TURCAS

TSRS COMPLIANT

SUSTAINABILITY REPORT | 2024

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CEO MESSAGE

Dear Shareholders and Stakeholders,

The year 2024 has been marked by deepening uncertainties both globally and in Türkiye, alongside political, geopolitical, and economic tensions in the international arena. The ongoing Israel–Palestine conflict in the Middle East, the continuation of the war in Ukraine into its third year, and the expansion of the U.S.–China rivalry beyond the economic sphere into geopolitics all signal profound shifts in the global order.

In Türkiye, despite positive developments such as the implementation of a disinflation program, a tight monetary policy, increased reserves, and rising inflows of foreign capital, the impacts of high inflation and global financial volatility have necessitated a prudent management approach for the business community.

During this period of heightened global and local risks, Turcas has remained focused on managing its subsidiaries in the most efficient and profitable manner, strengthening our financial resilience, and creating value for our shareholders. As we entered 2024, our top priority was to fully repay our outstanding loans, achieve a net cash position, and resume dividend distributions. We are pleased to report that by the end of the third quarter of 2024, we successfully fulfilled these goals by repaying all our loans and making an advance dividend payment of TRY 145 million by year-end.

Our flagship company, Shell & Turcas Petrol A.Ş. (“STAŞ”), continued to maintain its market leadership in retail sales through its network of approximately 1,200 valued dealers. With a turnover of TRY 332 billion in 2024, STAŞ not only sustained its position as a leader in the fuel industry but also remained among the largest companies in the Turkish economy. Introducing the new-generation market concept, Shell Select, to the sector, STAŞ offers nearly 2,000 products across 11 different categories at more than 1,000 locations in all 81 provinces of Türkiye. While creating new growth areas through our non-fuel retail services, our electric vehicle charging infrastructure investments—developed in cooperation with TOGG/TRUGO and expanding across the country—also continued at full speed.

Our electricity generation affiliate, RWE & Turcas Güney Elektrik Üretim A.Ş. (“RTG”), successfully completed the year with a capacity utilization rate of 47% and a turnover of TRY 11.3 billion, thanks to its 800 MW Denizli Natural Gas Combined Cycle Power Plant. By generating 3.2 billion kWh of electricity, RTG made a significant contribution to Türkiye’s energy supply security.

The year 2024 was not only significant in financial terms but also represented a turning point for our sustainability approach. Globally, companies are increasingly required to take swift action in areas such as energy transition, climate change adaptation, circular economy, supply chain responsibility, and social inclusion. With the preparation of our first sustainability report in line with the Türkiye Sustainability Reporting Standards (TSRS), our responsibility to transparently and comparably report our environmental, social, and governance performance in accordance with recognized standards has been further strengthened.

On behalf of myself and our Board of Directors, I extend my heartfelt gratitude to all our dedicated employees, business partners, shareholders, and valued stakeholders who have contributed to this determined journey.

With my sincere regards,

Batu AKSOY
CEO & Member of the Board of Directors

ABOUT COMPANY

Founded in 1931, Turcas Holding A.Ş. (“Turcas Holding,” “Turcas,” or “the Company”) is one of Türkiye’s leading investment companies today. Turcas Holding operates in two main business segments: Retail (Fuel and Lubricants) and Power Generation.

The Company’s 30% associate, Shell & Turcas Petrol A.Ş. (“STAŞ” / “Associate”), operated approximately 1,200 fuel stations across Türkiye in 2024 and achieved net sales revenue of TRY 332 billion, maintaining its position as one of the most prominent players not only in the energy sector but also in the Turkish economy.

In the field of power generation, Turcas holds a 30% stake in RWE & Turcas Güney Elektrik Üretim A.Ş. (“RTG” / “Associate”), the owner and operator of the 800 MW Denizli Natural Gas Combined Cycle Power Plant. The company generated a total of 3,161 million kWh of electricity in 2024.

Associates	Country	Nature of business
Shell & Turcas Petrol A.Ş. (“STAŞ”)	Türkiye	Petroleum products
RWE & Turcas Güney Elektrik Üretim A.Ş. (“RWE & Turcas Güney” veya “RTG”	Türkiye	Energy, electricity

Throughout this report, STAŞ and RTG are referred to as “Turcas’ Associates” or simply as “The Associates.”

Following the approvals of the Capital Markets Board of Türkiye and the Ministry of Trade of the Republic of Türkiye, the company’s trade name was officially changed from Turcas Petrol A.Ş. to Turcas Holding A.Ş. in accordance with the resolution adopted at the Extraordinary General Assembly Meeting held on August 19, 2025, and subsequently registered.

ABOUT THIS REPORT

The Türkiye Sustainability Reporting Standards (TSRS) were enacted through the Board Resolution No. 21632, published in the Official Gazette dated December 29, 2023, and numbered 32414 (M), to be applied for reporting periods beginning on or after January 1, 2024. In the same issue of the Official Gazette, Article 3, Paragraph 1(b) of the Board Resolution No. 21634 stipulates the reporting obligation under TSRS for publicly traded companies and companies meeting specific size criteria. Accordingly, Turcas Holding falls within the scope of entities required to conduct sustainability reporting in compliance with TSRS.

This report has been prepared with the aim of transparently communicating Turcas Holding’s sustainability performance for the year 2024, along with its management approach to material Environmental, Social, and Governance (ESG) topics, and related financial information on sustainability to the public.

In line with the Türkiye Sustainability Reporting Standards, this report has been structured in accordance with TSRS 1 – General Requirements for Disclosure of Sustainability-related Financial Information and TSRS 2 – Climate-related Disclosures. It covers the Company’s sustainability strategy, governance structure, risk and opportunity management processes, policies and practices, as well as metric-based performance information.

The reporting scope covers the activities carried out in Türkiye by Turcas Holding and its associates, STAŞ and RTG, and is based on the annual reporting period from January 1 to December 31, 2024. Sustainability-related financial disclosures have been prepared in accordance with the materiality principle defined under TSRS 1, taking into account data relevance, as well as the available skills, capabilities, and resources. Significant developments that occurred after the end of the reporting period but before the publication of this report, which could affect the conditions valid as of the reporting date, were assessed. In this context, necessary updates were made and reflected in the report in line with the provisions of TSRS 1, Articles 67 and 68.

As this is the first reporting year, TSRS 2 has been applied in alignment with TSRS 1 within the framework of the transitional provisions for the implementation of TSRS. Accordingly, only information related to climate-related risks and opportunities has been disclosed, and no comparative data from previous periods have been presented. In this context, Turcas Holding has benefited from the transitional exemptions granted under Provisional Article 3 of the Board Resolution No. 21634, published in the Official Gazette dated December 29, 2023, and numbered 32414 (M), as well as Annex E (E3, E4, E5, and E6) of TSRS 1 and Annex C (C3 and C4) of TSRS 2.

The data sets used in this report have been compiled through the Company’s internal control mechanisms, records from relevant departments, and verifiable corporate sources. Calculation methods are based on national and international technical standards and recognized methodologies.

This report has been prepared to be subject to independent audit for compliance with TSRS. Some disclosures included in the report may refer not only to past performance but also to forward-looking statements, which are non-binding projections. These forward-looking statements have been developed based on current assumptions, strategic plans, and market conditions, and may differ depending on evolving external circumstances.
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You can send your feedback regarding this report to **info@turcas.com.tr**

GOVERNANCE

At Turcas Holding, sustainability governance is institutionalized through the strategic leadership of the Board of Directors and the oversight functions of its affiliated committees. The Board of Directors holds ultimate responsibility for the development of the sustainability strategy, the approval of environmental, social, and governance targets, the monitoring of performance, and the integration of these activities into the overall governance framework.

