

TEKFEN HOLDİNG A.Ş.

2024 CDP Corporate Questionnaire 2024

Word version

Important: this export excludes unanswered questions

This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.

[Terms of disclosure for corporate questionnaire 2024 - CDP](#)

Contents

C1. Introduction

(1.1) In which language are you submitting your response?

Select from:

English

(1.2) Select the currency used for all financial information disclosed throughout your response.

Select from:

USD

(1.3) Provide an overview and introduction to your organization.

(1.3.2) Organization type

Select from:

Publicly traded organization

(1.3.3) Description of organization

Founded in 1956, Tekfen Group operates in the fields of Engineering and Contracting, Agricultural Industry, and Investment. As of October 2023, the Renewable Energy Solutions Company was established. Tekfen Holding is the parent company of all its subsidiaries and affiliates. The Group, consisting of 41 companies and 13 affiliates, achieved revenues of 1.816 billion USD and assets totaling 1.792 billion USD in 2023. As of the end of 2023, Tekfen had 11,878 employees (including subcontractors) and, with 68 years of experience, is one of the exemplary organizations in Turkey, known for its quality standards and business culture. Tekfen Holding's shares are included in the BIST 100 (XU100), BIST Sustainability Index (XUSRD), and BIST Sustainability 25 Index (XSD25). Having implemented numerous projects across a vast geography spanning 20 different countries and 10 different time zones, Tekfen Engineering and Contracting Group provides turnkey solutions to its clients on an EPC (Engineering, Procurement, Construction) and Design & Build basis in a wide range of areas, including pipelines, oil and gas terminals, tank farms, oil refineries, offshore oil platforms, pump and compressor stations, power plants, industrial facilities, petrochemical plants, highway and metro projects, sports complexes, steel structure production, and various infrastructure and superstructure projects. The Engineering and Contracting Group contributed 36.9% of the total revenue in 2023. In addition to the production and distribution of mineral, specialty, organic, and organomineral fertilizers, as well as fruit cultivation, and seed and sapling production, the Group has been serving Turkish agriculture for 42 years. The Group's flagship company, Toros Tarım, is the largest fertilizer producer in Turkey in terms of total installed production capacity and output. According to the 2023 data from the Istanbul Chamber of Industry, it ranked 64th among Turkey's top 500 industrial enterprises. Toros Tarım is the largest fertilizer producer in Turkey by total installed production capacity. With approximately 1,200 dealers

and authorized sellers across the country, the company distributes its products to every corner of Turkey. In addition to its commercial activities, Toros Tarım launched its organomineral fertilizers in 2017, viewing them as a contribution to the sustainability of Turkish agriculture. The company further strengthened its operations in the organic and organomineral fertilizer sector with the acquisition of Toros Gönen Renewable Energy A.Ş. in 2019 and the establishment of Toros Meram Renewable Energy A.S. in 2020. Agricultural activities, such as seed and sapling production and fruit cultivation, are carried out by the Group's agricultural research, production, and marketing company, Tekfen Tarım. The company's Agripark complex in Adana is one of the country's first and few high-tech agricultural R&D centers. Since 2004, the center has been producing disease-free seeds and seedlings using tissue culture methods, and it also conducts breeding studies in field seeds, leveraging Turkey's rich biological diversity. The Agricultural Industry Group's non-agricultural activities, including port operations, are managed by Toros Tarım; shipping agency services are provided by Toros Shipping Agency and Trade A.S.; and free zone management is handled by Toros Adana Yumurtalık Free Zone Founder and Operator A.Ş. (TAYSEB). In 2023, the Agricultural Industry Group generated 62.3% of Tekfen Holding's total revenue. Tekfen Holding's Investment Group encompasses companies focused on the Holding's investment-driven activities, with a particular emphasis on innovation-creating ventures. Restructured in 2023 in line with strategic objectives, the Group includes Tekfen Ventures, a corporate venture capital company that invests in early-stage technology firms; Tekfen Tourism and Management, which operates in building and facility management services; and Tekfen Insurance Brokerage, which provides insurance brokerage services.

[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

(1.4.1) End date of reporting year

12/30/2023

(1.4.2) Alignment of this reporting period with your financial reporting period

Select from:

Yes

(1.4.3) Indicate if you are providing emissions data for past reporting years

Select from:

Yes

(1.4.4) Number of past reporting years you will be providing Scope 1 emissions data for

Select from:

3 years

(1.4.5) Number of past reporting years you will be providing Scope 2 emissions data for

Select from:

3 years

(1.4.6) Number of past reporting years you will be providing Scope 3 emissions data for

Select from:

3 years

[Fixed row]

(1.4.1) What is your organization's annual revenue for the reporting period?

1816391000

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:

Yes

(1.6.2) Provide your unique identifier

TRETKHO00012

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:

No

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:

No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

Yes

(1.6.2) Provide your unique identifier

TKFEN

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:

No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:

No

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:

No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:

No

[Add row]

(1.7) Select the countries/areas in which you operate.

Select all that apply

Azerbaijan

Iraq

Qatar

Saudi Arabia

Turkey

(1.14) In which part of the chemicals value chain does your organization operate?

Bulk inorganic chemicals

Fertilizers

Nitric acid

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:

Yes, we have mapped or are currently in the process of mapping our value chain

(1.24.2) Value chain stages covered in mapping

Select all that apply

Upstream value chain

Downstream value chain

(1.24.3) Highest supplier tier mapped

Select from:

Tier 1 suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:

All supplier tiers known have been mapped

(1.24.7) Description of mapping process and coverage

Suppliers from whom the largest amount of raw materials were purchased were identified and detailed sets of questions were sent to these suppliers, including how much emissions were generated in the production processes of the materials they provided and the existence or absence of future reduction targets. The information that suppliers will share in response to the mentioned questions will contribute to supplier management in order to calculate and reduce Scope 3 emissions more precisely in the coming years. Currently, some major suppliers have shared their product carbon footprint results with us.

[Fixed row]

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

	Plastics mapping	Value chain stages covered in mapping
	<i>Select from:</i> <input checked="" type="checkbox"/> Yes, we have mapped or are currently in the process of mapping plastics in our value chain	<i>Select all that apply</i> <input checked="" type="checkbox"/> Upstream value chain

[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

1

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Our short-term horizon is defined as 1 year which is the period that covers of our detailed OPEX and CAPEX plan for both corporate management and risk management.

Medium-term

(2.1.1) From (years)

2

(2.1.3) To (years)

5

(2.1.4) How this time horizon is linked to strategic and/or financial planning

We define our medium-term horizon based on Tekfen Holding Strategic Plan which covers a 5-year plan. Therefore, 1 to 5 years is considered as medium-term for our Company

Long-term

(2.1.1) From (years)

5

(2.1.2) Is your long-term time horizon open ended?

Select from:

No

(2.1.3) To (years)

30

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Any time horizon over 5 years is considered as long-term for Tekfen Holding. This is applicable to all business aspects including risk management. Moreover, long-term climate-related risks are evaluated on a scenario basis consistent with the horizons established by the international organizations such as IPCC and IEA covering 2030 and 2050 as crucial milestones

[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Both risks and opportunities	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

- Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

- Dependencies
- Impacts
- Risks
- Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

- Direct operations
- Upstream value chain
- Downstream value chain

(2.2.2.4) Coverage

Select from:

- Full

(2.2.2.5) Supplier tiers covered

Select all that apply

- Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

- Qualitative only

(2.2.2.8) Frequency of assessment

Select from:

- Annually

(2.2.2.9) Time horizons covered

Select all that apply

- Short-term
- Medium-term
- Long-term

(2.2.2.10) Integration of risk management process

Select from:

- A specific environmental risk management process

(2.2.2.11) Location-specificity used

Select all that apply

- Not location specific

(2.2.2.12) Tools and methods used

Enterprise Risk Management

- COSO Enterprise Risk Management Framework
- Enterprise Risk Management
- ISO 31000 Risk Management Standard
- Risk models
- Other enterprise risk management, please specify :Tekfen Holding & Group Companies have a written Corporate Risk Management (CRM) document governing, explaining & laying down the rules for managing their respective risks. CRM document is prepared in line with ISO 31000 Risk Management Standard and C

Databases

- Nation-specific databases, tools, or standards

Other

- Desk-based research
- External consultants

(2.2.2.13) Risk types and criteria considered

Acute physical

- Drought

Chronic physical

- Soil degradation
- Change in land-use
- Water quality at a basin/catchment level
- Increased severity of extreme weather events
- Water availability at a basin/catchment level
- Changing temperature (air, freshwater, marine water)

(2.2.2.14) Partners and stakeholders considered

Select all that apply

- Customers
- Regulators
- Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

- No

(2.2.2.16) Further details of process

Tekfen's risk management system is embedded in the Group's business model and processes. Group Companies implement a joint reporting method under the coordination of Tekfen Holding to manage potential risks, opportunities and possible impacts in their respective fields. The ISO 31000 standard and COSO (The

Committee of Sponsoring Organizations) principles form the foundation of Tekfen Holding's Corporate Risk Management process. Risks are managed within a common risk management structure in accordance with international risk management standards. They are identified using both bottom-up and top-down approaches and are monitored through identification, assessment, prioritization, risk response, and monitoring processes aligned with ISO 31000 principles, thus integrating into the institutional memory of the risk inventory. Comprehensive impact analyses are conducted on external risk factors through individual workshops with departments. Department risk inventories are updated at least once a year, while prioritized risks are updated bi-monthly. Prioritized risks, approved by the Board of Directors, constitute the Company Management Board Risk Report and are consolidated within the Holding. When assessing the relevant risks, potential opportunities are also taken into account. Tekfen Holding and Group Companies have written procedures on how to manage their own risks. A governance structure has been established to conduct risk management activities and reporting. After being approved by their respective Boards, the risk reports created for each Group Company are sent to the Holding and analyzed by the Risk Management Unit before being presented to the Holding Management Board's Early Detection of Risk Committee, which meets every two months.

[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

Yes

(2.2.7.2) Description of how interconnections are assessed

Tekfen Holding is aware of its significant impact on the climate due to its main business areas, specifically the construction and agriculture sectors. Among the nine topics identified in the current prioritization analysis, five are related to the climate crisis and its potential effects. Aiming to ensure business continuity and reduce its impact on the climate, Tekfen Holding is identifying opportunities in this area and continuing its efforts toward the transition to future carbon-neutral business models. In this context, Tekfen Holding is laying the groundwork today for a transition to a low-carbon economy and developing its goals and transition plan accordingly.

[Fixed row]

(2.3) Have you identified priority locations across your value chain?

(2.3.1) Identification of priority locations

Select from:

Yes, we are currently in the process of identifying priority locations

(2.3.2) Value chain stages where priority locations have been identified

Select all that apply

- Direct operations
- Upstream value chain
- Downstream value chain

(2.3.3) Types of priority locations identified

Sensitive locations

- Areas important for biodiversity
- Areas of limited water availability, flooding, and/or poor quality of water

(2.3.4) Description of process to identify priority locations

Tekfen Holding operates across a wide geography. According to the “Aqueduct Water Risk Atlas - Baseline Water Stress” analysis, nearly all of these regions are characterized by high water stress. The operations of Tekfen Holding that could be affected by water scarcity include: With the water crisis potentially reducing agricultural productivity, small farmers are expected to be negatively impacted economically. This could lead to a decrease in both the number of farmers, who form the main customer base of Toros Agriculture, and their purchasing power, resulting in lower fertilizer sales. Additionally, Tekfen Agriculture faces the risk of reduced agricultural production efficiency due to increasing water stress. Deterioration in both water supply and quality is anticipated. With the decline in water quality, legal pressures regarding agricultural nitrate pollution are expected to increase. This may lead to higher compliance costs for Toros Agriculture's fertilizer activities related to nitrate pollution. Digital Transformation and Efficiency Improvement: Optimizing water use through digitalization, enhancing operational efficiency, and ensuring more effective use of water resources are among the strategic priorities. Innovative Water Management Techniques: In agricultural and industrial projects, capacity development for efficient upstream water use and irrigation techniques that promote downstream water efficiency are targeted, along with the launch and development of innovative fertilizer products. This topic is a significant component of the Group's strategic plan. Tekfen Agriculture invests in technologies that monitor the water needs of plants and employs smart irrigation systems. In the fruit orchards, sensors that measure soil moisture and meteorological stations are utilized to ensure efficient water use. Only drip irrigation and mini-sprinkler systems are employed in the orchards. In addition, Tekfen Holding has articulated and publicly shared a comprehensive biodiversity policy. (<https://www.tekfen.com.tr/Uploads/pdfs/5102020204513189tekfen-grp-pol-005-biyocesitlilik-politikasi-r0-20.02.2020-imzali.pdf>)

(2.3.5) Will you be disclosing a list/spatial map of priority locations?

Select from:

- No, we have a list/geospatial map of priority locations, but we will not be disclosing it
[Fixed row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

- Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

- EBITDA

(2.4.3) Change to indicator

Select from:

- % decrease

(2.4.4) % change to indicator

Select from:

- 1-10

(2.4.6) Metrics considered in definition

Select all that apply

- Frequency of effect occurring
- Time horizon over which the effect occurs
- Likelihood of effect occurring

(2.4.7) Application of definition

The risk is assessed to have a substantive impact if: o Financially; if the risk impact is 5% of EBITDA.

Opportunities

(2.4.1) Type of definition

Select all that apply

- Qualitative

(2.4.6) Metrics considered in definition

Select all that apply

- Frequency of effect occurring
- Likelihood of effect occurring

(2.4.7) Application of definition

The risk is assessed to have a substantive impact if: o Legally; due to legislative or contractual non-conformities very important loss of business or fines (please see substantive financial impact definition above) o Reputational; risk poses critical level effects on our reputation. Very important negative effects on some stakeholders, a very important stakeholder crisis. Continuous bad press on international media and important markets. The situation is critical and cannot be kept under control. o Strategically; Very important impact on strategic plans and their execution. Strategies need to be revised considerably.
[Add row]

(2.5) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

(2.5.1) Identification and classification of potential water pollutants

Select from:

- Yes, we identify and classify our potential water pollutants

(2.5.2) How potential water pollutants are identified and classified

Details of our policies and processes to identify potential water pollutants: Toros Agri, being the major company in our Chemical Industry Group, produces chemical fertilizers, which are sold to both domestic and international markets. Toros Agri sold 2 M tons of chemical fertilizers in 2021, 81% of which is sold to domestic markets. Toros Agri is one of the top fertilizer producers in Turkey with a 24% market share. All of the operations of Toros Agri are ISO 14001:2015 Environmental Management System and IFA (International Fertilizer Association) Protect & Sustain Certified. Within the scope of these standards, we have implemented a water pollution control management system across our operations in the fertilizer production processes. In accordance with our Water Policy and Regulation on Prevention of Pollution, pollutants originating from chemical fertilizer production are determined, parameters related to the determined pollutants are monitored, measured & the results are analyzed. In all of our fertilizer production facilities: · The hazardous chemicals · Their CAS codes, · Max. amount of these chemicals in the facility, · Hazardous substance categories, · Measures to be taken against accidental spill, · handling & storage conditions, · major accident scenarios & preventive actions · The ecotoxicological properties of these chemicals including acute toxicity, mobility, biodegradability, persistence & degradability, bioaccumulation potential have all been determined.

[Fixed row]

(2.5.1) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Row 1

(2.5.1.1) Water pollutant category

Select from:

- Other physical pollutants

(2.5.1.2) Description of water pollutant and potential impacts

Plastic from packaging of fertilizers

(2.5.1.3) Value chain stage

Select all that apply

- Direct operations
- Upstream value chain
- Downstream value chain

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

- Resource recovery
- Beyond compliance with regulatory requirements

(2.5.1.5) Please explain

Upcycling of plastic packaging materials are achieved via enabling multiple times use of the packaging materials by farmers.

Row 2

(2.5.1.1) Water pollutant category

Select from:

- Other, please specify :pH

(2.5.1.2) Description of water pollutant and potential impacts

Discharged water's pH is important for the destination environment. If the discharge water is polluted with acidic or basic materials, the pH of the discharge water may change. The changes in the water pH have a negative impact on all living organisms in the water of the destination environment. If the pH of water is too high or too low, the aquatic organisms living within it will die. pH can also affect the solubility and toxicity of chemicals and heavy metals in the water. The majority of aquatic creatures prefer a pH range of 6.5-9.0, though some can live in water with pH levels outside of this range.

(2.5.1.3) Value chain stage

Select all that apply

- Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

- Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
- Beyond compliance with regulatory requirements

(2.5.1.5) Please explain

Ocean/ sea acidification is already impacting many ocean/sea species, especially organisms like oysters and corals that make hard shells and skeletons by combining calcium and carbonate from seawater. Therefore, we measure and monitor the pH of waste water before discharge to receiving environment. We issue Environmental Monitoring Plans that describe all preventive measures against these kinds of environmental aspects. pH of the discharged water is followed by the facility and the relevant public units, via samples taken both online and manually, against compliance with the limit values in the Water Pollution Control Regulation. In our Samsun Plant there is a Monitoring Station that monitors standard effluent parameters including the pH of wastewater in real-time and reports to the Ministry of Environment and Urbanisation. Real-time reports can be reached 24/7 via the web. There are instructions prepared for each production process and the possibility of going beyond these instructions is followed by automatic control systems and periodic controls. The discharged water is always tested and the measure of success is compliance with regulatory limits. We also have targets like “% of tests/samples compliant with determined standards for effluent discharge” to ensure compliance with the discharge limits.

Row 3

(2.5.1.1) Water pollutant category

Select from:

- Other, please specify :Cadmium

(2.5.1.2) Description of water pollutant and potential impacts

Cadmium comes from the phosphate rock that is used in phosphoric acid production. Cadmium is a heavy metal with high toxicity. Cadmium is toxic at very low exposure levels and has acute and chronic effects on health and the environment. Cadmium is not degradable in nature and will thus, once released to the environment, stay in circulation. New releases added to the already existing deposits of cadmium in the environment. Therefore Cadmium is a toxic material for all living organisms.

(2.5.1.3) Value chain stage

Select all that apply

- Upstream value chain

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

- Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
- Beyond compliance with regulatory requirements

(2.5.1.5) Please explain

The best possible technologies are used in our fertilizer and acid plants, which are the sources of the specified pollutants. It is not possible to use a different raw material to avoid these parameters. However, product properties in the raw materials are controlled in every order. The pollutant parameters in the discharged water are followed by the facility and the relevant public units, via samples taken both online and manually, against compliance with the limit values in the Water Pollution Control Regulation. There are instructions prepared for each production process and the possibility of going beyond these instructions is followed by automatic control systems and periodic controls. The discharge water is always tested and the measure of success is the compliance with regulatory limits. We also have targets like “% of tests/samples compliant with determined standards for effluent discharge” to ensure compliance with the discharge limits.

Row 4

(2.5.1.1) Water pollutant category

Select from:

Nitrates

(2.5.1.2) Description of water pollutant and potential impacts

Nitrogen from a variety of sources can make its way into groundwater and waterways. A certain level of nitrogen is naturally present in the environment and nitrate in low quantities are necessary nutrients. However, the high levels of nitrate found in major anthropogenic contributors such as agricultural runoff, nitrogen-based fertilizers, animal manure and sewage pose a problem. High concentrations of nutrients in the water table can cause drinking water to become toxic. Nitrate is one of the most common groundwater contaminants in rural areas. Nitrates-related pollution is caused by the introduction of excessive amounts of nitrogen to surface and ground waters, mainly as a result of agricultural practices. About 50-70% of nitrogen input to water came from agriculture and nitrate pollution may increase in the coming years (medium-term). One of the leading agri-environmental indicators is the nitrate pollution of groundwater. Due to the wrong/over-application of fertilizers, along with environmental characteristics such as average temperature and precipitation as co-factors, there is a risk of nitrate pollution in groundwater sources that are likely to get higher over the medium term. If the nitrate concentration levels get higher, there is a risk of compliance cost to be introduced as part of encouraging farmers and fertilizer producers to adopt sustainable agriculture practices.

(2.5.1.3) Value chain stage

Select all that apply

Direct operations

Downstream value chain

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

Industrial and chemical accidents prevention, preparedness, and response

(2.5.1.5) Please explain

We have launched the “Correct and Balanced Fertilizer Use Project” via which we aim to communicate with farmers on what can be achieved through correct use of fertilizers compared to their regular fertilizing methods. This engagement has a number of benefits as it directly enables efficient use of water as well as avoiding the application of fertilizer, this also helps reduce water and land pollution. We are using several engagement methods that include:• Toros farmer app• One-on-one meetings with the Toros Agri Distributors and authorized dealers• Presentations / Meetings / Joining Agricultural Expo’s• Giving trainings to farmersBy the end of 2022, 13,110 members actively use the Toros farmer app. In 2022, 6,970 visits to distributors across Turkey, 9,000 interviews with farmers, 211 visits to agricultural institutions and 6 meetings with farmers were made. All these above-mentioned awareness-raising activities help us reduce the nitrate pollution that may be caused via excess use of our products. The continuous increase in these numbers compared to the previous year is an indicator of success for us.

Row 5

(2.5.1.1) Water pollutant category

Select from:

- Other, please specify :Temperature

(2.5.1.2) Description of water pollutant and potential impacts

The temperature of water increases due to the cooling water used in the facilities. The temperature of the wastewater is higher than that of the water supply. The temperature of the water is a very important parameter because of its effect on chemical reactions and reaction rates, aquatic life, and the suitability of the water for beneficial uses. Increased temperature, for example, can cause a change in the species of fish that can exist in the receiving water body. In addition, oxygen is less soluble in warm water than in cold water. The increase in the rate of biochemical reactions that accompanies an increase in temperature, combined with the decrease in the quantity of oxygen present in surface waters, can often cause serious depletion in dissolved oxygen concentrations in the summer months.

(2.5.1.3) Value chain stage

Select all that apply

- Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

- Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
- Beyond compliance with regulatory requirements

(2.5.1.5) Please explain

The best possible technologies are used in our fertilizer and acid plants, which are the sources of the specified pollutants. For example, we have started to change our cooling process and air-cooled system started to be used instead of water-cooled systems. We issue Environmental Monitoring Plans that describe all preventive measures against these kinds of environmental aspects. In our Samsun Plant, there is a Monitoring Station that monitors standard effluent parameters including the temperature of wastewater in real-time and reports to the Ministry of Environment and Urbanisation. Real-time reports can be reached 24/7 via the web. The other pollutant parameters in the discharged water are followed by the facility and the relevant public units, via samples taken both online and annually, against compliance with the limit values in the Water Pollution Control Regulation. There are instructions prepared for each production process and the possibility of going beyond these instructions is followed by automatic control systems and periodic controls. The discharge water is always tested and the measure of success is the compliance with regulatory limits. We also have targets like “% of tests/samples compliant with determined standards for effluent discharge” to ensure compliance with the discharge limits.

Row 6

(2.5.1.1) Water pollutant category

Select from:

Phosphates

(2.5.1.2) Description of water pollutant and potential impacts

These pollutants are related to Phosphoric Acid Unit and the other fertilizer production units. Phosphate will stimulate the growth of plankton and aquatic plants which provide food for fish. This may cause an increase in the fish population and improve the overall water quality. However, if an excess of phosphate enters the waterway, algae, and aquatic plants will grow wildly, choke up the waterway and use up large amounts of oxygen. This condition is known as eutrophication or over-fertilization of receiving waters. This rapid growth of aquatic vegetation eventually dies and as it decays it uses up oxygen. This process in turn causes the death of aquatic life because of the lowering of dissolved oxygen levels. Nitrogen is a common chemical element found in many molecules used in the chemical industry, e.g. ammonia, a building block of many chemical products (e.g. plastics, fertilizer). As such, traces of Nitrogen are typically contained in chemical industry wastewater. Nitrogen levels in wastewater can be reduced biologically (De-Nitrification) to meet regulatory standards. High nitrogen concentrations in aquatic ecosystems raise the level of nutrients, can cause algal blooms and lead to oxygen depletion. This eutrophication process may pose a threat to biodiversity and diminish life in aquatic environments. Loss of biodiversity can cause spiraling negative effects on interconnected ecosystems, e.g. bird populations depending on fish for food.

(2.5.1.3) Value chain stage

Select all that apply

Direct operations

Upstream value chain

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

- Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
- Beyond compliance with regulatory requirements

(2.5.1.5) Please explain

The best possible technologies are used in our Phosphoric Acid Unit and other fertilizer production units which are the sources of specified pollutants. It is not possible to use a different raw material at the production process. However, the properties of the raw materials are inspected and controlled in every purchase order. The pollutant parameters of the discharged water are followed by the facility and the relevant public units, via samples taken both online and manually, against compliance with the limit values in the Water Pollution Control Regulation. There are instructions prepared for each production process and the possibility of going beyond these instructions is followed by automatic control systems and periodic inspections and audits. The discharge water is always tested and the measure of success is the compliance with regulatory limits. These tests are performed by either accredited laboratories and/or online measurement and monitoring system which is directly linked to Ministry of Environment and Urbanization. All kinds of hazardous chemicals are stored at impermeable bunded areas to prevent spillage and leakages to the ground. We also have targets like “% of tests/samples compliant with determined standards for effluent discharge” to ensure compliance with the discharge limits.

[Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental risks identified
Climate change	<i>Select from:</i> <input checked="" type="checkbox"/> Yes, both in direct operations and upstream/downstream value chain
Water	<i>Select from:</i> <input checked="" type="checkbox"/> Yes, both in direct operations and upstream/downstream value chain
Plastics	<i>Select from:</i> <input checked="" type="checkbox"/> Yes, both in direct operations and upstream/downstream value chain

[Fixed row]

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:

Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Policy

- Carbon pricing mechanisms

(3.1.1.4) Value chain stage where the risk occurs

Select from:

- Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

- Romania
- Turkey

(3.1.1.9) Organization-specific description of risk

Turkey is implementing regulations to monitor and reduce greenhouse gas emissions, particularly in heavy-emitting industries like fertilizer production. These regulations require monitoring, verification, and reporting of CO2 emissions, with plans for an Emission Trading System (ETS). Toros Agri's plants in Samsun, Mersin, and Ceyhan are affected by these rules, and Turkey is also establishing a carbon pricing mechanism. The European Green Deal (EGD), introduced in 2019, aims for a climate-neutral continent by 2050 and will impact countries with trade ties to the EU. The EGD includes the Carbon Border Adjustment mechanism, which taxes imports based on carbon content. Fertilizers are a pilot sector under this mechanism, with reporting starting in 2023 and taxation beginning in 2026. This may result in carbon taxes on nitrate-based fertilizers exported to the EU. In conclusion, these regulatory changes pose risks for Toros Agri, leading to potential increases in operational costs and necessitating strategic planning to manage compliance and market competitiveness.

(3.1.1.11) Primary financial effect of the risk

Select from:

- Increased direct costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

Very likely

(3.1.1.14) Magnitude

Select from:

Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The evolving regulatory landscape concerning greenhouse gas emissions in Turkey and the EU can significantly impact Toros Agri financially in several ways. Increased compliance costs will arise from the need to implement monitoring, verification, and reporting systems to adhere to new regulations, requiring investments in technology and processes such as installing Continuous Emissions Monitoring Systems and potentially hiring additional staff or consultants. Additionally, carbon taxes introduced on nitrate-based fertilizers exported to the EU under the Carbon Border Adjustment Mechanism will directly increase product costs, potentially reducing profit margins if these costs cannot be passed onto customers. Market competitiveness may also be affected, as higher operational costs compared to competitors in countries with less stringent regulations could hinder the company's ability to maintain market share, particularly in price-sensitive segments, leading to decreased sales volumes. To mitigate potential financial impacts, Toros Agri may need to invest in sustainable practices, such as bio-based or recycled raw materials; while these investments could yield long-term savings and improved market positioning, they may also result in immediate financial strain. Furthermore, if the company cannot comply with new regulations or adapt to changing market conditions, it may face fines or restrictions, resulting in potential revenue loss. On the other hand, evolving regulations could increase access to green financing opportunities for companies meeting certain sustainability criteria, although the initial transition to compliance may require significant upfront capital. In summary, while the transition to more stringent environmental regulations presents challenges that could increase costs and affect profitability, it also offers opportunities for Toros Agri to innovate and potentially secure a competitive advantage in the sustainable market.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

31000000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

(3.1.1.25) Explanation of financial effect figure

The minimum and maximum potential financial impact figures are estimated based on internal studies related to carbon pricing. According to the report published by the Turkish Ministry of Industry and Technology, titled "Low-Carbon and Climate-Resilient Roadmap for the Turkish Fertilizer Sector," a floor price of 65.85 USD per ton is indicated. This value is used as the minimum carbon price for the Turkish ETS. The maximum price for the Turkish ETS is also taken from the same report, set at 109.75 USD. In 2023, the verified total N₂O and CO₂ emissions of the three plants owned by Toros Agri were calculated to be equivalent to 706,009.59 tons of CO₂e. The ETS simulation studies published under the PMR Project include capping emissions at 80% and a free allocation of 50% of the allowances. This results in a liability of about 60% (706,009.59 x 0.60 = 423,606 tons CO₂e). Therefore, the potential financial impact of implementing a Turkish ETS is calculated by multiplying 60% of our current greenhouse gas emissions by the unit price per ton of CO₂e. Minimum Impact 423,606 x 65.85 USD = 27.9 Million USD Maximum Impact 423,606 x 109.75 USD = 46.5 Million USD The above figures represent the potential financial impact of the Turkish ETS. The impact of the EU CBAM is calculated using the export volumes to EU countries and the total emissions related to the production of these goods. Toros Agri exports two types of nitrogen-based fertilizers to Europe, and their total emissions are calculated as 86,745 tons CO₂e. The minimum impact of CBAM is 476,996 x 65.85 USD = 3.1 Million USD The maximum impact of CBAM is 476,996 x 101.75 USD = 4.85 Million USD The total minimum financial impact of the risk 27.9 + 3.1 = 31 Million USD The total maximum financial impact of the risk 46.5 + 4.85 = 51.35 Million USD

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

- Increase investment in R&D

(3.1.1.27) Cost of response to risk

202943682

(3.1.1.28) Explanation of cost calculation

The cost of response to this risk includes the investment cost of the catalyst unit (1,920,000 USD), the initial investment cost of the R&D center (715,000 USD), and the R&D budget allocated to the center during the reporting period (895,641 USD in 2021, 441,771 USD in 2022, and 796,995 USD in 2023). Thus, total cost of response is 4,769,407 USD.

