the following scenarios:	These risks are planned to be mitigated through progress toward carbon reduction targets, cross-cutting sustainability initiatives such as Supply Chain Sustainability and Water Stewardship initiatives centrally coordinated by Koç Holding, and increased alignment with upcoming regulations. These efforts enhance resilience against reputational risks by promoting accountability, transparency, and proactive management practices across the value chain.
<b>Name of the Risk</b> -			<ul style="list-style-type: none"> <li>The climate-related strategies and performance of Energy Group companies operating in carbon-intensive sectors not aligning with industry peers or regulatory requirements;</li> <li>Companies' progress towards science based targets falling behind;</li> <li>Inability to comply with the EU Green Deal regulations, which is critical given that more than 40% of exports are directed to the EU;</li> <li>In the financial sector, heightened scrutiny or credit restrictions related to sensitive sectors.</li> </ul>		
<b>Term</b> Medium Term					
<b>Likelihood</b> Likely					
<b>Magnitude</b> Medium-Low					
<b>Stages of the Value Chain Where Risk is Concentrated</b> Own Operations, Upstream, Downstream					
<b>Country/Region Where the Risk Occurs</b> Turkey and Global Operations					

# Appendix 2: Climate Related Material Risks & Opportunities

## Consolidated Table

Impact on Business Model and Value Chain					
RISKS	Organizational Boundary	Scenario Selection	Current Impact	Anticipated Impact	Strategy Integration
<b>Risk Type</b> Physical Risks	<b>Subsidiaries:</b> Arçelik, Aygaz, Entek, Otokar, Tüpraş  <b>Joint Ventures:</b> Ford Otosan, Opet, Tofaş, TürkTraktör	SSP1-2.6  SSP2-4.5 RCP4.5  SSP5-8.5 RCP8.5	Hot days, heatwaves, and wildfires are currently concentrated in Asia and Africa in the short term. Sea level rise poses a low risk to Koç Group operations.	Between 2030 and 2050, in all scenarios examined, the percentage of Koç Group operations exposed to heatwaves and wildfire risks is increasing.  Under the selected scenarios, the intensification of extreme weather events is expected to further increase exposure to heatwaves, floods, and seasonal droughts; especially in regions with limited adaptive capacity, this risk is higher. As water availability decreases, Group Companies with processes that heavily depend on water, such as energy production and hydroelectric power plants, may face operational disruptions. In addition, increasing regulatory pressure related to water withdrawal and pollution may lead to additional adaptation costs; adaptation gaps in environmentally sensitive regions may trigger reputational risks. Similar challenges also apply to suppliers, and this situation may cause disruptions in the supply chain.	Koç Holding analyzes physical climate risks at the site level and integrates them into operational planning, mitigation, and long-term adaptation strategies, with a particular focus on water-related risks.  Among the Group companies Arçelik has water efficiency and water recovery targets and joint venture Ford Otosan also has a water efficiency target.  The "Water Stewardship Task Force" and "Water Stewardship Initiative" established within the Holding aim to manage water risks through a holistic strategy and turn them into opportunities for improving environmental performance.
<b>Name of the Risk</b> Extreme Weather Events (Acute)					
<b>Term</b> Short Term					
<b>Likelihood</b> More likely than not					
<b>Magnitude</b> High					
<b>Stages of the Value Chain Where Risk is Concentrated</b> Own Operations					
<b>Country/Region Where the Risk Occurs</b> Türkiye, Asia, Africa					
<b>Risk Type</b> Physical Risks	<b>Subsidiaries:</b> Arçelik, Aygaz, Entek, Otokar, Tüpraş  <b>Joint Ventures:</b> Ford Otosan, Opet, Tofaş, TürkTraktör	SSP1-2.6  SSP2-4.5 RCP4.5  SSP5-8.5 RCP8.5	Hot days, heatwaves, and wildfires are currently concentrated in Asia and Africa in the short term. Sea level rise poses a low risk to Koç Group operations.	Between 2030 and 2050, in all scenarios examined, the percentage of Koç Group operations exposed to heatwaves and wildfire risks is increasing.  Under the selected scenarios, the intensification of extreme weather events is expected to further increase exposure to heatwaves, floods, and seasonal droughts; especially in regions with limited adaptive capacity, this risk is higher. As water availability decreases, Group Companies with processes that heavily depend on water, such as energy production and hydroelectric power plants, may face operational disruptions. In addition, increasing regulatory pressure related to water withdrawal and pollution may lead to additional adaptation costs; adaptation gaps in environmentally sensitive regions may trigger reputational risks. Similar challenges also apply to suppliers, and this situation may cause disruptions in the supply chain.	Koç Holding analyzes physical climate risks at the site level and integrates them into operational planning, mitigation, and long-term adaptation strategies, with a particular focus on water-related risks.  Among the Group companies Arçelik has water efficiency and water recovery targets and joint venture Ford Otosan also has a water efficiency target.  The "Water Stewardship Task Force" and "Water Stewardship Initiative" established within the Holding aim to manage water risks through a holistic strategy and turn them into opportunities for improving environmental performance.
<b>Name of the Risk</b> Extreme Weather Events (Chronic)					
<b>Term</b> Short Term					
<b>Likelihood</b> Likely					
<b>Magnitude</b> High					
<b>Stages of the Value Chain Where Risk is Concentrated</b> Own Operations					
<b>Country/Region Where the Risk Occurs</b> Turkey, Asia, Africa					