Responsibilities of the Board of Directors:

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* Ensure that the sustainability strategy is defined and implemented in alignment with the business model, strategic priorities, and long-term value creation objectives.
* Oversee the identification, prioritization, and integration of ESG risks and opportunities into the corporate risk management and strategic planning systems.
* Support the development of sustainability targets and performance indicators; monitor implementation and evaluate necessary actions in response to deviations.
* Ensure the integration of stakeholder expectations into the strategy, and oversee ethical conduct, transparency, and reputation management in sustainability matters.
* Ensure that ESG policies and practices comply with national and international regulations, particularly TSRS, and that sustainability reporting is conducted accordingly.
* Assess sustainability information received from committees within the corporate governance structure, monitor their functioning, and support actions aimed at enhancing their effectiveness.
* Monitor whether executive management acts in accordance with sustainability objectives through internal control systems and reporting mechanisms.
* Place sustainability topics on the Board agenda at least four times a year, and develop annual development plans and training programs to enhance the knowledge of board members

Sustainability governance is carried out through three main committees reporting to the Board of Directors, supported by their respective supporting structures:

* **Corporate Governance Committee:**Responsible for the integration of the sustainability strategy into the governance framework, ensuring alignment between implementation and strategy, and overseeing performance and data controls. The committee ensures that policy documents are reviewed at least annually in accordance with TSRS and evaluates the consistency of ESG data through internal control systems.
* **Early Detection of Risk Committee:** Sürdürülebilirlik stratejisine ilişkin risk ve fırsatların tanımlanması, izlenmesi ve senaryo analizlerine dayalı önleyici yaklaşımların geliştirilmesinden sorumludur. Komite, iklim değişikliği ve kaynak kullanımı gibi risk alanlarını değerlendirir ve bu analizlerin yatırım, bütçeleme ve sermaye tahsisi kararlarına entegrasyonunu gözetir.
* **Sustainability Subcommittee:** Coordinates the collection of ESG performance data, ensures methodological accuracy, and reports to the relevant committees. It manages KPI-based performance tracking, data management, and the transfer of internal audit outputs to governance. The subcommittee reports directly to the Corporate Governance Committee and indirectly to the Board of Directors

TSRS 1
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As of 2023, three Working Groups have been established under the Sustainability Subcommittee to focus on the thematic areas listed below:

* **Environment Group:** Focuses on low-carbon technologies, waste management, and energy efficiency.
* **Social Group:** Focuses on occupational health and safety, employee well-being, equality, diversity, and inclusion.
* **Governance Group:** Focuses on responsible investment, economic performance, digitalization, and corporate governance.

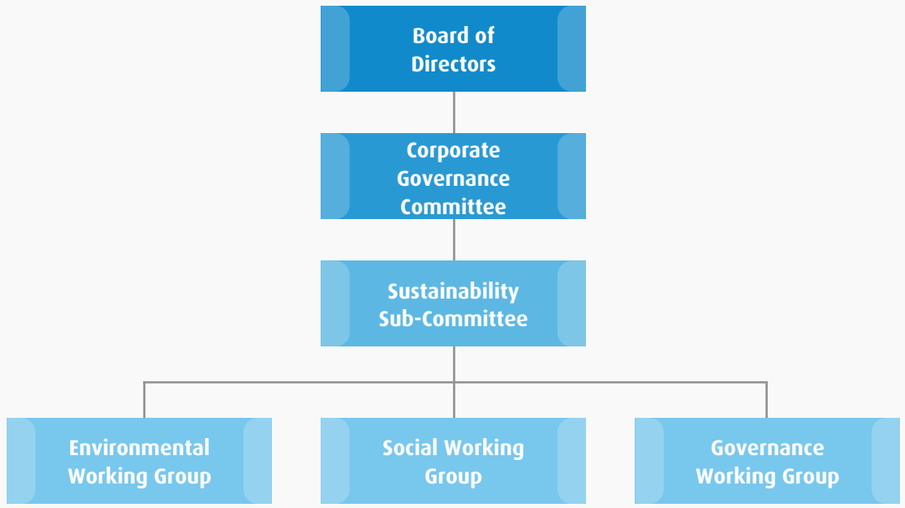
These groups are structured with representatives from the relevant business units. The Subcommittee meets at least four times a year, and presentations prepared with contributions from the working groups are submitted to the Corporate Governance Committee prior to each meeting. Processes are monitored through meeting minutes, ensuring continuous improvement.

Turcas defines its sustainability approach under the following corporate policy and procedure areas:

* Environmental Policy
* Quality Policy
* Occupational Health and Safety Policy
* Corporate Risk Management
* Corporate Governance
* Code of Ethics and Compliance Policy
* Equality, Diversity, and Inclusion Policy
* Gender Equality Policy
* Zero Tolerance for Violence Policy

All of these policy documents have been formalized in writing, made accessible to employees, and their implementation responsibilities are monitored through the relevant committee structures. Ethical conduct, the prevention of conflicts of interest, and compliance with internal regulations are overseen within this framework.

Below is the organizational chart illustrating the structure established for sustainability governance at Turcas Holding.



GOVERNANCE

Turcas Holding considers it a key governance requirement that the Board of Directors and senior governance bodies possess the capabilities to oversee strategies that can effectively respond to sustainability-related risks and opportunities.

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- At the end of each year, the Board of Directors evaluates its own functionality and contribution to decision-making processes, alongside the company's corporate sustainability performance.
- As a result of this self-assessment process, it was determined that the Board's current level of knowledge and competence is sufficient, and therefore, no specific development plan was deemed necessary.
- These evaluations provide a foundation for improvements aimed at enhancing the effectiveness of sustainability governance processes, coordinated by the Corporate Governance Committee.

Turcas Holding aims to monitor the knowledge and competency levels related to the oversight of sustainability strategies in a manner consistent with the corporate governance framework, and to strengthen capacity in this area when deemed necessary.

TSRS 1
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At Turcas Holding, the communication of sustainability-related risks and opportunities to governance bodies is managed through a multi-layered and structured information flow system. This system ensures that environmental, social, and governance (ESG) matters are considered holistically in decision-making processes.

The Board of Directors places sustainability topics on its agenda at least four times a year. During these meetings, the Board is comprehensively informed based on reports and presentations prepared with contributions from the Corporate Governance Committee and the Sustainability Subcommittee. The reports cover ESG performance indicators, policy compliance, internal control outcomes, risk and opportunity analyses, and strategic developments.

The Corporate Governance Committee meets at least four times annually, treating sustainability management as a standing agenda item. It evaluates information and analyses from the Sustainability Subcommittee and the ESG Working Groups, ensuring a systematic flow of information to the Board. The Subcommittee and ESG Working Groups convene according to a planned meeting calendar and are targeted to meet at least four times a year to maintain implementation consistency.

The ESG Working Groups monitor developments in their respective thematic areas and provide data, analyses, and recommendations to the Sustainability Subcommittee. These inputs are consolidated by the Subcommittee and communicated to the Board through the Corporate Governance Committee. In this way, information flows through the corporate responsibility chain from operational levels to the top decision-making body.

When necessary, special briefing sessions are also held to provide the Board with up-to-date information on industry developments, regulatory changes, and strategic transformation areas. This practice ensures that governance bodies maintain a high level of knowledge on sustainability and supports the effectiveness of strategic decision-making processes.