(3.1.1.29) Description of response

Technologies that reduce N₂O emissions by approximately 90-95% are available in nitric acid plants. With technical consultancy from the Nitric Acid Climate Action Group, we have completed our feasibility study to select the most suitable technology for investment. The management cost includes the approximate expense of

installing a new catalyst system for N₂O emissions reduction. The cost of the N₂O catalyst system was previously contracted at 1.92 million USD. Under the Carbon Net Zero Roadmap activities, aimed at enhancing the company's climate change adaptation and resilience, the evaluation for suitable technology, reduction methods, and design for the Nitric Acid Production Plant at the Toros Agri Mersin facility is ongoing, with a target of achieving a 90% reduction in N₂O emissions. As a result of R&D activities, the specialty fertilizer portfolio has been enriched with slow-release fertilizers, Smart Urea and Smart N₂1. Research indicates that these fertilizers can reduce denitrification and greenhouse gas emissions by up to 40%. Sales of these specialty fertilizers increased by 43% compared to the reporting year of 2023. Green ammonia investment, in collaboration with Toros Tarım and Enerjisa Üretim, presents significant financial opportunities. The joint facility aims to produce green ammonia using renewable energy, both for Toros Tarım's internal needs and for domestic and international sales. With global green hydrogen demand expected to reach 40 million tons by 2030, this investment positions Tekfen to capitalize on the rapidly growing market for sustainable products. The use of green ammonia, which has a lower carbon footprint, is likely to enhance Tekfen's competitiveness in international markets where sustainability is increasingly valued. Moreover, as global fertilizer prices increase, the production of green ammonia could further boost revenue by allowing Tekfen to sell higher-value, sustainable products both domestically and abroad.

Water

(3.1.1.1) Risk identifier

Select from:

Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

Groundwater depletion

(3.1.1.4) Value chain stage where the risk occurs

Select from:

Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

Turkey

(3.1.1.7) River basin where the risk occurs

Select all that apply

- Other, please specify :Ceyhan& Tarsus

(3.1.1.9) Organization-specific description of risk

Toros Agri's Mersin and Ceyhan facilities source water exclusively from groundwater reserves, with no current limitations on extraction volumes. Both plants rely heavily on water for their operational processes. Based on the WRI Aqueduct tool analysis, both Ceyhan and Mersin are located in regions classified as experiencing "Extremely High" water stress, with over 80% water stress levels. Projections under a business-as-usual scenario indicate that by 2040, both facilities will continue to face "Extremely High" water stress.

(3.1.1.11) Primary financial effect of the risk

Select from:

- Closure of operations

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- Very likely

(3.1.1.14) Magnitude

Select from:

- High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

In the long term, escalating water stress could become a significant challenge, potentially leading to stricter water use regulations. The government may introduce water withdrawal limits or impose bans, particularly during dry seasons, prioritizing water for domestic consumption. Such measures could result in temporary operational shutdowns.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

19300000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

43300000

(3.1.1.25) Explanation of financial effect figure

In the long term, if water stress becomes a major issue and if the government imposes withdrawal limits or even bans, especially during dry seasons, our Ceyhan and Mersin facilities will not be able to operate, as they require fresh water for cooling and production. Both facilities are located in the southern regions of Turkey, where summers are very hot, and the dry season can last from June until the end of September. According to meteorological data from 1940 to 2023, during these months: In Mersin, the average monthly rainfall varies between a minimum of 7.9 mm (August) and a maximum of 136.9 mm (December). In Ceyhan (Adana), the average monthly rainfall varies between a minimum of 9.3 mm (August) and a maximum of 125.8 mm (December). The costs related to the closure of operations for 1 month can be calculated based on assumptions for the Mersin and Ceyhan plants. The minimum potential financial impact of closing both plants for 1 month is estimated to be approximately 19.3 million USD. The maximum potential financial impact is calculated as a 2-month closure of operations in Ceyhan and a 3-month closure of operations in Mersin, which amounts to 43.3 million USD.

(3.1.1.26) Primary response to risk

Agricultural practices

Adopt sustainable irrigation practices

(3.1.1.27) Cost of response to risk

12450000

(3.1.1.28) Explanation of cost calculation

The new wastewater treatment and recovery plant investment which will be operational in 2023 will cost around USD 10,350,000. With this project we are planning to recycle 2.1 million USD worth of CAN/AN fertilizers per year. Thus, 10,350,000 USD 2.100.000 USD 12,450,000 USD

(3.1.1.29) Description of response

In the reporting period, we have conducted a number of projects to achieve higher water efficiency and maximize the water reuse/recycle rate in Both Ceyhan and Mersin facilities (asset level) in line with the vision stated in our Water Policy highlighting the alignment with international initiatives such as SDG 6. Both plants also have annual targets to reduce water withdrawals and to reach their targets they have a budget which can be used to invest in new technology. In Toros Agri Mersin Plant we are implementing a new wastewater treatment and recovery plant which is planned to be operational in 2023. This plant aims to treat the wastewater recycling ammonia and nitrates from the wastewater and rehabilitating the existing demineralization unit in the plant. With this project we are planning to recycle 2.1 million USD worth of CAN/AN fertilizers per year and 171,430 m3 of water per annum. This recycling plant will also have zero discharge.

Plastics

(3.1.1.1) Risk identifier

Select from:

Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Market

Lack of availability and/or increased cost of recycled or renewable content

(3.1.1.4) Value chain stage where the risk occurs

Select from:

Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

Turkey

(3.1.1.9) Organization-specific description of risk

Current plastic bags can be used multiple times. depending on the market demand and regulation, recycled or bio-based content can be increased. this can result in increased cost and availability of recycled and bio-based material. Further, investment needed to updated to manufacturing equipments.

(3.1.1.11) Primary financial effect of the risk

Select from:

- Increased direct costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- Likely

(3.1.1.14) Magnitude

Select from:

- Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Toros Agri's transition to bio-based or recycled-content raw materials will result increasing in direct costs. These materials typically have higher unit costs compared to conventional plastics, and technical adaptations to existing production processes may be required, further raising initial costs.

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

- Take action to switch to plastic which is recyclable in practice and at scale

(3.1.1.29) Description of response

Toros Agri has conducted research on the use of bio-based raw materials as a replacement for its current plastic raw materials. However, large-scale production of suitable raw materials is not yet available globally. Once such raw materials become available, Toros Agri will need to completely renew its machinery fleet in order to incorporate them into its production processes.

Climate change

(3.1.1.1) Risk identifier

Select from:

Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

Change in land-use

(3.1.1.4) Value chain stage where the risk occurs

Select from:

Downstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

Turkey

(3.1.1.9) Organization-specific description of risk

Tekfen Agri faces various risks related to land use change in the agricultural areas where it operates. Land use change occurs when existing agricultural lands are reallocated for non-agricultural activities (such as urbanization, industrial developments, or infrastructure projects) or when natural ecosystems are disrupted due to non-agricultural activities. These changes can lead to a reduction in arable land and a decrease in agricultural production capacity. Climate change and increasing

environmental pressures can further complicate sustainable agricultural activities, affecting production processes. Additionally, regulatory changes and soil conservation policies may lead to stricter regulations on land use. These risks could negatively impact Tekfen Agri's long-term production targets, downstream supply chain, and overall agricultural productivity. Therefore, land use change risk is a critical factor to be considered in the company's strategic planning.

(3.1.1.11) Primary financial effect of the risk

Select from:

- Disruption to workforce management and planning

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- Likely

(3.1.1.14) Magnitude

Select from:

- Medium-high

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The risk of land use change can have various negative impacts on Tekfen Agri's financial situation. The reduction of agricultural land can decrease crop yields, leading to revenue loss. Additionally, the more intensive use of existing land can increase input costs, while also reducing the expected returns from long-term investments. Compliance with stricter regulations will incur additional costs, further elevating operational expenses. These risks can weaken Tekfen Agri's market value and competitive position, potentially leading to a decrease in market share. The management of increasing risks may also result in higher costs, along with rising insurance premiums. All these factors can adversely affect the company's overall profitability and sustainability, emphasizing the importance of effective risk management strategies.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

No

(3.1.1.26) Primary response to risk

Engagement

Engage in multi-stakeholder initiatives

(3.1.1.27) Cost of response to risk

290000

(3.1.1.28) Explanation of cost calculation

A budget of 209,000 USD has been allocated for farmer training in 2023.

(3.1.1.29) Description of response

Toros Agri, agriculture's foremost sustainable regional solution partner, has completed the "Toros Farmer Survey" in 2023 by engaging with 1,501 farmers in the districts and villages of 32 selected provinces across Turkey. This comprehensive study covers all agricultural product groups, land sizes, local and geographical characteristics, and behaviors. The purpose of the survey is to understand consumer perceptions and trends by determining farmers' production behaviors, ideal agricultural input expectations, levels of knowledge about agricultural activities and cultivation, trends in agricultural input usage, the level and trends of agricultural equipment and tool usage, financing preferences for agricultural activities, reasons for satisfaction or dissatisfaction with producer companies, evaluations regarding sales channels, and perceptions and usage trends of technology, alongside their demographic profiles.

Climate change

(3.1.1.1) Risk identifier

Select from:

Risk3

(3.1.1.3) Risk types and primary environmental risk driver

Policy

- Changes to national legislation

(3.1.1.4) Value chain stage where the risk occurs

Select from:

- Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

- Turkey

(3.1.1.9) Organization-specific description of risk

The Climate Law has not yet been published in Turkey. However, it is anticipated that it will be published within the next year and that the Climate Law will parallel the SKDM process, primarily affecting emission-intensive sectors such as fertilizers. In light of the 2045 net-zero targets, it is critical to implement measures aimed at reducing SG emissions and promoting technological transformation in the fertilizer sector. As detailed in the draft Climate Law, the proposal of a carbon pricing mechanism, such as a carbon trading system similar to the EU Emissions Trading System (ETS), indicates a significant policy shift with extensive implications for emission reduction and regulatory frameworks. In this context, Tekfen Holding is assessing the risk and taking various measures to be prepared for potential penalties and sanctions it may face.

(3.1.1.11) Primary financial effect of the risk

Select from:

- Increased direct costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

Likely

(3.1.1.14) Magnitude

Select from:

Medium-low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Direct cost increases refer to the rise in costs emerging within the framework of carbon pricing and emission trading systems. Carbon pricing requires companies to purchase carbon credits if they exceed certain emission levels. This results in additional costs for firms that do not invest in reducing their emissions. Companies participating in the emission trading system (ETS) must buy carbon credits unless they stay within their allotted emission quota. Firms operating in high-emission sectors may face direct cost increases due to the rising cost of carbon credits. Moreover, the need to invest in new processes and technologies to achieve emission reduction targets also drives up costs. Acquiring training and consultancy services to manage these processes can impose additional financial burdens on businesses.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

No

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

Increase investment in R&D

(3.1.1.27) Cost of response to risk

2849407

(3.1.1.28) Explanation of cost calculation

The initial investment cost of the R&D center (715,000 USD), and the R&D budget allocated to the center during the reporting period (895,641 USD in 2021, 441,771 USD in 2022, and 796,995 USD in 2023). Thus, total cost of response is 2,849,407 USD.

(3.1.1.29) Description of response

The R&D center continues its activities on topics such as developing new products and improving existing systems to counter potential sanctions and cost increases. Under the Carbon Net Zero Roadmap activities, aimed at enhancing the company's climate change adaptation and resilience, the evaluation for suitable technology, reduction methods, and design for the Nitric Acid Production Plant at the Toros Agri Mersin facility, Smart Urea, Smart N21, Sulfuric Acid Production Plant and Green Ammonia.

Climate change

(3.1.1.1) Risk identifier

Select from:

Risk4

(3.1.1.3) Risk types and primary environmental risk driver

Policy

Carbon pricing mechanisms

(3.1.1.4) Value chain stage where the risk occurs

Select from:

Downstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

Romania

Turkey

(3.1.1.9) Organization-specific description of risk

Toros Agri produces chemical fertilizers. As a part of the European Green Deal, EU is planning to become carbon neutral by 2050. The Farm to Fork Strategy is at the heart of the European Green Deal aiming to make food systems fair, healthy and environmentally-friendly. The Strategy sets ambitious targets one of which is a

reduction of nutrient losses by at least 35.6% while ensuring that there is no deterioration in soil fertility and reduction of fertilizer use by at least 20%. These will undoubtedly change the customer behaviour towards using less chemical fertilizers, impacting the EU export volumes of Toros Agri.

(3.1.1.11) Primary financial effect of the risk

Select from:

- Decreased revenues due to reduced demand for products and services

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- Very likely

(3.1.1.14) Magnitude

Select from:

- High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The potential financial impact figure for Toros Agri is calculated with the assumption that 10-20% of Toros Agri's European sales revenue will be affected adversely from the EU Green Deal, the max impact is assumed as 20% as farm-to-fork strategy aims to reduce fertilizer use by at least 20%.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

- Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

4400000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

8800000

(3.1.1.25) Explanation of financial effect figure

Toros Agri's 2022 sales revenue from European operations was around 44 million USD. 10% of this figure is 4.4 million USD and 20% is 8.8 million USD Therefore, the minimum impact figure is 8.8 million USD and the maximum impact figure is 8.8 million USD.

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

Increase investment in R&D

(3.1.1.27) Cost of response to risk

51990366

(3.1.1.28) Explanation of cost calculation

The cost of Gonen and Meram investments is 46 million USD. The total cost of response equals to: 2,860,841 3,129,525 46,000,000 51,990,366 USD.

(3.1.1.29) Description of response

In order to reduce the risk for Toros Agri, we have invested in Gonen and Meram Renewable Energy plants, which are integrated biogas and organic fertilizer production plants operating with zero liquid waste goal and producing renewable electricity as well as organic fertilizer.

Water

(3.1.1.1) Risk identifier

Select from:

Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

- Water stress

(3.1.1.4) Value chain stage where the risk occurs

Select from:

- Downstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

- Turkey

(3.1.1.7) River basin where the risk occurs

Select all that apply

- Other, please specify :Yesilirmak, Ceyhan, Tarsus, Marmara, Akarcay, Akdeniz, Gediz and various other basins in Turkey where agricultural activities takes place

(3.1.1.9) Organization-specific description of risk

According to WRI Aqueduct Water Risk Atlas, projected change in water stress in 2030 (according to the optimistic scenario, SSP2 RCP 4.5) is high (40-80%) and extremely high (more than 80%) in many parts of Turkey. In addition, the majority of Turkey has a medium to high risk in terms of drought severity. According to the report titled "Changing Climate, Transforming Agriculture," published by the Turkish Ministry of Agriculture and Forestry in 2021, water stress due to climate change will be a major issue for agriculture. The risk of meteorological and agricultural drought in our country is increasing day by day. While the average summer temperature in Turkey is around 16.17 degrees, this year the average temperature during the same period was 16.77 degrees. This indicates that we are facing irreversible effects such as drought. The agriculture sector, which consumes three-quarters of our water, will be one of the most affected sectors in this process. As a result of increasing temperatures the agricultural lands would need more irrigation, which will result in depletion of water resources. Even if there is enough water to irrigate the crops, there is still a very high possibility that the plants will enter into heat stress resulting in a decrease in yield. Therefore, Toros Agri's most important customers (farmers) will be affected severely because of water-related problems in the medium to long term.

(3.1.1.11) Primary financial effect of the risk

Select from:

- Decreased revenues due to reduced demand for products and services

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- Very likely

(3.1.1.14) Magnitude

Select from:

- High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Tekfen Holding's financial position by reducing revenue, increasing costs, and putting pressure on cash flow. The anticipated decline in agricultural productivity due to water stress would affect small-scale farmers—the primary customers of Toros Tarım—resulting in reduced fertilizer sales. This drop in demand would directly affect Tekfen's revenue from its fertilizer operations, leading to a decrease in overall profitability. In the long term, however, the adoption of digital tools and innovative water management techniques is expected to position Tekfen Holding more resiliently. These investments will optimize water usage, enhance agricultural productivity, and potentially offset some of the risks posed by water stress. By improving operational efficiency and promoting sustainable practices, Tekfen could reduce its long-term exposure to environmental risks, leading to greater stability in cash flow and profitability. Furthermore, these initiatives could improve the company's reputation and competitive advantage, especially as sustainability becomes increasingly important to global markets and regulators. However, if water stress intensifies or regulations tighten further, the company may continue to face increased operational costs and potential disruptions to production, posing ongoing financial challenges in the long run.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

- Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

52000000

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

103000000

(3.1.1.25) Explanation of financial effect figure

According to 2023 figures, Toros Tarım's fertilizer sales are approximately USD 1,050 million. Based on projections using the WRI Aqueduct Water Risk Atlas, the change in water stress in 2030 will be 1.4 to 2 times higher compared to 2020. This means that farmers will be adversely affected, and some may stop farming due to water-related issues. The impact of water stress on farmers may result in a reduction in solid fertilizer sales. Therefore, based on 2023 figures, a 5%-10% decrease (approximately USD 52 million - USD 104 million) in Toros Tarım's revenues is projected.

(3.1.1.26) Primary response to risk

Diversification

Develop new products, services and/or markets

(3.1.1.27) Cost of response to risk

209000000

(3.1.1.28) Explanation of cost calculation

The global water-soluble fertilizer market is projected to reach USD 52.67 billion by 2030, with an estimated compound annual growth rate of 6.23% during the 2021-2030 period. However, due to rising input costs linked to exchange rate increases, the weakening purchasing power of farmers, and price fluctuations, it is projected that the specialty fertilizer market in Turkey shrank by 5% in 2023 compared to 2022, dropping to around 180,000 tons. In 2023, Toros Tarım achieved a 45% growth in this area, selling 73,000 tons of specialty fertilizers. The financial impact has been calculated based on the specialty fertilizer production target outlined in our 2030 strategic plan, which aims for 537,579 tons (an additional 464,579 tons compared to the reporting year). Assuming the average price per ton of specialty fertilizers remains the same, this extra production volume is projected to generate a potential financial impact of USD 209 million by 2030.

(3.1.1.29) Description of response

In partnership with SKD Türkiye and stakeholders, including Toros Tarım, the "Water Risks R&D Project" was conducted in two phases over an 8-month period in the Çerikli town of Delice district, Kırıkkale, located in the Kızılırmak Basin, where agricultural water demand is expected to increase by 1.5 times by 2050. The project aimed to enhance water efficiency in wheat cultivation, a crop of significant importance to Turkey. Pressurized irrigation methods, specifically drip and sprinkler irrigation systems, were used. The water-production functions were determined, and water efficiency was evaluated both physically and economically, with the water footprint calculated. In the first phase of the project, wheat production using drip irrigation achieved an average of 30% water savings, while also increasing crop yield by 20%. In Phase II, sensor technology was employed to more precisely plan irrigation timing and applications compared to Phase I. As a result, wheat yields reached an average of 337 kg/da, which was 28% higher than the yields from traditional farmer practices. The average yield obtained from the project plot was 50% higher than the average yield in Delice district and 35% higher than the national average. Furthermore, water savings of 53% were achieved with sprinkler irrigation and 65% with drip irrigation. In addition, Toros Tarım is developing a strategy to expand its product portfolio, taking into account the importance of water-soluble fertilizers, to mitigate the adverse effects of water scarcity and changing rainfall patterns on agricultural productivity. As part of this strategy, the company aims to produce and market fertilizers that optimize plants' water and nutrient uptake, supporting high productivity even with low water usage. At the same time, innovative products compatible with precision irrigation and fertilization techniques are being introduced to help farmers adapt more quickly to changing climate conditions.

Water

(3.1.1.1) Risk identifier

Select from:

Risk3

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

Declining water quality

(3.1.1.4) Value chain stage where the risk occurs

Select from:

Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

Turkey

(3.1.1.7) River basin where the risk occurs

Select all that apply

Other, please specify :Yesilirmak, Ceyhan, Tarsus, Marmara, Akarcay, Akdeniz, Gediz and various other basins in Turkey where agricultural activities takes place

(3.1.1.9) Organization-specific description of risk

As water quality declines, legal pressures concerning nitrate pollution from agricultural production are likely to intensify. This may increase compliance costs for Toros Tarım's fertilizer operations in response to nitrate pollution regulations.

(3.1.1.11) Primary financial effect of the risk

Select from:

Increased compliance costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

Very likely

(3.1.1.14) Magnitude

Select from:

High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

In short term, compliance costs associated with stricter environmental regulations on nitrate pollution could increase operational expenses. In the short term, Tekfen's investments in digital transformation and water-efficient technologies, while necessary for sustainability, would require capital outlays, further straining cash flow. By improving operational efficiency and promoting sustainable practices, Tekfen could reduce its long-term exposure to environmental risks, leading to greater stability in cash flow and profitability. Furthermore, these initiatives could improve the company's reputation and competitive advantage, especially as sustainability becomes increasingly important to global markets and regulators.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

10228472

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

20776945

(3.1.1.25) Explanation of financial effect figure

Toros Agri revenue covering the sales of fertilizers which contain Nitrogen (99.8% of all sales, 100% of Toros agri production contains Nitrogen) was 1,038 Billion USD in 2023. Assuming a minimum of 1% and a maximum of 2% additional compliance cost applied to these products; we would face an additional cost between 10.34 to 20.77 million USD.

(3.1.1.26) Primary response to risk

Policies and plans

Adopt regenerative agriculture policies

(3.1.1.27) Cost of response to risk

3628424

(3.1.1.28) Explanation of cost calculation

The cost of the response to this risk includes the cost of Toros Farmer App (around 10,000 USD) and the cost of technologies, analysis and implementation supports for agricultural activities, meetings, trainings, joining expos, etc. (around 285,000 USD) The initial investment cost of R&D Center was USD 715,000, and R&D budget dedicated to the Center was USD 895,641 in 2021; 441,771 USD in 2022 and 1,046,270 USD in 2023, the reporting period. Total cost of response is calculated as: 10,000 285,000 715,000 895,641 441,771 1,046,270 3,628,424 USD.

(3.1.1.29) Description of response

Capacity building on the closed-loop usage of water in upstream processes and promoting downstream water efficiency with advanced irrigation techniques in agricultural and industrial projects, as well as the development/launch of innovative fertilizer products, are key objectives. These are integral components of the Group's strategic plan.

[Add row]

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

(3.1.2.1) Financial metric

Select from:

Revenue

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

10388472

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

Less than 1%

(3.1.2.7) Explanation of financial figures

This risk is particularly significant for Toros Agri, given its operation in a highly emission-intensive industry. The company faces various challenges, including fluctuations in carbon pricing, evolving regulations and required investments, and changes in land use practices. In response, Toros Agri has made strategic investments to mitigate these risks and ensure resilience. As part of its approach, the financial implications of climate change-related risks have been assessed using the company's revenue. Based on Toros Agri's sustainability initiatives and risk mitigation strategies, the potential risk exposure has been evaluated to be less than 1%. Consequently, 1% of Toros Agri's total revenue has been earmarked as a financial metric to monitor and manage these risks effectively.

Water**(3.1.2.1) Financial metric**

Select from:

Revenue

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

1736055

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

1-10%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

1-10%

(3.1.2.7) Explanation of financial figures

This risk is critical for Tekfen Agri, considering its water usage and the need for reliable water resources to sustain its operations. In regions where groundwater is used, Tekfen Tarım faces the risk of water supply shortages, as well as potential fluctuations in water quality and quantity. To address these risks and ensure operational continuity, the company has made necessary investments to implement preventive measures. As a result, water-related risks have been calculated using Tekfen Agri's revenue. Given that these risks directly affect operations and production, the risk value has been assessed between 1% and 10%. Consequently, 10% of Tekfen Agri's total revenue has been defined as a financial metric to manage these risks effectively.

[Add row]

(3.2) Within each river basin, how many facilities are exposed to substantive effects of water-related risks, and what percentage of your total number of facilities does this represent?**Row 1****(3.2.1) Country/Area & River basin**

Turkey

Other, please specify :Yesilirmak

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

1-25%

(3.2.10) % organization's total global revenue that could be affected

Select from:

1-10%

(3.2.11) Please explain

This facility is our Toros Agri Samsun Fertilizer Plant. According to the WRI Aqueduct Water Risk Atlas tool, Samsun Plant is classified as low-risk for Baseline Water-Stress but it is classified as extremely High (80%) in 2030 water stress. This facility is also responsible for 89.15 % of our total water withdrawal and 97% of our total discharge, therefore it is always assessed to have a potential of substantive impact.

Row 2

(3.2.1) Country/Area & River basin

Turkey

Other, please specify :Tarsus& Goksu

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

1

(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

1-25%

(3.2.10) % organization's total global revenue that could be affected

Select from:

11-20%

(3.2.11) Please explain

This facility is our Toros Agri Mersin Fertilizer Plant.

Row 3

(3.2.1) Country/Area & River basin

Turkey

Other, please specify :Ceyhan

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

1

(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

1-25%

(3.2.10) % organization's total global revenue that could be affected

Select from:

11-20%

(3.2.11) Please explain

This facility is our Toros Agri Ceyhan Fertilizer Plant.

[Add row]

(3.3) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

(3.3.1) Water-related regulatory violations

Select from:

Yes

(3.3.2) Fines, enforcement orders, and/or other penalties

Select all that apply

Fines

(3.3.3) Comment

Tekfen Holding periodically monitors the levels of discharged water and pollution parameters. In parallel, the Provincial Directorate of Environment, Urbanization, and Climate Change conducts necessary checks by sampling at specified intervals. Additionally, both the provincial directorate and the organization monitor relevant parameters and water levels in real-time. The amount of water extracted is authorized by the State Hydraulic Works (DSI), and the quantities extracted are tracked through flow meters by both DSI and the organization. In cases of non-compliance, monetary penalties as specified in the relevant regulations are applied.

[Fixed row]

(3.3.1) Provide the total number and financial value of all water-related fines.

(3.3.1.1) Total number of fines

2

(3.3.1.2) Total value of fines

76985.61

(3.3.1.3) % of total facilities/operations associated

1.61

(3.3.1.4) Number of fines compared to previous reporting year

Select from:

About the same

(3.3.1.5) Comment

On August 4, 2023, Toros Tarım's Gönen facility received a penalty of 879,564 TRY as a result of an inspection conducted by the Ministry of Environment, Urbanization, and Climate Change. The penalty was imposed due to the sample taken from the discharge point of surface washing and rainwater channels exceeding the limits of the relevant parameters in the Water Pollution Control Regulation. On May 13, 2023, Toros Tarım's Gönen facility received a penalty of 394,548 TRY as a result of an inspection conducted by the Ministry of Environment, Urbanization, and Climate Change. The penalty was imposed due to the discharge of wastewater not meeting the standards set by the Water Pollution Control Regulation regarding the Chemical Oxygen Demand (COD) value.

[Fixed row]

(3.3.2) Provide details for all significant fines, enforcement orders and/or other penalties for water-related regulatory violations in the reporting year, and your plans for resolving them.

Row 1

(3.3.2.1) Type of penalty

Select from:

Fine

(3.3.2.2) Financial impact

76985.61

(3.3.2.3) Country/Area & River basin

Turkey

Other, please specify :Gonen

(3.3.2.4) Type of incident

Select from:

Spillage, leakage or discharge of potential water pollutant

(3.3.2.5) Description of penalty, incident, regulatory violation, significance, and resolution

On May 13, 2023, Toros Tarım's Gönen facility encountered a penalty of 394,548 TRY following an inspection conducted by the Ministry of Environment, Urbanization, and Climate Change. The fine was imposed due to the discharge of wastewater that failed to meet the standards outlined in the Water Pollution Control Regulation, specifically concerning the Chemical Oxygen Demand (COD) value. Subsequently, on August 4, 2023, the same facility faced an additional penalty of 879,564 TRY for exceeding the limits of relevant parameters in the Water Pollution Control Regulation, as determined by samples taken from the discharge points of surface washing and rainwater channels. The financial and reputational ramifications of these incidents are significant. The total imposed penalty of 1,274,112 TRY reflects the gravity of the violations and underscores the critical importance of adhering to environmental regulations. Furthermore, these events could adversely affect the company's reputation, parti

[Add row]

(3.5) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Select from:

No, but we anticipate being regulated in the next three years

(3.5.4) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Our fertilizer production operations are in the scope of Turkish GHG MRV Regulation, which is the basis for a future probable ETS that is in line with the EU ETS. Recently as a part of the World Bank-funded "Partnership for Market Readiness" project, simulations of an ETS system were studied. The results of this study

were also published on the Turkish Ministry of Environment and Urbanization website. We anticipate being regulated under the Turkish ETS system until 2023. Also fertilizer industry is one of the pilot industries of EU Carbon Border Adjustment Mechanism (CBAM). The pilot phase of CBAM will be implemented between 2023-2026. Therefore, the implications of EU-CBAM will be more clear starting from 2023. We completed installing a state-of-the-art catalyzer system (a new N2O (nitrous oxide) filtration system at the Nitric Acid Production Plant in Toros Agriculture's Mersin facility) in our fertilizer operations to reduce our N2O emissions which are around 82,03% of our gross Scope 1 GHG emissions. The detailed technical evaluation process is ongoing to ensure that the selected solution can achieve the targeted emission reduction without compromising production efficiency, product quality, operational safety limits, and operational lifespan of the facility. With the implemented filtration investment, it is aimed to achieve an approximate 80-85% reduction in N2O emissions, which play a significant role in climate change. The project, planned to be completed in 2023, aims to reduce the Group's total Scope 1 emissions by 600-650 thousand tons of CO2.