# Appendix 2: Climate Related Material Risks & Opportunities

## Consolidated Table

Impact on Business Model and Value Chain					
OPPORTUNITIES	Organizational Boundary	Scenario Selection	Current Impact	Anticipated Impact	Strategy Integration
<b>Opportunity Type</b> Technological Opportunities <b>Name of the Opportunity</b> Climate Related Technological Opportunities <b>Term</b> Medium Term <b>Likelihood</b> Virtually Certain <b>Magnitude</b> Medium <b>Stages of the Value Chain Where Opportunity is Concentrated</b> Own Operations, Downstream <b>Country/Region Where the Opportunity Occurs</b> Turkey	<b>Subsidiaries:</b> Arçelik, Aygaz, Entek, Otokar, Otokoç, Tüpraş, Yapı Kredi <b>Joint Ventures:</b> Ford Otosan, Opet, Tofaş, TürkTraktör	N/A	<p>Koç Holding aims to increase its resilience to transition risks such as carbon pricing and CBAM through investments in low-carbon technologies, energy efficiency, and circular product design.</p> <p>The “Group-wide Renewable Energy Project,” led by Entek, and energy efficiency investments made since 2023 contribute to emission reductions by increasing renewable energy usage in operations in Turkey.</p> <p>While these investments support the reduction of Scope 1 and 2 emissions, low-carbon product initiatives carried out in the mobility and home appliances sectors help reduce Scope 3 emissions.</p>	<p>Renewable energy and low-carbon product investments are expected to increase by 2030; these investments will create value by delivering higher cost and emission savings in the medium and long term.</p> <p>In addition to reducing climate risks, these investments strengthen Koç Holding’s competitiveness and access to green financing through compliance with international standards such as the EU Taxonomy and innovation-focused strategies, while also enhancing reputation, investor confidence, and customer loyalty.</p>	<p>CAPEX and OPEX investments toward carbon transition are being made in line with the science-based targets of Arçelik, Yapı Kredi, and Ford Otosan; product opportunities are supported by R&amp;D investments, generating additional revenue.</p> <p>Within the Koç Group Environmental Council, Circularity Task Force has been established to identify low-carbon products, mitigate their impacts, and define reporting criteria.</p>
<b>Opportunity Type</b> Resource Efficiency <b>Name of the Opportunity</b> Water Recycling and Recovery <b>Term</b> Medium-Long Term <b>Likelihood</b> Very Likely <b>Magnitude</b> Medium <b>Stages of the Value Chain Where Opportunity is Concentrated</b> Own Operations <b>Country/Region Where the Opportunity Occurs</b> Turkey	<b>Subsidiaries:</b> Arçelik, Aygaz, Entek, Otokar, Otokoç, Tüpraş, Yapı Kredi <b>Group Companies:</b> Ford Otosan, Opet, Tofaş, TürkTraktör	N/A	<p>This opportunity helps reduce water risk, build resilience against climate change, and achieve cost savings by reducing dependence on natural resources.</p> <p>Increasing water recycling and recovery initiatives contributes to the sustainability of watersheds and benefits stakeholders in the ecosystem.</p> <p>The impact of the opportunity is mostly seen in the water-dependent energy sector during the current period, with refinery and hydroelectric operations achieving cost savings and reducing their reliance on freshwater.</p>	<p>Looking ahead, the benefits of this opportunity are expected to increase. The main reasons for this include rising freshwater prices, water scarcity, and regulatory developments. In line with Tüpraş’s grey water recovery investments, Arçelik is also expected to achieve greater cost savings through its public water recycling targets.</p> <p>Geographically, grey water recovery and water recycling investments are expected to be concentrated in facilities operating in Koç Holding’s priority watersheds. For Group companies with a global operational presence, such as Arçelik, these investments are projected to focus on regions with very high or high water risk, such as Southeast Asia and/or Africa.</p>	<p>Koç Holding developed the Water Stewardship Framework followed by Group Companies, and Arçelik aims to increase its water recovery and reuse rate to 35% by 2040.</p> <p>Other Group Companies track annual targets to increase grey water recovery, with Tüpraş and Entek making significant progress in water recovery rates in 2024.</p> <p>Water management is positioned as a strategic opportunity that promotes operational efficiency, regulatory compliance, and environmental performance improvements beyond risk reduction.</p>