Turcas Holding integrates sustainability principles not only into operational practices but also into strategic decision-making mechanisms. In this approach, Environmental, Social, and Governance matters are evaluated at both the Company level and the level of its associates and are taken into account in business model design and long-term target-setting processes.

As outlined in this report, Turcas' sustainability approach is structured around three main impact areas:

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- **Company and Employer Performance:** Sustainability principles are adopted in corporate processes.
- **Governance as Partner and Shareholder:** Sustainability serves as a key evaluation criterion for the long-term success of invested companies.
- **Associate Relations:** Sustainability principles are considered in the strategic governance of associates.

Within this framework, environmental impacts, social benefit potential, and contributions to corporate governance are considered in strategic decisions, with priority given to models that support sustainable growth. Low-carbon solutions for the energy sector, renewable energy investments, and environmentally aligned business models are among the key areas of implementation for this strategy.

Shaped by the Company's principles of "setting an example, providing benefit, and creating value", this approach ensures that sustainability becomes an integral part of strategic decision-making processes

TSRS 1
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At Turcas Holding, the setting, monitoring, and evaluation of sustainability targets are conducted within a structured governance system. ESG Working Groups—focused on Environmental, Social, and Governance priority areas—collect data on relevant strategic indicators, which is then analyzed under the coordination of the Sustainability Subcommittee. The findings are reported to the Corporate Governance Committee and, indirectly, to the Board of Directors, contributing to the performance monitoring process.

The Company's sustainability approach is shaped around the principles of "setting an example, providing benefit, and creating value", with monitoring conducted on key areas such as environmental impact reduction, social benefits, and corporate transparency. For KPI-based tracking, both internal control mechanisms and internal audit outputs are integrated into the governance framework. Currently, there is no direct link between sustainability targets and the compensation policies of management levels.

GOVERNANCE

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At Turcas Holding, sustainability-related roles and responsibilities are clearly defined within senior governance structures. In this context, the Board of Directors holds ultimate responsibility for the development, approval, and monitoring of the sustainability strategy. These duties are executed through the Corporate Governance Committee and its subordinate Sustainability Subcommittee.

The Sustainability Subcommittee is responsible for collecting ESG performance data, ensuring its accuracy, and reporting to the relevant committees. Its activities are directed and overseen by the Corporate Governance Committee.

Additionally, the Environmental, Social, and Governance Working Groups established under the Subcommittee monitor the implementation of relevant policies and practices at the operational level. These groups work on the identified priority areas, providing information to the Corporate Governance Committee and contributing to decision-support processes.

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Turcas Holding has developed various processes and control mechanisms to integrate sustainability management into its corporate governance system. The sustainability governance framework operates through the Corporate Governance Committee, Early Detection of Risk Committee, and Sustainability Subcommittee, all reporting to the Board of Directors. These structures play a central role in implementing, monitoring, and controlling sustainability objectives.

The Sustainability Subcommittee manages the collection, validation, and reporting of Environmental, Social, and Governance (ESG) data to the relevant committees. The evaluation of this data and performance tracking is integrated into the company's internal control processes. Furthermore, the data collection methodology, KPI-based tracking system, and internal audit feedback support the traceability and consistency of control processes.

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Within the Subcommittee, three separate Working Groups, Environmental, Social, and Governance, have been established. These groups operate in priority thematic areas, contributing to the identification of risks, process improvements, and implementation of policy objectives. Presentations and analyses prepared with inputs from the Working Groups are evaluated by the Corporate Governance Committee and the Board of Directors, supporting decision-making processes.

In conclusion, sustainability-related decision-making processes are conducted in an integrated manner within the corporate governance system, through defined organizational structures, regular information flows, internal control systems, and policy documentation.

STRATEGY

Given their areas of operation, Turcas Holding's Associates are exposed to climate-related transition risks and opportunities within both TSRS 2 – Annex Volume 13: Oil and Gas – Refining and Marketing and TSRS 2 – Annex Volume 32: Electric Utilities and Power Generators sectors. In the climate risk and opportunity analysis conducted under the Türkiye Sustainability Reporting Standards (TSRS), the Company's Associates—each with a 30% ownership share—were included in the assessment.

During the analysis process, the potential impacts of national and international climate policies, the introduction of carbon pricing mechanisms, updates to product standards and fuel regulations, and the acceleration of energy transition investments were evaluated in terms of their potential effects on both direct operations and the value chain. Key regulatory developments—such as the launch of the Emissions Trading System (ETS) pilot in Türkiye in 2026 and its full-scale implementation in 2027, the EU Green Deal, the Carbon Border Adjustment Mechanism (CBAM), and Türkiye's 2030–2053 emission reduction targets—have been identified as major determinants in assessing risks and opportunities.

Short Term: 0–3 years

Medium Term: 3–6 years

Long Term: 6 years and beyond

These timeframes have been determined in direct alignment with the Company's annual budgeting cycle, medium-term investment planning, and long-term strategic goal-setting processes.

* **Short term (0–3 years)** covers regulatory developments such as the launch of the pilot phase of Türkiye's Emissions Trading System in 2026 and its full implementation by 2027, the establishment of a national carbon pricing mechanism, the update of fuel product standards, and the expansion of emission monitoring and reporting obligations in electricity generation. This period represents the stage at which new compliance requirements will be most strongly felt for STAŞ's fuel portfolio and RTG's electricity generation operations.
* **Medium term (3–6 years)** includes Türkiye's 2030 emission reduction commitments, the alignment process with the EU Green Deal and the Carbon Border Adjustment Mechanism (CBAM), the implementation of coal phase-out plans, the maturation of low-carbon fuel investments, and the rapid increase in the share of renewables in electricity generation. During this period, both transition risks and new revenue opportunities are expected to become more pronounced.
* **Long term (6+ years)** encompasses the structural transformation of the energy system in line with the EU's 2050 Net Zero target and Türkiye's 2053 Net Zero target, a permanent decline in fossil fuel demand, the phase-out of fossil-based capacity in electricity generation, and the mainstream adoption of low-carbon technologies.

The assessment and integration of climate-related risks are carried out within Turcas Holding's corporate planning processes based on these time horizons; each horizon serves as a strategic reference point for determining the timing of decision-making mechanisms and investment plans.

STRATEGY

Tanımlanan Öncelikli Geçiş Riskleri

Operational and Financial Risks in Natural Gas Power Plants Arising from National Climate Regulations and Carbon Pricing

The transition risk based on "policy/national legislation changes," as disclosed in the 2023 CDP Climate Change Report of RWE Generation SE ("RWE"), which holds a 70% stake in RTG, has been integrated into Turcas Holding's strategic risk management framework in the context of Türkiye. While coal phase-out regulations in Europe have driven a rapid transformation within RWE's global energy portfolio, RTG's Denizli Natural Gas Combined Cycle Power Plant is not directly subject to such coal phase-out provisions. However, the tightening of national and regional climate policies, carbon pricing mechanisms, and performance standards are expected to significantly influence the risk profile of natural gas power plants.

With the implementation of the Emission Trading System (ETS) in Türkiye, natural gas power plants will be subject to additional costs based on the amount of carbon dioxide emitted per unit of electricity produced. This may reduce the plant's profitability, increase the preference for renewable energy sources in electricity generation, and cause fluctuations in operating hours. Rising carbon costs—depending on factors such as fuel efficiency, emission levels, and changes in electricity prices—may adversely affect the Company's cash flow, profitability, and asset value. In the medium and long term, investments may be required to adapt the plant to operate with cleaner fuels such as hydrogen, transition to more efficient technologies, and diversify revenue streams through power purchase agreements or alternative services.