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental opportunities identified
Climate change	Select from: <input checked="" type="checkbox"/> Yes, we have identified opportunities, and some/all are being realized
Water	Select from: <input checked="" type="checkbox"/> Yes, we have identified opportunities, and some/all are being realized

[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

- Ability to diversify business activities

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

- Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- Turkey

(3.6.1.8) Organization specific description

The growing adoption of organic farming by consumers and increased global demand for food safety have led to the steady growth of the organic and organo-mineral fertilizer market. To address this issue, the Turkish Ministry of Agriculture and Forestry announced a "Solid Organic-Organo-mineral Fertilizer Usage Support" program in 2019, aiming for rapid market growth. Toros Agri is actively involved in this market through its subsidiaries, Toros Gönen Renewable Energy and Toros Meram Renewable Energy. Both facilities process 1,170 tons of waste daily to produce biogas and generate electricity, along with producing solid and liquid organic fertilizers from processed waste. With a total capacity of 130,000 tons, these production facilities present an opportunity for increased revenue due to rising product demand. Toros Agri continues its marketing efforts to support sales and raise industry awareness. In 2023, Toros Tarım's R&D Center submitted 23 publications to international journals, with 8 accepted. Notably, the study titled "Fluoride Removal from Phosphogypsum: A Study on Pre-industrial Scale and its Mathematical Analysis" was published in the Chemical Industry & Chemical Engineering Quarterly. By the end of 2023, 4 patent applications and 2 utility model applications were filed and accepted.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

- Increased revenues resulting from increased production capacity

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

Very likely (90–100%)

(3.6.1.12) Magnitude

Select from:

High

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Toros Agri stands to benefit significantly from the growing organic and organo-mineral fertilizer market, driven by rising consumer interest in organic agriculture and supportive government initiatives. With a projected 245% increase in organo-mineral fertilizer consumption, the company's two subsidiaries, Toros Gönen and Toros Meram, are well-positioned to meet this demand, boasting a combined production capacity of 115,000 tons. The anticipated financial impact includes a minimum of 12.12 million from current production, potentially reaching up to 32.96 million if both facilities operate at full capacity, alongside additional revenue from renewable energy production. The company's commitment to sustainability, demonstrated through its circular economy practices and ongoing research and development, enhances its market position. Furthermore, the acquisitions align with Tekfen's broader vision of becoming a net-zero company, supporting long-term growth and profitability as the market for organic fertilizers expands.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

Yes

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

13822310

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

36910000

(3.6.1.23) Explanation of financial effect figures

As stated in the company-specific announcement, this opportunity presents a potential increase in our revenues due to the rising demand for our products. The minimum potential financial impact has been calculated based on the production figures for 2023. This figure includes the sales of solid and liquid organic fertilizers produced in 2023, amounting to 8,849,440 USD. Additionally, the sales of electricity produced in 2023 by Gönen and Meram Renewable Energy have also been included in the minimum impact figure, totaling 4,972,870 USD. Therefore, the minimum financial impact is calculated as follows: 8,849,440 USD + 4,972,870 USD = 13,822,310 USD. The stated maximum potential financial impact figure is based on the annual maximum production capacity of both facilities. This impact figure has been calculated using current sales prices and is considered a conservative estimate. When both facilities operate at full capacity, the total production volume will be 115,000 tons of organic and organomineral fertilizers, equivalent to 24.85 million USD in revenue. Both facilities also generate renewable energy, which offers an additional financial income opportunity for Toros Tarım. When operating at full capacity, both facilities will produce 90,306 MWh of renewable energy, resulting in an income of 12.06 million USD from electricity sales. Thus, the maximum financial impact is calculated as follows: 24.85 million USD + 12.06 million USD = 36.91 million USD.

(3.6.1.24) Cost to realize opportunity

46000000

(3.6.1.25) Explanation of cost calculation

The cost calculation includes acquisition of 70% of Gonen Renewable Energy (7 million USD) and the investment made in 99.9% of Meram Renewable Energy (39 million USD). This investment is a one-time cost, whereas the potential financial impact of this opportunity is annual.

(3.6.1.26) Strategy to realize opportunity

The strategy to realize this opportunity is the investment we made to Toros Gönen and Toros Meram. Our decision to invest in these two facilities are also part of a broader vision of Tekfen and a rather strategic decision on our roadmap to becoming a net-zero company. Within this broader vision, Toros Agri acquired 70% of the biogas and organic fertilizer producer Gonen Renewable Energy Production, Inc. and 99.9% share of Toros Meram Renewable Energy with the aim of becoming a major player in the organic and organomineral fertilizer markets.

Water

(3.6.1.1) Opportunity identifier

Select from:

Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

- Development of new products or services through R&D and innovation

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

- Downstream value chain

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- Turkey

(3.6.1.6) River basin where the opportunity occurs

Select all that apply

- Other, please specify :Yesilirmak, Ceyhan, Tarsus, Marmara, Akarcay, Akdeniz, Gediz and various other basins in Turkey

(3.6.1.8) Organization specific description

An explanation of why this opportunity is considered strategic: According to WRI Aqueduct Water Risk Atlas, the projected change in water stress between 2020 and 2030 (SSP2 RCP 4.5 scenario) is High (40-80%) and Extremely High (80%) in many parts of Turkey. That means, existing and traditional products, production techniques will have to change soon. Therefore, as a leading company in the Agri-Industry business area, the development of new fertilizers is a strategic opportunity for Tekfen. An explanation of the action to realize the opportunity: To realize this strategic opportunity, Toros Agri authored a first in the country's fertilizer-manufacturing industry by opening an R&D center at its Mersin plant. This plant, which has been accredited by the Ministry of Industry and Technology, is the first center of its kind in Turkey devoted to developing more efficient and water-soluble liquid fertilizers which will help to improve agricultural productivity. A case study or example of the strategy in action: One of the first developments of the R&D Center is special fertilizers that are completely water-soluble and are being used in conjunction with modern irrigation techniques such as drip and rain irrigation. Drip irrigation is becoming more common due to the lack of enough water sources.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

- Increased revenues through access to new and emerging markets

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

Very likely (90–100%)

(3.6.1.12) Magnitude

Select from:

High

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Specialty fertilisers are water-soluble fertilisers that are preferred in agricultural lands where drip and sprinkler irrigation systems are used, especially in greenhouse farming. The widespread use of advanced irrigation systems and soilless farming, due to the increasing importance of obtaining maximum efficiency per unit area in agriculture and the increasing water shortage on a global scale, have in parallel led to grow of the water-soluble fertiliser market. The global specialty fertiliser market, is estimated to reach 20.9 billion USD by 2025, with a growth of 5.8%. This forecast directs the attention of major producers to this area and leads them to develop growth strategies for this promising product range. In terms of greenhouse farming, the specialty fertiliser market in Turkey, which has a strong position within the Mediterranean climatic zone, is growing each day. In addition to the greenhouse production particularly concentrated in the Mediterranean and Aegean regions, the increase in drip irrigation systems in field crop cultivation ensures the steady growth of the water-soluble fertiliser market. The size of the water-soluble fertiliser market in Turkey, which is thought to be 155,000 tons in 2021, is estimated to reach 160,000 tons 2022. Toros Agri, the pioneer in the specialty fertiliser industry in Turkey, is one of the most remarkable players in the field. The global specialty fertiliser market, is estimated to grow by 5.8% until 2025. The size of the water-soluble fertiliser market in Turkey, which is thought to be 190,000 tons in 2022, is estimated to reach 210,000 tons in 2023. This presents us with an opportunity to increase our revenues through access to new and emerging markets. In 2022, Toros Agri sales of specialty fertilisers have decreased by 45% y-y to 51,085 tons on the back record-high prices globally.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

No

(3.6.1.24) Cost to realize opportunity

(3.6.1.25) Explanation of cost calculation

The financial impact has been calculated based on our strategic plan's specialty fertilizer production target of 537,579 tons by 2030 (444,282 tons more than the current reporting year). Assuming the average price per ton of specialty fertilizers remains the same, this extra production volume has the potential to generate a financial impact of 84 million USD by 2030.

(3.6.1.26) Strategy to realize opportunity

This creates a chance for us to boost our revenues by tapping into new and emerging markets. In 2023, Toros Agri's specialty fertilizer sales increased by 43% compared to the previous year, reaching 73,000 tons, fueled by record-high global prices.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

Opp2

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

Development of new products or services through R&D and innovation

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

Turkey

(3.6.1.8) Organization specific description

Specialty fertilizers are water-soluble fertilizers preferred in agricultural lands where drip and sprinkler irrigation systems are used, especially in greenhouse farming. The widespread use of advanced irrigation systems and soilless farming, alongside the increasing importance of achieving maximum efficiency per unit area in agriculture and the growing global water scarcity, has led to the growth of the water-soluble fertilizer market. Toros Agri, a pioneer in the specialty fertilizer sector in Turkey, is one of the most notable players in this field. In 2023, Toros Agri achieved approximately 45% growth by selling 73,000 tons of specialty fertilizers.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

- Increased revenues through access to new and emerging markets

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- Short-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

- Very likely (90–100%)

(3.6.1.12) Magnitude

Select from:

- High

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Due to the decreasing availability of arable land worldwide, there is a growing trend toward alternative and innovative cultivation methods, with increased incentives and investments in agricultural operations that yield high productivity per unit area. One of the most important alternative farming methods is hydroponics (soilless cultivation), which requires less pesticide and water compared to traditional agriculture. Hydroponics also leads to an increased demand for water-soluble fertilizers. With the rise of such technologies and high-tech greenhouses, the global water-soluble fertilizer market is projected to reach 52.67 billion with an estimated compound annual growth rate of 6.23% from 2021 to 2030. This potential has prompted major producers worldwide to intensify their investments in the specialty fertilizer sector. In 2023, Toros Agri achieved approximately 45% growth in this area by selling 73,000 tons of specialty fertilizers, including organo-mineral fertilizers.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

Yes

(3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)

0

(3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

209000000

(3.6.1.23) Explanation of financial effect figures

The global water-soluble fertilizer market is projected to reach 52.67 billion USD with an estimated compound annual growth rate of 6.23% between 2021-2030. This potential has led major producers worldwide to focus their investments on the specialty fertilizer sector in recent years. However, due to rising input costs linked to currency fluctuations, weakening purchasing power of farmers, and price volatility, the specialty fertilizer market in Turkey is expected to shrink by 5% in 2023 compared to 2022, dropping to around 180,000 tons. In 2023, Toros Agri achieved approximately 45% growth in this sector, with 73,000 tons of specialty fertilizer sales. The financial impact is calculated based on the specialty fertilizer production target set in our 2030 strategic plan, which is 537,579 tons (464,579 tons more than the reporting year). Assuming the average price per ton of specialty fertilizers remains the same, this additional production volume is projected to have a potential financial impact of 209 million USD by 2030.

(3.6.1.24) Cost to realize opportunity

2301591

(3.6.1.25) Explanation of cost calculation

In 2023, Toros Agri sales of speciality fertilisers have increased by 43% y-y to 73.000 tones on the back record high-prices globally.

(3.6.1.26) Strategy to realize opportunity

The R&D Center, representing Toros Tarım's science-based innovative approach and innovative strength, was established in 2017 as the first R&D center in Turkey dedicated to plant nutrition, within the Mersin Production Facility. The Toros Tarım R&D Center is supported under the TÜBİTAK 2244 program with its "Waste Recycling in Fertilizer Production" project, initiated in 2019. Within the scope of this program, project work on the recycling of Phosphogypsum (PG) is being conducted. As part of this project, two doctoral theses have been completed, and the results have been published in international peer-reviewed journals. Toros

Tarım is also a member of the International Fertilizer Association's (IFA) PG Working Group, closely following studies on PG in the fertilizer sector. Collaborations are being carried out with domestic and international institutions regarding the evaluation of PG. Additionally, three TÜBİTAK 2244 projects are being conducted in collaboration with Mersin University and Ankara University to provide competent human resources for the industry, and other projects are ongoing with Çukurova University and the Bahri Dağdaş Research Institute under TAGEM support. The TÜBİTAK 2244 projects focus on developing slow-release nano-fertilizers, solving the caking problem in certain fertilizer types, and recycling phosphogypsum waste into high-value-added products. In collaboration with Çukurova University and the Bahri Dağdaş Research Institute, research is being conducted on organomineral fertilizers under the TAGEM-supported project. In 2023, the Toros Tarım R&D Center participated as a Research Program Executive Organization in the S-ATP (Sustainable Agricultural Technologies Platform for Adaptation to Global Climate Change in Agricultural Production) project, conducted under the coordination of Erciyes University within the scope of the TÜBİTAK 1004 Excellence Center Support Program. Toros Tarım is the lead organization in the "Development of Microorganisms Important for Agriculture" project within this platform, working in collaboration with Çukurova University and Erciyes University.

[Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric

Select from:

Revenue

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

10562078

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

Less than 1%

(3.6.2.4) Explanation of financial figures

This opportunity is particularly significant for Toros Agri, given its operation in a highly emission-intensive industry. To catch the opportunities, Toros Agri has made strategic investments to mitigate these risks and ensure resilience. As part of its approach, the financial implications of climate change-related opportunities have been assessed using the company's revenue. Based on Toros Agri's sustainability initiatives and risk mitigation strategies, the financial metric of these opportunities has been evaluated to be less than 1%. Consequently, 1% of Toros Agri's total revenue has been earmarked as a financial metric to monitor and manage these risks effectively.

Water

(3.6.2.1) Financial metric

Select from:

Revenue

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

1056207797

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

1-10%

(3.6.2.4) Explanation of financial figures

This opportunity is critical for Tekfen Agri, considering its water usage and the need for reliable water resources to sustain its operations. Given that these opportunities directly affect operations and production, the risk value has been assessed between 1% and 10%. Consequently, 10% of Tekfen Agri's total revenue has been defined as a financial metric to manage these risks effectively.

[Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

More frequently than quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

Executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

The Tekfen Holding biodiversity protocol emphasizes the company's commitment to protecting and enhancing biodiversity as part of its operational and strategic framework. It recognizes biodiversity as crucial for sustaining the natural environment, supporting ecosystem services, and ensuring the resilience of both ecosystems and business operations. Tekfen aims to integrate biodiversity considerations into its business processes, decision-making, and project management. This includes assessing potential impacts on biodiversity during the planning and execution of projects. The protocol promotes sustainable practices that help minimize negative impacts on biodiversity, such as responsible resource management and habitat conservation. Tekfen is committed to monitoring its biodiversity impacts and reporting on its performance to ensure transparency and accountability. The company encourages collaboration with stakeholders, including local communities, to promote biodiversity conservation initiatives. Tekfen aims to comply with national and international biodiversity laws and guidelines, seeking continuous improvement in its

practices. Overall, this protocol reflects Tekfen's recognition of the vital role biodiversity plays in sustainable development and its intention to contribute positively to environmental conservation efforts.

(4.1.6) Attach the policy (optional)

TEKFEN HOLDING-BIODIVERSITY POLICY (ENGLISH).pdf

[Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	Select from: <input checked="" type="checkbox"/> Yes
Water	Select from: <input checked="" type="checkbox"/> Yes
Biodiversity	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- Board chair
- Chief Executive Officer (CEO)

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- Board Terms of Reference

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- Approving corporate policies and/or commitments

(4.1.2.7) Please explain

Scope 1, 2 and 3 emissions of the corporate companies calculated and verified every year. Results, increase/decrease in emissions have been discussing with intensity figures on Board level. Meantime SBTI submission progress was held on and related works have been going on to be submitted in 2025. Chief Executive Officer closely follows and directs the SBTI process.

Water

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- Board chair

- Chief Executive Officer (CEO)

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- Board Terms of Reference

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- Approving corporate policies and/or commitments

(4.1.2.7) Please explain

Water footprint calculated and verified every year for facilities and locations where water is used intensively in production. Results, increase/decrease in emissions have been discussing with intensity figures on Board level. Board members and Chief Executive Officer closely follows the related figures and potential risks.

Biodiversity

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- Board chair
- Chief Executive Officer (CEO)

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

Board Terms of Reference

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

Approving corporate policies and/or commitments

(4.1.2.7) Please explain

We have a biodiversity policy which is signed by the CEO. Our CEO is the highest level responsible for biodiversity-related issues and he reports directly to the Board. Our Board approves all our policies and Biodiversity is also included in our sustainability reports.

[Fixed row]

(4.2) Does your organization's board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:

Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- Consulting regularly with an internal, permanent, subject-expert working group
- Engaging regularly with external stakeholders and experts on environmental issues

Water

(4.2.1) Board-level competency on this environmental issue

Select from:

- Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- Consulting regularly with an internal, permanent, subject-expert working group
- Engaging regularly with external stakeholders and experts on environmental issues

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	Select from: <input checked="" type="checkbox"/> Yes
Water	Select from: <input checked="" type="checkbox"/> Yes

	Management-level responsibility for this environmental issue
Biodiversity	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

(4.3.1.4) Reporting line

Select from:

- Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- More frequently than quarterly

(4.3.1.6) Please explain

Tekfen Holding's CEO has the ultimate responsibility to monitor and approve the annual CDP Climate Change disclosure content. The CEO follows the reporting outcomes and reviews the improvement points identified for the short-medium and long-term. Therefore, the CEO has executive responsibility for managing climate-related issues in Tekfen Holding. CEO also has the executive power for important issues such as defining climate change strategy, management of the risks/opportunities and finalization of targets before they are presented to the Board of Directors. Our CEO has also reviewed and revised the GHG emission reduction targets set for 2025 and 2037 in 2020.

Water

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

(4.3.1.4) Reporting line

Select from:

- Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- More frequently than quarterly

(4.3.1.6) Please explain

The CEO has the highest management responsibility for water. He participates continuously in the Board of Directors (BoD) meetings, which are held at least four times a year. Critical water-related issues, such as risks associated with water stress and future trends in water demand, are brought to the BoD agenda through the CEO. Water-related goals and strategic directions are determined in collaboration with the Board Chair and the BoD. As the head of management, the CEO's main responsibility is to turn these high-level goals and strategic decisions into reality. The CEO focuses on strategic issues such as assessing risks and opportunities, investments in water-stressed and water-intensive companies, and future trends in water demand, as well as improvement options. By leading the implementation of these strategies, the CEO makes significant contributions to the development of innovative practices that will enhance water efficiency in the agricultural sector and educate farmers. By optimizing water use through smart irrigation systems and technological investments, he is paving the way for sustainable agricultural practices.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

(4.3.1.4) Reporting line

Select from:

- Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- More frequently than quarterly

(4.3.1.6) Please explain

The CEO holds the utmost responsibility for biodiversity management. He consistently participates in the Board of Directors meetings, which occur at least four times a year. Critical assessments regarding biodiversity risks and the Constitutional Court's strategies related to biodiversity and farm-to-table initiatives are conducted and brought to the Board's agenda through the CEO. Operating in sectors such as construction and agriculture that impact biodiversity, Tekfen is committed to taking necessary measures to protect ecosystems and species in alignment with its published Biodiversity Policy. As part of the Commitment Group's activities, efforts such as fauna observation and conservation actions, relocation of species to similar habitats to keep them outside the project site's impact area, and rehabilitation initiatives are implemented. The extreme weather events triggered by the climate crisis pose risks to the resilience, productivity, and diversity of plant species. The Toros Agricultural Research Center and the Tekfen Agricultural Agripark Research Center are engaged in projects aimed at developing products that enhance productivity and adapt to climate changes, reducing nutrient loss in plants, and providing farmers with disease-free, high-yield, quality seeds and seedlings.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Committee

- Risk committee

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

(4.3.1.4) Reporting line

Select from:

- Reports to the Chief Risks Officer (CRO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- More frequently than quarterly

(4.3.1.6) Please explain

This year, the risk committee, which has held six meetings, convenes to assess the potential impacts and opportunities of climate risks. Early Detection of Risk Committee (RC) is led by an independent member of our board & another member of our board serves as a member of the RC. RC meets every two months in these meetings, the CEO, Risk Director, Vice-Presidents and Risk Managers of the Group Companies are also present. RC identifies risks (including climaterelated risks) that may threaten the existence, development & continuation of the Company & takes the measures necessary to prevent them & acts to manage the risks. Group Companies submit their periodic reports for monitoring the risks & RC reviews these risk documents every two months & refers the major risks & its own comments & assessments to the BoD. Risks are considered by the BoD, which may instruct Tekfen Group companies as to how particular risks are to be managed.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Committee

- Sustainability committee

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

(4.3.1.4) Reporting line

Select from:

- Reports to the Chief Sustainability Officer (CSO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- More frequently than quarterly

(4.3.1.6) Please explain

The Sustainability Committee is responsible for the creation of the necessary strategies, roadmaps, goals, policies, and reports to realize the sustainability vision, as well as the integration of corporate sustainability issues and CSR policies into business processes in line with priorities. In 2019, working groups were established in five different areas under the Sustainability Committee, and roadmaps were defined for each working group. Progress related to the roadmap is reported annually to the Corporate Governance Committee and the Board of Directors. The Sustainability Committee (SC) is formed under the CGC in order to help the BoD oversee & effectively manage climate & sustainability-related issues with a holistic approach. SC is led by the Group Companies CEO who is also a member of the Top Management. SC consists of management-level members appointed by top management of Tekfen Holding & the General Managers of Tekfen Group Companies, including Working Group Leaders (Sustainability Coordinator, HSE&Q Coordinator, IT Director, Corporate Governance Director & HR Director). Since 2018, the Sustainability Reports, which are published annually, include the activities carried out within the scope of CSR policies, along with the monitoring of performance. The Tekfen Group's environmental, social, occupational health and safety, and economic performance indicators from the last three years are shared in a way that allows for year-on-year comparison.

[Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

100

(4.5.3) Please explain

The rate of achievement of his targets directly affects the lower-level executives, as all of the targets are interconnected. The targets and their level of achievement are controlled using a software. Achievement of annually set/revised targets and the Company's success directly contribute to the individual's performance score, resulting in monetary reward in the form of an increased salary or a bonus. So in this new system, climate-related issues are also one of the KPI's of almost all white-collar employees.

Water

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

100

(4.5.3) Please explain

The rate of achievement of his targets directly affects the lower-level executives, as all of the targets are interconnected. The targets and their level of achievement are controlled using a software. Achievement of annually set/revised targets and the Company's success directly contribute to the individual's performance score, resulting in monetary reward in the form of an increased salary or a bonus. So in this new system, climate-related issues are also one of the KPI's of almost all white-collar employees.

[Fixed row]

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

Management group

(4.5.1.2) Incentives

Select all that apply

Bonus - % of salary

- Salary increase

(4.5.1.3) Performance metrics

Targets

- Progress towards environmental targets
- Achievement of environmental targets
- Organization performance against an environmental sustainability index

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

- Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Our performance assessment methodology includes a top-to-bottom approach. Our CEO has targets related to compliance with the Sustainability Action Plan, which includes actions about corporate governance, stakeholder relations, social responsibility, environment, digitalization and innovation. There are actions under environment and innovation that relate directly to climate change related issues like reduction of Scope 1 and 2 GHG emissions, energy reduction and efficiency projects. Our CEO also has targets to complete the Net-Zero roadmap and present the roadmap to the Board of Directors. The rate of achievement of his targets directly affects the lower-level executives, as all of the targets are interconnected. The targets and their level of achievement are controlled using a software. Achievement of annually set/revised targets and the Company's success directly contribute to the individual's performance score, resulting in monetary reward in the form of a bonus.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Implementing an incentive system tied to climate-related metrics is a valuable tool for driving Tekfen's climate commitments and sustainability strategy. These incentives contribute by fostering employee engagement, aligning individual efforts with sustainability goals, measuring performance, encouraging behavioral change, showcasing leadership commitment, promoting innovation and collaboration, and enhancing external recognition. By rewarding employees for their contributions to reducing environmental impact, Tekfen can drive a culture of sustainability and achieve tangible results while attracting stakeholders and positioning itself as a responsible company. Careful design, monitoring, and evaluation of the incentive system are essential for its effectiveness and alignment with Tekfen's specific sustainability objectives.

Water

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

- Management group

(4.5.1.2) Incentives

Select all that apply

- Bonus - % of salary
- Salary increase

(4.5.1.3) Performance metrics

Targets

- Progress towards environmental targets
- Achievement of environmental targets
- Organization performance against an environmental sustainability index

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

- Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Our performance assessment methodology includes a top-to-bottom approach. Our CEO has targets related to compliance with the Sustainability Action Plan, which includes actions about corporate governance, stakeholder relations, social responsibility, environment, digitalization and innovation. There are actions under environment and innovation that relate directly to water consumption and efficiency projects. Achievement of annually set/revised targets and the Company's success directly contribute to the individual's performance score, resulting in monetary reward in the form of a bonus.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Implementing an incentive system tied to climate-related metrics is a valuable tool for driving Tekfen's climate commitments and sustainability strategy. These incentives contribute by fostering employee engagement, aligning individual efforts with sustainability goals, measuring performance, encouraging behavioral change, showcasing leadership commitment, promoting innovation and collaboration, and enhancing external recognition. By rewarding employees for their contributions to reducing environmental impact, Tekfen can drive a culture of sustainability and achieve tangible results while attracting stakeholders and positioning itself as a responsible company. Careful design, monitoring, and evaluation of the incentive system are essential for its effectiveness and alignment with Tekfen's specific sustainability objectives.

[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	<p>Does your organization have any environmental policies?</p>
	<p>Select from:</p> <p><input checked="" type="checkbox"/> Yes</p>

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply

Biodiversity

(4.6.1.2) Level of coverage

Select from:

Selected facilities, businesses or geographies only

(4.6.1.3) Value chain stages covered

Select all that apply

- Direct operations
- Upstream value chain
- Downstream value chain

(4.6.1.4) Explain the coverage

The Tekfen Holding biodiversity protocol emphasizes the company's commitment to protecting and enhancing biodiversity as part of its operational and strategic framework. It recognizes biodiversity as crucial for sustaining the natural environment, supporting ecosystem services, and ensuring the resilience of both ecosystems and business operations. Tekfen aims to integrate biodiversity considerations into its business processes, decision-making, and project management. This includes assessing potential impacts on biodiversity during the planning and execution of projects. The protocol promotes sustainable practices that help minimize negative impacts on biodiversity, such as responsible resource management and habitat conservation. Tekfen is committed to monitoring its biodiversity impacts and reporting on its performance to ensure transparency and accountability. The company encourages collaboration with stakeholders, including local communities, to promote biodiversity conservation initiatives. Tekfen aims to comply with national and international biodiversity laws and guidelines, seeking continuous improvement in its practices. Overall, this protocol reflects Tekfen's recognition of the vital role biodiversity plays in sustainable development and its intention to contribute positively to environmental conservation efforts.

(4.6.1.5) Environmental policy content

Environmental commitments

- Commitment to avoidance of negative impacts on threatened and protected species
- Commitment to respect legally designated protected areas

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- No, but we plan to align in the next two years

(4.6.1.7) Public availability

Select from:

- Publicly available

(4.6.1.8) Attach the policy

TEKFEN HOLDING-BIODIVERSITY POLICY (ENGLISH).pdf

[Add row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

World Business Council for Sustainable Development (WBCSD)

(4.10.3) Describe your organization's role within each framework or initiative

BCSD Turkey is the regional network and business partner of the World Business Council for Sustainable Development (WBCSD). The organization shares the sustainability experience brought by this cooperation with its members and stakeholders on various platforms through the activities of working groups. BCSD Turkey defends sustainable development as a prerequisite for the sound programming of our future, utilizing the country's resources more efficiently. The organization aligned its goals with the United Nations Sustainable Development Goals in 2016. It carries out its activities in 5 focus areas, including climate issues, within the framework of the UN Sustainable Development Goals. BCSD Turkey is a respected stakeholder whose opinion is sought by public institutions and other organizations on climate change issues in Turkey. Tekfen is a member of BCSD Turkey since 2017. The organization operates its climate change related studies through the Transition to Low Carbon Economy and Efficiency working group and the Sustainable Agriculture and Access to Food working group. Transition to Low Carbon Economy and Efficiency Working Group aims at sharing the knowledge & experience of the business world in the decision-making process for policies and regulations concerning climate change. Through this working group, BCSD Turkey endeavors to contribute to the discussions about climate change and to guide the business world in Turkey in their efforts to adapt to the developments in this area. Benefiting from the international structure of WBCSD, the Business Council in Turkey shares the good practices available in the whole world with its members, and it provides guidelines related to the transition to a low-carbon economy and efficiency. Sustainable Agriculture and Access to Food Working Group aims to combat climate change with strategies such as reducing food waste, making necessary investments in efficient agricultural production methods, and protecting natural resources. BCSD Turkey played an active part in COP12 and was one of the main partners of the Sustainable Land Management Business Forum. During the Conference, BCSD Turkey pursued the objectives of addressing the issue from a business perspective, and including good practices from the world and from Turkey in the agenda. As a result of the Forum, Ankara Declaration, which expresses the position of businesses about land management is issued.

[Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

No, but we plan to have one in the next two years

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

No

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

Tekfen Group's main strategy is determined by the Holding BoD. Group Companies prepare 10 and 3-year strategic plans, which are in line with this strategy. These strategic plans are approved by the Group VPs & CEO. The responsibility for the implementation of the approved plans lies with the General Managers. Therefore, all practices are consistent with the Holding's strategy. Compliance with the strategy determined by the Holding is carried out by the Internal Audit Departments reporting to the BoD. Group VPs & CEO are also responsible for ensuring compliance. Principles & commitments related to water are published in the Water Policy. Compliance with the Water Policy is the responsibility of each company's General Manager. It is the responsibility of HSE Department Managers in the Company/Workplaces to ensure compliance with water-related policies, legal regulations & other conditions determined by Tekfen Holding. The Holding, periodically conducts HSE audits to ensure compliance. The result of the audit carried out by the Holding HSE Coordinator is also reported to the CEO. The follow-up of the actions determined after the audit is carried out by the Holding HSE Coordinator. The CEO is informed about the actions that are not completed on time. If

inconsistencies prevail, issues are escalated to Group Company GM's and Group VPs with proposals to resolve them. If the inconsistencies cannot be resolved at this level, the situation is reported to the CEO.

[Fixed row]

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:

- Indirect engagement via other intermediary organization or individual

(4.11.2.2) Type of organization or individual

Select from:

- Non-Governmental Organization (NGO) or charitable organization

(4.11.2.3) State the organization or position of individual

Business Council for Sustainable Development Turkey - BCSD Turkey.

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

- Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

- Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

BSCD works with leading companies in the sector in the following 5 focus areas within the framework of the UN Sustainable Development Goals to raise awareness and impact of the business community regarding sustainable development. In 2023, Toros Tarım initiated the necessary steps to verify emission reduction processes at its facilities as part of its preparations for the Climate Law and Emissions Trading System (ETS). The validation and verification process for obtaining the Verified Emission Reduction (VER) certificate through the Gold Standard for Gönen Yenilenebilir Enerji A.Ş. has been completed, and the process is now at the final report stage. The processes for Meram Yenilenebilir Enerji A.Ş. and the waste heat-to-energy facility at Toros Tarım's Samsun Plant are ongoing.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

0

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

No, we have not evaluated

[Add row]

(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?

Select from:

Yes

(4.12.1) Provide details on the information published about your organization’s response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:

- In mainstream reports

(4.12.1.3) Environmental issues covered in publication

Select all that apply

- Climate change
- Water

(4.12.1.4) Status of the publication

Select from:

- Complete

(4.12.1.5) Content elements

Select all that apply

- Strategy
- Governance
- Emission targets
- Emissions figures
- Risks & Opportunities
- Value chain engagement
- Dependencies & Impacts
- Content of environmental policies

(4.12.1.6) Page/section reference

Sustainability Practices in page 147 and 161

(4.12.1.7) Attach the relevant publication

187202483710182tekfen-holding-2023-faaliyet-raporu-ingilizce-web.pdf

(4.12.1.8) Comment

The 2023 activity report has been appended, with relevant pages referenced accordingly.