## Appendix 3: Koç Holding Consolidation Scope

CONSOLIDATED SUBSIDIARIES	
Name of Entity	
<b>Koç Holding A.Ş.</b>	
<b>Entek Elektrik Üretimi A.Ş.</b>	
Eltek Elektrik Enerjisi İthalat İhracat ve Toptan Ticaret A.Ş.	
Enspire Enerji Yatırımları ve Hizmetleri A.Ş.	
Esinti Enerji Üretim Ticaret ve Sanayi Anonim Şirketi	
Enkar Doğal Enerji Sanayi ve Ticaret Anonim Şirketi	
<b>Arçelik A.Ş.</b>	
Beko B.V.	
Beko B.V. Taiwan	
Beko A and NZ Pty Ltd.	
Beko Appliances Indonesia, PT	
Beko Appliances Malaysia SDN BHD	
Beko Balkans D.O.O. Beograd	
Beko Cesko	
Beko Grundig Deutschland GmbH	
Beko Egypt Trading LLC	
Beko Electronics España S.L.	
Beko France S.A.S.	
Beko Hong Kong Ltd.	
Beko Italy SRL	
Beko LLC	
Beko Plc.	
Beko Shanghai Trading Company Ltd.	
Beko Slovakia S.R.O.	
Beko S.A.	
Beko S.A. Czech Republic	
Beko Thai Co., Ltd.	
Beko Ukraine	
Beko US Inc.	
Changzhou Beko Electrical Appliances Co. Ltd.	
Defy Appliances Proprietary Limited	
Defy Botswana Proprietary Limited	
Defy Namibia Proprietary Limited	
Defy Swaziland Proprietary Limited	
Beko Grundig Österreich AG	