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This risk is directly related to the disclosure topics of Transition Plan, Emission Intensity Reduction, and Emission Reduction Strategies under TSRS 2 – Annex 32 "Electric Power Plants and Generators. "In this context, RTG closely monitors the implementation schedule and secondary legislation of Türkiye's ETS, integrating carbon cost scenarios into its financial models. The company updates its medium- and long-term investment plans based on efficiency-enhancing technical measures, fuel/technology transition options, and portfolio optimization implemented by the associate. Additionally, RTG supports its low-carbon transition objectives with tangible steps, such as the solar energy investment carried out at its existing facility.

Operational and Financial Risks Arising from Regulations on Existing Products and Services

In Shell PLC's ("Shell") 2023 CDP Climate Change Report, the increasing regulatory and mandatory standard requirements for existing products and services are identified as a significant transition risk.

Shell operates in over 70 countries with varying levels of political, legal, and economic stability, which brings risks related to national and international regulatory changes, contract revisions, new compliance obligations, and potential litigation.

In the context of Türkiye, fuel distribution and marketing activities are shaped primarily by technical standards, product quality criteria, storage and distribution safety rules set by the Energy Market Regulatory Authority (EPDK), as well as potential fuel emission standards and biofuel blending obligations arising from the EU alignment process. In the upcoming period, additional regulations aimed at reducing the carbon intensity of petroleum products and fuels are expected due to the EU Green Deal, the Carbon Border Adjustment Mechanism (CBAM), and the implementation of the Türkiye Emissions Trading System (ETS).

These regulations create risks for STAŞ in three main areas:

- **Operational compliance**: The need to restructure the fuel storage, transportation, and distribution chain in line with new standards.
- **Product portfolio transition:** The obligation to increase the share of low-carbon fuels, biofuels, and alternative energy products.
- **Cost increase and legal risk:** Additional investment and operating costs arising from compliance processes, along with potential administrative sanctions and litigation in case of non-compliance with regulations.

This risk is directly related to the disclosure topics defined under TSRS 2 – Annex 13 "Oil and Gas – Refining and Marketing," including Transition Risks, GHG Emission Management, and Products and Services Strategies. STAŞ regularly monitors national and international regulations, develops strategies to diversify its product portfolio with low-carbon fuels and sustainable energy solutions, and integrates compliance costs into its medium- to long-term investment planning.

Strategic Opportunities Arising from Low-Carbon Fuels and Product Diversification

In Shell PLC's 2023 CDP Climate Change Disclosure, it is highlighted that the growth of the low-carbon fuel business, increasing demand for biofuels, and shifts in consumer preferences create strategic revenue opportunities for companies. In line with the net-zero goals of the global energy system, reducing carbon intensity, expanding the use of renewable energy sources, and promoting low-emission fuels are driving a reshaping of the product portfolio in the fuel sector.

In the Turkish context, regulations set by the Energy Market Regulatory Authority (EPDK), the increase of biofuel blending ratios, and the implementation of alternative fuel standards are developing. Additionally, the EU Green Deal and Türkiye's 2053 Net Zero target establish a long-term regulatory framework that will strengthen the market position of low-carbon products.

This environment presents three main opportunity areas for STAŞ:

- **Market Share Growth:** Expanding the consumer base through the development and commercialization of renewable and low-carbon fuel product
- **Brand Value and Reputation:** Strengthening brand perception through product diversification aligned with sustainability objectives
- **Investment Attractiveness:** Increasing appeal to investors who prioritize Environmental, Social, and Governance (ESG) criteria.

These opportunities are directly related to the Product and Service Strategies and Low-Carbon Product Development disclosure topics defined under TSRS 2, Appendix 13 "Oil and Gas – Refining and Marketing." Accordingly, STAŞ integrates R&D, supply chain, and market development activities aimed at diversifying its product portfolio with biofuels, alternative fuels, and renewable energy solutions into its strategic planning.

RTG plans a 20 MW Hybrid Solar Power Plant (Hybrid PV) investment at the Denizli Natural Gas Combined Cycle Power Plant site with an installed capacity of 800 MW. The preliminary feasibility study for this investment has been completed, and the relevant permitting processes are being conducted with official authorities. RTG's Electricity Generation License has been amended by EPDK to include the Hybrid PV. The final investment decision will be made based on the results of the feasibility study and will be disclosed to the public. This investment is considered a strategic initiative to strengthen Turcas Holding's low-carbon and renewable energy portfolio.

STRATEGY

Turcas Holding systematically analyzes the current and anticipated impacts of climate-related risks and opportunities on its business model and value chain. The Company's business model is implemented through its two key subsidiaries operating in the energy sector,STAŞ and RTG. Accordingly, both fuel storage and retail operations, as well as electricity generation activities, are directly influenced by national and international climate policies, carbon pricing mechanisms, and energy transition processes.

Current Impacts

In the current operations of Turcas Holding's subsidiaries, both in fuel marketing and electricity generation, climate-related regulations and market dynamics directly influence operational processes and cost structures. These impacts primarily manifest through product standards, compliance obligations, and energy costs:

- **Fuel Product Portfolio:** National regulations requiring compliance of fossil fuels such as diesel and gasoline with greenhouse gas emission standards and mandating higher biofuel blending ratios necessitate the restructuring of operational processes and the revision of product specifications. This situation increases compliance costs across the entire value chain, from refinery supply agreements to logistics operations.
- **Electricity Generation Activities:** Natural gas–fired power plants are subject to regular data verification obligations under the national emission monitoring and reporting (MRV) system. Once the carbon pricing mechanism is implemented, they will also incur carbon costs per unit of production, leading to changes in the overall cost structure.
- **Carbon and Energy Costs:** Rising carbon taxation and energy costs exert pressure on both fuel sales margins and profits derived from electricity generation. Regulatory changes and legal obligations in this area currently create uncertainty in financial planning, reducing the predictability of cost projections and causing challenges in short-term budgeting and investment forecasting.

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Projected Impacts

In the medium and long term, national and international climate policies and market transitions have the potential to create structural changes in Turcas Holding's business model, presenting both risks and opportunities:

- **Carbon Pricing:** With the introduction of the Turkish Emissions Trading System (ETS) and the effects of the EU Carbon Border Adjustment Mechanism (CBAM) on import–export dynamics, production and supply costs are expected to increase due to the carbon price.
- **Mandatory and Strategic Investments:** In line with the EU Green Deal and Türkiye's 2030–2053 Net Zero targets, investments that accelerate the transition to low-carbon fuels and alternative energy solutions are expected to gain importance. While this transformation may create capital requirements and compliance costs in the short term, in the long run it can offer strategic opportunities such as:
  - Creating new revenue streams through increased demand for biofuels and low-carbon products,
  - Strengthening brand perception by diversifying the product portfolio in alignment with sustainability goals,
  - Enhancing attractiveness among ESG-conscious investors.
- **Demand and Capacity Changes:** During the energy transition, a gradual decrease in fossil fuel demand and the cost advantage of renewable energy generation are expected to move renewables higher in the electricity generation merit order. Consequently, natural gas plants, which have relatively higher production costs, may experience lower capacity utilization rates. Nevertheless, the shift toward a low-carbon product portfolio and access to emerging market segments could strengthen the Company's long-term competitiveness.