Row 2

(4.12.1.1) Publication

Select from:

- In voluntary sustainability reports

(4.12.1.3) Environmental issues covered in publication

Select all that apply

- Climate change
- Water

(4.12.1.4) Status of the publication

Select from:

- Underway - previous year attached

(4.12.1.5) Content elements

Select all that apply

- Strategy
- Governance
- Emission targets
- Emissions figures
- Risks & Opportunities
- Dependencies & Impacts
- Content of environmental policies

(4.12.1.6) Page/section reference

Entire document

(4.12.1.7) Attach the relevant publication

15920239141964tefen-holding-sr-2022-eng.pdf

(4.12.1.8) Comment

*Since the work on the 2023 Sustainability Report is ongoing, the 2022 Sustainability Report has been appended. All reports serve as reference documents.
[Add row]*

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:

Yes

(5.1.2) Frequency of analysis

Select from:

Every three years or less frequently

Water

(5.1.1) Use of scenario analysis

Select from:

Yes

(5.1.2) Frequency of analysis

Select from:

Every three years or less frequently

[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization's scenario analysis.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

- RCP 8.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

- SSP4

(5.1.1.3) Approach to scenario

Select from:

- Qualitative

(5.1.1.4) Scenario coverage

Select from:

- Business activity

(5.1.1.5) Risk types considered in scenario

Select all that apply

- Policy
- Market
- Liability
- Reputation
- Acute physical
- Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

- 1.6°C - 1.9°C

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

- 2030
- 2040
- 2050
- 2060
- 2070

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- Changes to the state of nature
- Climate change (one of five drivers of nature change)

Finance and insurance

- Cost of capital
- Sensitivity of capital (to nature impacts and dependencies)

Stakeholder and customer demands

- Consumer sentiment

Regulators, legal and policy regimes

- Level of action (from local to global)
- Global targets
- Methodologies and expectations for science-based targets

Direct interaction with climate

- On asset values, on the corporate

Macro and microeconomy

- Globalizing markets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

According to the IPCC RCP 4.5. Scenario, emissions will peak 2040-2050. Turkey will face 2 to 3 degrees in Celsius increase in mean temperature during 2013-2040 and up to 4 degrees Celsius in later periods. Reductions in mean precipitation are also expected. As all of our overseas operations are construction projects that don't last more than 3 years, the geographical boundary of our scenario analysis is mainly focused on Turkey. For the construction projects, during the design phase, we also include the scenario analysis but those results are not reported here. The time-horizons applied are in line with our organizational applications, so we consider short-medium- and long-term effects of climate change according to the related scenarios.

(5.1.1.11) Rationale for choice of scenario

We have examined the applicable scenarios and considered RCP 4.5, conducted by the IPCC to investigate a 2 degree Celsius global warming scenario, as a realistic scenario for the impacts of climate change in Turkey.

Water

(5.1.1.1) Scenario used

Physical climate scenarios

- RCP 4.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

- SSP2

(5.1.1.3) Approach to scenario

Select from:

- Quantitative

(5.1.1.4) Scenario coverage

Select from:

- Business activity

(5.1.1.5) Risk types considered in scenario

Select all that apply

- Policy
- Market
- Liability
- Reputation
- Acute physical
- Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

- 1.6°C - 1.9°C

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

- 2030
- 2040
- 2050
- 2060
- 2070

(5.1.1.9) Driving forces in scenario

Finance and insurance

- Cost of capital

- ☑ Sensitivity of capital (to nature impacts and dependencies)

Stakeholder and customer demands

- ☑ Consumer sentiment

Regulators, legal and policy regimes

- ☑ Level of action (from local to global)
- ☑ Global targets
- ☑ Methodologies and expectations for science-based targets

Direct interaction with climate

- ☑ On asset values, on the corporate

Macro and microeconomy

- ☑ Globalizing markets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

We considered IPCC RCP 4.5 as a realistic scenario for the impacts of climate change in Turkey. According to RCP 4.5. scenario, 2013-2040, 2041-2070, 2071-2099 are considered as 3 defining time periods. According to the scenario, Turkey will face 2 to 3 degrees in Celsius increase in mean temperature during 2013-2040 and up to 4 degrees Celsius in later periods. Reductions in mean precipitation are also expected.

(5.1.1.11) Rationale for choice of scenario

We are on the path to Net-Zero, this is why we have selected IEA NZE2050 scenario to evaluate our transitional risks. This scenario sets out an emissions trajectory consistent with a 50% chance of limiting the global temperature rise to 1.5C without a temperature overshoot.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

- ☑ IEA NZE 2050

(5.1.1.3) Approach to scenario

Select from:

- Qualitative

(5.1.1.4) Scenario coverage

Select from:

- Business activity

(5.1.1.5) Risk types considered in scenario

Select all that apply

- Policy
- Market
- Liability
- Reputation
- Acute physical
- Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

- 1.6°C - 1.9°C

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

- 2030
- 2040
- 2050

2060

2070

(5.1.1.9) Driving forces in scenario

Finance and insurance

Cost of capital

Sensitivity of capital (to nature impacts and dependencies)

Stakeholder and customer demands

Consumer sentiment

Regulators, legal and policy regimes

Global targets

Methodologies and expectations for science-based targets

Direct interaction with climate

On asset values, on the corporate

Macro and microeconomy

Globalizing markets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

We identify our risks in especially short and medium term time horizons according to this scenario.

(5.1.1.11) Rationale for choice of scenario

All of our operations are included in the scenario analysis, but the main focus of transitional impacts is our Toros Agri operations due to the agriculture sector's sensitivity to climate change and its turnover share in the holding.

[Add row]

(5.1.2) Provide details of the outcomes of your organization's scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

- Risk and opportunities identification, assessment and management
- Strategy and financial planning
- Capacity building
- Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:

- Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

TEKFEN Holding has assessed the impact of transitional and physical risks on their main business activities. The outcomes have impacted the investment decisions, procurement and acquisition decisions. TEKFEN has increased the share of renewable power generation facilities and invested in startup companies which develop climate solutions.

Water

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

- Risk and opportunities identification, assessment and management
- Strategy and financial planning
- Capacity building

(5.1.2.2) Coverage of analysis

Select from:

- Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

Tekfen Holding consider these impacts especially important in our Agricultural Production Group and Chemical Industry Group. Our direct operations (Tekfen Agri orchards) and value chain (fruit suppliers and farmers who use our fertilizers) will be directly impacted as a limited amount of water resources available will need to be used more efficiently. According to RCP 4.5 scenario, our Mersin and Ceyhan Plants are likely to face pressuring water stress beyond 2046.

[Fixed row]

(5.2) Does your organization's strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:

No, but we have a climate transition plan with a different temperature alignment

(5.2.2) Temperature alignment of transition plan

Select from:

Well-below 2°C aligned

(5.2.3) Publicly available climate transition plan

Select from:

No

(5.2.4) Plan explicitly commits to cease all spending on, and revenue generation from, activities that contribute to fossil fuel expansion

Select from:

Yes

(5.2.5) Description of activities included in commitment and implementation of commitment

Tekfen Holding is shaping its future plans in line with the 'Low Carbon Transformation Roadmap / Low Carbon Transition Plan,' which includes a target of net zero emissions by 2050. In this period of increasing carbon taxes and the widespread adoption of ETS, the company is implementing measures and investments to reduce greenhouse gas emissions. Feasibility studies are being conducted for the medium-term replacement of fossil fuel-powered machinery and equipment at various facilities with electrification technologies (such as heat pumps). Additionally, efforts are ongoing with a focus on transitioning to a low-carbon economy.

(5.2.7) Mechanism by which feedback is collected from shareholders on your climate transition plan

Select from:

We have a different feedback mechanism in place

(5.2.8) Description of feedback mechanism

As part of Tekfen Holding's climate transition plan, priority topics have been identified by considering developments in current sustainability reporting standards, global trends, long-term vision, and best practices. A double materiality analysis was conducted to determine the key areas for Tekfen, and feedback on these areas was collected through a stakeholder engagement survey. The prioritization analysis involved identifying key stakeholder groups, which included white-collar and blue-collar employees, senior management, the Board of Directors, suppliers, customers, investors, public institutions, academic organizations, NGOs, industry associations, and dealers. A broad list of priority topics was then created based on a literature review and external trend analysis, covering environmental, social, and governance (ESG) issues. These topics were further explored through online surveys and face-to-face interviews with the relevant stakeholders.

(5.2.9) Frequency of feedback collection

Select from:

More frequently than annually

(5.2.10) Description of key assumptions and dependencies on which the transition plan relies

Tekfen Transition Plan where our products, production, and business model are supported by sustainable business practices. On one hand, we focus on improving energy efficiency in our facilities, reducing carbon emissions in our production processes, and continuing lean transition projects to minimize our carbon footprint in ongoing operations. On the other hand, we aim to lead the low-carbon transition in the fertilizer industry with next-generation climate-friendly products and application models, powered by our strengths in Digital Agriculture Applications, R&D, and Innovation. Our role in the sector's transformation is not limited to investments and production model shifts. Through our projects centered on good agricultural practices, agricultural innovation, and enhancing the farmer experience, we continue our efforts towards ensuring the continuity of agricultural production, optimizing nutrient uptake, reducing/preventing greenhouse gas emissions, minimizing/reusing waste, and increasing agricultural productivity. To ensure a low-carbon, climate-resilient transformation across the value chain extending to farmers in our industry, we are not only raising awareness on environmental and social sustainability, both internally and externally, through the "Sustainable Fertilizer Academy," which we launched in collaboration with IFA to strengthen green and digital transformation skills and competencies. We are also driving forward data-driven field management solutions and continuing our good agricultural practices-based activities to enhance productivity. Our Agricultural Technical and Digital Marketing teams, along with

the Toros Farmer Academy (our Mobile Training Bus), the Toros Farmer App, and our next-generation "climate-friendly" products, continue to support our farmers and the sustainability of Turkish agriculture.

(5.2.11) Description of progress against transition plan disclosed in current or previous reporting period

According to the World Economic Forum's 2023 Global Risks Report, the top 4 of the 10 biggest risks over the next decade are environmental risks. The climate crisis is increasing both the likelihood and severity of risks such as extreme weather events, critical changes in global systems, biodiversity loss, and ecosystem collapse. In response to the uncertainty created by this situation, countries have accelerated their low-carbon transitions in various ways. For instance, the European Union announced the Green Deal in 2019 to promote resource efficiency by transitioning to a clean, circular economy. Additionally, developments like the COVID-19 pandemic and the Russia-Ukraine war have highlighted the concept of strategic autonomy, further accelerating the transition to green energy. Tekfen continues its efforts in carbon-intensive sectors with an awareness of the challenges posed by the climate crisis. According to its updated prioritization analysis, 5 of the 9 highest priority issues are related to the climate crisis. This result demonstrates that Tekfen Holding and its Group Companies' managers and stakeholders are aware of the risks and potential impacts of the climate crisis. Aiming to ensure business continuity and reduce its environmental impact, Tekfen is identifying opportunities in this area and taking steps today to transition to the carbon-free business models of the future. In this context, Tekfen has developed a new strategy, expanding its operational areas to serve a net-zero economy and aiming to implement sustainability-focused investments.

(5.2.12) Attach any relevant documents which detail your climate transition plan (optional)

2820241144363tekfen-fr-2023-eng-web-lr.pdf,2820241144363tekfen-fr-2023-eng-web-lr.pdf,2820241144363tekfen-fr-2023-eng-web-lr.pdf,2820241144363tekfen-fr-2023-eng-web-lr.pdf

(5.2.13) Other environmental issues that your climate transition plan considers

Select all that apply

No other environmental issue considered

(5.2.15) Primary reason for not having a climate transition plan that aligns with a 1.5°C world

Select from:

Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

(5.2.16) Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world

Tekfen Holding is a diversified company with a wide range of service areas, including agriculture, construction, and FLAG (Forestry, Land, and Agriculture) operations. For some of these sectors, international reduction roadmaps and guidelines have not yet been published. Therefore, setting a 1.5C target for all these industries would not be appropriate at this stage. As a result, a common 2C target has been set across the board.

[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

- Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

- Products and services
- Upstream/downstream value chain
- Investment in R&D

[Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

(5.3.1.1) Effect type

Select all that apply

- Risks
- Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

TEKFEN HOLDING owns synthetic fertilizer production activity and biogas plants. Synthetic fertilizer production uses ammonia as raw material and emits N₂O during nitric acid production. Both purchased ammonia and inhouse produced nitric acid related emission create risks for TEKFEN HOLDING. On the other hand, ownership of biogas plant enables renewable power generation and organic fertilizer production which enables TEKFEN HOLDING to produce less emission intensive organomineral fertilizers.

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply

- Risks
- Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

TOROS FERTILIZER and TEKFEN CONSTRUCTION are two main subsidiaries of TEKFEN HOLDING. TEKFEN CONSTRUCTION is building industrial plants (refineries, pipelines, power plants) whereas TOROS FERTILIZER is producing synthetic and organic/organomineral fertilizers. Climate change may affect the construction of new industrial plants such as refineries, thermal power plants etc. and reduce demand for synthetic fertilizers and create risk for TEKFEN HOLDING activities. On the other hand, increasing demand for less emission intensive fertilizer products (such as organomineral or slow release fertilizers) will create new growth opportunities for TEKFEN HOLDING. For TEKFEN CONSTRUCTION, demand for new renewable energy or low carbon investments (green ammonia, hydrogen, CCUS etc). is expected to increase which may create new growth oportuties.

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

- Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change
- Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

2023 was a significant year of transformation for Tekfen Holding. Throughout the year, we closely followed global and sectoral developments. The latest trends in low-carbon transition, climate technologies, renewable energy investments, and regulations, which are central to the industries we operate in, guided us in shaping our new strategy. At the Annual Conferences of sectoral associations like IPLOCA (International Pipe Line and Offshore Contractors Association) and IFA (International Fertilizer Association), which bring together influential players from around the world and where we are also members, the importance of international cooperation and the role of technological advancements in building a sustainable future resilient to the impacts of climate change were discussed. In this context, renewable energy plants, along with investments in electric vehicles and clean energy sources such as hydrogen, are now key priorities on the agendas of global energy companies. Tekfen Group's investments in green ammonia and its strengthening of a low-carbon raw material and product portfolio in the Agricultural Industry will take the Group a step further in combating the climate crisis.

[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

- Revenues
- Capital expenditures
- Access to capital
- Assets

(5.3.2.2) Effect type

Select all that apply

- Risks

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

- Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Capital expenditures may increase for TOROS FERTILIZER due to new investment need for reducing N2O emissions and new energy efficiency investments for production facilities.

Row 2

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

- Revenues
- Direct costs
- Acquisitions and divestments

(5.3.2.2) Effect type

Select all that apply

- Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

- Climate change
- Water

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

In order to reach Paris Agreement objectives, significant investment must be made for low carbon facilities. Thus, demand for TEKFEN CONSTRUCTION and TEKFEN ENGINEERING services is expected to increase. Also, increasing demand for low carbon fertilizers is expected to increase revenue of TEKFEN HOLDING. TEKFEN HOLDING has also decided to increase investment on renewable energy and low carbon solutions. TEKFEN HOLDING has recently acquired the share of two renewable energy firms.

[Add row]

(5.4) In your organization’s financial accounting, do you identify spending/revenue that is aligned with your organization’s climate transition?

	Identification of spending/revenue that is aligned with your organization’s climate transition
	<i>Select from:</i> <input checked="" type="checkbox"/> No, but we plan to in the next two years

[Fixed row]

(5.4.1) Quantify the amount and percentage share of your spending/revenue that is aligned with your organization’s climate transition.

	Methodology or framework used to assess alignment	Financial metric
Row 1	<i>Select from:</i> <input checked="" type="checkbox"/> Other, please specify :TEKFEN HOLDING uses internal carbon pricing to decide on expenditures and investments. Impact of new investments on climate objectives is assessed.	<i>Select from:</i> <input checked="" type="checkbox"/> CAPEX

[Add row]

(5.5) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

(5.5.1) Investment in low-carbon R&D

Select from:

Yes

(5.5.2) Comment

TEKFEN HOLDING (TOROS AGRI) works on slow release fertilizers, precision agriculture, organomineral products. TEKFEN CONSTRUCTION/ENGINEERING works on green hydrogen, green ammonia and derivative low carbon products.

[Fixed row]

(5.5.3) Provide details of your organization's investments in low-carbon R&D for chemical production activities over the last three years.

Row 1

(5.5.3.1) Technology area

Select from:

Chemical production using variable renewables

(5.5.3.2) Stage of development in the reporting year

Select from:

Applied research and development

(5.5.3.3) Average % of total R&D investment over the last 3 years

(5.5.3.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

796899

(5.5.3.5) Average % of total R&D investment planned over the next 5 years

20

(5.5.3.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

We have an R&D center in Mersin as part of our Agri-Industry Activities. As a result of the R&D activities held, the specialty fertilizer portfolio was enriched by the addition of Smart Urea and Smart N21 which are slow-release fertilizers. Studies show that depending on circumstances in cultivation, slow-release fertilizers can reduce denitrification and greenhouse gas emissions by up to 40%. In 2020 we also signed a 5-year agreement with The Scientific and Technological Research Council of Turkey (TUBİTAK), to develop projects on sustainability-related issues including sustainable environment issues like waste management, water treatment technologies, and alternative energy technologies like biomass-based technologies and renewable energy. This agreement also includes research and development of projects that will reduce our direct and value-chain GHG emissions. HiFlex Project-Tekfen engineering has worked on a project designed to reduce Barilla's carbon footprint in the production of pasta, as part of its drive towards sustainable production. One of the most important components of the 'HiFlex Project', initiated by Barilla in Foggia (Italy) and supported by the EU, is the concentration of solar power (CSP), and it is in this area that Tekfen Engineering has taken on a role. The project, in which 11 companies from 7 countries are taking part on a cooperative basis, will lead to the construction of a new facility producing renewable energy. Tekfen Engineering is to use particle technology – a world first – and is to be responsible for all engineering work in connection with the building of a solar energy concentration plant of around 7500 square meters in an area that will be able to follow the sun in both directions, a plant of this kind being known as a 'heliostat'.

Row 2

(5.5.3.1) Technology area

Select from:

Electrolysis

(5.5.3.2) Stage of development in the reporting year

Select from:

Applied research and development

(5.5.3.3) Average % of total R&D investment over the last 3 years

(5.5.3.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

796899

(5.5.3.5) Average % of total R&D investment planned over the next 5 years

20

(5.5.3.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

*We have an R&D center in Mersin as part of our Agri-Industry Activities. As a result of the R&D activities held, the specialty fertilizer portfolio was enriched by the addition of Smart Urea and Smart N21 which are slow-release fertilizers. Studies show that depending on circumstances in cultivation, slow-release fertilizers can reduce denitrification and greenhouse gas emissions by up to 40%. In 2020 we also signed a 5-year agreement with The Scientific and Technological Research Council of Turkey (TUBİTAK), to develop projects on sustainability-related issues including sustainable environment issues like waste management, water treatment technologies, and alternative energy technologies like biomass-based technologies and renewable energy. This agreement also includes research and development of projects that will reduce our direct and value-chain GHG emissions. HiFlex Project-Tekfen engineering has worked on a project designed to reduce Barilla's carbon footprint in the production of pasta, as part of its drive towards sustainable production. One of the most important components of the 'HiFlex Project', initiated by Barilla in Foggia (Italy) and supported by the EU, is the concentration of solar power (CSP), and it is in this area that Tekfen Engineering has taken on a role. The project, in which 11 companies from 7 countries are taking part on a cooperative basis, will lead to the construction of a new facility producing renewable energy. Tekfen Engineering is to use particle technology – a world first – and is to be responsible for all engineering work in connection with the building of a solar energy concentration plant of around 7500 square meters in an area that will be able to follow the sun in both directions, a plant of this kind being known as a 'heliostat'.
[Add row]*

(5.9) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?**(5.9.1) Water-related CAPEX (+/- % change)**

14738

(5.9.2) Anticipated forward trend for CAPEX (+/- % change)

0

(5.9.3) Water-related OPEX (+/- % change)

172

(5.9.4) Anticipated forward trend for OPEX (+/- % change)

0

(5.9.5) Please explain

Water-related CAPEX (2023): 27,400,000 and OPEX (2023): 27,400,000
[Fixed row]

(5.10) Does your organization use an internal price on environmental externalities?

	Use of internal pricing of environmental externalities	Environmental externality priced
	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Carbon

[Fixed row]

(5.10.1) Provide details of your organization's internal price on carbon.

Row 1

(5.10.1.1) Type of pricing scheme

Select from:

- Shadow price

(5.10.1.2) Objectives for implementing internal price

Select all that apply

- Conduct cost-benefit analysis
- Drive low-carbon investment
- Incentivize consideration of climate-related issues in decision making
- Incentivize consideration of climate-related issues in risk assessment

(5.10.1.3) Factors considered when determining the price

Select all that apply

- Alignment to international standards
- Alignment with the price of a carbon tax
- Alignment with the price of allowances under an Emissions Trading Scheme
- Alignment with the price of carbon border adjustment mechanism
- Price/cost of voluntary carbon offset credits

(5.10.1.4) Calculation methodology and assumptions made in determining the price

Calculation is made using different price estimations. These include, EU ETS prices, potential allowance prices in prospective Turkish National ETS based on available studies and voluntary offset prices. In investment decisions, carbon price required to reach the parity between two options is calculated and compared with the carbon price estimations in referred schemes. According to the Low Carbon and Climate Resilient Roadmap Report for the Turkish Fertilizer Sector published by the Ministry of Industry and Technology, the average greenhouse gas emissions per product in the top 10% of fertilizer plants in Europe currently constitute a reference point for the EU. According to IFA data; it is estimated that a plant exempt from any carbon tax produces approximately 1.57 mt CO₂ /mt NH₃. For a typical ammonia plant emitting 1.9 mt CO₂/mt NH₃ in Europe, a total of 0.3 mt CO₂ would be above the reference value. With a carbon price of 100/mt CO₂ and no carbon tax in the country of origin, this would mean a cost of approximately 30/mt NH₃ SKDM. The global average is approximately 2.2 mt CO₂/mt NH₃, which would give a carbon price of 100 Euros/mtCO₂e and a price of approximately 60 Euros/mt SKDM, which becomes even more significant. For this reason, we use 60 Euros (65.81 USD) as the minimum price and 100 Euros (109.68 USD) as the maximum price.

(5.10.1.5) Scopes covered

Select all that apply

- Scope 1

- Scope 2
- Scope 3, Category 1 - Purchased goods and services
- Scope 3, Category 11 - Use of sold products

(5.10.1.6) Pricing approach used – spatial variance

Select from:

- Uniform

(5.10.1.8) Pricing approach used – temporal variance

Select from:

- Static

(5.10.1.10) Minimum actual price used (currency per metric ton CO2e)

65.81

(5.10.1.11) Maximum actual price used (currency per metric ton CO2e)

109.68

(5.10.1.12) Business decision-making processes the internal price is applied to

Select all that apply

- Capital expenditure
- Operations

(5.10.1.13) Internal price is mandatory within business decision-making processes

Select from:

- No

(5.10.1.14) % total emissions in the reporting year in selected scopes this internal price covers

(5.10.1.15) Pricing approach is monitored and evaluated to achieve objectives

Select from:

No

[Add row]

(5.11) Do you engage with your value chain on environmental issues?**Suppliers****(5.11.1) Engaging with this stakeholder on environmental issues**

Select from:

Yes

(5.11.2) Environmental issues covered

Select all that apply

Climate change

Plastics

Customers**(5.11.1) Engaging with this stakeholder on environmental issues**

Select from:

Yes

(5.11.2) Environmental issues covered

Select all that apply

Climate change

- Water
- Plastics

Investors and shareholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

- Yes

(5.11.2) Environmental issues covered

Select all that apply

- Climate change
- Water

Other value chain stakeholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

- No, but we plan to within the next two years

(5.11.3) Primary reason for not engaging with this stakeholder on environmental issues

Select from:

- Not an immediate strategic priority

(5.11.4) Explain why you do not engage with this stakeholder on environmental issues

*We have engagement with key suppliers and customers. We are intending to expand this engagement to other value chain stakeholders in coming years.
[Fixed row]*

(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

Climate change

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

- Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

- Basin/landscape condition
- Contribution to supplier-related Scope 3 emissions

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

- 76-99%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

Tekfen uses a cloud-based Supplier Management System (SMS) which is utilized to evaluate Tekfen's current suppliers. In 2021, Tekfen Construction has enhanced its ability to analyze the supplier base by introducing advanced spend analysis method. The analysis runs an 80-20 Pareto Histogram on Procurement activities in total value & order frequency to clarify group of Strategic Suppliers. After the critical suppliers are identified using Pareto analysis, the cloud-based online SMS is used to eval

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

- Unknown

Plastics

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

No, we do not currently assess the dependencies and/or impacts of our suppliers, but we plan to do so within the next two years

[Fixed row]

(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?

Climate change

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

Product safety and compliance

Regulatory compliance

Reputation management

(5.11.2.4) Please explain

During the supplier evaluation process, we classify our suppliers in line with our supplier chain policy. We evaluate our suppliers on an annual basis. We directly inspect our suppliers under the environmental heading. Additionally, we plan to audit our 2024 plans in terms of sustainability. Moreover, Tekfen places great importance on the adoption of its values and ways of working by contractors, subcontractors, and suppliers. In this context, Tekfen conducts merit evaluations and encourages its subcontractors and suppliers to provide training to their employees. In this regard, in 2023, 79 suppliers received a total of 190 person-hours of business ethics training.

Plastics

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

- Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

- Product safety and compliance

(5.11.2.4) Please explain

During the supplier evaluation process, we classify our suppliers in line with our supplier chain policy. We evaluate our suppliers on an annual basis. We directly inspect our suppliers under the environmental heading. Additionally, we plan to audit our 2024 plans in terms of sustainability.

[Fixed row]

(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

Climate change

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

- Yes, suppliers have to meet environmental requirements related to this environmental issue, but they are not included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

- Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

Tekfen values not only the direct impacts (environmental, social, and economic) caused by its activities but also the indirect impacts arising through the suppliers it works with. Tekfen's expectations from its suppliers are outlined in its "Supply Chain Policy" as part of its sustainability strategy. Tekfen continues its efforts to develop a supply chain management model that integrates ethical and environmentally responsible practices into a competitive and successful framework.

<https://www.tekfen.com.tr/en/Uploads/pdfs/510202020328157tekfen-grp-pol-006-supplychainpolicy-imzali.pdf>

[Fixed row]

(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Climate change

(5.11.6.1) Environmental requirement

Select from:

- Implementation of emissions reduction initiatives

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

- Certification

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

- 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

- 100%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

100%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

100%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

Retain and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

None

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics

(5.11.6.12) Comment

Tekfen Group of Companies work with numerous suppliers. All of our suppliers are expected to comply with Tekfen's Code of Conduct and their compliance is audited. From a climate-change point of view, the effects of our suppliers are not equal. Therefore, we give utmost importance to the suppliers that have the highest effect on climate change. 35.2% of Tekfen's total revenue is realized by the Engineering and Contracting Group and Tekfen Construction assesses the suppliers to be critical and noncritical. Tekfen Construction carries out Procurement and Supplier Management Strategies based on ethical and sustainability awareness. Tekfen conducts data-based supplier and procurement management, focusing on three principal components of sustainability in order to ensure real and long-term cooperation with its suppliers. Tekfen uses a cloud-based Supplier Management System (SMS) which is utilized to evaluate Tekfen's current suppliers. As a part of Tekfen's Code of Conduct, all suppliers are expected to comply with regulatory requirements and some of the critical suppliers are also expected to comply with relevant environmental standards. We request their certificates, send our suppliers self-assessment questionnaires, and also have a grievance mechanism for Tekfen Construction projects. In 2023 we didn't detect any non-compliance, hence we assume 100% of our suppliers were in compliance with the regulatory requirements.
[Add row]

(5.11.7) Provide further details of your organization's supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

- Emissions reduction

(5.11.7.3) Type and details of engagement

Capacity building

- Provide training, support and best practices on how to mitigate environmental impact

(5.11.7.4) Upstream value chain coverage

Select all that apply

- Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

- 100%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

- Unknown

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

Tekfen Holding continues its projects to reduce its impact on climate change. Additionally, it strives to involve its suppliers, associated with Scope 3 emissions, in the process as much as possible. In this context, it published its supply chain policy in 2020. Tekfen clearly states its expectation for a low carbon footprint from its suppliers and is advancing the process collaboratively through various training, support, and applications. For example, Toros Tarım contributes to water efficiency and works to prevent nitrate pollution through its Smart Farmer Application, which helps farmers use the right fertilizer at the right time, in the right place, and in the right amount (4D), along with face-to-face farmer training. Furthermore, it is working on the development of digital agricultural solutions for farmers. Additionally, Toros Tarım is conducting efforts to identify carbon footprint reduction and green transformation opportunities within the end-to-end (E2E) supply chain as part of its compliance with the Net Zero Scope 3 roadmap. The first step of these efforts involved completing the identification of critical risks in production and operations within the value chain. Based on the impact of these risks on business continuity, risk indicators have been established for monitoring, and priority actions have been mapped in alignment with the Net Zero Scope 3 roadmap, green transformation, and emission reduction strategies. Work is ongoing to ensure timely monitoring of critical risk indicators through platforms, along with the review of supplier contracts (particularly in procurement) with the relevant departments.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

Yes, please specify the environmental requirement

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

Yes

Plastics

(5.11.7.2) Action driven by supplier engagement

Select from:

Waste and resource reduction and improved end-of-life management

(5.11.7.3) Type and details of engagement

Capacity building

Other capacity building activity, please specify :researching alternative raw materials (bio-based, recycled) instead of fossil-based raw materials

(5.11.7.4) Upstream value chain coverage

Select all that apply

Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

100%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

Engaging in the exploration and adoption of alternative raw materials, such as bio-based and recycled options, to replace fossil-based materials is a key step towards sustainability. This process involves researching and identifying viable substitutes that can maintain or even improve product quality while significantly reducing environmental impact. By transitioning to renewable and circular materials, companies can lower their carbon footprint, contribute to a circular economy, and align with global sustainability goals. Engaging stakeholders throughout the supply chain in this transformation is critical, as collaboration will be essential for sourcing, testing, and implementing these alternatives effectively. We are expecting our suppliers gives bio-based or recycled plastic raw material alternatives.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

Yes

[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

- Educate and work with stakeholders on understanding and measuring exposure to environmental risks
- Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services
- Share information about your products and relevant certification schemes

(5.11.9.3) % of stakeholder type engaged

Select from:

- 1-25%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

- 51-75%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

68% of Tekfen's Scope 3 emissions are from the use of fertilizers sold. The use of correct, timely, and adequate fertilizers is crucial to reducing Scope 3 emissions. Therefore, the awareness level of dealers and farmers is among the most important factors in reducing Scope 3 emissions from the use of fertilizers sold. As part of Toros Agri activities, trainings are continuously provided to our ultimate customers, farmers, covering a wide range of agricultural topics which in return provides a contribution to economic and quality products in agricultural production through increasing awareness resulting in conscious production applications. The increase in quantity and quality of produce yielded from a unit field, resulting from efficient and correct usage of fertilizers, water, and fuel to apply raw materials, contributes to our efforts to enhance our climate change management practices. Toros Agri, with this awareness, has been organizing nationwide "Farmer Training Meetings" continuously since the 1980s, when the company started its operations, to increase quality and hence contribute to farmers' wealth and protect the environment. In the fertilizer sector, farmer-training seminars, first and solely applied by Toros Agri, are organized throughout Turkey, in countless cities and districts, and open to everyone. In addition to the seminars, thanks to meetings at village cafes and TV programs, Toros Agri has reached over a hundred thousand of farmers until today. Toros Agri is in close cooperation with regional agricultural organizations in relation to this matter. Toros Agri has also Toros Farmer App that shares educational information and recommendations about fertilizers with our registered farmers and distributors. With this APP we aim to contribute to Sustainable Development Goals (SDGs) 2, 4, 12, and 13. We also educate our customers on the likely impacts of climate change on farming and how they should change/vary their methods based on changing climate trends, preparing them to become resilient to climate impacts. We believe that by raising awareness of our farmers using fertilizers, we can reduce the related energy and water consumption.