Grundig Intermedia Ges.m.b.H
Grundig Multimedia A.G.
Beko Nordic AB
Beko Nordic AS
Beko Romania SA
Vietbeko Limited Liability Company
DEL Electronics (Pvt.) Ltd.
United Refrigeration Industries Ltd
Pan Asia Private Equity Ltd
Dawlance (Private) Ltd.
Arçelik Pazarlama A.Ş.
Beko Gulf FZE
Arch R&D Co., Ltd.
Beko Israel Household Appliances Ltd.
Retail Holdings Bhold B.V.
Singer Bangladesh Limited
Beko Morocco Household Appliances SARL
Beko Pilipinas Corporation
Beko APAC IBC Co.
Beko Central Asia LLC
PT Home Appliances Indonesia
Beko Grundig Schweiz GmbH
Beko Home Appliances Portugal
Arçelik Üretim ve Teknoloji A.Ş.
Arçelik Hitachi Home Appliances B.V.
Arçelik Hitachi Home Appliances (Shanghai) Co., Ltd.
Arçelik Hitachi Home Appliances Sales (China) Ltd.
Arçelik Hitachi Home Appliances Sales Hong Kong Limited
Arçelik Hitachi Taiwan Home Appliances Sales Ltd.
Arçelik Hitachi Home Appliances (Thailand) Ltd.
Arçelik Hitachi Home Appliances Sales (Thailand) Ltd.
Arçelik Hitachi Home Appliances Sales Malaysia Sdn. Bhd.
Arçelik Hitachi Home Appliances Sales (Singapore) Pte. Ltd
Arçelik Hitachi Home Appliances Sales Vietnam Co., Ltd.
PT Arçelik Hitachi Home Appliances Sales Indonesia
Arçelik Hitachi Home Appliances Sales Middle East Fze
Defy Sales East Africa Limited

Arçelik Hitachi Home Appliances IBC Co. Ltd.
Beko Croatia d.o.o
Beko Azerbaijan
Beko Hungary Kft
Beko Egypt Home Appliances Industries LLC
Beko Greece SMSA
IHP Appliances Sales LLC
IHP Appliances JSC
IHP Kazakhstan LLP
Arcwaste Collection SRL
Beko Belgium N.V.
Beko Netherlands N.V.
Beko Algeria EURL
Beko Europe B.V.
Beko Maghreb Sarl
Beko Gulf DMCC
Beko Europe Austria GmbH
European Appliances Belgium N.V.
Beko Europe Bulgaria EOOD
European Appliances Croatia d.o.o.
European Appliances Czech Spol. S.R.O.
Beko Europe Denmark A/S
Beko Europe Estonia OÜ
European Appliances Finland OY
European Appliances France Holdings SAS
European Appliances France SAS
Bauknecht Hausgeräte GmbH
IRE Beteiligungs GmbH
European Appliances Greece SA
European Appliances Hungary KFT
Hotpoint Ireland Ltd
Beko Italy Manufacturing SRL
European Appliances Italy SRL
Beko Europe Management SRL
Beko Europe R&D SRL
Beko Europe Latvia SIA
Beko Europe Lithuania UAB

Beko Europe Holdings BV
European Appliances Netherlands B.V.
European Appliances Norway AS
Beko Poland Manufacturing Sp.Z O.O.
European Appliances Poland Sp. Z O.O.
Beko Europe Iberia, S.A.
European Appliances Romania SRL
European Appliances Balkans d.o.o. Beograd
European Appliances Slovakia Spol. S R.O.
Beko Manufacturing Slovakia Spol. S R.O.
European Home Appliances Spain S.A.
European Appliances Nordic AB
Bauknecht AG
Indesit Company International Business SA
European Appliances Ukraine LLC
General Domestic Appliances Holdings Ltd
Indesit Company UK Holdings LTD
Hotpoint UK Appliances Limited
Beko Canada Inc.
BEKO AE LLC
Beko Bangladesh B.V.
<b>Aygaz A.Ş.</b>
Akpa Dayanıklı Tüketim LPG ve Akaryakıt Ürünleri Pazarlama A.Ş.
Anadoluhisari Tankercilik A.Ş.
Kandilli Tankercilik A.Ş.
Kuleli Tankercilik A.Ş.
Bal Kaynak Su İhracat İthalat San. ve Tic. A.Ş.
Bebek Shipping SA
Kuzguncuk Tankercilik A.Ş.
Aygaz Doğal Gaz İletim A.Ş.
Aygaz Doğal Gaz Toptan Satış A.Ş.
<b>Bilkom Bilişim Hizmetleri A.Ş.</b>
Life Tech Trading DMCC
<b>Divan Turizm İşletmeleri A.Ş.</b>
<b>Düzye Tüketim Malları Sanayi Pazarlama A.Ş.</b>