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Areas of Concentrated Impact

Current and anticipated climate-related impacts are concentrated in specific geographic regions, facilities, and segments of the value chain:

- **Geographic:** Fuel storage and distribution terminals across Türkiye, the retail station network, the Denizli Natural Gas Combined Cycle Power Plant, and the electricity transmission connection points of this plant
- **Facility:** Fuel terminals and stations, the electricity transmission infrastructure of the Denizli Natural Gas Combined Cycle Power Plant, as well as logistics and storage facilities.
- **Value chain:** The supply chain of crude oil and refined petroleum products, biofuel supply and blending processes, electricity generation and transmission activities, fuel logistics, and the dealer and end-customer network.

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This assessment, in accordance with TSRS, highlights the intersections between Turcas Holding's subsidiaries' business model and climate-related risks, serving as a foundation for strategic decisions aimed at enhancing resilience across the value chain.

Risk / Opportunity	Impact Area	Impact Type	Geographic Focus
National climate regulations and carbon pricing–related operational and financial risks for natural gas power plants	Electricity generation with natural gas; operational costs; carbon costs	Transition – current and anticipated	Denizli Natural Gas Combined Cycle Power Plant
Operational and financial risks arising from regulations affecting existing products and services	Fuel storage, distribution, and retail operations	Transition – current and anticipated	Terminals and stations across Türkiye
Strategic opportunities arising from low-carbon fuels and product diversification	Fuel product portfolio; new revenue streams; customer and dealer network	Transition – anticipated	Distribution and retail network across Türkiye

Turcas Holding integrates the strategic responses of its two main direct subsidiaries to climate-related risks and opportunities into its current business model and reflects them in decision-making processes. The strategic approach is built around three key elements:

1. Operational and financial risks in natural gas power plants arising from national climate regulations and carbon pricing,
2. Operational and financial risks stemming from regulations affecting existing products and services,
3. Strategic opportunities arising from low-carbon fuels and product diversification.

These three elements shape the roadmap for both risk mitigation and the exploitation of new market opportunities during the energy transition process. The company closely monitors the activities of STAŞ and RTG, and consequently the global and Türkiye-specific practices of their main partners, Shell and RWE, updating its strategy in areas such as low-carbon technologies, product portfolio transformation, renewable energy investments, energy efficiency practices, and carbon management plans.

STRATEGY

Turcas Holding manages its investments with an environmentally and socially responsible service approach. Environmental, Social, and Governance (ESG) considerations form the basis of investment and business decisions, and the company continuously develops its processes accordingly. In 2023 and 2024, meetings were held with selected national and international companies focused on energy efficiency and renewable energy, expanding knowledge, technical capacity, and business networks. Although no concrete investments have been realized yet, innovative energy solutions and renewable fuel projects are among the priority areas planned for future investment and merger–acquisition processes.

The company views the creation of sustainable economic value as an integral part of its sustainability commitment; it evaluates all risks including human, reputational, financial, business continuity, occupational health and safety, environmental, and legal risks and addresses opportunities in a manner that strengthens long-term financial sustainability. Investments are aimed at contributing to societal welfare, local development, employment, and environmental protection.

Through this approach, Turcas Holding and its subsidiaries aim to enhance portfolio resilience, mitigate potential adverse impacts, and expand opportunity areas for investments with positive ESG outcomes. Strong communication with stakeholders and long-term partnerships are expected to guide the establishment and development of a sustainability framework for future energy investments.

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1 Current and Anticipated Changes in the Business Model

In line with the 1.5°C targets of the Paris Agreement and national/international climate policies, Turcas Holding's subsidiaries are restructuring their business models within the scope of the energy transition. In this context, the following structural changes are planned to both mitigate operational risks and capture low-carbon growth opportunities:

* Process optimization investments to enhance efficiency and reduce carbon intensity in natural gas–fired power generation,
* Development of a low-carbon product portfolio in fuel storage, distribution, and sales operations,
* Assessment of renewable energy and hybrid system projects through subsidiaries, and integration of energy storage solutions into the business model.

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2 Direct Mitigation and Adaptation Efforts

The Company's subsidiaries prioritize investments aimed at achieving emission reduction and climate adaptation in operations directly under their own control. The studies carried out within this scope are as follows:

* Approximately 1 MW of installed capacity has been achieved with 2,744 solar panels installed on the roof of the STAŞ Derince Lubricant and Grease Production Facility; 25% of the facility's electricity need is supplied from solar energy, and the remaining part is made carbon-neutral through I-REC certificates. This practice prevents approximately 500 tons of CO2 emissions annually.
* At terminals and stations, lighting and cooling systems that reduce energy consumption, and energy efficiency practices provided by LEED Gold certified building infrastructure in office operations.
* Solar energy investments planned by RTG in its natural gas-fueled power plant aim to create renewable capacity in the electricity generation portfolio through photovoltaic systems to be integrated into the plant site within the scope of a hybrid production model. These investments aim to reduce emission intensity per unit of production, decrease exposure to carbon cost, and strengthen the long-term climate adaptation capacity of plant operations.

3 Indirect Mitigation and Adaptation Efforts

Turcas Holding's subsidiaries implement collaboration-based strategies through value chain stakeholders to reduce indirect emissions and accelerate the transition to low-carbon products.

* Strengthening sustainability criteria among fuel suppliers,
* Route optimization projects with logistics partners to reduce fuel consumption and emissions,
* Expanding the use of renewable energy sources through subsidiaries.

4 Transition Plan and Key Assumptions

The transition plan of the Company's subsidiaries is prepared in alignment with national legislation, TSRS, and the European Union's CSRD standards, and includes the following key elements:

* Integration of carbon pricing scenarios into investment feasibilities,
* Measurement of Scope 1 and Scope 2 emissions and setting of reduction targets in the first phase,
* Incorporation of subsidiaries' net-zero targets into strategic planning processes.

5 Resource Allocation Approach

Turcas Holding's subsidiaries are developing innovative strategies to access financing sources for low-carbon transition investments. In this context, it is aimed to evaluate national and international green financing sources for projects such as renewable energy investments, hybrid systems, and energy storage systems, and to explore incentive and grant mechanisms for energy efficiency projects and technological improvements.

Current Financial Impacts

As of 2024, there has been no direct and measurable financial impact of climate change-related transition risks on Turcas Holding's operations.

During the year, developments have occurred particularly in regulatory areas such as emission reporting obligations in the energy sector, carbon pricing preparation processes, product standards, and quality and sustainability criteria for the fuel market. In this context, within Turcas subsidiaries in which the Company holds a 30% share, projects have been carried out for the development of a low-carbon product portfolio, energy efficiency and emission optimization investments in natural gas cycle power plants, and compliance projects in fuel operations. However, these activities have not resulted in any additional cost pressure, revenue loss, or asset impairment directly reflected in Turcas Holding's consolidated financial statements.

On the other hand, within the scope of preparations for compliance with national and international regulations in the fields of sustainability reporting and carbon management, initiatives have been launched to improve internal control, data collection, and reporting systems. These activities are being carried out with limited resource allocation within the existing operational planning budget.

Although current financial impacts remain limited, Turcas Holding foresees that transition risks arising from national carbon pricing and emission reporting obligations as well as product/service regulations may have financial consequences in the medium and long term; therefore, it continues monitoring and preparedness activities in a systematic manner.

STRATEGY

Anticipated Financial Impacts and Planning Integration

Turcas Holding foresees that, in operations carried out through its subsidiaries, financial impacts may arise in the medium and long term, primarily due to regulatory changes related to products and services and the transition to low-carbon fuel and energy investments. These impacts include:

- The need for additional financing in capital planning due to transformation investments required to ensure the fuel product portfolio's compliance with sustainability criteria,
- Increased digital infrastructure investments to develop emission management and reporting systems,
- The emergence of new cost items in R&D, production, and logistics processes related to the development of low-carbon products and services,
- Short-term cash outflows required for energy efficiency investments, which are expected to provide operational cost advantages in the medium too long term,
- Potential losses in investor confidence, access to finance, and market reputation in case of non-compliance with national and international reporting standards.