(5.11.9.6) Effect of engagement and measures of success

As of the end of 2023, the Toros Çiftçi database has recorded 14,370 field registrations belonging to 11,845 farmers. Including authorized seller accounts, there are a total of 13,110 users registered in the system.

Water

(5.11.9.1) Type of stakeholder

Select from:

Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

Educate and work with stakeholders on understanding and measuring exposure to environmental risks

(5.11.9.3) % of stakeholder type engaged

Select from:

76-99%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Tekfen employs a cloud-based Supplier Management System (SMS) to assess its existing suppliers. In 2021, Tekfen Construction improved its capability to analyze its supplier network by implementing an advanced spend analysis technique. This analysis utilizes an 80-20 Pareto Histogram to evaluate procurement activities based on total value and order frequency, helping to identify a group of Strategic Suppliers. Once critical suppliers are pinpointed through Pareto analysis, the online SMS is utilized for further evaluation. Tekfen also seeks information regarding suppliers' sustainability performance, particularly their water management practices. We gather details from our suppliers about their quality management systems (such as ISO 9001, ISO 14001, etc.), product certifications, and water management techniques through online questionnaires.

(5.11.9.6) Effect of engagement and measures of success

Toros Agri also collaborates actively with universities as part of its R&D activities focused on the development of water-soluble fertilizers, which have great potential to reduce water pollution and avoid excessive water consumption. By partnering with universities, we aim to transform the shared know-how into new and more sustainable products that positively impact the entire value chain. This will enable multi-dimensional water-related benefits once these products are commercialized in the medium to long term. Accordingly, we define the measure of success for these collaborations as the commercialization of new water-soluble fertilizers. To assess

success, we consider the number of users of the Toros Farmer Application, meetings held with dealers, training sessions, presentations, and completed R&D projects.

[Add row]

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

Climate change

(6.1.1) Consolidation approach used

Select from:

Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

As per the nature of the business sectors involved (such as construction) of TEKFEN HOLDING, there exists many partnerships, subsidiaries and investments. Consolidation has been made considering the If TEKFEN HOLDING or subsidiaries' have full control over operational and environmental policies. This approach enables generating consistent and accurate data.

Water

(6.1.1) Consolidation approach used

Select from:

Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

As per the nature of the business sectors involved (such as construction) of TEKFEN HOLDING, there exists many partnerships, subsidiaries and investments. Consolidation has been made considering the If TEKFEN HOLDING or subsidiaries' have full control over operational and environmental policies. This approach enables generating consistent and accurate data.

Plastics

(6.1.1) Consolidation approach used

Select from:

Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

As per the nature of the business sectors involved (such as construction) of TEKFEN HOLDING, there exists many partnerships, subsidiaries and investments. Consolidation has been made considering the If TEKFEN HOLDING or subsidiaries' have full control over operational and environmental policies. This approach enables generating consistent and accurate data.

Biodiversity

(6.1.1) Consolidation approach used

Select from:

Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

As per the nature of the business sectors involved (such as construction) of TEKFEN HOLDING, there exists many partnerships, subsidiaries and investments. Consolidation has been made considering the If TEKFEN HOLDING or subsidiaries' have full control over operational and environmental policies. This approach enables generating consistent and accurate data.

[Fixed row]

C7. Environmental performance - Climate Change

(7.1) Is this your first year of reporting emissions data to CDP?

Select from:

No

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

	Has there been a structural change?
	Select all that apply <input checked="" type="checkbox"/> No

[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

(7.1.2.1) Change(s) in methodology, boundary, and/or reporting year definition?

Select all that apply

No, but we have discovered significant errors in our previous response(s)

(7.1.2.2) Details of methodology, boundary, and/or reporting year definition change(s)

The greenhouse gas emissions calculations for Tekfen Holding this year employed the same methodology as last year. However, discrepancies were identified in specific areas of the previous assessment. Notably, the emission factors have been upgraded from Tier-1 to the more precise Tier-2 for this year's evaluation. Furthermore, categories that were previously excluded from last year's analysis were incorporated into this cycle by requesting and integrating relevant data, ensuring a more comprehensive and refined assessment of the emissions profile.

[Fixed row]

(7.1.3) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in 7.1.1 and/or 7.1.2?

(7.1.3.1) Base year recalculation

Select from:

No, because the operations acquired or divested did not exist in the base year

(7.1.3.3) Base year emissions recalculation policy, including significance threshold

The greenhouse gas emissions calculations for Tekfen Holding this year employed the same methodology as last year. However, discrepancies were identified in specific areas of the previous assessment. Notably, the emission factors have been upgraded from Tier-1 to the more precise Tier-2 for this year's evaluation. Furthermore, categories that were previously excluded from last year's analysis were incorporated into this cycle by requesting and integrating relevant data, ensuring a more comprehensive and refined assessment of the emissions profile.

(7.1.3.4) Past years' recalculation

Select from:

No

[Fixed row]

(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Select all that apply

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

(7.3) Describe your organization’s approach to reporting Scope 2 emissions.

	Scope 2, location-based	Scope 2, market-based	Comment
	<i>Select from:</i> <input checked="" type="checkbox"/> We are reporting a Scope 2, location-based figure	<i>Select from:</i> <input checked="" type="checkbox"/> We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure	<i>As energy attribute certificates in the form of I-RECs are now available in Turkey, starting from 2020, we are also reporting a market-based figure.</i>

[Fixed row]

(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Select from:

No

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

12/30/2016

(7.5.2) Base year emissions (metric tons CO2e)

1052536.49

(7.5.3) Methodological details

2023 has been selected as the baseline year, and targets have been set accordingly. However, calculations from previous years have been incorporated as baseline results to allow for comparison with earlier years. The calculations were conducted in line with ISO 14064 and GHG Protocol principles. The results were then verified through the ISO 14064 verification process. The natural gas consumption amount is measured by the calibrated meters and corresponding invoices. Emission factor, which is calculated for Türkiye (using National Inventory Report and Türkiye's electricity statistics), used in the calculation is classified as Tier-2. Diesel used in generators and fire pumps are calculated assuming that the generators operated at their full capacity for the duration of operation. Emission factor, which is calculated for Türkiye (using National Inventory Report of Türkiye), used in the calculations is classified as Tier-2. The emissions due to usage of fire-extinguishing and cooling gases were calculated by taking into account the consumption amounts (cylinder filling records) or the quantities present in the facility's internal lines of CO₂, HFC, FM200 and Halocarbon, which are fire-extinguishing and cooling gases. Emission factors from IPCC 2020 AR5 were used in the calculations, which is classified as Tier-1. Fuel consumption (on-road, diesel oil and motor gasoline) of company vehicles is monitored with the "Fuelmatic Transport System". Company vehicle mobile combustion data is obtained from the fuelmatic system for company vehicles and private vehicles. Fuel consumption (diesel oil) for forklifts on-site are also accounted for monitored via fuel statements. Emission factors, which are calculated for Türkiye (using National Inventory Report of Türkiye), used in the calculations is classified as Tier-2.

Scope 2 (location-based)

(7.5.1) Base year end

12/30/2016

(7.5.2) Base year emissions (metric tons CO₂e)

45049.57

(7.5.3) Methodological details

2023 has been selected as the baseline year, and targets have been set accordingly. However, calculations from previous years have been incorporated as baseline results to allow for comparison with earlier years. The calculations were conducted using ISO 14064 and GHG Protocol principles. The results were then verified through the ISO 14064 verification process. The electricity consumption is measured by the calibrated electricity meters and corresponding electricity invoices. Tier-2 emission factor that is calculated for Türkiye is used. While doing this calculation, amount of I-REC certification was excluded from the electricity consumption amount. The amount of IREC certificates bought covers the total electricity used from the grid.

Scope 2 (market-based)

(7.5.1) Base year end

12/30/2016

(7.5.2) Base year emissions (metric tons CO2e)

45049.57

(7.5.3) Methodological details

2023 has been selected as the baseline year, and targets have been set accordingly. However, calculations from previous years have been incorporated as baseline results to allow for comparison with earlier years. The calculations were conducted using ISO 14064 and GHG Protocol principles. The results were then verified through the ISO 14064 verification process. The electricity consumption is measured by the calibrated electricity meters and corresponding electricity invoices. Tier-2 emission factor that is calculated for Türkiye is used. While doing this calculation, amount of I-REC certification was excluded from the electricity consumption amount. The amount of IREC certificates bought covers the total electricity used from the grid.

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

1474409.49

(7.5.3) Methodological details

2023 has been selected as the baseline year, and targets have been set accordingly. However, calculations from previous years have been incorporated as baseline results to allow for comparison with earlier years. Activity data: The activity data collected consists of the amount of ammonia, urea and ammonium sulphate purchased by Toros Agri, the construction materials purchased by Tekfen Construction, and Tekfen Manufacturing and agricultural products (barley, wheat, potatoes and fruit) purchased by Tekfen Agri. The activity data is collected in tons. All of the consumed materials are assumed to be comprised of primary materials. As all of the activity data is collected from supplier specific records like invoices we assume 100% of the emissions are calculated using supplier specific data. Emission Factors: For Toros Agri: Ammonia, urea and ammonium sulphate emission factors are taken from Fertilizers Europe online calculator. Emission factors are selected according to the origin of goods purchased as the fossil fuels used for the production differ across different regions of the world. For Tekfen Construction and Tekfen Manufacturing: The emission factors are taken from DEFRA's "Conversion Factors 2020 Full Set for Advanced Users" Material Use tab. The emission factors for primary materials are used. According to DEFRA's definitions, these emission factors cover the extraction, primary processing, manufacturing, and transporting materials to the point of sale. For the emission factors published by DEFRA, the GWPs used in the calculation of CO2e are based on the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) over a 100-year period. The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. For Tekfen Agri: The ratio of Scope 1 and 2 emissions calculated for barley, wheat and fruits produced within the scope of Tekfen Tarım activities to total production was used as the emission factor.

Scope 3 category 2: Capital goods

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

There are no additional sources of Scope 3 emissions from our operations

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

170133.44

(7.5.3) Methodological details

2023 has been selected as the baseline year, and targets have been set accordingly. However, calculations from previous years have been incorporated as baseline results to allow for comparison with earlier years. Activity data: The following activity data are included in the fuel and energy-related Scope 3 emissions: 1. For the calculation of upstream emissions of purchased fuels (well to tank -WTT-emissions), the fossil fuel consumption figures that were used for the calculation of stationary and mobile combustion emissions under Scope 1 are used. 2. For upstream emissions of purchased electricity and transmission & distribution losses, the electricity consumption figures used to calculate the Scope 2 emissions are used. 3. For the generation of purchased electricity that is sold to end-users, as this category only applies to Toros Agri, the amount of electricity they have sold to end users is collected. Emission Factors: The emission factors for calculation of all fuel and energy-related activities including WTT emissions of fossil fuels and electricity and T&D losses are taken from DEFRA's "Conversion Factors 2020 Full Set for Advanced Users" WTT fuels and WTT UK&Overseas Electricity tab. According to DEFRA's definitions, these emission factors include Scope 3 emissions associated with extraction, refining, and transportation of the raw fuel sources to an organization. For the emission factors published by DEFRA, the GWPs used in the calculation of CO2e are based on the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) over a 100-year period. calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

92526.27

(7.5.3) Methodological details

2023 has been selected as the baseline year, and targets have been set accordingly. However, calculations from previous years have been incorporated as baseline results to allow for comparison with earlier years. Activity data: Our main operations where there is significant amount of transportation and distribution activities are Tekfen Manufacturing, Toros Agri and Tekfen Agri. The means of transport used are ground (HGVs and Refrigerated HGVs), Aircraft Carriers, and Marine Vessels. The data collected are average travel distances for each shipment and average load for each shipment. 100% of the average travel distances are obtained from the transportation service provider. Emission Factors: The emission factors for calculation of transportation and distribution activities are taken from DEFRA's "Conversion Factors 2020 Full Set for Advanced Users" Freighting Goods tab. For ground transportation, the vehicles are assumed to be Average Laden. Also, for maritime transportation, the vehicles assumed to be chemical tanker with Average Laden. Most of the transportation activities are reported under the upstream category because according to GHG Protocol Scope 3 Standard the transportation services which are purchased by the reporting company shall be reported under the Upstream Transportation and distribution category (even if it is downstream transportation of products to end-users). Transportation activities that are done by our own vehicles are reported under Scope 1. For the emission factors published by DEFRA, the GWPs used in the calculation of CO2e are based on the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) over a 100-year period. The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

16543.96

(7.5.3) Methodological details

2023 has been selected as the baseline year, and targets have been set accordingly. However, calculations from previous years have been incorporated as baseline results to allow for comparison with earlier years. Activity data: The activity data for the waste generated in our operations are collected according to the waste type and method of disposal (i.e. landfill, recycling, etc.) in tons. Emission Factors: The emission factors for calculation of emissions from the waste generated in operations are taken from DEFRA's "Conversion Factors 2020 Full Set for Advanced Users" Waste tab. For the emission factors published by DEFRA, the GWPs used in the calculation of CO₂e are based on the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) over a 100-year period. The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. We have Waste Management Systems in all of the sites/ facilities that are under our operational control. All the waste resulting from our activities is included in our calculations. The management of the waste resulting from the operations of our subcontractors is also performed by us. Therefore, all the waste info including the waste generated in the operations of our subcontractors is included in this calculation.

Scope 3 category 6: Business travel

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO₂e)

548.9

(7.5.3) Methodological details

2023 has been selected as the baseline year, and targets have been set accordingly. However, calculations from previous years have been incorporated as baseline results to allow for comparison with earlier years. Activity Data: We obtain flight information from our travel agency. (Departure and destination ports, flight class, number of trips). We then use International Civil Aviation Organisation (ICAO) website to calculate flight distance. This category includes business flight data of Tekfen employees. No other means of transport is used for business travel. Some employees use company cars for travel and these figures are reported under Scope 1 emissions. 100% of the flight information is obtained from our travel agency. Emission Factors: The emission factors for calculation of emissions from business travel are taken from DEFRA's "Conversion Factors 2020 Full Set for Advanced Users" Business Travel-air tab. The EFs with radiative forcing are used for the calculations. The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

4441.13

(7.5.3) Methodological details

2023 has been selected as the baseline year, and targets have been set accordingly. However, calculations from previous years have been incorporated as baseline results to allow for comparison with earlier years. Activity Data: We obtain 100% of the employee commuting distance information from our service providers as activity data. Emission Factors: The emission factors for calculation of emissions from the waste generated in operations are taken from DEFRA's "Conversion Factors 2020 Full Set for Advanced Users". The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Scope 3 category 8: Upstream leased assets

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

There are no additional sources of Scope 3 emissions from our operations

Scope 3 category 9: Downstream transportation and distribution

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

6182.28

(7.5.3) Methodological details

2023 has been selected as the baseline year, and targets have been set accordingly. However, calculations from previous years have been incorporated as baseline results to allow for comparison with earlier years. Activity data: Our main operations where there is significant amount of transportation and distribution activities are Tekfen Manufacturing, Toros Agri and Tekfen Agri. The means of transport used are ground (HGVs) and Marine Vessels. The data collected are average travel distances for each shipment and average load for each shipment. 100% of the average travel distances are obtained from the transportation service provider. Emission Factors: The emission factors for calculation of transportation and distribution activities are taken from DEFRA's "Conversion Factors 2020 Full Set for Advanced Users" Freighting Goods tab. For ground transportation, the vehicles are assumed to be Average Laden. Also, for maritime transportation, the vehicles assumed to be chemical tanker with Average Laden. Most of the transportation activities are reported under the upstream category because according to GHG Protocol Scope 3 Standard the transportation services which are purchased by the reporting company shall be reported under the Upstream Transportation and distribution category (even if it is downstream transportation of products to end-users). Transportation activities that are done by our own vehicles are reported under Scope 1. For the emission factors published by DEFRA, the GWPs used in the calculation of CO₂e are based on the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) over a 100-year period. The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Scope 3 category 10: Processing of sold products

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO₂e)

0

(7.5.3) Methodological details

There are no additional sources of Scope 3 emissions from our operations

Scope 3 category 11: Use of sold products

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO₂e)

(7.5.3) Methodological details

2023 has been selected as the baseline year, and targets have been set accordingly. However, calculations from previous years have been incorporated as baseline results to allow for comparison with earlier years. GHG emissions from organic and synthetic fertilizers consist of direct and indirect nitrous oxide (N₂O) emissions from nitrogen (N) added to agricultural soils by farmers. Specifically, N₂O is produced by microbial processes of nitrification and de-nitrification, taking place on the addition site (direct emissions), and after volatilization/re-deposition and leaching processes (indirect emissions). For the calculation of the GHG emissions resulting from the use of our fertilizers, we use “Estimating Greenhouse Gas Emissions in Agriculture” document published by Food and Agriculture Organization of the United Nations (FAO). This category also includes the use of fossil fuels sold from our gas stations. Activity data: As activity data, we use the amount of Nitrogen-based fertilizers sold and the % of Nitrogen in the sold products. For the fossil fuels that are sold in our gas stations, we obtain a database of our sold products from our petrol stations and organized industrial zone. Emission Factors: The Global EF default values are taken from IPCC, 2006, Vol 4, Ch.11 Table 11.1. We apply IPCC default fuel emission factors and DEFRA 2020 conversion factors for calculating Scope 3 emissions under this category. For the use of sold fertilizers, the calculation was conducted according to the methodology outlined in “Estimating Greenhouse Gas Emissions in Agriculture” published by the Food and Agriculture Organization of the United Nations. For the use of fossil fuels sold, the calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Scope 3 category 12: End of life treatment of sold products

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO₂e)

0

(7.5.3) Methodological details

There are no additional sources of Scope 3 emissions from our operations

Scope 3 category 13: Downstream leased assets

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

3937.88

(7.5.3) Methodological details

2023 has been selected as the baseline year, and targets have been set accordingly. However, calculations from previous years have been incorporated as baseline results to allow for comparison with earlier years. As we are using the Operational Control method to compile our GHG Inventory, the GHG emissions that result from the operation of leased assets are reported under Scope 1 and Scope 2 emissions, because they are controlled by TEKFEN. Therefore, Scope 3 emissions from downstream leased assets are not relevant to our operations.

Scope 3 category 14: Franchises

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

7145.34

(7.5.3) Methodological details

2023 has been selected as the baseline year, and targets have been set accordingly. However, calculations from previous years have been incorporated as baseline results to allow for comparison with earlier years. Activity Data: The electricity consumption figures of our franchises are collected in MWh directly from our franchisors (Toros Agri's authorized dealers and sellers). Emission Factors: The GHG emission factors published by IEA are used to calculate the GHG emissions from our franchises. The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Scope 3 category 15: Investments

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

There are no additional sources of Scope 3 emissions from our operations

Scope 3: Other (upstream)

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

There are no additional sources of Scope 3 emissions from our operations

Scope 3: Other (downstream)

(7.5.1) Base year end

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

There are no additional sources of Scope 3 emissions from our operations
[Fixed row]

(7.6) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

824583

(7.6.3) Methodological details

The calculations were conducted in line with ISO 14064 and GHG Protocol principles. The results were then verified through the ISO 14064 verification process. The natural gas consumption amount is measured by the calibrated meters and corresponding invoices. Emission factor, which is calculated for Türkiye (using National Inventory Report and Türkiye's electricity statistics), used in the calculation is classified as Tier-2. Diesel used in generators and fire pumps are calculated assuming that the generators operated at their full capacity for the duration of operation. Emission factor, which is calculated for Türkiye (using National Inventory Report of Türkiye), used in the calculations is classified as Tier-2. The emissions due to usage of fire-extinguishing and cooling gases were calculated by taking into account the consumption amounts (cylinder filling records) or the quantities present in the facility's internal lines of CO2, HFC, FM200 and Halocarbon, which are fire-extinguishing and cooling gases. Emission factors from IPCC 2023 AR6 were used in the calculations, which is classified as Tier-1. Fuel consumption (on-road, diesel oil and motor gasoline) of company vehicles is monitored with the "Fuelmatic Transport System". Company vehicle mobile combustion data is obtained from the fuelmatic system for company vehicles and private vehicles. Fuel consumption (diesel oil) for forklifts on-site are also accounted for monitored via fuel statements. Emission factors, which are calculated for Türkiye (using National Inventory Report of Türkiye), used in the calculations is classified as Tier-2.

Past year 1

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

800250.85

(7.6.2) End date

12/30/2022

(7.6.3) Methodological details

The calculations were conducted in line with ISO 14064 and GHG Protocol principles. The results were then verified through the ISO 14064 verification process. The natural gas consumption amount is measured by the calibrated meters and corresponding invoices. Emission factor, which is calculated for Türkiye (using National Inventory Report and Türkiye's electricity statistics), used in the calculation is classified as Tier-2. Diesel used in generators and fire pumps are calculated assuming that the generators operated at their full capacity for the duration of operation. Emission factor, which is calculated for Türkiye (using National Inventory Report of

Türkiye), used in the calculations is classified as Tier-2. The emissions due to usage of fire-extinguishing and cooling gases were calculated by taking into account the consumption amounts (cylinder filling records) or the quantities present in the facility's internal lines of CO₂, HFC, FM200 and Halocarbon, which are fire-extinguishing and cooling gases. Emission factors from IPCC 2022 AR5 were used in the calculations, which is classified as Tier-1. Fuel consumption (on-road, diesel oil and motor gasoline) of company vehicles is monitored with the "Fuelmatic Transport System". Company vehicle mobile combustion data is obtained from the fuelmatic system for company vehicles and private vehicles. Fuel consumption (diesel oil) for forklifts on-site are also accounted for monitored via fuel statements. Emission factors, which are calculated for Türkiye (using National Inventory Report of Türkiye), used in the calculations is classified as Tier-2.

Past year 2

(7.6.1) Gross global Scope 1 emissions (metric tons CO₂e)

1112048

(7.6.2) End date

12/30/2021

(7.6.3) Methodological details

The calculations were conducted in line with ISO 14064 and GHG Protocol principles. The results were then verified through the ISO 14064 verification process. The natural gas consumption amount is measured by the calibrated meters and corresponding invoices. Emission factor, which is calculated for Türkiye (using National Inventory Report and Türkiye's electricity statistics), used in the calculation is classified as Tier-2. Diesel used in generators and fire pumps are calculated assuming that the generators operated at their full capacity for the duration of operation. Emission factor, which is calculated for Türkiye (using National Inventory Report of Türkiye), used in the calculations is classified as Tier-2. The emissions due to usage of fire-extinguishing and cooling gases were calculated by taking into account the consumption amounts (cylinder filling records) or the quantities present in the facility's internal lines of CO₂, HFC, FM200 and Halocarbon, which are fire-extinguishing and cooling gases. Emission factors from IPCC 2021 AR5 were used in the calculations, which is classified as Tier-1. Fuel consumption (on-road, diesel oil and motor gasoline) of company vehicles is monitored with the "Fuelmatic Transport System". Company vehicle mobile combustion data is obtained from the fuelmatic system for company vehicles and private vehicles. Fuel consumption (diesel oil) for forklifts on-site are also accounted for monitored via fuel statements. Emission factors, which are calculated for Türkiye (using National Inventory Report of Türkiye), used in the calculations is classified as Tier-2.

Past year 3

(7.6.1) Gross global Scope 1 emissions (metric tons CO₂e)

1054641

(7.6.2) End date

(7.6.3) Methodological details

The calculations were conducted in line with ISO 14064 and GHG Protocol principles. The results were then verified through the ISO 14064 verification process. The natural gas consumption amount is measured by the calibrated meters and corresponding invoices. Emission factor, which is calculated for Türkiye (using National Inventory Report and Türkiye's electricity statistics), used in the calculation is classified as Tier-2. Diesel used in generators and fire pumps are calculated assuming that the generators operated at their full capacity for the duration of operation. Emission factor, which is calculated for Türkiye (using National Inventory Report of Türkiye), used in the calculations is classified as Tier-2. The emissions due to usage of fire-extinguishing and cooling gases were calculated by taking into account the consumption amounts (cylinder filling records) or the quantities present in the facility's internal lines of CO₂, HFC, FM200 and Halocarbon, which are fire-extinguishing and cooling gases. Emission factors from IPCC 2020 AR5 were used in the calculations, which is classified as Tier-1. Fuel consumption (on-road, diesel oil and motor gasoline) of company vehicles is monitored with the "Fuelmatic Transport System". Company vehicle mobile combustion data is obtained from the fuelmatic system for company vehicles and private vehicles. Fuel consumption (diesel oil) for forklifts on-site are also accounted for monitored via fuel statements. Emission factors, which are calculated for Türkiye (using National Inventory Report of Türkiye), used in the calculations is classified as Tier-2.

[Fixed row]

(7.7) What were your organization's gross global Scope 2 emissions in metric tons CO₂e?

Reporting year

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO₂e)

31547.38

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO₂e) (if applicable)

31547.38

(7.7.4) Methodological details

The calculations were conducted using ISO 14064 and GHG Protocol principles. The results were then verified through the ISO 14064 verification process. The electricity consumption is measured by the calibrated electricity meters and corresponding electricity invoices. Tier-2 emission factor that is calculated for Türkiye is used. While doing this calculation, amount of I-REC certification was excluded from the electricity consumption amount. The amount of IREC certificates bought covers the total electricity used from the grid.

Past year 1

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

25564.79

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

25564.79

(7.7.3) End date

12/30/2022

(7.7.4) Methodological details

The calculations were conducted using ISO 14064 and GHG Protocol principles. The results were then verified through the ISO 14064 verification process. The electricity consumption is measured by the calibrated electricity meters and corresponding electricity invoices. Tier-2 emission factor that is calculated for Türkiye is used. While doing this calculation, amount of I-REC certification was excluded from the electricity consumption amount. The amount of IREC certificates bought covers the total electricity used from the grid.

Past year 2

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

33132

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

33132

(7.7.3) End date

12/30/2021

(7.7.4) Methodological details

The calculations were conducted using ISO 14064 and GHG Protocol principles. The results were then verified through the ISO 14064 verification process. The electricity consumption is measured by the calibrated electricity meters and corresponding electricity invoices. Tier-2 emission factor that is calculated for Türkiye is used. While doing this calculation, amount of I-REC certification was excluded from the electricity consumption amount. The amount of IREC certificates bought covers the total electricity used from the grid.

Past year 3

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

32976.1

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

32976.1

(7.7.3) End date

12/30/2020

(7.7.4) Methodological details

The calculations were conducted using ISO 14064 and GHG Protocol principles. The results were then verified through the ISO 14064 verification process. The electricity consumption is measured by the calibrated electricity meters and corresponding electricity invoices. Tier-2 emission factor that is calculated for Türkiye is used. While doing this calculation, amount of I-REC certification was excluded from the electricity consumption amount. The amount of IREC certificates bought covers the total electricity used from the grid.

[Fixed row]

(7.8) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1092989.78

(7.8.3) Emissions calculation methodology

Select all that apply

Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Activity data: The activity data collected consists of the amount of ammonia, urea and ammonium sulphate purchased by Toros Agri, the construction materials purchased by Tekfen Construction, and Tekfen Manufacturing and agricultural products (barley, wheat, potatoes and fruit) purchased by Tekfen Agri. The activity data is collected in tons. All of the consumed materials are assumed to be comprised of primary materials. As all of the activity data is collected from supplier specific records like invoices we assume 100% of the emissions are calculated using supplier specific data. Emission Factors: For Toros Agri: Ammonia, urea and ammonium sulphate emission factors are taken from Fertilizers Europe online calculator. Emission factors are selected according to the origin of goods purchased as the fossil fuels used for the production differ across different regions of the world. For Tekfen Construction and Tekfen Manufacturing: The emission factors are taken from DEFRA's "Conversion Factors 2023 Full Set for Advanced Users" Material Use tab. The emission factors for primary materials are used. According to DEFRA's definitions, these emission factors cover the extraction, primary processing, manufacturing, and transporting materials to the point of sale. For the emission factors published by DEFRA, the GWPs used in the calculation of CO2e are based on the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) over a 100-year period. The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. For Tekfen Agri: The ratio of Scope 1 and 2 emissions calculated for barley, wheat and fruits produced within the scope of Tekfen Tarim activities to total production was used as the emission factor.