## Appendix 3: Koç Holding Consolidation Scope

CONSOLIDATED SUBSIDIARIES (CONTINUED)
Name of Entity
<b>Enerji Yatırımları A.Ş.</b>
Türkiye Petrol Rafinerileri A.Ş.
Ditaş Deniz İşletmeciliği ve Tic. A.Ş.
T Damla Denizcilik A.Ş.
Üsküdar Tankercilik A.Ş.
Kadıköy Tankercilik A.Ş.
Beykoz Tankercilik A.Ş.
Sarıyer Tankercilik A.Ş.
Maltepe Tankercilik A.Ş.
Kartal Tankercilik A.Ş.
Karşıyaka Tankercilik A.Ş.
Salacak Tankercilik A.Ş.
Bakırköy Tankercilik A.Ş.
Çengelköy Tankercilik A.Ş.
Karaköy Tankercilik A.Ş.
Pendik Tankercilik A.Ş.
Tuzla Tankercilik A.Ş.
Göztepe Tankercilik A.Ş.
Kuruçeşme Tankercilik A.Ş.
Balat Tankercilik A.Ş.
Tarayba Tankercilik A.Ş.
Florya Tankercilik A.Ş.
Adalar Tankercilik A.Ş.
Körfez Ulaştırma A.Ş.
Tüpraş Trading Ltd.
Tüpraş Enerji Girişimleri A.Ş.
<b>Entegart Teknoloji Çözüm ve Hizmetleri A.Ş.</b>
<b>Koç Finansal Hizmetler A.Ş.</b>
Yapı ve Kredi Bankası A.Ş.
Yapı Kredi Finansal Kiralama A.O.
Yapı Kredi Yatırım Menkul Değerler A.Ş.
Yapı Kredi Portföy Yönetimi A.Ş.
Yapı Kredi Bank Nederland N.V.
Stiching Custody Services YKB

Yapı Kredi Holding B.V.
Yapı Kredi Azerbaijan C.J.S.C.
Yapı Kredi Diversified Payment Rights Finance Company
Yapı Kredi Faktoring A.Ş.
<b>Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.</b>
Koç Sistem Azerbaijan Ltd.
KoçDigital Çözümler A.Ş.
Koç Bilgi ve Savunma Teknolojileri A.Ş.
<b>Koç Finansman A.Ş.</b>
KF Sigorta Aracılık Hizmetleri A.Ş.
<b>Koç Yapı Malzemeleri Ticaret A.Ş.</b>
<b>Marmaris Altinyunus Turistik Tesisleri A.Ş.</b>
<b>Otokar Otomotiv ve Savunma Sanayi A.Ş.</b>
Otokar Europe SAS
Otokar Europe Filiala Bucuresti S.R.L.
Otokar Italia SRL
Otokar Land Systems Limited
<b>Otokoç Otomotiv Tic. ve San. A.Ş.</b>
Otokoç Sigorta Aracılık Hizmetleri A.Ş.
Otokoç Azerbaijan MMC
Otokoç Hungary Rent a Car and Servicing LLC
Otokoç Kazakistan LLP
Otokoç ABG Holland BV
Olympic Commercial and Tourist Enterprises S.A.
<b>Ram Dış Ticaret A.Ş.</b>
<b>RMK Marine Gemi Yapım Sanayi ve Deniz Taş. İşl. A.Ş.</b>
<b>Setur Servis Turistik A.Ş.</b>
Select Tours AT
Setur GMBH
<b>Tek-Art Kalamış ve Fenerbahçe Marmara Turizm Tesisleri A.Ş.</b>
Setur Antalya Marina İşletmeciliği A.Ş.
Ayvalık Marina ve Yat İşletmeciliği San. ve Tic. A.Ş.
Setur Yalova Marina İşletmeciliği A.Ş.
<b>Zer Merkezi Hizmetler ve Ticaret A.Ş.</b>
<b>Token Finansal Teknolojiler A.Ş.</b>
Token Ödeme Hizmetleri ve Elektronik Para A.Ş.

