

**İZMİR DEMİR ÇELİK SANAYİ A.Ş. AND ITS  
SUBSIDIARIES TSRS COMPLIANT SUSTAINABILITY  
REPORT FOR THE ACCOUNTING PERIOD ENDING  
DECEMBER 31, 2024**

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REPORT FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2024**

**İZMİR DEMİR ÇELİK SANAYİ A.Ş.  
Accounting Period: January 1, 2024 - December 31, 2024  
TSRS-COMPLIANT CONSOLIDATED SUSTAINABILITY REPORT**

**COMPANY INFORMATION:**

|                              |                                                                              |
|------------------------------|------------------------------------------------------------------------------|
| <b>COMMERCIAL TITLE</b>      | <b>İzmir Demir Çelik Sanayi A.Ş.</b>                                         |
| <b>STOCK EXCHANGE</b>        | <b>Borsa Istanbul (BIST)</b>                                                 |
| <b>TRANSACTION SYMBOL</b>    | <b>IZMDC</b>                                                                 |
| <b>HEADQUARTERS ADDRESS</b>  | <b>Şair Eşref Boulevard No:23 35210 Konak-İZMİR</b>                          |
| <b>FACTORY ADDRESS</b>       | <b>Nemrut Street No: 2 Horozgediği Neighborhood 35807<br/>Aliaga , Izmir</b> |
| <b>WEBSITE</b>               | <b>www.izdemir.com.tr</b>                                                    |
| <b>E-MAIL</b>                | <b>info@izdemir.com.tr</b>                                                   |
| <b>TRADE REGISTRY DATE</b>   | <b>05.11.1975</b>                                                            |
| <b>TRADE REGISTRY NUMBER</b> | <b>37355/K-800</b>                                                           |
| <b>TAX OFFICE</b>            | <b>Konak</b>                                                                 |
| <b>TAX NUMBER</b>            | <b>4840008672</b>                                                            |
| <b>PHONE</b>                 | <b>0232 441 50 50</b>                                                        |
| <b>FAX</b>                   | <b>0232 441 56 66</b>                                                        |
| <b>MERSIS NUMBER</b>         | <b>0484000867200010</b>                                                      |

## **ABOUT THE REPORT**

İzmir Demir Çelik Sanayi A.Ş.'s (Izmir Iron and Steel Industry Inc.) financial and non-financial (Corporate Social Responsibility, Environmental-Social-Governance) performance, presents the economic, social, and environmental management approaches and performance data of İzmir Demir Çelik Sanayi A.Ş. (Izmir Iron and Steel Industry Inc.) and its subsidiaries. It also shares assessments of the companies' long-term value creation goals, strategies, corporate culture, stakeholder relations, and how they manage opportunities and risks.

The information contained in the report covers all activities of İzmir Demir Çelik Sanayi A.Ş. (Izmir Iron and Steel Industry Inc.) during the period January 1, 2024, to December 31, 2024. In order to accurately reflect the integrity of the Company, the fully consolidated subsidiaries of İzmir Demir Çelik Sanayi A.Ş. are listed within the report:

- İzdemir Enerji Elektrik Üretim A.Ş. /Izdemir Energy Electricity Production Inc.(İzdemir Energy)

-Akdemir Çelik Sanayi ve Ticaret A.Ş./Akdemir Steel Industry and Trade Inc. (Akdemir Steel)

İDÇ Liman İşletmeleri A.Ş./IDC Port Operations Inc. (IDC Port) is included.

References to “İzmir Demir Çelik”, “Company” and all similar expressions in the report, unless otherwise stated, references to İzmir Demir Çelik Sanayi A.Ş. and “Group Companies” refer to subsidiaries subject to consolidation .

The financial data included in the report is consolidated information for İzmir Demir Çelik Sanayi A.Ş. The companies covered by the data are specified in the relevant sections.

Our Sustainability Report has been prepared in compliance with the TSRS S1 General Provisions for Disclosure of Sustainability-Related Financial Information and TSRS S2 Climate-Related Disclosure standards, which are mandatory to be implemented in our country under the name of Turkish Sustainability Reporting Standards (TSRS) as of January 1, 2024.

The Report also provides information about the Company's sustainability strategy, economic, environmental and social performance, and its contribution to the United Nations Sustainable Development Goals.

The data contained in the report constitutes a benchmark for future sustainability reports to be published by İzmir Demir Çelik Sanayi A.Ş. and its subsidiaries. The financial indicators included in the report are data disclosed in independently audited consolidated financial statements.