Capital goods

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

During the reporting year, there were no significant capital goods purchases, therefore this category is not relevant for the reporting year. Emissions from the use of capital goods are accounted for in Scope 1.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO₂e)

27861.53

(7.8.3) Emissions calculation methodology

Select all that apply

Fuel-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Activity data: The following activity data are included in the fuel and energy-related Scope 3 emissions: 1. For the calculation of upstream emissions of purchased fuels (well to tank -WTT-emissions), the fossil fuel consumption figures that were used for the calculation of stationary and mobile combustion emissions under Scope 1 are used. 2. For upstream emissions of purchased electricity and transmission & distribution losses, the electricity consumption figures used to calculate the Scope 2 emissions are used. 3. For the generation of purchased electricity that is sold to end-users, as this category only applies to Toros Agri, the amount of electricity they have sold to end users is collected. Emission Factors: The emission factors for calculation of all fuel and energy-related activities including WTT emissions of fossil fuels and electricity and T&D losses are taken from DEFRA's "Conversion Factors 2023 Full Set for Advanced Users" WTT fuels and WTT UK&Overseas Electricity tab. According to DEFRA's definitions, these emission factors include Scope 3 emissions associated with extraction, refining, and transportation of the raw fuel sources to an organization. For the emission factors published by DEFRA, the GWPs used in the calculation of CO₂e are based on the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) over a 100-year period. calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

46193.88

(7.8.3) Emissions calculation methodology

Select all that apply

Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Activity data: Our main operations where there is significant amount of transportation and distribution activities are Tekfen Manufacturing, Toros Agri and Tekfen Agri. The means of transport used are ground (HGVs and Refrigerated HGVs), Aircraft Carriers, and Marine Vessels. The data collected are average travel distances for each shipment and average load for each shipment. 100% of the average travel distances are obtained from the transportation service provider. Emission Factors: The emission factors for calculation of transportation and distribution activities are taken from DEFRA's "Conversion Factors 2023 Full Set for Advanced Users" Freightling Goods tab. For ground transportation, the vehicles are assumed to be Average Laden. Also, for maritime transportation, the vehicles assumed to be chemical tanker with Average Laden. Most of the transportation activities are reported under the upstream category because according to GHG Protocol Scope 3 Standard the transportation services which are purchased by the reporting company shall be reported under the Upstream Transportation and distribution category (even if it is downstream transportation of products to end-users). Transportation activities that are done by our own vehicles are reported under Scope 1. For the emission factors published by DEFRA, the GWPs used in the calculation of CO2e are based on the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) over a 100-year period. The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Waste generated in operations

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO₂e)

5242.2

(7.8.3) Emissions calculation methodology

Select all that apply

Waste-type-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Activity data: The activity data for the waste generated in our operations are collected according to the waste type and method of disposal (i.e. landfill, recycling, etc.) in tons. Emission Factors: The emission factors for calculation of emissions from the waste generated in operations are taken from DEFRA's "Conversion Factors 2023 Full Set for Advanced Users" Waste tab. For the emission factors published by DEFRA, the GWPs used in the calculation of CO₂e are based on the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) over a 100-year period. The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. We have Waste Management Systems in all of the sites/ facilities that are under our operational control. All the waste resulting from our activities is included in our calculations. The management of the waste resulting from the operations of our subcontractors is also performed by us. Therefore, all the waste info including the waste generated in the operations of our subcontractors is included in this calculation.

Business travel

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

5166.08

(7.8.3) Emissions calculation methodology

Select all that apply

Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Activity Data: We obtain flight information from our travel agency. (Departure and destination ports, flight class, number of trips). We then use International Civil Aviation Organisation (ICAO) website to calculate flight distance. This category includes business flight data of Tekfen employees. No other means of transport is used for business travel. Some employees use company cars for travel and these figures are reported under Scope 1 emissions. 100% of the flight information is obtained from our travel agency. Emission Factors: The emission factors for calculation of emissions from business travel are taken from DEFRA's "Conversion Factors 2023 Full Set for Advanced Users" Business Travel-air tab. The EFs with radiative forcing are used for the calculations. The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Employee commuting

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

2650

(7.8.3) Emissions calculation methodology

Select all that apply

- Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Activity Data: We obtain 100% of the employee commuting distance information from our service providers as activity data. Emission Factors: The emission factors for calculation of emissions from the waste generated in operations are taken from DEFRA's "Conversion Factors 2023 Full Set for Advanced Users". The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Upstream leased assets

(7.8.1) Evaluation status

Select from:

- Not relevant, explanation provided

(7.8.5) Please explain

As we are using the Operational Control method to compile our GHG Inventory, the GHG emissions that result from the operation of leased assets are reported under Scope 1 and Scope 2 emissions, because they are controlled by TEKFEN. Therefore, Scope 3 emissions from upstream leased assets are not relevant to our operations.

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:

- Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

83321.06

(7.8.3) Emissions calculation methodology

Select all that apply

Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Activity data: Our main operations where there is significant amount of transportation and distribution activities are Tekfen Manufacturing, Toros Agri and Tekfen Agri. The means of transport used are ground (HGVs) and Marine Vessels. The data collected are average travel distances for each shipment and average load for each shipment. 100% of the average travel distances are obtained from the transportation service provider. Emission Factors: The emission factors for calculation of transportation and distribution activities are taken from DEFRA's "Conversion Factors 2023 Full Set for Advanced Users" Freightng Goods tab. For ground transportation, the vehicles are assumed to be Average Laden. Also, for maritime transportation, the vehicles assumed to be chemical tanker with Average Laden. Most of the transportation activities are reported under the upstream category because according to GHG Protocol Scope 3 Standard the transportation services which are purchased by the reporting company shall be reported under the Upstream Transportation and distribution category (even if it is downstream transportation of products to end-users). Transportation activities that are done by our own vehicles are reported under Scope 1. For the emission factors published by DEFRA, the GWPs used in the calculation of CO2e are based on the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) over a 100-year period. The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Processing of sold products

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

10252.56

(7.8.3) Emissions calculation methodology

Select all that apply

Average product method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Activity data: As activity data, we use the total products that Tekfen Tarım grows and buy-and-sell were taken into account. Emission Factors: In the calculation of emissions originating from the industrial processing of products produced and sold by Tekfen Tarım, the “Pre- and post-agricultural production emissions” statistics published by the Food and Agriculture Organization of the United Nations (FAO) were calculated by obtaining assumptions. The average values of the statistics in question between the years 2019-2021 shared specifically for Turkey were taken into account. The reason for making an assumption with the average value specific to Turkey is that Tekfen Tarım products are largely sold to domestic customers.

Use of sold products

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

3376244.46

(7.8.3) Emissions calculation methodology

Select all that apply

Average product method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

GHG emissions from organic and synthetic fertilizers consist of direct and indirect nitrous oxide (N₂O) emissions from nitrogen (N) added to agricultural soils by farmers. Specifically, N₂O is produced by microbial processes of nitrification and de-nitrification, taking place on the addition site (direct emissions), and after volatilization/re-deposition and leaching processes (indirect emissions). For the calculation of the GHG emissions resulting from the use of our fertilizers, we use “Estimating Greenhouse Gas Emissions in Agriculture” document published by Food and Agriculture Organization of the United Nations (FAO). This category also includes the use of fossil fuels sold from our gas stations. Activity data: As activity data, we use the amount of Nitrogen-based fertilizers sold and the % of Nitrogen in the sold products. For the fossil fuels that are sold in our gas stations, we obtain a database of our sold products from our petrol stations and organized industrial zone. Emission Factors: The Global EF default values are taken from IPCC, 2006, Vol 4, Ch.11 Table 11.1. We apply IPCC default fuel emission factors and DEFRA 2023 conversion factors for calculating Scope 3 emissions under this category. For the use of sold fertilizers, the calculation was conducted according to the methodology outlined in “Estimating Greenhouse Gas Emissions in Agriculture” published by the Food and Agriculture Organization of the United Nations. For the use of fossil fuels sold, the calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO₂e)

77.5

(7.8.3) Emissions calculation methodology

Select all that apply

Waste-type-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Activity data: Assuming that the service life of the buildings constructed by Tekfen Construction is 50 years, the emissions resulting from their disposal after their service life has been completed were calculated, divided by 50, and added to the 2023 emissions. Emission Factors: The emission factors for calculation of transportation and distribution activities are taken from DEFRA’s “Conversion Factors 2023 Full Set for Advanced Users” Waste Disposal tab.

Downstream leased assets

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

As we are using the Operational Control method to compile our GHG Inventory, the GHG emissions that result from the operation of leased assets are reported under Scope 1 and Scope 2 emissions, because they are controlled by TEKFEN. Therefore, Scope 3 emissions from downstream leased assets are not relevant to our operations.

Franchises

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

5110.2

(7.8.3) Emissions calculation methodology

Select all that apply

Fuel-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

*Activity Data: The electricity consumption figures of our franchises are collected in MWh directly from our franchisors (Toros Agri's authorized dealers and sellers).
Emission Factors: The GHG emission factors published by IEA are used to calculate the GHG emissions from our franchises. The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.*

Investments

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

51483.65

(7.8.3) Emissions calculation methodology

Select all that apply

Investment-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

The total greenhouse gas emissions of Tekfen Holding's investee companies for the year 2023 have been taken into account in proportion to their investment ratios. The emission results were obtained from the sustainability reports of the investee companies.

Other (upstream)

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

There are no additional sources of Scope 3 emissions from our operations

Other (downstream)

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

*There are no additional sources of Scope 3 emissions from our operations
[Fixed row]*

(7.8.1) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

(7.8.1.1) End date

12/30/2022

(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

1243749.3

(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

0

(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

67411.4

(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

68493.26

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

7518.24

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

1108.38

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

4168.28

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

0

(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

803.72

(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)

0

(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)

2654162.54

(7.8.1.13) Scope 3: End of life treatment of sold products (metric tons CO2e)

0

(7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)

4211

(7.8.1.15) Scope 3: Franchises (metric tons CO2e)

5824.45

(7.8.1.16) Scope 3: Investments (metric tons CO2e)

0

(7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)

0

(7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)

0

(7.8.1.19) Comment

The Scope 3 emissions in 2022 are 14% lower compared to 2023. Emissions resulting from the sold products use end-of-life treatment were lower in 2022. Additionally, in 2023, emissions from end-of-life treatment of products, as well as those from investments, were calculated for the first time. Consequently, these emission categories are absent from the 2022 inventory.

Past year 2

(7.8.1.1) End date

12/30/2021

(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

1286446.41

(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

0

(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

79858.6

(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

59377.44

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

10846.74

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

678

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

5974.57

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

0

(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

5353.46

(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)

0

(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)

3196792.7

(7.8.1.13) Scope 3: End of life treatment of sold products (metric tons CO2e)

0

(7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)

4244.06

(7.8.1.15) Scope 3: Franchises (metric tons CO2e)

6556.15

(7.8.1.16) Scope 3: Investments (metric tons CO2e)

0

(7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)

0

(7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)

0

(7.8.1.19) Comment

The Scope 3 emissions in 2021 are quite similar to those in 2023. Emissions resulting from the sold products use end-of-life treatment were lower in 2021. Additionally, in 2023, emissions from products at the end of their lifecycle, as well as emissions from investments, were calculated for the first time. Therefore, these emission categories are absent in the 2021 inventory.

Past year 3

(7.8.1.1) End date

12/30/2020

(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

1063109.98

(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

0

(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

85066.09

(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

92526.27

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

16543.77

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

548.9

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

4441.13

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

0

(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

2558180.86

(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)

0

(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)

2558180.86

(7.8.1.13) Scope 3: End of life treatment of sold products (metric tons CO2e)

0

(7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)

3937.08

(7.8.1.15) Scope 3: Franchises (metric tons CO2e)

7145.34

(7.8.1.16) Scope 3: Investments (metric tons CO2e)

0

(7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)

0

(7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)

0

(7.8.1.19) Comment

The Scope 3 emissions in 2020 are quite similar to those in 2023. Emissions resulting from the sold products use end-of-life treatment were lower in 2021. Additionally, in 2023, emissions from products at the end of their lifecycle, as well as emissions from investments, were calculated for the first time. Therefore, these emission categories are absent in the 2020 inventory.

[Fixed row]

(7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Select from: <input checked="" type="checkbox"/> Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Select from: <input checked="" type="checkbox"/> Third-party verification or assurance process in place
Scope 3	Select from: <input checked="" type="checkbox"/> Third-party verification or assurance process in place

[Fixed row]

(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:

Annual process

(7.9.1.2) Status in the current reporting year

Select from:

Complete

(7.9.1.3) Type of verification or assurance

Select from:

Limited assurance

(7.9.1.4) Attach the statement

Tekfen Holding- Limited Assurance-Verification Report.pdf

(7.9.1.5) Page/section reference

Pages 3 and 6

(7.9.1.6) Relevant standard

Select from:

ISO14064-1

(7.9.1.7) Proportion of reported emissions verified (%)

100

[Add row]

(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Row 1

(7.9.2.1) Scope 2 approach

Select from:

Scope 2 location-based

(7.9.2.2) Verification or assurance cycle in place

Select from:

Annual process

(7.9.2.3) Status in the current reporting year

Select from:

Complete

(7.9.2.4) Type of verification or assurance

Select from:

Limited assurance

(7.9.2.5) Attach the statement

Tekfen Holding Limited Assurance - Forvis Mazars 270924.pdf

(7.9.2.6) Page/ section reference

Pages 3 and 6

(7.9.2.7) Relevant standard

Select from:

ISO14064-1

(7.9.2.8) Proportion of reported emissions verified (%)

100

[Add row]

(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Row 1

(7.9.3.1) Scope 3 category

Select all that apply

- Scope 3: Franchises
- Scope 3: Investments
- Scope 3: Business travel
- Scope 3: Employee commuting
- Scope 3: Use of sold products
- Scope 3: Upstream transportation and distribution
- Scope 3: Downstream transportation and distribution
- Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
- Scope 3: Upstream leased assets
- Scope 3: Processing of sold products
- Scope 3: Purchased goods and services
- Scope 3: Waste generated in operations
- Scope 3: End-of-life treatment of sold products

(7.9.3.2) Verification or assurance cycle in place

Select from:

- Annual process

(7.9.3.3) Status in the current reporting year

Select from:

- Complete

(7.9.3.4) Type of verification or assurance

Select from:

- Limited assurance

(7.9.3.5) Attach the statement

(7.9.3.6) Page/section reference

Pages 3 and 6

(7.9.3.7) Relevant standard

Select from:

ISO14064-1

(7.9.3.8) Proportion of reported emissions verified (%)

100

[Add row]

(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Select from:

Increased

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO₂e)

5982.58

(7.10.1.2) Direction of change in emissions

Select from:

Increased

(7.10.1.3) Emissions value (percentage)

1

(7.10.1.4) Please explain calculation

Toros Tarım Samsun and Mersin Facilities generate electricity by recovering waste heat in the Steam Turbine Generator (STG) Unit. There is a small Solar PV in our Toros Tarım Ceyhan and Tekfen İnşaat facilities. We also generate energy from biomass in Gönen and Meram Renewable Energy. In 2022, these 5 facilities generated 250,509.09 MWh of renewable energy. In 2023, this value decreased to 214,649.72 MWh. In other words, we generated 35,859.37 MWh less renewable energy in 2023 compared to 2022, resulting in an increase of 5982.58 tCO₂e in our GHG emissions.

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO₂e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

The change in gross global emissions due to emission reduction activities is not quantifiable.

Divestment

(7.10.1.1) Change in emissions (metric tons CO₂e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

The change in gross global emissions due to emission reduction activities is not quantifiable.

Acquisitions

(7.10.1.1) Change in emissions (metric tons CO₂e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

The change in gross global emissions due to emission reduction activities is not quantifiable.

Mergers

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

The change in gross global emissions due to emission reduction activities is not quantifiable.

Change in output

(7.10.1.1) Change in emissions (metric tons CO2e)

37736.8

(7.10.1.2) Direction of change in emissions

Select from:

Increased

(7.10.1.3) Emissions value (percentage)

7

(7.10.1.4) Please explain calculation

At Tekfen Tarım, emissions from fertilizer use which are emission items not included in the calculation in 2022, were calculated and included in the inventory. In this case, emissions increased by 3% compared to the previous year. In order to reduce our N2O emissions, which are approximately 82.46% of our gross Scope 1

greenhouse gas emissions, in our fertilizer operations, an investment is planned to be made in the Nitric Acid Production Facility at Toros Tarım Mersin facility to install a new technology catalyst system. In addition, in proportion to the currently increased production capacity, N₂O emissions at the Mersin facility increased from 668,503 tCO₂e to 706,010 tCO₂e in 2023. This resulted in an increase of 37,507 tCO₂e in our emissions.

Change in methodology

(7.10.1.1) Change in emissions (metric tons CO₂e)

6063.67

(7.10.1.2) Direction of change in emissions

Select from:

Increased

(7.10.1.3) Emissions value (percentage)

0.7

(7.10.1.4) Please explain calculation

The emission factors used for emissions from electricity consumption, which constitute Scope 2 emissions, have been shifted from Tier-1 to Tier-2. This change has resulted in an increase of 6,064 in emissions. This increase corresponds to a 0.7% rise in 2023 compared to 2022 emissions.

Change in boundary

(7.10.1.1) Change in emissions (metric tons CO₂e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

The change in gross global emissions due to emission reduction activities is not quantifiable.

Change in physical operating conditions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

The change in gross global emissions due to emission reduction activities is not quantifiable.

Unidentified

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

The change in gross global emissions due to emission reduction activities is not quantifiable.

Other

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

The change in gross global emissions due to emission reduction activities is not quantifiable.

[Fixed row]

(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:

Location-based

(7.12) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Select from:

No

(7.15) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Select from:

Yes

(7.15.1) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used global warming potential (GWP).

Row 1

(7.15.1.1) Greenhouse gas

Select from:

CO2

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

108286.89

(7.15.1.3) GWP Reference

Select from:

IPCC Sixth Assessment Report (AR6 - 100 year)

Row 2

(7.15.1.1) Greenhouse gas

Select from:

CH4

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

272

(7.15.1.3) GWP Reference

Select from:

IPCC Sixth Assessment Report (AR6 - 100 year)

Row 3

(7.15.1.1) Greenhouse gas

Select from:

N2O

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

712280

(7.15.1.3) GWP Reference

Select from:

IPCC Sixth Assessment Report (AR6 - 100 year)

Row 4

(7.15.1.1) Greenhouse gas

Select from:

HFCs

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

(7.15.1.3) GWP Reference*Select from:* IPCC Sixth Assessment Report (AR6 - 100 year)*[Add row]***(7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.**

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Azerbaijan	229.65	800.36	800.36
Iraq	1021.07	0	0
Qatar	54226.93	1110.91	1110.91
Saudi Arabia	12896.78	3.06	3.06
Turkey	756208.93	29633.04	29633.04

*[Fixed row]***(7.17) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.***Select all that apply* By business division**(7.17.1) Break down your total gross global Scope 1 emissions by business division.**

	Business division	Scope 1 emissions (metric ton CO2e)
Row 1	Engineering and Contracting	81945
Row 2	Services and Investment	1355
Row 3	Agricultural Production	741729
Row 4	Tekfen Holding	33

[Add row]

(7.19) Break down your organization’s total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

Chemicals production activities

(7.19.1) Gross Scope 1 emissions, metric tons CO2e

735447

(7.19.3) Comment

N2O process emissions make up 85.56% of Scope 1 emissions. It is known that these emissions can be reduced by 90-95% through widely used technological investments. Work is ongoing toward the implementation of this investment. Tekfen Holding is expected to join the SBTI (Science Based Targets initiative) soon and set a target. In this context, the relevant guidance document is expected to be released (<https://sciencebasedtargets.org/standards-and-guidance>).

[Fixed row]

(7.20) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

Select all that apply

By business division

(7.20.1) Break down your total gross global Scope 2 emissions by business division.

	Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Row 1	<i>Engineering and Contracting</i>	4201.98	4201.98
Row 2	<i>Services and Investment</i>	2522.17	2522.17
Row 3	<i>Agricultural Production</i>	24406	24406
Row 4	<i>Tekfen Holding</i>	417	417

[Add row]

(7.21) Break down your organization’s total gross global Scope 2 emissions by sector production activity in metric tons CO2e.

Chemicals production activities

(7.21.1) Scope 2, location-based, metric tons CO2e

17023

(7.21.3) Comment

It is planned to implement a sulfuric acid investment, which will allow the minimization of electricity consumption, the source of Scope 2 emissions, and utilize the energy recovered from waste heat as an energy source in the facilities. Additionally, with the establishment of Tekfen Renewable Energy within Tekfen Holding, efforts will accelerate investments in renewable energy and contribute to limiting electricity generated from fossil fuel sources. Tekfen Holding is expected to join the SBTI (Science Based Targets initiative) soon and set a target. In this context, the relevant guidance document is expected to be released (<https://sciencebasedtargets.org/standards-and-guidance>).

[Fixed row]

(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based emissions (metric tons CO2e)	Please explain
Consolidated accounting group	0	0	<i>There is no other entity.</i>
All other entities	0	0	<i>There is no other entity.</i>

[Fixed row]

(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Select from:

Not relevant as we do not have any subsidiaries

(7.25) Disclose the percentage of your organization’s Scope 3, Category 1 emissions by purchased chemical feedstock.

Row 1

(7.25.1) Purchased feedstock

Select from:

Ammonia

(7.25.2) Percentage of Scope 3, Category 1 tCO2e from purchased feedstock

24

(7.25.3) Explain calculation methodology

The emissions from Toros Agri's ammonia purchases have been calculated and proportionally allocated to Tekfen Holding's total category 1 emissions.

Row 2

(7.25.1) Purchased feedstock

Select from:

Other base chemicals :Ammonium sulphate, phosphate rocks, urea, phosphoric acid

(7.25.2) Percentage of Scope 3, Category 1 tCO2e from purchased feedstock

72

(7.25.3) Explain calculation methodology

The emissions from Toros Agri's other base chemicals (i.e., urea, ammonium sulphate, phosphate rocks etc.) purchases have been calculated and proportionally allocated to Tekfen Holding's total category 1 emissions.

Row 3

(7.25.1) Purchased feedstock

Select from:

Other (please specify) :Construction materials

(7.25.2) Percentage of Scope 3, Category 1 tCO2e from purchased feedstock

1

(7.25.3) Explain calculation methodology

The emissions from Tekfen Manufacturing and Construction's construction materials (raw materials) purchases have been calculated and proportionally allocated to Tekfen Holding's total category 1 emissions.

[Add row]

(7.25.1) Disclose sales of products that are greenhouse gases.

Carbon dioxide (CO₂)

(7.25.1.1) Sales, metric tons

0

(7.25.1.2) Comment

There are no sales of products containing greenhouse gases.

Methane (CH₄)

(7.25.1.1) Sales, metric tons

0

(7.25.1.2) Comment

There are no sales of products containing greenhouse gases.

Nitrous oxide (N₂O)

(7.25.1.1) Sales, metric tons

0

(7.25.1.2) Comment

There are no sales of products containing greenhouse gases.

Hydrofluorocarbons (HFC)

(7.25.1.1) Sales, metric tons

0

(7.25.1.2) Comment

There are no sales of products containing greenhouse gases.

Perfluorocarbons (PFC)

(7.25.1.1) Sales, metric tons

0

(7.25.1.2) Comment

There are no sales of products containing greenhouse gases.

Sulphur hexafluoride (SF6)

(7.25.1.1) Sales, metric tons

0

(7.25.1.2) Comment

There are no sales of products containing greenhouse gases.

Nitrogen trifluoride (NF3)

(7.25.1.1) Sales, metric tons

0

(7.25.1.2) Comment

There are no sales of products containing greenhouse gases.

[Fixed row]

(7.29) What percentage of your total operational spend in the reporting year was on energy?

Select from:

- More than 0% but less than or equal to 5%

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired electricity	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired heat	Select from: <input checked="" type="checkbox"/> No
Consumption of purchased or acquired steam	Select from: <input checked="" type="checkbox"/> No
Consumption of purchased or acquired cooling	Select from: <input checked="" type="checkbox"/> No
Generation of electricity, heat, steam, or cooling	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:

LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

42376.06

(7.30.1.3) MWh from non-renewable sources

448574.74

(7.30.1.4) Total (renewable and non-renewable) MWh

490950.8

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:

Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

4413.04

(7.30.1.3) MWh from non-renewable sources

75179.81

(7.30.1.4) Total (renewable and non-renewable) MWh

79592.85

Consumption of self-generated non-fuel renewable energy

(7.30.1.1) Heating value

Select from:

Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

125110.53

(7.30.1.4) Total (renewable and non-renewable) MWh

125110.53

Total energy consumption

(7.30.1.1) Heating value

Select from:

Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

125104.7

(7.30.1.3) MWh from non-renewable sources

523754.55

(7.30.1.4) Total (renewable and non-renewable) MWh

648859.25

[Fixed row]

(7.30.3) Report your organization's energy consumption totals (excluding feedstocks) for chemical production activities in MWh.

Consumption of fuel (excluding feedstocks)

(7.30.3.1) Heating value

Select from:

LHV (lower heating value)

(7.30.3.2) MWh consumed from renewable sources inside chemical sector boundary

42376.06

(7.30.3.3) MWh consumed from non-renewable sources inside chemical sector boundary (excluding recovered waste heat/gases)

90635.25

(7.30.3.4) MWh consumed from waste heat/gases recovered from processes using fuel feedstocks inside chemical sector boundary

0

(7.30.3.5) Total MWh (renewable + non-renewable + MWh from recovered waste heat/gases) consumed inside chemical sector boundary

133011.13

Consumption of purchased or acquired electricity

(7.30.3.1) Heating value

Select from:

Unable to confirm heating value

(7.30.3.2) MWh consumed from renewable sources inside chemical sector boundary

0

(7.30.3.3) MWh consumed from non-renewable sources inside chemical sector boundary (excluding recovered waste heat/gases)

38178.89

(7.30.3.4) MWh consumed from waste heat/gases recovered from processes using fuel feedstocks inside chemical sector boundary

0

(7.30.3.5) Total MWh (renewable + non-renewable + MWh from recovered waste heat/gases) consumed inside chemical sector boundary

38178.89

Consumption of self-generated non-fuel renewable energy

(7.30.3.1) Heating value

Select from:

Unable to confirm heating value

(7.30.3.2) MWh consumed from renewable sources inside chemical sector boundary

117602.83

(7.30.3.5) Total MWh (renewable + non-renewable + MWh from recovered waste heat/gases) consumed inside chemical sector boundary

117602.83

Total energy consumption

(7.30.3.1) Heating value

Select from:

Unable to confirm heating value

(7.30.3.2) MWh consumed from renewable sources inside chemical sector boundary

117602.83

(7.30.3.3) MWh consumed from non-renewable sources inside chemical sector boundary (excluding recovered waste heat/gases)

128814.15

(7.30.3.4) MWh consumed from waste heat/gases recovered from processes using fuel feedstocks inside chemical sector boundary

0

(7.30.3.5) Total MWh (renewable + non-renewable + MWh from recovered waste heat/gases) consumed inside chemical sector boundary

246416.98

[Fixed row]

(7.30.6) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Select from: <input checked="" type="checkbox"/> Yes
Consumption of fuel for the generation of heat	Select from: <input checked="" type="checkbox"/> Yes
Consumption of fuel for the generation of steam	Select from: <input checked="" type="checkbox"/> Yes
Consumption of fuel for the generation of cooling	Select from: <input checked="" type="checkbox"/> No
Consumption of fuel for co-generation or tri-generation	Select from: <input checked="" type="checkbox"/> No

[Fixed row]

(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

(7.30.7.1) Heating value

Select from:

LHV

(7.30.7.2) Total fuel MWh consumed by the organization

42376.06

(7.30.7.3) MWh fuel consumed for self-generation of electricity

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

We generate electricity from sustainable biomass in our Meram and Gonen Renewable energy plants.

Other biomass

(7.30.7.1) Heating value

Select from:

LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

Other biomass is not used.

Other renewable fuels (e.g. renewable hydrogen)

(7.30.7.1) Heating value

Select from:

LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

Other renewable fuels are not used.

Coal

(7.30.7.1) Heating value

Select from:

LHV

(7.30.7.2) Total fuel MWh consumed by the organization

5618

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

5618

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

It is used for space heating purposes in Toros Agri Gonen Facility.

Oil

(7.30.7.1) Heating value

Select from:

LHV

(7.30.7.2) Total fuel MWh consumed by the organization

318156

(7.30.7.3) MWh fuel consumed for self-generation of electricity

115717

(7.30.7.4) MWh fuel consumed for self-generation of heat

202439

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

Diesel oil and motor gasoline is used. The fuels were used in company vehicles, generators, fire pumps, forklifts, and personnel transportation activities.

Gas

(7.30.7.1) Heating value

Select from:

LHV

(7.30.7.2) Total fuel MWh consumed by the organization

99478

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

Natural gas is used. The value provided here is the conversion of natural gas used in cubic meters to MWh.

Other non-renewable fuels (e.g. non-renewable hydrogen)

(7.30.7.1) Heating value

Select from:

LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

Other non-renewable fuels are not used.

Total fuel

(7.30.7.1) Heating value

Select from:

LHV

(7.30.7.2) Total fuel MWh consumed by the organization

464627.2

(7.30.7.3) MWh fuel consumed for self-generation of electricity

208056.95

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

*Total is provided in this row.
[Fixed row]*

(7.30.9) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

Electricity

(7.30.9.1) Total Gross generation (MWh)

543164.69

(7.30.9.2) Generation that is consumed by the organization (MWh)

443260.63

(7.30.9.3) Gross generation from renewable sources (MWh)

214649.72

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

125104.7

Heat

(7.30.9.1) Total Gross generation (MWh)

72760.28

(7.30.9.2) Generation that is consumed by the organization (MWh)

72760.28

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Steam

(7.30.9.1) Total Gross generation (MWh)

10359.04

(7.30.9.2) Generation that is consumed by the organization (MWh)

10359.04

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Cooling

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

[Fixed row]

(7.30.11) Provide details on electricity, heat, steam, and cooling your organization has generated and consumed for chemical production activities.