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These risks and opportunities are integrated into Turcas Holding's budgeting, investment prioritization, and strategic planning processes. On the STAŞ side, the expansion of biofuel and low-carbon fuel business lines, and on the RTG side, efficiency optimization projects in natural gas power plants and solar energy investments are among the top agenda items.

Disclosure on Quantitative Information

Turcas Holding is in the process of developing its data collection and scenario modeling capacity to measure the potential impacts of climate-related risks and opportunities on consolidated financial statements.

At present, the detailed data sets and modeling infrastructure required to produce reliable quantitative estimates of the separate or combined impacts of climate risks on the income statement, balance sheet, or cash flow statement have not yet been completed. Cost-benefit analyses related to energy efficiency, product transformation, and emission reduction projects carried out within subsidiaries have not yet been integrated into a dedicated financial reporting system.

Therefore, it is not yet possible to produce highly reliable quantitative information regarding the impact of a specific risk on a particular subsidiary or line of business. However, during the 2025–2027 period, it is targeted to measure and integrate into financial planning and investment analyses indicators such as:

- Payback periods of low-carbon product portfolio investments,
- Effects of energy efficiency projects on operational costs,
- Potential carbon cost advantages of emission reduction projects,
- Sustainability reporting compliance costs

For this purpose, both Turcas Holding and its subsidiaries plan to strengthen their data monitoring, reporting, and scenario modeling infrastructures.

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Turcas Holding has conducted a climate resilience scenario analysis within its subsidiaries, STAŞ and RTG, to assess the long-term impacts of transition and physical risks associated with climate change. In this analysis, both transition dynamics in energy markets and physical climate variabilities were taken into consideration.

The climate resilience assessment, carried out in accordance with TSRS 2 Article 22, was conducted specifically for Turcas Holding's subsidiaries STAŞ and RTG, based on the IPCC AR6 RCP 4.5 and IEA Net Zero Emissions by 2050 scenarios. The IPCC AR6 RCP 4.5 scenario represents a policy environment characterized by moderate greenhouse gas concentration projections, where partial global emission reductions are achieved but rapid decarbonization does not occur. This scenario is suitable for evaluating moderate physical risks that the energy sector may face over the next 20–30 years.

Considering Türkiye's current climate policies and energy generation structure, the RCP 4.5 scenario reflects a plausible balance between policy and physical impacts, allowing for the analysis of factors such as temperature increase, changes in precipitation patterns, and the frequency of extreme weather events. The IEA Net Zero Emissions by 2050 scenario, aligned with the Paris Agreement's 1.5°C target, envisions achieving net-zero emissions in the energy sector by 2050. This scenario details transition risks such as rapid increases in carbon pricing, a swift shift from fossil fuels to low-carbon energy, and the necessity of energy efficiency investments. For STAŞ, the key assessment areas under this scenario include increasing demand for low-carbon fuels and product portfolio transformation; for RTG, they include carbon cost pressures on natural gas cycle power plants and the need for renewable energy integration.

The combined use of these two scenarios enables a balanced, up-to-date, and sector-specific assessment of risks and opportunities for Turcas Holding's subsidiaries, addressing both physical and transition dimensions of climate-related risks.

Climate Resilience Assessment and Impacts

Scenario	Source	Risk Type	Key Assumption	Anticipated Impact	Direnç Değerlendirmesi
RCP 4.5	IPCC AR6	Physical	Moderate temperature increase, changes in precipitation patterns, heat waves, and regional drought risks by 2050	Fluctuations in cooling water availability for power generation facilities; climate-related disruptions in fuel logistics	Climate-related disruption risk in fuel storage and logistics operations, particularly potential interruptions in port and land transportation
NZE 2050	IEA	Transition	Rapid decarbonization aligned with the 1.5°C target, gradual increase in carbon pricing, and rising demand for low-carbon fuels in the global energy sector	Carbon cost pressure on natural gas cycle power plants, need to transition to low-carbon alternatives in the product portfolio, and requirement for new infrastructure investments	Carbon cost pressure on fossil fuel sales margins; need for transition to biofuels and low-carbon products

Areas of Uncertainty

The key areas of uncertainty highlighted in the scenario analysis are as follows:

- The implementation timeline and sectoral scope of the national carbon pricing system in Türkiye,
- The potential expansion of the EU Carbon Border Adjustment Mechanism (CBAM) to include petroleum and energy products,
- The impact of regional geopolitical developments on natural gas supply security,
- Limited availability of data regarding the long-term impacts of physical risks on Türkiye's energy generation infrastructure.

STRATEGY

Institutional Capacity Factors Affecting Climate Resilience

- Strategies for developing low-carbon fuels and diversifying the product portfolio at STAŞ,
- Efficiency-enhancing modernization investments and environmental monitoring systems at RTG,
- Strengthening the sustainability reporting and data collection infrastructure at the Turcas Holding level,
- Capacity to evaluate financing and incentive mechanisms for energy efficiency and emission reduction projects.

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Structure and Implementation of the Scenario Analysis

- Scenario sources: IPCC AR6 (RCP 4.5 – physical risks), IEA NZE 2050 (2023 – transition risks)
- Time horizons:
  - Short term: 0–3 years
  - Medium term: 3–6 years
  - Long term: over 6 years
- Scope of analysis:
  - Fuel terminal and distribution operations within STAŞ
  - Denizli Natural Gas Combined Cycle Power Plant within RTG
- Key assumptions
  - Impact of international carbon regulations on energy trade costs
  - Reflection of physical risks on infrastructure, maintenance, and fuel logistics processes
  - Effect of the transition speed toward low-carbon products and energy technologies on market competitiveness

This study has been incorporated into the strategic planning process by Turcas Holding's Corporate Governance Committee and is planned to be updated in subsequent periods with more detailed facility-based analyses.

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In the process of assessing the climate-related priority risks identified under the TSRS framework and their current and anticipated financial impacts, Turcas Holding has referred to the sector-specific metrics defined in the Sector-Based Implementation Guide of the Türkiye Sustainability Reporting Standards (TSRS) and analyzed the alignment of these metrics with its business model.

As a result of the analysis conducted within the framework of the cross-sector metric categories and disclosure topics specified in the relevant paragraphs of the TSRS, the activities of Turcas Holding's subsidiaries correspond to the following two SASB sectors:

- Volume 13 – Oil & Gas: Refining and Marketing (within the scope of STAŞ)
- Volume 32 – Electric Utilities & Power Generators (within the scope of RTG)

In this context, the following metrics and disclosure topics have been evaluated as applicable for monitoring and reporting Turcas Holding's climate-related risks:

Disclosure Topic	Applicable Metrics	Assessment of Alignment
Physical Risk Management	Water consumption intensity, water use data in electricity generation, duration of climate-related disruptions at critical facilities	Operational monitoring infrastructure is partially in place at Turcas subsidiaries' facilities; development is required.
Transition Risks and Regulatory Compliance	Level of preparedness for carbon pricing and ETS inclusion, TSRS/CSRD compliance status, climate policies	Carbon regulation monitoring is carried out at RTG, and the fuel product portfolio transition monitoring process is ongoing at STAŞ.
Energy and Emissions	Scope 1 and 2 greenhouse gas emissions, energy consumption intensity, share of low-carbon product sales	Data infrastructure is partially established at STAŞ; RTG has available data on energy intensity and emissions.
Supply Chain Resilience	Continuity of critical raw material/product supply, exposure analysis in fuel and energy procurement	Climate-related disruption risks are monitored for both subsidiaries; systematic reporting is planned.
Product and Process Efficiency	Refinery efficiency rate, energy conversion efficiency, production losses	Plant efficiency is regularly monitored at RTG; product-based efficiency reporting is partially implemented at STAŞ.