You can access the report on our official website, [www.izdemir.com.tr](http://www.izdemir.com.tr). You can also send any requests, suggestions, and comments to [sustainability@izdemir.com.tr](mailto:sustainability@izdemir.com.tr).

## **CONTROL**

Sustainability disclosures were subjected to a limited assurance audit by GÖRÜŞ BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş. within the scope of GDS 3000 “Assurance Engagements Other Than Independent Audits or Limited Independent Audits of Historical Financial Information” and GDS 3410 “Assurance Engagements Regarding Greenhouse Gas Declarations,” and the limited independent assurance statement is included in the report. This audit process, conducted in accordance with TSRS 1 and TSRS 2, strengthens the transparency and accountability principles of İzmir Demir Çelik and its consolidated subsidiaries regarding sustainability reporting and incorporates best practices for disclosing the impacts of climate-related risks on the company's cash flows, access to finance, and cost of capital. İzmir Demir Çelik and its consolidated subsidiaries remain committed to measuring and reporting their sustainability performance in accordance with the standards. Sustainability data verified through an independent audit process provides a reliable and comprehensive source of information for investors and other stakeholders.

### **2024 Sustainability-Related Financial Disclosures**

The report represents the full set of sustainability-related financial disclosures for İzmir Demir Çelik Sanayi A.Ş. and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2024. The Group’s sustainability-related disclosures have been prepared in accordance with the TSRS Sustainability Disclosure Standards published by the Public Oversight and Accounting Standards Authority (KGK).

As this is the first year that the Group has implemented the TSRS Sustainability Disclosure Standards, the Group;

- Implementing the transition facility, which only allows disclosure of information on climate-related risks and opportunities in this first year,
- Not to disclose comparative information in this report,
- In accordance with the temporary article 3 titled “Transitional provision regarding exemption from disclosure provisions” of the Board Decision on the Scope of Application of Turkey Sustainability Reporting Standards, to exercise the right to exemption regarding the disclosure of Scope 3 greenhouse gas emissions during the first two reporting periods and not to disclose Scope 3 greenhouse gas emissions,

has chosen .

## **1. GOVERNANCE**

Details İzmir Demir Çelik Sanayi A.Ş.'s governance structure, aligned with its sustainability approach. It provides a general overview of the company and its areas of activity, and explains the functioning of decision-making and oversight mechanisms within the organizational structure, such as the Board of Directors, Executive Board, board committees, and corporate units. It also outlines the processes related to sustainability management, the sustainability committee, authorized units, working groups, and the internal audit system, as well as the establishment and implementation of environmental, social, and governance (ESG) policies.

clearly outlines the governance processes, controls, and procedures used by the governance structure to monitor, manage, and oversee sustainability and climate-related risks and opportunities . This comprehensive overview of the company and its organizational structure, as well as the functioning of its governance systems, are comprehensively explained.

### **1.1. About İzmir Demir Çelik Sanayi A.Ş.**

İzmir Demir Çelik Sanayi A.Ş. (Izmir Iron and Steel) is one of the long-established and leading companies in the Turkish steel industry. The company, which began operations in 1975, currently produces high-quality billets, rebar, and profile steel products at its electric arc furnace melt shop, boasting an annual liquid steel production capacity of 3.1 million tons. Located in Aliağa, İzmir, the production facilities include a 900,000-ton-per-year bar rolling mill and a 485,000-ton-per-year profile rolling mill, which utilize hot rolling technology to transform semi-finished steel products into finished products.

a 4.9% share in Turkish crude steel production and a 7% share in crude steel production from electric arc furnace facilities , maintains its reputation in the iron and steel sector with its modern technology and knowledge.

Maintaining its technological superiority and continuously improving its knowledge according to evolving production and market conditions, İzmir Demir Çelik has significant advantages over its global competitors with its quality certificates in addition to its high performance in terms of raw material, energy and labor efficiency.

CARES Certification , which provides certification to the International Quality Standard ; all operations are carbon monoxide The company also received the "Sustainable Construction Steel" certificate, issued following evaluations on emission control, waste management, efficient use of energy and resources, implementation of environmentally friendly technologies, compliance with laws, communication, social responsibility, and occupational health and safety. The company became the first Turkish iron and steel company to receive this certificate, providing a significant competitive advantage in becoming a supplier to international companies engaged in environmentally friendly, sustainable construction. The company also holds the "Sustainable Construction Steel" certificate issued by the same institution. The iron and steel industry consists of a set of processes and systems, starting from raw materials for the production of iron and steel products and encompassing the unique production methods of each product through to final use.