Electricity

(7.30.11.1) Total gross generation inside chemicals sector boundary (MWh)

264129.24

(7.30.11.2) Generation that is consumed inside chemicals sector boundary (MWh)

120692

(7.30.11.3) Generation from renewable sources inside chemical sector boundary (MWh)

210230.85

(7.30.11.4) Generation from waste heat/gases recovered from processes using fuel feedstocks inside chemical sector boundary (MWh)

0

Heat

(7.30.11.1) Total gross generation inside chemicals sector boundary (MWh)

72760.28

(7.30.11.2) Generation that is consumed inside chemicals sector boundary (MWh)

72760.28

(7.30.11.3) Generation from renewable sources inside chemical sector boundary (MWh)

0

(7.30.11.4) Generation from waste heat/gases recovered from processes using fuel feedstocks inside chemical sector boundary (MWh)

0

Steam

(7.30.11.1) Total gross generation inside chemicals sector boundary (MWh)

10359.04

(7.30.11.2) Generation that is consumed inside chemicals sector boundary (MWh)

10359.04

(7.30.11.3) Generation from renewable sources inside chemical sector boundary (MWh)

0

(7.30.11.4) Generation from waste heat/gases recovered from processes using fuel feedstocks inside chemical sector boundary (MWh)

0

Cooling

(7.30.11.1) Total gross generation inside chemicals sector boundary (MWh)

0

(7.30.11.2) Generation that is consumed inside chemicals sector boundary (MWh)

0

(7.30.11.3) Generation from renewable sources inside chemical sector boundary (MWh)

0

(7.30.11.4) Generation from waste heat/gases recovered from processes using fuel feedstocks inside chemical sector boundary (MWh)

0

[Fixed row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

Azerbaijan

(7.30.16.1) Consumption of purchased electricity (MWh)

1795

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

1795.00

Iraq

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0.14

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.14

Qatar

(7.30.16.1) Consumption of purchased electricity (MWh)

2492

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

2492.00

Saudi Arabi

(7.30.16.1) Consumption of purchased electricity (MWh)

7

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

7.00

Turkey

(7.30.16.1) Consumption of purchased electricity (MWh)

66764

(7.30.16.2) Consumption of self-generated electricity (MWh)

125105

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

191869.00

[Fixed row]

(7.31) Does your organization consume fuels as feedstocks for chemical production activities?

Select from:

No

(7.39) Provide details on your organization's chemical products.

Row 1

(7.39.1) Output product

Select from:

Nitric acid

(7.39.2) Production (metric tons)

706009.59

(7.39.3) Capacity (metric tons)

279623.33

(7.39.4) Direct emissions intensity (metric tons CO2e per metric ton of product)

2.52

(7.39.5) Electricity intensity (MWh per metric ton of product)

0.72

(7.39.6) Steam intensity (MWh per metric ton of product)

0.04

(7.39.7) Steam/ heat recovered (MWh per metric ton of product)

0.04

(7.39.8) Comment

The intensities related to nitric acid production have been calculated.

Row 2

(7.39.1) Output product

Select from:

Other, please specify :Synthetic fertiliser

(7.39.2) Production (metric tons)

6878151.55

(7.39.3) Capacity (metric tons)

2433497.52

(7.39.4) Direct emissions intensity (metric tons CO2e per metric ton of product)

2.83

(7.39.5) Electricity intensity (MWh per metric ton of product)

0.08

(7.39.6) Steam intensity (MWh per metric ton of product)

0.004

(7.39.7) Steam/ heat recovered (MWh per metric ton of product)

0.004

(7.39.8) Comment

The intensities related to synthetic fertilisers production have been calculated.

Row 3

(7.39.1) Output product

Select from:

Other, please specify :Organomineral fertiliser

(7.39.2) Production (metric tons)

31916.72

(7.39.3) Capacity (metric tons)

132740.72

(7.39.4) Direct emissions intensity (metric tons CO2e per metric ton of product)

0.24

(7.39.5) Electricity intensity (MWh per metric ton of product)

1.51

(7.39.6) Steam intensity (MWh per metric ton of product)

0.08

(7.39.7) Steam/ heat recovered (MWh per metric ton of product)

0.08

(7.39.8) Comment

*The intensities related to organomineral fertilisers production have been calculated.
[Add row]*

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Row 1

(7.45.1) Intensity figure

0.00047244

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

858139.46

(7.45.3) Metric denominator

Select from:

unit total revenue

(7.45.4) Metric denominator: Unit total

1816391000

(7.45.5) Scope 2 figure used

Select from:

Location-based

(7.45.6) % change from previous year

6

(7.45.7) Direction of change

Select from:

Decreased

(7.45.8) Reasons for change

Select all that apply

Other emissions reduction activities

Change in revenue

(7.45.9) Please explain

Data Past Year: Scope 1 2 825,815.67 metric tons CO2e; Revenue 1,852,947,000 Data This Year: Scope 1 2 858,139.46 metric tons CO2e; Revenue 1,816,391,000 Our total Scope 1 and Scope 2 emissions have increased by 3,9% and revenue has decreased by 2%. Hence, the emission intensity (per revenue) has decreased by 6%.

[Add row]

(7.52) Provide any additional climate-related metrics relevant to your business.

Row 1

(7.52.1) Description

Select from:

Energy usage

(7.52.2) Metric value

0.08

(7.52.3) Metric numerator

Total amount of energy consumption

(7.52.4) Metric denominator (intensity metric only)

Total production (ton)

(7.52.5) % change from previous year

100

(7.52.6) Direction of change

Select from:

Increased

(7.52.7) Please explain

The total amount of electricity withdrawn from the grid (MWh) is proportioned to the total revenue. In 2023, this metric was calculated as 0.08 MWh/USD, while in 2022, it was 0.04 MWh/USD. Therefore, there was a 100% increase in 2023.

Row 2

(7.52.1) Description

Select from:

Other, please specify :Water

(7.52.2) Metric value

0.08

(7.52.3) Metric numerator

Total water consumption (m3)

(7.52.4) Metric denominator (intensity metric only)

Total water withdrawal

(7.52.5) % change from previous year

45

(7.52.6) Direction of change

Select from:

Increased

(7.52.7) Please explain

The water consumption amount is proportioned to the amount of water withdrawn. In 2023, this metric was calculated as 0.08 m³/m³, while in 2022, it was 0.05 m³/m³. Therefore, there was a 45% increase in 2023.

Row 3

(7.52.1) Description

Select from:

Waste

(7.52.2) Metric value

0.01

(7.52.3) Metric numerator

Total amount of waste

(7.52.4) Metric denominator (intensity metric only)

Total production (ton)

(7.52.5) % change from previous year

100

(7.52.6) Direction of change

Select from:

Decreased

(7.52.7) Please explain

The total amount of non-hazardous waste is proportioned to the production amount. In 2023, this metric was calculated as 0.01 tons/ton, while in 2022, it was 0.02 tons/ton. Therefore, there was a 100% decrease in 2023.

[Add row]

(7.53) Did you have an emissions target that was active in the reporting year?

Select all that apply

Absolute target

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:

Abs 1

(7.53.1.2) Is this a science-based target?

Select from:

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.53.1.4) Target ambition

Select from:

- Well-below 2°C aligned

(7.53.1.5) Date target was set

12/31/2022

(7.53.1.6) Target coverage

Select from:

- Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

- Carbon dioxide (CO₂)
- Methane (CH₄)
- Nitrous oxide (N₂O)
- Hydrofluorocarbons (HFCs)

(7.53.1.8) Scopes

Select all that apply

- Scope 1
- Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

- Location-based

(7.53.1.11) End date of base year

12/30/2023

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

824583

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

31547

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

856130.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/30/2030

(7.53.1.55) Targeted reduction from base year (%)

100

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

0.000

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

824583

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

31547

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

856130.000

(7.53.1.78) Land-related emissions covered by target

Select from:

Yes, it covers land-related and non-land related emissions (e.g. SBT approved before the release of FLAG target-setting guidance)

(7.53.1.79) % of target achieved relative to base year

0.00

(7.53.1.80) Target status in reporting year

Select from:

Underway

(7.53.1.82) Explain target coverage and identify any exclusions

This target has been designed in line with the SBTi's well below 2 degrees Celsius objective. The defined target encompasses the entire organization. The reporting year (2023) has been designated as the new base year. In this context, there is no difference between the base year and the reporting year. Scope 3 has been

excluded from the carbon neutrality target set for 2030. A separate target has been established for the emissions defined in Scope 3, set for 2045. There are no biogenic emissions. Our goal is to achieve carbon neutrality for Scope 1 and 2 emissions by 2030.

(7.53.1.83) Target objective

With the established target, we plan to minimize the environmental footprint caused by our operations, ensure compliance with the emissions trading system, and reduce costs from a financial perspective.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

In our roadmap to achieve these targets, we aim to take significant steps through renewable energy and green ammonia investments, in addition to the principles of circular economy, waste management, and energy efficiency that we have adopted for the decarbonization of our current operations. As the most concrete step of our sustainability-focused growth strategies in 2023, we established Tekfen Renewable Energy Solutions. With the awareness of supporting our overarching goals, we aim to do our part in the transition to a low-carbon economy by aligning with all our stakeholders in our main business areas. From the perspective of the Engineering and Contracting Group, we recognize that one of the most important aspects of transitioning to sustainable business models is alignment with our stakeholders. Global oil and gas players, which are key stakeholders in the sector, are also leading organizations that have made significant commitments to net-zero focused investments. In this context, various clean energy investments, primarily renewable energy facilities, as well as electric vehicles and hydrogen, are on the agendas of global energy companies. These investments are creating new opportunities in the EPC field. In this context, during the reporting year, the cooling water recovery project was completed at Toros Agri in Samsun, and the solar energy system installation was finished at Tekfen İnşaat. Additionally, the utilization of heat generated by the planned sulfuric acid plant investment, set to commence in 2025, aims to reduce Scope 1 and 2 emissions. To monitor the progress and performance of the target, emissions calculated on an annual basis are compared, and the root causes of any increases or decreases are examined.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

Yes

Row 2

(7.53.1.1) Target reference number

Select from:

Abs 2

(7.53.1.2) Is this a science-based target?

Select from:

- No, but we anticipate setting one in the next two years

(7.53.1.5) Date target was set

12/31/2022

(7.53.1.6) Target coverage

Select from:

- Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

- Carbon dioxide (CO2)
- Methane (CH4)
- Nitrous oxide (N2O)
- Hydrofluorocarbons (HFCs)

(7.53.1.8) Scopes

Select all that apply

- Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply

- Scope 3, Category 14 – Franchises
- Scope 3, Category 15 – Investments
- Scope 3, Category 6 – Business travel
- Scope 3, Category 7 – Employee commuting
- Scope 3, Category 11 – Use of sold products
- Scope 3, Category 9 – Downstream transportation and distribution
- Scope 3, Category 1 – Purchased goods and services
- Scope 3, Category 10 – Processing of sold products
- Scope 3, Category 5 – Waste generated in operations
- Scope 3, Category 12 – End-of-life treatment of sold products
- Scope 3, Category 4 – Upstream transportation and distribution

Scope 3, Category 3 – Fuel- and energy- related activities (not included in Scope 1 or 2)

(7.53.1.11) End date of base year

12/30/2023

(7.53.1.14) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

1092989.78

(7.53.1.16) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

27861.53

(7.53.1.17) Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

46193.88

(7.53.1.18) Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

5242.2

(7.53.1.19) Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

5166.08

(7.53.1.20) Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

2651.37

(7.53.1.22) Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

83321.06

(7.53.1.23) Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

10252.56

(7.53.1.24) Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

3376244.46

(7.53.1.25) Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

77.5

(7.53.1.27) Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

5110.2

(7.53.1.28) Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

51483.65

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

4706594.270

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

4706594.270

(7.53.1.35) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100

(7.53.1.37) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

100

(7.53.1.38) Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

100

(7.53.1.39) Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

100

(7.53.1.40) Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

100

(7.53.1.41) Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

100

(7.53.1.43) Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

100

(7.53.1.44) Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

100

(7.53.1.45) Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

100

(7.53.1.46) Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

100

(7.53.1.48) Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

100

(7.53.1.49) Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

100

(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

(7.53.1.55) Targeted reduction from base year (%)

100

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

0.000

(7.53.1.59) Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

1092989.78

(7.53.1.61) Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

27861.53

(7.53.1.62) Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

46193.88

(7.53.1.63) Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

5242.2

(7.53.1.64) Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

5166.08

(7.53.1.65) Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

2651.37

(7.53.1.67) Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

83321.06

(7.53.1.68) Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

10252.56

(7.53.1.69) Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

3376244.46

(7.53.1.70) Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

77.5

(7.53.1.72) Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

5110.2

(7.53.1.73) Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

41483.65

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

4696594.270

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

(7.53.1.78) Land-related emissions covered by target

Select from:

 Yes, it covers land-related emissions only (e.g. FLAG SBT)**(7.53.1.79) % of target achieved relative to base year**

0.21

(7.53.1.80) Target status in reporting year

Select from:

 Underway**(7.53.1.82) Explain target coverage and identify any exclusions**

The defined target encompasses the entire organization. The reporting year (2023) has been designated as the new base year. In this context, there is no difference between the base year and the reporting year. A target has been established for the emissions defined in Scope 3, set for 2045. There are no biogenic emissions. Our goal is to achieve carbon net zero for Scope 3 emissions by 2045. This target include FLAG emissions. According to the SBTi FLAG emissions document, CO2 and N2O emissions from fertilizer production in the indirect land use category have been calculated and included in the target.

(7.53.1.83) Target objective

With the established target, we plan to minimize the environmental footprint caused by our operations, ensure compliance with the emissions trading system, and reduce costs from a financial perspective.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

During the transition to carbon-free business models, ensuring that agricultural production and food security are not affected is one of the fundamental objectives of the Agricultural Industry Group's activities. In this context, work related to Toros Tarım's Net Zero Roadmap project has continued, with field studies conducted to achieve net-zero emissions for Scope 1, 2, and 3 by 2050, and priority investments identified. The planned investment for the installation/renovation of the N2O catalytic reduction system, aimed at capturing N2O emissions released during Toros Tarım's nitric acid production, will reduce N2O emissions by at least 90%, thereby decreasing the Company's total emissions and supporting compliance with national and international environmental sustainability and climate goals. Additionally, in 2023, a project was initiated to measure the impact of Toros Tarım's products and modern agricultural techniques on carbon emissions at a pilot farm where these practices are widely used.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

Yes

[Add row]

(7.54) Did you have any other climate-related targets that were active in the reporting year?

Select all that apply

Net-zero targets

(7.54.3) Provide details of your net-zero target(s).

Row 1

(7.54.3.1) Target reference number

Select from:

NZ1

(7.54.3.2) Date target was set

12/31/2022

(7.54.3.3) Target Coverage

Select from:

Organization-wide

(7.54.3.4) Targets linked to this net zero target

Select all that apply

Abs1

Abs2

(7.54.3.5) End date of target for achieving net zero

12/30/2050

(7.54.3.6) Is this a science-based target?

Select from:

Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.54.3.8) Scopes

Select all that apply

- Scope 1
- Scope 2
- Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

- Carbon dioxide (CO₂)
- Methane (CH₄)
- Nitrous oxide (N₂O)
- Hydrofluorocarbons (HFCs)

(7.54.3.10) Explain target coverage and identify any exclusions

Scope 1 and 2 covered for 2030; Scope 3 covered for 2050 within target development studies

(7.54.3.11) Target objective

Absolute emission reduction

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

Yes

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

No, but we plan to within the next two years

(7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Select all that apply

Yes, we plan to purchase and cancel carbon credits for neutralization at the end of the target

(7.54.3.15) Planned milestones and/or near-term investments for neutralization at the end of the target

Carbon credits will be available for emissions that cannot be reduced by the end of 2030.

(7.54.3.17) Target status in reporting year

Select from:

Underway

(7.54.3.19) Process for reviewing target

Target development progress

[Add row]

(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Select from:

Yes

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	<i>*Numeric input</i>
To be implemented	1	65000
Implementation commenced	0	0
Implemented	2	0
Not to be implemented	0	<i>*Numeric input</i>

[Fixed row]

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Low-carbon energy consumption

Solar PV

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

1968

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

Mandatory

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

270947

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

0

(7.55.2.7) Payback period

Select from:

4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

21-30 years

(7.55.2.9) Comment

Tekfen Group Companies completed two new projects that contributed to emission reductions in 2023 while minimizing operational emissions, and thanks to these projects, approximately 8,010 MWh of energy was saved in 2023, achieving financial savings of approximately 484,322 USD (2022: 2,374 MWh of energy and 954056 USD financial savings). Tekfen Construction's FNN Sustainability Center, located within the GAT facility in Ceyhan, Adana, meets some of its electricity needs from solar panels on its roof. Similarly, Tekfen Construction's Steel Structure Manufacturing Facility in Ceyhan generates some of its own electricity from a solar power plant installed on its roof. The solar power plant, which covers an area of 11,300 square meters and consists of 3,720 panels, has the capacity to produce 1,500,000 kWh of electricity per year. Both facilities achieved 2,208 MWh of electricity savings and 270.947 USD in financial savings in 2023.

Row 2

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

Cooling technology

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

55812

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

471193

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

0

(7.55.2.7) Payback period

Select from:

1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

- 16-20 years

(7.55.2.9) Comment

At Toros Tarım Samsun Plant, electrical energy from waste heat is produced from the Sulfuric Acid Unit, and this energy is used for the internal needs of the facility. In addition, energy costs were reduced with the completion in 2023 of the project initiated in 2022 to recover water used for cooling purposes in ammonia storage. Various projects within this scope achieved 7,946 MWh of energy savings and 471,193 USDD financial savings in 2023.
[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:

- Partnering with governments on technology development

(7.55.3.2) Comment

Nitric Acid Climate Action Group (NACAG), affiliated with the German Government, is supporting us in considering options for installing an N2O reduction system. We are receiving know-how support and may receive potential financial support from them. The Turkish Government is also supporting this initiative. As can be seen in this example, Tekfen Holding and its Group Companies are open to and actively seeking collaboration opportunities for know-how sharing and realizing emissions/energy reduction initiatives. In 2020 we have also signed a 5-year agreement with The Scientific and Technological Research Council of Turkey (TUBITAK), to develop projects. This agreement also includes research and development of projects that will reduce our direct and value chain GHG emissions

Row 3

(7.55.3.1) Method

Select from:

- Compliance with regulatory requirements/standards

(7.55.3.2) Comment

Nitrogen oxides treatment unit (DENOX) and Continuous Emissions Monitoring System (CEMS) installations at our fertilizer production facilities are regulatory mandated. As per Turkish GHG MRV Regulation, third-party companies verify our fertilizer plants' GHG emissions and report to the Ministry of Environment and Urbanization. Therefore, the necessary budget for emissions reduction/monitoring initiatives to comply with regulations is always allocated as a priority.

Row 4

(7.55.3.1) Method

Select from:

Dedicated budget for other emissions reduction activities

(7.55.3.2) Comment

Toros Agri Board of Directors has approved an investment budget for large N₂O reduction systems in order to avoid any liabilities the predicted future ETS/Carbon Tax system in Turkey may cause. As the fertilizer production-related N₂O GHG emissions constitute the vast majority of our gross Scope 1&2 emissions, any measure to drastically reduce those emissions are constantly investigated by our Top Management.

[Add row]

(7.74) Do you classify any of your existing goods and/or services as low-carbon products?

Select from:

No

(7.79) Has your organization canceled any project-based carbon credits within the reporting year?

Select from:

No

C9. Environmental performance - Water security

(9.1) Are there any exclusions from your disclosure of water-related data?

Select from:

No

(9.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

Water withdrawals – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Continuously

(9.2.3) Method of measurement

Water withdrawals are monitored at the operational level through monthly bills from suppliers in our commercial operations. As part of our production operations, we monitor our water withdrawals through both bills issued by our suppliers as well as internal water meter readings.

(9.2.4) Please explain

Agricultural Production Group, we have an addition of fresh surface water withdrawal measured by pump flow rates and rainwater calculated using meteorological data (average precipitation rate mm per region was multiplied by the total area (m²) at relevant regions) and the UN Food and Agriculture Organisation's (FAO) method was used to calculate the effective rainfall by the plants annually. Water withdrawal volume is followed up and reported to the Holding HSE Department monthly.

Water withdrawals – volumes by source

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Continuously

(9.2.3) Method of measurement

Water withdrawals are monitored at the operational level through monthly bills from suppliers in our commercial operations. As part of our production operations, we monitor our water withdrawals through both bills issued by our suppliers as well as internal water meter readings.

(9.2.4) Please explain

Agricultural Production Group, we have an addition of fresh surface water withdrawal measured by pump flow rates and rainwater calculated using meteorological data (average precipitation rate mm per region was multiplied by the total area (m²) at relevant regions) and the UN Food and Agriculture Organisation's (FAO) method was used to calculate the effective rainfall by the plants annually. Water withdrawal volume is followed up and reported to the Holding HSE Department monthly.

Water withdrawals quality

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Continuously

(9.2.3) Method of measurement

We monthly and/or more frequently monitor the quality of water, used for all of our operations. We periodically get samples and send them for microbiological and chemical analysis to accredited laboratories in the periods set by legal criteria and regulations (e.g. analysis are conducted in monthly and/ or bimonthly periods).

(9.2.4) Please explain

We monthly and/or more frequently monitor the quality of water, used for all of our operations. We periodically get samples and send them for microbiological and chemical analysis to accredited laboratories in the periods set by legal criteria and regulations (e.g. analysis are conducted in monthly and/ or bimonthly periods).

Water discharges – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Continuously

(9.2.3) Method of measurement

We monitor water discharges at all our operations. Our water discharge volume is monitored in real-time due to regulatory requirements by sensors at our Samsun Plant (96.98 % of our Holding-wide water discharge for the reporting period), which has a continuous wastewater monitoring system that is directly connected to the Ministry of Environment and Urbanization's system. The discharge volume and quality parameters are monitored by legal authorities in real time at our Samsun Plant.

(9.2.4) Please explain

For all other facilities that supply water from third parties, the amount of water discharged is monitored via water bills as well as meter readings on a monthly basis. At Alanar Fruit orchards, 25% of the freshwater used for drip irrigation, was estimated as the discharge rate of the plants, since the plants can't absorb all the freshwater supplied.

Water discharges – volumes by destination

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Continuously

(9.2.3) Method of measurement

We monitor volumes of water discharges by destination at all our operations. %100 of water discharges to sea are monitored at our fertilizer production plant located in Samsun in real-time due to regulatory requirements. The amount of water discharged from the Samsun facility represents 96.98 % of our Holding-wide water discharge for the reporting period.

(9.2.4) Please explain

For all other facilities that supply water from third parties, the amount of water discharged is monitored via water bills as well as meter readings on a monthly basis. At Alanar Fruit orchards, 25% of the freshwater used for drip irrigation, was estimated as the discharge rate of the plants as they cannot absorb all water supplied. Therefore, we measure/monitor/calculate all our water discharge per volume and destination.

Water discharges – volumes by treatment method

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Continuously

(9.2.3) Method of measurement

We monitor volumes of water discharges by treatment method at all our operations. Our water discharge volume is monitored continuously at our fertilizer production plant located in Samsun in real-time by sensors due to regulatory requirements, and in Ceyhan and Mersin plants through monthly meter readings.

(9.2.4) Please explain

For almost all activities we either use our own wastewater treatment facilities or discharge directly to third parties' wastewater treatment facilities. At Tekfen Agri's orchards, we discharge the irrigation water without any treatment to groundwater or surface water (1.5 % of the Holding-wide total water discharge for the reporting period). As per expert statements, we calculate that 25% of irrigation water can't be absorbed by the plants and discharged to groundwater or surface water. Overall, we monitor/calculate/measure all our water discharge per treatment method at least monthly for each facility/project.

Water discharge quality – by standard effluent parameters

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Continuously

(9.2.3) Method of measurement

Our 3 fertilizer plants (source of 99.21% of our total water discharge for the reporting period) have wastewater treatment units and water discharge quality is monitored as per the Turkish Water Pollution Control Regulation. The analyses are conducted on bi-monthly periods. The analyzed parameters are; BOD, Suspended Solids, Oil, and grease, P, Cr, Pb, CN, Cd, Fe, F, Cu, Hg, SO₄, Total Kjeldahl Nitrates, TDF, COD, pH.

(9.2.4) Please explain

Our Toros Agri Samsun Plant uses a considerable amount of seawater and the resulting discharge represents 96.98 % of the total water discharges in the reporting period. There is a Monitoring Station that monitors standard effluent parameters of wastewater in real-time and reports to the Ministry of Environment and Urbanisation in Samsun Plant. Real-time reports can be reached 24/7 via the web. We do not monitor the discharge water quality for Tekfen Agri orchard operations as they are directly discharged as a result of irrigation.

Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)

(9.2.1) % of sites/facilities/operations

Select from:

Not monitored

(9.2.4) Please explain

"The water discharge quality (emission to water)" parameter is not monitored.

Water discharge quality – temperature

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Continuously

(9.2.3) Method of measurement

Toros Agri Samsun Plant has water discharge measuring and monitoring station that monitors standard effluent parameters of wastewater continuously. The station is controlled and followed up by the Ministry of Environment, Urbanisation and Climate Change (MoEUCC) and determined water discharge quality parameters are monitored and recorded in real-time by the MoEUCC. One of the parameters being monitored continuously is the temperature of discharged water.

(9.2.4) Please explain

The majority of water is discharged to the sea. We do not monitor the discharge water temperature for Tekfen Agri orchard operations as they are directly discharged as a result of irrigation and the water temperature doesn't change. We also don't monitor the water temperature in our construction and other operations as this parameter is not relevant and the water temperature does not change in those operations. Samsun Plant represents 96.98% of the total water discharges reported Holding-wide in this reporting period.

Water consumption – total volume

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Continuously

(9.2.3) Method of measurement

We calculate all of our water consumption volumes. As stated in the above section we monitor our total water withdrawal volumes either continuously through meters or through monthly meter readings depending on the type of facility. The discharge volumes are also monitored continuously through meter readings and/or monthly water bills.

(9.2.4) Please explain

Therefore, the water consumption in total volume is calculated using the formula $Withdrawal (Total Volume) - Discharge (Total Volume)$ As part of our Tekfen Agri orchard agricultural practices, we calculate our rainwater consumption (plant rainwater intake/absorption) by using the UN FAO effective rainfall calculation using national (regional) rainfall data. As per regular irrigation practices, we estimated an average 25% plant water absorption rate based on expert opinion. Therefore, we monitor/calculate/measure 100% of our water consumption either annually (only rainwater) or monthly (for all other water sources).

Water recycled/reused

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Continuously

(9.2.3) Method of measurement

We monitor the amount of water recycled/reused at all our facilities mostly via meters (monthly) where recycling/reusing takes place.

(9.2.4) Please explain

We demineralize and reuse water in our Chemical Industry fertilizer production operations and monitor this data in real-time in one of the facilities, Samsun. The 93.7 of water recycling takes place at our 3 fertilizer production facilities. The remainder (6.3 %) of our water reusing activities take place as part of Tekfen Construction operations and the amount is measured via volume calculation based on water truck capacity.

The provision of fully-functioning, safely managed WASH services to all workers

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Continuously

(9.2.3) Method of measurement

The quality of drinking/ potable water provided is being monitored and analyzed monthly and bi-monthly periods to ensure compliance with regulatory limits.

(9.2.4) Please explain

The Health and safety of our employees is our top priority which also is a result of Tekfen Holding's materiality analysis conduct due to sustainability reporting. Therefore, all our employees/workers are provided with fully-functioning and safely managed WASH services at all times. Especially during the COVID-19 outbreak, this issue became an utmost priority for Tekfen Holding.

[Fixed row]

(9.2.2) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

Total withdrawals

(9.2.2.1) Volume (megaliters/year)

120319

(9.2.2.2) Comparison with previous reporting year

Select from:

Higher

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in business activity

(9.2.2.4) Five-year forecast

Select from:

About the same

(9.2.2.5) Primary reason for forecast

Select from:

Increase/decrease in business activity

(9.2.2.6) Please explain

We compile the data via meter readings&water bills in all operations except rainwater withdrawals for Tekfen Agri, which we calculate based on national meteorological data using the UN FAO effective rainfall calculation formula. While classifying the magnitude of change from the previous year data, we consider the change up to +/-5% as "about the same", 5% to 20% as higher/lower", and above 20% as "much higher/lower". As the increase in withdrawal amounts was calculated to be 0.01% it is classified as "About the same".

Total discharges

(9.2.2.1) Volume (megaliters/year)

110711.41

(9.2.2.2) Comparison with previous reporting year

Select from:

Lower

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in business activity

(9.2.2.4) Five-year forecast

Select from:

About the same

(9.2.2.5) Primary reason for forecast

Select from:

Increase/decrease in business activity

(9.2.2.6) Please explain

We compile the data via meter readings&water bills in all operations except rainwater withdrawals for Tekfen Agri, which we calculate based on national meteorological data using the UN FAO effective rainfall calculation formula. While classifying the magnitude of change from the previous year data, we consider the change up to +/-5% as "about the same", 5% to 20% as "higher/lower", and above 20% as "much higher/lower". As the decrease in discharge amounts was calculated to be 0.02% it is classified as "About the same".

Total consumption

(9.2.2.1) Volume (megaliters/year)

(9.2.2.2) Comparison with previous reporting year

Select from:

 Higher**(9.2.2.3) Primary reason for comparison with previous reporting year**

Select from:

 Increase/decrease in business activity**(9.2.2.4) Five-year forecast**

Select from:

 About the same**(9.2.2.5) Primary reason for forecast**

Select from:

 Increase/decrease in business activity**(9.2.2.6) Please explain**

We compile the data via meter readings&water bills in all operations except rainwater withdrawals for Tekfen Agri, which we calculate based on national meteorological data using the UN FAO effective rainfall calculation formula. While classifying the magnitude of change from the previous year data, we consider the change up to +/-5% as "about the same", 5% to 20% as "higher/lower", and above 20% as "much higher/lower". As the decrease in consumption amounts was calculated to be 0.46% it is classified as "About the same".

[Fixed row]

(9.2.4) Indicate whether water is withdrawn from areas with water stress, provide the volume, how it compares with the previous reporting year, and how it is forecasted to change.