In addition, Turcas Holding and its subsidiaries have developed a transition plan to regularly monitor and report the following sector-specific indicators under TSRS 2 in the upcoming period:

- Continuity of water supply and climate stress indicators at critical facilities,
- Emission cost projections based on carbon pricing scenarios,
- Share of low-carbon fuel/energy products and portfolio transformation indicators,
- Terminal and power plant efficiency and energy intensity data,
- Operational disruption durations and adaptation investments in response to climate impacts

Within this framework, the metrics included in the Sector-Based Implementation Guide of TSRS 2 are considered an important reference for Turcas Holding's climate risk assessment and for ensuring the traceability of financial impacts. Applicable metrics are being gradually integrated into the monitoring and reporting systems of Turcas subsidiaries.

RISK MANAGEMENT

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Turcas Holding manages climate-related risks and opportunities not only for its own operations but also across its subsidiaries.

In the identification, assessment, prioritization, and monitoring of climate-related risks, the Company utilizes data and resources such as the 2023 CDP Climate Change Disclosures of its subsidiaries, national and EU-level regulatory reviews, market reports, technical standards of the Energy Market Regulatory Authority (EPDK), Türkiye ETS implementation timeline, and operational performance data.

The scope of assessment covers the impacts of the subsidiaries' operations in Türkiye on Turcas Holding's financial and operational results. In risk identification, Türkiye ETS carbon pricing scenarios and EU Green Deal alignment scenarios are used, enabling the analysis of potential effects on fuel prices, electricity sales prices, operational duration, and carbon costs through stress testing. Risk assessment considers both financial impacts (profitability, cash flow, asset value) and operational impacts (production duration, product portfolio alignment), while probability scoring is performed based on the likelihood of regulatory enactment and market trends. The quantitative threshold value is determined by multiplying the impact score by the probability score, and risks exceeding this threshold are defined as priority risks.

It is aimed that climate-related risks will be evaluated regularly within the scope of Turcas Holding's Corporate Risk Management Framework. As of 2024, two priority transition risks have been identified. The first risk relates to operational and financial risks in natural gas power plants arising from national climate regulations and carbon pricing. Upcoming climate policies and potential carbon pricing mechanisms in Türkiye have the potential to increase the operational costs of natural gas plants and exert pressure on profitability.

The second risk concerns operational and financial risks stemming from regulations on existing products and services. The tightening of national and international regulations on fuel and energy products directly affects market conditions and operational processes.

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These priority risks are reviewed at least once a year, while subsidiary management reports and sectoral regulatory developments are monitored on a quarterly basis. The findings are regularly reported to the relevant management committees. In 2024, the risk assessment process was further enhanced: Türkiye Emission Trading System (ETS) scenario sets were integrated into the analysis, and sector-based TSRS Appendix Volume C criteria began to be used in the probability–impact scoring.

Within the scope of climate-related opportunities, low-carbon fuels and product diversification have been identified as priority areas. The opportunity assessment process considers regulatory and market developments, consumer trends, the European Green Deal, and Türkiye's 2053 Net-Zero Target. Accordingly, market share increases scenarios for low-carbon products and projections for higher biofuel blending ratios have been analyzed.

To monitor the identified opportunities, annual performance evaluations and market size analyses are planned to be conducted on a regular basis. The climate-related risk and opportunity processes have been integrated into Turcas Holding's Corporate Risk Management Framework. Priority climate risks are evaluated using the same scoring and prioritization system as financial, market, and operational risks, and the results are reported to the relevant Board committees, serving as inputs for investment decisions, budget planning, and strategic management.

METRICS AND TARGETS

Scope 1–2 Greenhouse Gas Emissions Table

Greenhouse Gas Calculation Approach

Turcas Holding, in accordance with TSRS 2, uses internationally recognized methodologies and nationally valid data sources to calculate greenhouse gas emissions, adopting the financial control approach as the basis for its calculations. Within this scope, both Turcas Holding's own operations and the activities of its subsidiaries are included in the reporting boundary. Scope 1 emissions refer to direct emissions from sources under the Company's control, such as fuel combustion for energy generation and process-related emissions. Scope 2 emissions represent indirect emissions resulting from the consumption of purchased electricity, heat, and steam.

2024 Greenhouse Gas Emissions (Metric tons (t) CO_2-e)

Company	Scope 1	Scope 2		Scope 1+2	
		Location-Based	Market-Based	Market-Based	Market-Based
Turcas Holding A.Ş.	60	60	60	120	120
Subsidiaries	**Scope 1**	**Scope 2**		**Scope 1+2**	
		Location-Based	**Market-Based**	**Location-Based**	**Market-Based**
Shell & Turcas Petrol A.Ş.	457	844	217	1,301	675
RWE & Turcas Güney Elektrik Üretim A.Ş.	373,339	25	25	373,364	373,364
Total – Subsidiaries	373,796	868	242	374,664	374,038
Total – Turcas Holding A.Ş. and Subsidiaries	373,856	929	302	74,785	374,159

Greenhouse Gas Calculation Approach

Turcas Holding, in accordance with TSRS 2, uses internationally recognized methodologies and nationally valid data sources to calculate greenhouse gas emissions, adopting the financial control approach as the basis for its calculations. Within this scope, both Turcas Holding's own operations and the activities of its subsidiaries are included in the reporting boundary.

Main Data Sources Used

* IPCC 2006 Guidelines for National Greenhouse Gas Inventories
* IPCC AR6 – Working Group I, Chapter 7
* Republic of Türkiye Ministry of Energy and Natural Resources – Electricity Emission Factors
* BOTAŞ – Lower Heating Value and Density Data for Natural Gas

All greenhouse gases (CO_2, CH_4, N_2O, HFC) are reported in terms of CO_2 equivalent (CO_2e) by considering their respective Global Warming Potentials (GWPs).

Rationale for Selection

The methodologies applied have been determined in accordance with the principle of "using data sources that best represent the activities," as stated in Annex B, Article B29 of TSRS 2. In this context, the country-specific emission factor published by the Ministry of Energy and Natural Resources of the Republic of Türkiye was used for electricity generation, while all fuel-related emission factors were obtained from the IPCC (Intergovernmental Panel on Climate Change) guidelines. This approach ensures that the methodology reflects local conditions while maintaining international comparability.

Location-Based Scope 2 Emissions and Market-Based Instruments

Within the scope of TSRS 2 Paragraph 29(a)(i)(2), STAŞ has calculated its location-based Scope 2 greenhouse gas emissions and implemented contractual mechanisms to reduce these emissions. Under the location-based approach, the total Scope 2 emissions resulting from the Company's electricity consumption have been determined using national grid emission factors.

Accordingly, as of the 2024 reporting period, STAŞ has purchased I-REC (International Renewable Energy Certificate) certificates corresponding to 4,722 MWh of electricity consumption, ensuring that an equivalent amount of electricity used by the Company is sourced from renewable energy generation.

Changes During the Reporting Period

This reporting period marks the first time Turcas Holding has reported its greenhouse gas emissions under TSRS 2. Therefore, there are no methodological changes that can be compared with a previous reporting period.