There are two systems used today for the production of steel products worldwide: crude steel from iron ore and steel from crude steel, and steel from iron and steel scrap. The company produces steel from iron and steel scrap. The resulting crude steel is cast using continuous casting to produce semi-finished steel billets. The billets are then converted through hot rolling into high-quality ribbed structural steel with diameters ranging from 8 (D/mm) to 40 (D/mm), as well as profile steel products in I, U, L, and H shapes and various other sizes.

The existence of the iron and steel industry is considered an important indicator in classifying countries according to their level of economic development due to reasons such as its continuous technological development, its high share in world trade, its employment of a large workforce and its being a driving force for other sectors.

İzmir Demir Çelik shares have been traded on the Borsa Istanbul under the ticker symbol "IZMDC" since 1986, and with its corporate governance structure, transparency, and focus on sustainability, it continues to operate as a company that commands high investor confidence. The group also includes İDÇ Port Operations Inc. , which provides port services; Akdemir Çelik Sanayi ve Ticaret Inc., which produces rebar in its rolling mill; and İzdemir Enerji Elektrik Üretim Inc., which generates electricity .

İzmir Demir Çelik Sanayi A.Ş.'s history, capital structure, group companies, production capacity, product details, vision, and mission can be found at [www.izdemir.com.tr](http://www.izdemir.com.tr) . Additionally, all public disclosure announcements and publicly available information are available both on the company's website and It is openly accessible via the Public Disclosure Platform (KAP) website at [www.kap.org.tr](http://www.kap.org.tr).

## **1.2. General Corporate Governance Structure**

Of İzmir Demir Çelik Sanayi A.Ş. has been structured with a holistic approach that supports corporate sustainability at the level of the Board of Directors, the Executive Board and the Board Committees.

### **1.2.1. Board of Directors**

İzmir Demir Çelik's vision and mission, the Board of Directors has the ultimate oversight and control responsibility for determining and implementing the company's strategy. Our Board of Directors is responsible for defining strategic objectives, making decisions aimed at long-term value creation, and ensuring that all activities are conducted in accordance with applicable legislation, the Articles of Association, and Company policies. In this context, the Board of Directors ensures that strategic decision-making processes are transparent, accountable, and aligned with sustainability principles.

The Company's Board of Directors conducts its activities in a transparent, responsible, fair, and accountable manner. Articles 9, 10, and 11 of the Company's Articles of Association clearly define the provisions regarding the Board of Directors. The İzmir Demir Çelik Board of Directors, comprised of six members, two of whom are independent, appointed by the General Assembly for a three-year term, is the highest-level body responsible for the strategic management of the company. The Chairman and Vice Chairman are executive officers. Board members and independent Board members are non-executive directors.

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The members of the Board of Directors during the reporting period, their duties and terms of office are listed below.

| Name Surname           | His duty                                | Term of Office |
|------------------------|-----------------------------------------|----------------|
| Halil ŞAHİN            | Chairman of the Board of Directors      | 3 Years        |
| Nuri ŞAHİN             | Vice Chairman of the Board of Directors | 3 Years        |
| Ahmet BAŞTUĞ           | Board Member                            | 3 Years        |
| Mahmut Nedim KOC       | Board Member                            | 3 Years        |
| Deniz Tamer MÜLAYİM    | Independent Board Member                | 3 Years        |
| Caner Bayazit EMİROĞLU | Independent Board Member                | 3 Years        |

### **1.2.2. Executive Board**

The Executive Committee is located after the Board of Directors in the organizational chart. Our Executive Committee consists of seven members and is responsible for overseeing the effective execution of the Company's activities and the goals and policies established by the Board of Directors. It evaluates activities in terms of quality and efficiency, ensures compliance with defined goals and policies, oversees efforts to comply with these goals and policies, implements necessary improvements and changes, and authorizes and performs its duties to ensure that goals and policies are implemented in accordance with legislation and commercial principles.