(9.2.4.1) Withdrawals are from areas with water stress

Select from:

Yes

(9.2.4.2) Volume withdrawn from areas with water stress (megaliters)

120142

(9.2.4.3) Comparison with previous reporting year

Select from:

Much lower

(9.2.4.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in business activity

(9.2.4.5) Five-year forecast

Select from:

About the same

(9.2.4.6) Primary reason for forecast

Select from:

Increase/decrease in business activity

(9.2.4.7) % of total withdrawals that are withdrawn from areas with water stress

99.85

(9.2.4.8) Identification tool

Select all that apply

WRI Aqueduct

(9.2.4.9) Please explain

We use the WRI Aqueduct Water Risk Atlas tool to identify overall water risks, baseline water stress, the projected change in water stress, flood occurrence, drought severity, groundwater stress in locations where our facilities/sites/ operations at. By using the tool, we assessed the Water Stress level for all of our locations by entering their coordinates on the tool and identifying the basin they are located at. Areas with High (40-80%) or Extremely High (80%) Baseline Water Stress as evaluated by WRI Aqueduct are classified as Water-Stressed Areas. The water stress level is a very important data for us. Water stress measures the ratio of total water withdrawals to available renewable surface and groundwater supplies. (Water withdrawals include domestic, industrial, irrigation, and livestock consumptive and nonconsumptive uses. Available renewable water supplies include the impact of upstream consumptive water users and large dams on downstream water availability.) And higher values indicate more competition among users. According to the tool, although most of our operations (53 out of 62 locations) are listed as having High (40-80%) to Extremely High (80%) Water Stress Levels, volume-wise our withdrawal from areas with water stress have decreased by 34.23% (From 13,107.9 ML in 2021 to 8,620.8 ML in 2022). Our total corporate-wide water withdrawals have increased by 0.01% in comparison with the previous reporting period. In 2022 our water withdrawals from water-stressed areas made up 7.2% of our total water withdrawals. This year this value is up to 99.5%. There is one major reason for this increase: 1. Resulting in a 67.63% decrease in water withdrawals from water stress areas for Tekfen construction (1,983 ML decrease in withdrawal). Tekfen construction projects make up 11.01% of total withdrawals from water-stressed areas. In other operations there are also small changes but they are not significant enough to be reported here. As a result of this analysis, we can say that our water withdrawals from water-stressed areas have decreased by 34.23 % with respect to the previous reporting year. According to WRI Aqueduct Water Risk Atlas Tool, although our Samsun Plant is currently at a low-stress area, in the future analysis (2030), this plant will fall under “Extremely High Risk” category. Therefore, it is reported under W4.1a and W4.1b of this report.
[Fixed row]

(9.2.7) Provide total water withdrawal data by source.

Fresh surface water, including rainwater, water from wetlands, rivers, and lakes

(9.2.7.1) Relevance

Select from:

Relevant

(9.2.7.2) Volume (megaliters/year)

6145

(9.2.7.3) Comparison with previous reporting year

Select from:

About the same

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in business activity

(9.2.7.5) Please explain

We compile the data via meter readings&water bills in all operations except rainwater withdrawals for Tekfen Agri, which we calculate based on national meteorological data using the UN FAO effective rainfall calculation formula. While classifying the magnitude of change from the previous year data, we consider the change up to +/- 5% as "about the same", 5% to 20% as "higher/lower", and above 20% as "much higher/lower". As the decrease in withdrawal amounts was calculated to be 1.3% it is classified as "About the same"

Brackish surface water/Seawater

(9.2.7.1) Relevance

Select from:

Relevant

(9.2.7.2) Volume (megaliters/year)

105812

(9.2.7.3) Comparison with previous reporting year

Select from:

About the same

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in business activity

(9.2.7.5) Please explain

We compile the data via meter readings&water bills in all operations except rainwater withdrawals for Tekfen Agri, which we calculate based on national meteorological data using the UN FAO effective rainfall calculation formula. While classifying the magnitude of change from the previous year data, we consider the change up to +/- 5% as "about the same", 5% to 20% as "higher/lower", and above 20% as "much higher/lower". As the increase in withdrawal amounts was calculated to be 0.82% it is classified as "About the same"

Groundwater – renewable

(9.2.7.1) Relevance

Select from:

Relevant

(9.2.7.2) Volume (megaliters/year)

7628

(9.2.7.3) Comparison with previous reporting year

Select from:

About the same

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in business activity

(9.2.7.5) Please explain

We compile the data via meter readings&water bills in all operations except rainwater withdrawals for Tekfen Agri, which we calculate based on national meteorological data using the UN FAO effective rainfall calculation formula. While classifying the magnitude of change from the previous year data, we consider the change up to +/- 5% as "about the same", 5% to 20% as "higher/lower", and above 20% as "much higher/lower". As the decrease in withdrawal amounts was calculated to be 0.89% it is classified as "About the same"

Groundwater – non-renewable

(9.2.7.1) Relevance

Select from:

Not relevant

(9.2.7.5) Please explain

We do not use non-renewable groundwater in any of our operations. Therefore, water withdrawal from this source is currently not relevant for our business and will remain as not relevant in the future.

Produced/Entrained water

(9.2.7.1) Relevance

Select from:

Relevant

(9.2.7.2) Volume (megaliters/year)

216

(9.2.7.3) Comparison with previous reporting year

Select from:

Much higher

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in business activity

(9.2.7.5) Please explain

We compile the data via meter readings&water bills in all operations except rainwater withdrawals for Tekfen Agri, which we calculate based on national meteorological data using the UN FAO effective rainfall calculation formula. While classifying the magnitude of change from the previous year data, we consider the

change up to +/- 5% as "about the same", 5% to 20% as "higher/lower", and above 20% as "much higher/lower". Unlike last year, produced water was extracted this year. For this reason, there has been a 100% increase in 2023 compared to 2022. It is classified as "Much higher"

Third party sources

(9.2.7.1) Relevance

Select from:

Relevant

(9.2.7.2) Volume (megaliters/year)

517

(9.2.7.3) Comparison with previous reporting year

Select from:

About the same

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in business activity

(9.2.7.5) Please explain

We compile the data via meter readings&water bills in all operations except rainwater withdrawals for Tekfen Agri, which we calculate based on national meteorological data using the UN FAO effective rainfall calculation formula. While classifying the magnitude of change from the previous year data, we consider the change up to +/- 5% as "about the same", 5% to 20% as "higher/lower", and above 20% as "much higher/lower". As the decrease in withdrawal amounts was calculated to be 3.31% it is classified as "About the same"

[Fixed row]

(9.2.8) Provide total water discharge data by destination.

Fresh surface water

(9.2.8.1) Relevance

Select from:

Relevant

(9.2.8.2) Volume (megaliters/year)

78

(9.2.8.3) Comparison with previous reporting year

Select from:

Lower

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in business activity

(9.2.8.5) Please explain

We compile the data via meter readings&water bills in all operations except rainwater withdrawals for Tekfen Agri, which we calculate based on national meteorological data using the UN FAO effective rainfall calculation formula. While classifying the magnitude of change from the previous year data, we consider the change up to +/- 5% as "about the same", 5% to 20% as "higher/lower", and above 20% as "much higher/lower". As the decrease in discharge amounts as calculated to be 13% it is classified as "Lower".

Brackish surface water/seawater

(9.2.8.1) Relevance

Select from:

Relevant

(9.2.8.2) Volume (megaliters/year)

(9.2.8.3) Comparison with previous reporting year

Select from:

 About the same**(9.2.8.4) Primary reason for comparison with previous reporting year**

Select from:

 Increase/decrease in business activity**(9.2.8.5) Please explain**

We compile the data via meter readings&water bills in all operations except rainwater withdrawals for Tekfen Agri, which we calculate based on national meteorological data using the UN FAO effective rainfall calculation formula. While classifying the magnitude of change from the previous year data, we consider the change up to +/- 5% as "about the same", 5% to 20% as "higher/lower", and above 20% as "much higher/lower". As the increase in discharge amounts as calculated to be 1% it is classified as "About the same".

Groundwater**(9.2.8.1) Relevance**

Select from:

 Relevant**(9.2.8.2) Volume (megaliters/year)**

1551

(9.2.8.3) Comparison with previous reporting year

Select from:

 Much higher

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

- Increase/decrease in business activity

(9.2.8.5) Please explain

We compile the data via meter readings&water bills in all operations except rainwater withdrawals for Tekfen Agri, which we calculate based on national meteorological data using the UN FAO effective rainfall calculation formula. While classifying the magnitude of change from the previous year data, we consider the change up to +/- 5% as "about the same", 5% to 20% as "higher/lower", and above 20% as "much higher/lower". As the increase in discharge amounts as calculated to be 62% it is classified as "Much higher".

Third-party destinations

(9.2.8.1) Relevance

Select from:

- Relevant

(9.2.8.2) Volume (megaliters/year)

249

(9.2.8.3) Comparison with previous reporting year

Select from:

- Much lower

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

- Increase/decrease in business activity

(9.2.8.5) Please explain

We compile the data via meter readings&water bills in all operations except rainwater withdrawals for Tekfen Agri, which we calculate based on national meteorological data using the UN FAO effective rainfall calculation formula. While classifying the magnitude of change from the previous year data, we consider the change up to +/- 5% as “about the same”, 5% to 20% as “higher/lower”, and above 20% as “much higher/lower”. As the decrease in discharge amounts as calculated to be more than 100% it is classified as “Much lower”.

[Fixed row]

(9.2.9) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

Tertiary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

Not relevant

(9.2.9.6) Please explain

Tertiary treatment is the “treatment” process used to remove polluting agents, like nitrogen, phosphorus, heavy metals, toxic organic substances, etc., which can not be sufficiently removed via physical or biological treatment methods. However, the results of wastewater analysis in our plants, show that pollutants like ammonium nitrogen, nitrate, sulfate, phosphorus, copper, mercury, iron, cadmium, lead, chromium, etc. are always under the limits set in Table 19 of Water Pollution Control Regulation. As our analysis results are always under legal limits, we do not require further treatment of our wastewater. Although there is no need for advanced treatment, we have included an advanced wastewater treatment and recovery plant in our investment plans for Toros Agri’s Mersin plant. This investment is planned especially in order to recover the ammonia and nitrate in wastewater to be used as products and also to produce demineralized water.

Secondary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

Relevant

(9.2.9.2) Volume (megaliters/year)

1497.6

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

Much lower

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in business activity

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

21-30

(9.2.9.6) Please explain

We have secondary treatment in one facility of Tekfen Manufacturing, 6 projects of Tekfen Construction and 7 facilities of Toros Agri. We compile the data via meter readings&water bills in all operations except rainwater withdrawals for Tekfen Agri, which we calculate based on national meteorological data using the UN FAO effective rainfall calculation formula. While classifying the magnitude of change from the previous year's data, we consider the change up to +/- 5% as "about the same", 5% to 20% as "higher/lower", and above 20% as "much higher/lower". As the decrease in secondary treatment amounts was calculated to be 72,96% it is classified as "Much lower".

Primary treatment only

(9.2.9.1) Relevance of treatment level to discharge

Select from:

Relevant

(9.2.9.2) Volume (megaliters/year)

107319.78

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

About the same

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in business activity

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

1-10

(9.2.9.6) Please explain

We have secondary treatment in one facility of Tekfen Manufacturing, 6 projects of Tekfen Construction and 7 facilities of Toros Agri. We compile the data via meter readings&water bills in all operations except rainwater withdrawals for Tekfen Agri, which we calculate based on national meteorological data using the UN FAO effective rainfall calculation formula. While classifying the magnitude of change from the previous year's data, we consider the change up to +/- 5% as "about the same", 5% to 20% as "higher/lower", and above 20% as "much higher/lower". As the decrease in primary treatment amounts was calculated to be 0,06% it is classified as "About the same".

Discharge to the natural environment without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

Relevant

(9.2.9.2) Volume (megaliters/year)

186.18

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

Much higher

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in business activity

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

41-50

(9.2.9.6) Please explain

We have secondary treatment in one facility of Tekfen Manufacturing, 6 projects of Tekfen Construction and 7 facilities of Toros Agri. We compile the data via meter readings&water bills in all operations except rainwater withdrawals for Tekfen Agri, which we calculate based on national meteorological data using the UN FAO effective rainfall calculation formula. While classifying the magnitude of change from the previous year's data, we consider the change up to +/- 5% as "about the same", 5% to 20% as "higher/lower", and above 20% as "much higher/lower". As the increase in discharge to the natural environment without treatment amounts only amounts was calculated to be more than 100% it is classified as "Much higher".

Discharge to a third party without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

Relevant

(9.2.9.2) Volume (megaliters/year)

1486.97

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

Much higher

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

- Increase/decrease in business activity

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

- 81-90

(9.2.9.6) Please explain

We compile the data via meter readings&water bills in all operations except rainwater withdrawals for Tekfen Agri, which we calculate based on national meteorological data using the UN FAO effective rainfall calculation formula. While classifying the magnitude of change from the previous year's data, we consider the change up to +/- 5% as "about the same", 5% to 20% as "higher/lower", and above 20% as "much higher/lower". As the increase in discharge to a third party without treatment only amounts was calculated to be more than 100% it is classified as "Much higher".

Other

(9.2.9.1) Relevance of treatment level to discharge

Select from:

- Not relevant

(9.2.9.6) Please explain

We don't have any other type of treatment/ discharge
[Fixed row]

(9.3) In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities?

Direct operations

(9.3.1) Identification of facilities in the value chain stage

Select from:

No, we have not assessed this value chain stage for facilities with water-related dependencies, impacts, risks, and opportunities, and are not planning to do so in the next 2 years

(9.3.4) Please explain

We consider our Agri-Industry operations to be exposed to water-related risks the most. In the analysis, we have used the WRI Aqueduct Water Risk Atlas Tool. We assess the strategic importance of the facilities together with their water stress levels (according WRI) in order to decide which facility shall be identified and monitored as a facility exposed to water risks. Strategic importance is determined by using the facility's contribution to the total Tekfen Holding Revenue and also share of the facility's withdrawal amounts in total holding withdrawals. If the facility's contribution to revenue is less than 1% it is not included in this list. Two of our fertilizer plants are facing Extremely High: Mersin Plant and Ceyhan Plant risk in terms of water stress. Samsun Plant's current risk rating is Low. However, as this plant is responsible for 87.94 % of our total water withdrawal and 96.98% of our total discharge for the reporting period, this plant is always assessed to have a potential of substantive impact. This plant is also rated as "Extremely High Risk" in future scenarios, and it also contributes more than 1% to holding revenues. In the previous year Tekfen Agri's Karaman facility was also included in this list however it's share in total holding revenues is less than 0.25% therefore it is no longer assessed to be a facility that is exposed to water risk for Tekfen Holding. At these facilities (especially Samsun), in the absence of an adequate amount of water, the production will directly be disrupted and the water need cannot be easily supplied from other sources as the amount is substantial. While this constitutes a small number of facilities (3 out of 57 in the reporting period), they represent approximately 55 % of our total global revenue. According to WRI Aqueduct Water Risk Atlas, most of our operations (53 out of 62 locations) are listed as having High to Extremely High water-stressed areas. However, the impact of these operations on Tekfen Holding is

Upstream value chain

(9.3.1) Identification of facilities in the value chain stage

Select from:

No, we have not assessed this value chain stage for facilities with water-related dependencies, impacts, risks, and opportunities, and are not planning to do so in the next 2 years

(9.3.4) Please explain

The agricultural sector accounts for a large portion of global water consumption due to the irrigation needs of crops. Therefore, technologies that enhance water efficiency and sustainable water management practices are becoming increasingly important in agriculture. Tekfen is undertaking innovative efforts to reduce the water footprint related to the agricultural activities and the use of its products throughout its value chain, alongside improving water efficiency in its own operations. Through research at the Toros Tarım and Tekfen Tarım R&D Centers, the aim is to develop products suited to changing climate conditions and drought-resistant seeds. Additionally, Toros Tarım focuses on the production and sale of special water-soluble fertilizers. These fertilizers, which require less water, enable farmers to

use water more efficiently. Furthermore, through its Smart Farmer Application and in-person farmer training programs, Toros Tarım contributes to water efficiency by promoting the 4R principle (using the right fertilizer, at the right time, in the right place, and in the right amount) and strives to prevent nitrate pollution.
[Fixed row]

(9.3.1) For each facility referenced in 9.3, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Row 2

(9.3.1.1) Facility reference number

Select from:

Facility 1

(9.3.1.2) Facility name (optional)

Toros Agri Samsun Plant

(9.3.1.7) Country/Area & River basin

Afghanistan

Other, please specify :Yesilirmak

(9.3.1.10) Located in area with water stress

Select from:

Yes

Row 3

(9.3.1.1) Facility reference number

Select from:

Facility 2

(9.3.1.2) Facility name (optional)

Toros Agri Mersin Plant

(9.3.1.7) Country/Area & River basin

Afghanistan

Other, please specify :Tarsus/Goksu

(9.3.1.10) Located in area with water stress

Select from:

Yes

Row 4

(9.3.1.1) Facility reference number

Select from:

Facility 3

(9.3.1.2) Facility name (optional)

Toros Agri Ceyhan Plant

(9.3.1.7) Country/Area & River basin

Afghanistan

Other, please specify :Ceyhan

(9.3.1.10) Located in area with water stress

Select from:

Yes

[Add row]

(9.5) Provide a figure for your organization's total water withdrawal efficiency.

(9.5.1) Revenue (currency)

1816391000

(9.5.2) Total water withdrawal efficiency

15096.46

(9.5.3) Anticipated forward trend

We calculated total water withdrawal efficiency by dividing total amount of water withdrawn (m3) by the amount of revenue (USD). While classifying the magnitude of change from the previous year's data, we consider the change up to +/- 5% as "about the same", 5% to 20% as "higher/lower", and above 20% as "much higher/lower". As the decrease in water withdrawal efficiency was calculated to be 2% it is classified as "About the same".

[Fixed row]

(9.6) Do you calculate water intensity for your activities in the chemical sector?

Select from:

Yes

(9.6.1) For your top five products by production weight/volume, provide the following water intensity information associated with your activities in the chemical sector.

Row 1

(9.6.1.1) Product type

Bulk inorganic chemicals

Fertilizers

(9.6.1.2) Product name

CAN (calcium ammonium nitrate) and AN (ammonium nitrate)

(9.6.1.3) Water intensity value (m3/denominator)

7.49

(9.6.1.4) Numerator: water aspect

Select from:

Freshwater withdrawals

(9.6.1.5) Denominator

Select from:

Ton

(9.6.1.6) Comparison with previous reporting year

Select from:

About the same

(9.6.1.7) Please explain

We calculated the water intensity by dividing the amount of fresh water withdrawn (m3) by the amount of CAN (calcium ammonium nitrate) and AN (ammonium nitrate) produced (ton). While classifying the magnitude of change from the previous year's data, we consider the change up to +/- 5% as "about the same", 5% to 20% as "higher/lower", and above 20% as "much higher/lower". As the increase in water intensity was calculated to be 0.24% it is classified as "About the same".

[Add row]

(9.13) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances	Comment
	Select from: <input checked="" type="checkbox"/> No	There is no product contain hazardous substances.

[Fixed row]

(9.14) Do you classify any of your current products and/or services as low water impact?

(9.14.1) Products and/or services classified as low water impact

Select from:

No, but we plan to address this within the next two years

(9.14.3) Primary reason for not classifying any of your current products and/or services as low water impact

Select from:

Important but not an immediate business priority

(9.14.4) Please explain

Within the scope of our sustainability studies we implement a materiality analysis, and according to this analysis classification of products as low water impact is assessed not to be a material priority.

[Fixed row]

(9.15) Do you have any water-related targets?

Select from:

Yes

(9.15.1) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category
Water pollution	Select from: <input checked="" type="checkbox"/> Yes
Water withdrawals	Select from: <input checked="" type="checkbox"/> Yes
Water, Sanitation, and Hygiene (WASH) services	Select from: <input checked="" type="checkbox"/> Yes
Other	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(9.15.2) Provide details of your water-related targets and the progress made.

Row 1

(9.15.2.1) Target reference number

Select from:

Target 1

(9.15.2.2) Target coverage

Select from:

Business activity

(9.15.2.3) Category of target & Quantitative metric

Water use efficiency

Other water use efficiency, please specify :% of orchards that have implemented smart irrigation systems

(9.15.2.4) Date target was set

12/31/2018

(9.15.2.5) End date of base year

12/30/2019

(9.15.2.6) Base year figure

10

(9.15.2.7) End date of target year

12/31/2022

(9.15.2.8) Target year figure

5876

(9.15.2.9) Reporting year figure

5876

(9.15.2.10) Target status in reporting year

Select from:

Achieved

(9.15.2.11) % of target achieved relative to base year

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

Science Based Targets for Nature

(9.15.2.13) Explain target coverage and identify any exclusions

Alanar has orchards across 8 different locations, covering a total area of 6,201 decares, using 39% of the total water withdrawn (excluding seawater). Water, being a critical input in agriculture, is of vital importance to Alanar; therefore, the efficient use of existing water is extremely important to us. Monitoring weather conditions and measuring soil moisture levels are key factors for the success of agricultural operations. Managing irrigation with meteorological stations and humidity sensors gives us greater insights into protecting our water resources. The weather stations predict the microclimate in real-time by sensing humidity, temperature changes, wind speed, and other indicators. Smart irrigation systems are recommended as best practices in the sector. As of 2023, 100% of the arable land, which covers 5,876 decares out of the gross area of 6,201 decares (excluding rocky and forested areas where cultivation is not possible), is equipped with smart irrigation systems.

(9.15.2.15) Actions which contributed most to achieving or maintaining this target

Total area of Alanar orchards is 5,876 decares. In 5,876 decares which makes 100% of total orchard area we have implemented smart irrigation systems.

(9.15.2.16) Further details of target

Monitored at Tekfen Agri orchards (business) since the target related to the completion of smart irrigation system at Tekfen Agri's orchards

Row 2

(9.15.2.1) Target reference number

Select from:

Target 2

(9.15.2.2) Target coverage

Select from:

Organization-wide (direct operations only)

(9.15.2.3) Category of target & Quantitative metric

Monitoring of water use

Increase in the proportion of sites monitoring water recycled/reused

(9.15.2.4) Date target was set

12/31/2018

(9.15.2.5) End date of base year

12/30/2019

(9.15.2.6) Base year figure

0.01

(9.15.2.7) End date of target year

12/31/2024

(9.15.2.8) Target year figure

5.0

(9.15.2.9) Reporting year figure

0.01

(9.15.2.10) Target status in reporting year

Select from:

Underway

(9.15.2.11) % of target achieved relative to base year

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

Science Based Targets for Nature

(9.15.2.13) Explain target coverage and identify any exclusions

With increased water stress level in water basins, it is becoming more and more important for the water withdrawn to be used more than once. Especially in our fertilizer production plants and permanent facilities of Tekfen Agri, recycling/reusing of the withdrawn water will help reduce the water stress in the basin.

(9.15.2.14) Plan for achieving target, and progress made to the end of the reporting year

We are trying to reach this target by trying to increase the quality of discharge water of treatment units and categorizing the water in Tekfen construction as green-grey and blue water.

(9.15.2.16) Further details of target

To increase the percentage of total reused/recycled water to 5% with respect to total withdrawals until the end of 2025. 1% of total withdrawal is reused/ recycled water in the reporting year.

[Add row]

C10. Environmental performance - Plastics

(10.1) Do you have plastics-related targets, and if so what type?

(10.1.1) Targets in place

Select from:

No, but we plan to within the next two years

(10.1.3) Please explain

Virgin polyethylene and polypropylene are currently used as raw materials in Toros Tarım's Bag Plant. The company's long-term policies and strategies include exploring studies and technologies aimed at replacing fossil-based raw materials with bio-based materials. However, on a global scale, these efforts are still at the lab-scale stage. Additionally, if these technologies become feasible and accessible, there are long-term investment plans to revise the existing machinery accordingly.
[Fixed row]

(10.2) Indicate whether your organization engages in the following activities.

Production/commercialization of plastic polymers (including plastic converters)

(10.2.1) Activity applies

Select from:

No

(10.2.2) Comment

This is not applicable to the company's activities.

Production/commercialization of durable plastic goods and/or components (including mixed materials)

(10.2.1) Activity applies

Select from:

No

(10.2.2) Comment

This is not applicable to the company's activities.

Usage of durable plastics goods and/or components (including mixed materials)

(10.2.1) Activity applies

Select from:

No

(10.2.2) Comment

This is not applicable to the company's activities.

Production/commercialization of plastic packaging

(10.2.1) Activity applies

Select from:

Yes

(10.2.2) Comment

The entirety of the bags required for packaging the fertilizer produced at Toros Tarım's Ceyhan, Mersin, and Samsun facilities is supplied by the Bag Plant, which operates under the Toros Tarım entity. Situated approximately 10 km from the Adana city center, the plant covers an area of 49,445 m², with 9,461 m² of covered space, and was integrated into the organization in 1986. By internally fulfilling the demand for bags, which are a critical input in the fertilizer industry, the Toros Tarım Bag Plant provides significant added value to the Group. In order to meet all types of plant nutrient demands of farmers, the company also imports varieties not produced in-house. The company supports its leadership in the fertilizer sector with an extensive network of dealers and authorized resellers throughout Turkey, while the production of bags used in fertilizer packaging is carried out at its dedicated facility with an annual capacity of 33 million bags.

Production/commercialization of goods/products packaged in plastics

(10.2.1) Activity applies

Select from:

No

(10.2.2) Comment

This is not applicable to the company's activities.

Provision/commercialization of services that use plastic packaging (e.g., food services)

(10.2.1) Activity applies

Select from:

No

(10.2.2) Comment

This is not applicable to the company's activities.

Provision of waste management and/or water management services

(10.2.1) Activity applies

Select from:

No

(10.2.2) Comment

This is not applicable to the company's activities.

Provision of financial products and/or services for plastics-related activities

(10.2.1) Activity applies

Select from:

No

(10.2.2) Comment

This is not applicable to the company's activities.

Other activities not specified

(10.2.1) Activity applies

Select from:

No

(10.2.2) Comment

This is not applicable to the company's activities.

[Fixed row]

(10.5) Provide the total weight of plastic packaging sold and/or used and indicate the raw material content.

Plastic packaging sold

(10.5.1) Total weight during the reporting year (Metric tons)

3246.79

(10.5.2) Raw material content percentages available to report

Select all that apply

% virgin fossil-based content

(10.5.3) % virgin fossil-based content

100

(10.5.7) Please explain

No additional information will be provided. Currently, 100% fossil-based materials are being used. Future efforts related to this will be shared.
[Fixed row]

(10.5.1) Indicate the circularity potential of the plastic packaging you sold and/or used.

Plastic packaging sold

(10.5.1.1) Percentages available to report for circularity potential

Select all that apply

% reusable

% technically recyclable

(10.5.1.2) % of plastic packaging that is reusable

1

(10.5.1.3) % of plastic packaging that is technically recyclable

100

(10.5.1.5) Please explain

The waste generated during production at the facility is repurposed for reuse.
[Fixed row]

C11. Environmental performance - Biodiversity

(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

(11.2.1) Actions taken in the reporting period to progress your biodiversity-related commitments

Select from:

Yes, we are taking actions to progress our biodiversity-related commitments

(11.2.2) Type of action taken to progress biodiversity- related commitments

Select all that apply

Species management

[Fixed row]

(11.3) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?
	Select from: <input checked="" type="checkbox"/> No

[Fixed row]

(11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year?

	Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity	Comment
Legally protected areas	Select from: <input checked="" type="checkbox"/> No	<i>Facilities operating under Tekfen Holding are not situated in or near any natural areas that could pose a threat to the ecosystem.</i>
UNESCO World Heritage sites	Select from: <input checked="" type="checkbox"/> No	<i>Facilities operating under Tekfen Holding are not situated in or near any natural areas that could pose a threat to the ecosystem.</i>
UNESCO Man and the Biosphere Reserves	Select from: <input checked="" type="checkbox"/> No	<i>Facilities operating under Tekfen Holding are not situated in or near any natural areas that could pose a threat to the ecosystem.</i>
Ramsar sites	Select from: <input checked="" type="checkbox"/> No	<i>Facilities operating under Tekfen Holding are not situated in or near any natural areas that could pose a threat to the ecosystem.</i>
Key Biodiversity Areas	Select from: <input checked="" type="checkbox"/> No	<i>Facilities operating under Tekfen Holding are not situated in or near any natural areas that could pose a threat to the ecosystem.</i>
Other areas important for biodiversity	Select from: <input checked="" type="checkbox"/> No	<i>Facilities operating under Tekfen Holding are not situated in or near any natural areas that could pose a threat to the ecosystem.</i>

[Fixed row]

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

All data points in module 7

(13.1.1.3) Verification/assurance standard

Climate change-related standards

- Corporate GHG Verification Guidelines from ERT
- ISO 14064-1

(13.1.1.4) Further details of the third-party verification/assurance process

Greenhouse gas emissions have been calculated in line with ISO 14064 and GHG Protocol principles, with the distribution of emissions across Categories 1 to 6 according to the GHG Protocol. The limited assurance process has been conducted by Forvis Mazards for the reporting year. In accordance with Article 7, Paragraph 1 of the Regulation on the Monitoring of Greenhouse Gas Emissions, which was published in the Official Gazette dated 17/05/2014 and numbered 29003, Toros Agri, as one of the facilities conducting activities listed in Annex-1, is required to report the greenhouse gas emissions monitored between January 1st and December 31st of the previous year to the Turkish Ministry of Environment, Urbanization and Climate Change by April 30th each year. In this context, a verification report regarding Scope 1 emissions, prepared by the ministry, is also submitted.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

Tekfen Holding- Limited Assurance-Verification Report.pdf

Row 2

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

- Water

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Water security

- All data points in module 9

(13.1.1.3) Verification/assurance standard

Water-related standards

- Other water verification standard, please specify :ISO14046

(13.1.1.4) Further details of the third-party verification/assurance process

The Water Footprint Inventory for the period of January 1, 2023, to December 31, 2023, has been prepared in accordance with "EN ISO 14046:2014 Environmental management—Water footprint—Principles, requirements, and guidelines" and the "WFN Water Footprint Assessment Manual," and the reported data had been verified by DSR at a "Reasonable Assurance Level."

(13.1.1.5) Attach verification/assurance evidence/report (optional)

Tekfen Holding Water Footprint Verification.pdf
[Add row]

(13.2) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

(13.2.1) Additional information

The company has undertaken a comprehensive infrastructure effort toward the SBTI commitment process. However, since our company's emissions are primarily Scope 3 emissions, a commitment to the SBTI process can only be made after achieving a high level of compliance among suppliers. Consequently, the commitment process has not been completed because work is still ongoing with suppliers in the background. However, it is planned to finalize these efforts and complete the application processes in the near future.

(13.2.2) Attachment (optional)

Tekfen Holding-Sustainability Report-2022.pdf
[Fixed row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

CEO, Tekfen Group of Companies

(13.3.2) Corresponding job category

Select from:

Chief Executive Officer (CEO)

[Fixed row]

(13.4) Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Select from:

Yes, CDP may share our Disclosure Submission Lead contact details with the Pacific Institute