Token International Holdings B.V.
Token Payment Services S.R.L.
Token Azerbaijan
<b>Koç Investments B.V.</b>
Wat Motor San. ve Tic. A.Ş.
<b>Koç Medical B.V.</b>
Bıçakçılar Global Tıbbi Ürünler Sanayi ve Ticaret A.Ş.
<b>Kemer Medical Center Özel Sağlık Hizmetleri Tur. ve Tic. A.Ş.</b>
<b>Intumo Therapeutics, Inc.</b>
<b>Stembio Kök Hücre Teknolojileri A.Ş.</b>
<b>Wat Mobilite Çözümleri Teknoloji ve Ticaret A.Ş.</b>
<b>JOINT VENTURES</b>
<b>Voltbek Home Appliances Private Limited</b>
<b>Arçelik-LG Klima San. ve Tic. A.Ş.</b>
<b>Sendeo Dağıtım Hizmetleri A.Ş.</b>
<b>United Aygaz LPG Ltd</b>
<b>Ford Otomotiv Sanayi A.Ş.</b>
Ford Otosan Netherlands BV
Ford Romania SRL
<b>Banque de Commerce et de Placements S.A.</b>
<b>Allianz Yaşam ve Emeklilik A.Ş.</b>
<b>Koçtaş Yapı Marketleri Ticaret A.Ş.</b>
<b>Opet Petrolcülük A.Ş.</b>
Opet Trade B.V.
Opet International Limited
Tasfiye Halinde Opet Trade Singapore Pte. Ltd.
Opet Fuchs Madeni Yağ San. ve Tic. A.Ş.
THY Opet Havacılık Yakıtları A.Ş.
Kuzey Tankercilik A.Ş.
Güney Tankercilik A.Ş.
Opet Aygaz Gayrimenkul A.Ş.
Opet Market ve Akaryakıt İstasyon İşletmeciliği A.Ş.
Demre 7 Tankercilik A.Ş.
Demre 8 Tankercilik A.Ş.
Vice 2 Tankercilik A.Ş.
<b>AL Jasoor Heavy Vehicle Industry L.L.C</b>

<b>Makmarin Kaş Marina İşletmeciliği Turizm ve Ticaret A.Ş.</b>
<b>Netsel Turizm Yatırımları A.Ş.</b>
<b>Demre Marina İşletmeciliği A.Ş.</b>
<b>Tofaş Türk Otomobil Fabrikası A.Ş.</b>
Fer Mas Oto Ticaret A.Ş.
Koç Fiat Kredi Finansman A.Ş.
Koç Fiat Sigorta Aracılık Hizmetleri A.Ş.
<b>Türk Traktör ve Ziraat Makinaları A.Ş.</b>
<b>Ingage Dijital Pazarlama Hizmetleri A.Ş.</b>

# Appendix 4: Independent Assurance Statement



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Güney Bağımsız Denetim ve ŞMMM A.Ş.  
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**LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR ON THE INFORMATION PRESENTED UNDER THE TURKISH SUSTAINABILITY REPORTING STANDARDS OF KOÇ HOLDING ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

To the General Assembly of Koç Holding Anonim Şirketi,

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

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

**Limited Assurance Conclusion**

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

**Inherent Limitations in the Preparation of Sustainability Information**

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

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**Responsibilities of Management and Those Charged with Governance Regarding Sustainability Information**

The Group's Management is responsible for:

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

Those Charged with Governance is responsible for overseeing the Group's sustainability reporting process

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

We are responsible for the following:

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

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

**Professional Standards Applied**

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

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**Independence and Quality Control**

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

**Summary of the Work we Performed as the Basis for our Assurance Conclusion**

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

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

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

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

Didem Tuşel Özdoğan, ŞMMM  
Partner  
30 July 2025  
İstanbul, Türkiye

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## Acknowledgements

We would like to thank following individuals and companies for their support and collaboration.

**Sustainability Performance and Reporting:** S360  
**Report Design:** Caretta Communication & Consultancy  
**"Lead Together" Visuals:** Muhsin Ergün

## For more information

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