The members of the Executive Board and their duties during the reporting period are listed below.

| Name Surname        | His duty                        |
|---------------------|---------------------------------|
| Nuri ŞAHİN          | Chairman of the Executive Board |
| Selim ŞAHİN         | Executive Board Member          |
| Serkan ŞAHİN        | Executive Board Member          |
| Huseyin BAŞTUĞ      | Executive Board Member          |
| Selin ŞAHİN SEKERLİ | Executive Board Member          |
| Basak ŞAHİN         | Executive Board Member          |
| Feyyaz YAZAR        | Executive Board Member          |

### **1.3. Board Committees**

Board committees established in accordance with the Capital Markets Board (CMB) and the Turkish Commercial Code (TCC) undertake various duties to ensure the effective management of companies, improve internal control and risk management processes, and ensure sustainability. The Audit Committee oversees the company's financial reporting processes and

monitors the effectiveness of internal control systems, while the Risk Committee identifies potential risks and implements strategic measures against them. The Corporate Governance Committee is responsible for ensuring the implementation of corporate governance principles and strengthening the company's internal control systems. The Social and Environmental Responsibility Committee (Sustainability Committee) manages environmental and social responsibility projects, sets, and implements the company's sustainability goals. These committees play a critical role in improving the company's operational efficiency, protecting stakeholder interests, and supporting the company's sustainable growth through a transparent management approach.

### **1.3.1. Audit Committee**

The Audit Committee, established within the framework of the Capital Markets Board Corporate Governance Communiqué, is a committee consisting of at least two members elected by the board of directors from among its independent members who do not have executive duties.

Reaching the company regarding the company's accounting and internal control system and independent audit the methods and criteria to be applied in examining and concluding complaints and evaluating the notifications of company employees regarding the company's accounting and independent auditing issues within the framework of the confidentiality principle are determined by the audit committee.

The audit committee reports its assessments regarding the accuracy and conformity of the annual and interim financial statements to be disclosed to the public with the accounting principles followed by the company, along with its own assessments, to the board of directors, after receiving the opinions of the company's responsible managers and independent auditors.

Deniz Tamer MÜLAYİM (Independent Member/Non-Executive) President  
Caner Bayazıt EMİROĞLU (Independent Member/Non-Executive) Member

### **1.3.2. Corporate Governance Committee**

Corporate Governance established within the framework of the Capital Markets Board Corporate Governance Communiqué consists of at least two members elected by the Board of Directors from among its non- executive members.

The corporate governance committee determines whether corporate governance principles are implemented in the company, not implemented, it identifies the reason and any conflicts of interest arising from failure to fully comply with these principles. It also makes recommendations to the board of directors to improve corporate governance practices. The chairman of the Corporate Governance Committee is elected from among independent board members. The Corporate Governance Committee also assumes the duties of the Nomination Committee and the Remuneration Committee, as stipulated in Capital Markets Board regulations.

Caner Bayazıt EMİROĞLU (Independent Member/Non-Executive) Chairman  
Ahmet BAŞTUĞ (Board Member/Non-Executive) Member  
Remzi Okan GÖKDEMİR ( Investor Relations, Sustainability and Incentives)  
Application Manager ) Member

### **1.3.3. Early Detection of Risk Committee**

Established within the framework of the Capital Markets Board's corporate governance circular and the Turkish Commercial Code

The Early Detection of Risk Committee is a committee consisting of at least two members elected by the Board of Directors from among its non- executive members.

The early risk detection committee is responsible for early detection of risks that may endanger the existence, development and continuity of the company, taking the necessary precautions regarding the identified risks and working to manage the risk, and reviews the risk management systems at least once a year.

Deniz Tamer MÜLAYİM (Independent Member/Non-Executive) President  
Ahmet BAŞTUĞ (Board Member/Non-Executive) Member

### **1.3.4. Sustainability Committee**

Determining the company's sustainability strategies in environmental, social and corporate governance (ESG) areas, developing policies and targets in line with these strategies, Capital  
It is a committee established to carry out the duties of creating, monitoring and auditing plans in accordance with the Sustainability Principles Compliance Framework of the Market Board and carrying out the necessary improvement works and reporting them to the Board of Directors.