Proportion of Climate-Vulnerable Activities

In Terms of Transition Risks:

The business model of Turcas Holding's subsidiaries requires a high level of compliance with energy market regulations, carbon pricing mechanisms, the EU Green Deal, and national energy transition policies. Fuel distribution and marketing activities, as well as electricity generation processes, are categorized among carbon-intensive sectors due to their energy-intensive operations and dependence on fossil fuels.

In Terms of Physical Risks:

Climate change–related temperature increases, extreme weather events, water stress, and flood risks pose potential impacts on Turcas Holding's fuel distribution and terminal operations, as well as on its natural gas combined cycle power plant. These conditions may create operational vulnerabilities, particularly in areas such as cooling water supply, resilience of energy transmission infrastructure, and logistics processes.

Therefore, Turcas Holding's exposure to physical climate risks is assessed as medium to high and is considered critical in terms of sectoral priorities.

Internal Carbon Pricing Practice

Turcas Holding does not currently implement a direct internal carbon pricing mechanism; however, it is actively developing institutional awareness regarding the potential impacts of carbon costs—particularly on fuel procurement, electricity generation, and marketing processes. Scenario analyses related to carbon pricing are evaluated within the Company's strategic planning processes and Sustainability Committee agendas. Preparations are underway to integrate an internal carbon price into future investment decision-making processes, supporting the transition toward a low-carbon business model.

Linkage to Remuneration

As of 2024, sustainability and climate performance tracking for senior executives at Turcas Holding has not yet been defined as a direct performance indicator. However, executives' contributions to emission reduction, energy efficiency, and low-carbon technology investments are monitored through indirect indicators. Currently, there is no direct link between executive remuneration and climate-related performance targets. Nevertheless, the development of internal control systems and the integration of such linkages into corporate processes are included in the Company's organizational development plans for 2025 and beyond. As of the 2024 reporting period, no quantitative or qualitative climate-related performance targets have been established; however, assessment and planning activities for the creation of such targets are ongoing.

METRICS AND TARGETS

TSRS 2 –Volume 13: Oil & Gas – Refining & Marketing

Greenhouse Gas Emissions - Oil & Gas – Refining & Marketing

Metric	Unit	Value
Gross global scope 1 emissions	Metric tonnes (t) CO_2-e	1,524
Percentage covered under emissions limiting regulations	Percentage (%)	0
Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	-	*

* It is included under the heading TSRS 2 14.

Water Management - Oil & Gas – Refining & Marketing

Metric	Unit	Value
Total water withdrawn	One thousand cubic meters (m^3)	28
Total water consumed	One thousand cubic meters (m^3)	3
Percentage of each in regions with High or Extremely High Baseline Water Stress	Percentage (%)	0

TSRS 2 – Volume 32 – Electric Utilities & Power Generators

Greenhouse Gas Emissions & Energy Resource Planning - Electric Utilities & Power Generators

Metric	Unit	Value
Gross global Scope 1 emissions	Metric tonnes (t) CO_2-e	1,244,463
Emissions limiting regulations	Percentage (%)	0
Emisyon raporlama düzenlemeleri kapsamındaki yüzde	Percentage (%)	0

End-Use Efficiency & Demand- Electric Utilities & Power Generators

Metric	Unit	Value
Percentage of electric load served by smart grid technology	Percentage (%) by megawatt hours (MWh)	0
Customer electricity savings from efficiency measures, by market	Megawatt hours (MWh)	0

Grid Resiliency - Electric Utilities & Power Generators

Metric	Unit	Value
Number of incidents of non-compliance with physical or cybersecurity standards or regulation	Number	0
(1) System Average Interruption Duration Index (SAIDI)	Minutes, Number	22,445
(2) System Average Interruption Frequency Index (SAIFI)	Minutes, Number	1
(3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	Minutes, Number	22,445

Water Management - Electric Utilities & Power Generators

Metric	Unit	Value
Total water withdrawn	One thousand cubic meters (m^3)	222
Total water consumed	One thousand cubic meters (m^3)	147
Percentage of each in regions with High or Extremely High Baseline Water Stress	Percentage (%)	100
Number of incidents of non-compliance associated with water quality permits, standards and regulations	Number	1

Activity Metric - Electric Utilities & Power Generators

Metric	Unit	Value
Number of: (1) residential, (2) commercial, and (3) industrial customers served	Number (#)	1
Total electricity delivered to commercial	Megawatt hours (MWh)	3,161,202
Total wholesale electricity purchased	Megawatt hours (MWh)	7,075

LIMITED ASSURANCE REPORT

BDO Turkey
Tel: +90 212 365 62 00
Fax: +90 212 365 62 01
e-mail: bdo@bdo.com.tr
www.bdo.com.tr

BDO Denet Bağımsız Denetim ve Danışmanlık A.Ş.
Ticaret Sicil No : 254683
Mersis Numarası : 0291001084600012
Eski Büyükdere Cad. No:14 Park Plaza Kat:4
Maslak 34398 Sarıyer/İstanbul

(Convenience Translation of Auditor's Limited Assurance Report Originally Issued in Turkish)

LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR ON THE INFORMATION PRESENTED UNDER THE TURKISH SUSTAINABILITY REPORTING STANDARDS OF TURCAS HOLDİNG ANONİM ŞİRKETİ

To the General Assembly of Turcas Holding Anonim Şirketi

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

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

Limited Assurance Conclusion

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

Emphasis of Matters

As explained in the "About the Report" section of the Sustainability Report, in its first annual reporting period applying the TSRSs, the Company has disclosed information only on climate-related risks and opportunities in accordance with TSRS 2.

As explained in the "About the Report" section of the Sustainability Report, the Company has made use of the exemption from presenting comparative information in accordance with Provisional Article 1 of the "Board Decision on the Scope of Application of the Turkish Sustainability Reporting Standards (TSRS)", published in the Official Gazette dated 29 December 2023 and numbered 32414 (M). Accordingly, as the accompanying Sustainability Report is the Company's first Sustainability Report prepared in accordance with the TSRSs, no comparative information has been presented.

As explained in the "About the Report" section of the Sustainability Report, the Company has made use of the exemption from disclosing Scope 3 greenhouse gas emissions for the first two years in accordance with Provisional Article 3 of the "Board Decision on the Scope of Application of the Turkish Sustainability Reporting Standards (TSRS)", published in the Official Gazette dated 29 December 2023 and numbered 32414 (M). Accordingly, as the accompanying Sustainability Report is the Company's first Sustainability Report prepared in accordance with the TSRSs, Scope 3 greenhouse gas emissions have not been disclosed.

These matters do not affect the conclusion we have reached.

Inherent Limitations in the Preparation of Sustainability Information

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

Responsibilities of Management and Those Charged with Governance Regarding Sustainability Information

The Company's Management is responsible for:

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

Those Charged with Governance are responsible for overseeing the Company's sustainability reporting process.

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

We are responsible for the following:

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

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

Professional Standards Applied

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

Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Independent Auditors, issued by the POA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

LIMITED ASSURANCE REPORT

Our work was carried out by an independent and multidisciplinary team including assurance practitioners, sustainability and risk management specialists. We have used the work of our expert team to assess the reliability of the information and assumptions related to the Company's climate and sustainability-related risks and opportunities. We remain solely responsible for our assurance conclusion.

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

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

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

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

İstanbul,
17 October 2025

BDO Denet Bağımsız Denetim
ve Danışmanlık A.Ş.
Member, BDO International Network

Selahattin Uçunoğlu, SMMM
Lead Auditor

This report was prepared with the assistance of **Forvis Mazars**

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