Deniz Tamer MÜLAYİM (Independent Member/Non-Executive) President  
Caner Bayazıt EMİROĞLU (Independent Member/Non-Executive) Member  
Feyyaz YAZAR (Executive Board Member and Deputy General Manager) Member

## **1.4. Sustainability Management**

The Sustainability Committee was established by the Board of Directors' decision numbered 27, dated August 16, 2024, to develop, monitor, and improve the company's sustainability strategies and activities. This committee was published on the Public Disclosure Platform (KAP) at <https://www.kap.org.tr/tr/Bildirim/1325767>. The Committee aims to enhance sustainability performance across its environmental, social, and economic dimensions. The Committee was established to integrate the concept of sustainability into the company's business and processes in all areas of its operations in line with the United Nations Global Sustainable Development Goals . It also aims to define sustainability strategies within an environmental, social, and governance framework. It also aims to identify and report to the Board of Directors the authorities responsible for developing, implementing, and monitoring a sustainability roadmap.

The Committee meets at least twice a year, aligning with evolving internal and external sustainability agendas. These meetings address climate-related risks and opportunities, carbon footprint performance, and emissions. Topics related to sustainability and climate change are addressed, including mitigation strategies, milestones identified as part of the net zero target, the results of scenario analyses, compliance with the Border Carbon Adjustment Mechanism (CBAM), and developments in environmental regulations. Committee members are regularly informed quarterly about sustainability and climate change issues, targets, and opportunities through internal company reports, scenario analyses, and indicators, and the Investor Relations, Sustainability, and Incentive Implementation Directorate (Sustainability Directorate). Decisions

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made by the Sustainability Committee are submitted in writing to the Board of Directors. In 2024, the committee made a total of two decisions.

The main duties and responsibilities of the Committee are as follows:

- Determines the company's sustainability strategies and medium and long-term goals. Monitors and ensures the implementation of the “Sustainability Policy” approved by the Company's Board of Directors .
- Coordinates the company's sustainability efforts and assesses the economic, environmental and social impacts of its activities.
- Creates and authorizes working groups from relevant departments on sustainability. If necessary, obtains technical support and professional consultancy services from outside the Company.
- Makes necessary determinations to reduce the possible negative impacts of the Company's activities on sustainability.
- It ensures the management of all necessary work to ensure compliance with the principles regarding the “Sustainability Principles Compliance Framework” published by the SPK.
- Identifies the company's sustainability-related risks and opportunities.
- Submits a report to the Board of Directors regarding the work carried out and deficiencies in the field of sustainability throughout the Company.

These responsibilities include identifying risks and opportunities related to climate change, assessing their financial impacts, and monitoring adaptation strategies. The committee assesses the company-wide applicability of climate-related strategic decisions and monitors critical actions to achieve net-zero emissions targets.

Committee Member Mr. Feyyaz YAZAR (Executive Board Member and Deputy General Manager) also holds the Public Oversight Agency Sustainability Assurance Auditor certificate with registration number BD/2014/09365.

With the decision of the Board of Directors dated 05.06.2024 and numbered 20, the obligations imposed by the Capital Markets Regulatory Authority, the regulations of the Banking Regulation and Supervision Agency within this framework, and the Public Oversight Agency Turkey Sustainability Reporting Standards, in order to internalize the sustainability management and understanding of our country and the company in companies and institutions within the scope of the 2053 net zero emission target and policies,

The Investor Relations, Sustainability, and Incentives Implementation Department has been authorized to serve all group companies by contributing to the determination of corporate sustainability and climate change policies and strategies within the framework of the sustainability goals set by the Sustainability Committee, ensuring their integration with company business processes, monitoring sustainability performance, preparing sustainability reports and delivering them to internal and external stakeholders, monitoring legislation, developing projects in consultation with other units, monitoring the company's sustainability activities in daily operations, conducting internal audits and reporting, and conducting and monitoring other sustainability-related tasks and duties. This department operates under the Deputy General Manager of Financial Affairs and serves all group companies.

## İZMİR DEMİR ÇELİK SANAYİ A.Ş. AND ITS SUBSIDIARIES TSRS COMPLIANT SUSTAINABILITY REPORT FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2024

Investor Relations, Sustainability and Incentives Implementation Manager Remzi Okan GÖKDEMİR holds a Sustainability Expertise Certificate issued by the Turkish Capital Markets Association.

With this authorization, the integration , reporting and monitoring processes of climate-related risks into corporate operations have been systematized; the impacts of these risks on investment plans, supply chain management and operational cost management are analyzed through joint work across departments.

Additionally, various Sustainability Working Groups have been established to ensure the effective implementation of sustainability policies across the company at all levels of the organization. These groups are structured periodically on a topic-by-topic basis, with the participation of employees from various departments under the guidance of the Sustainability Committee.

Each group conducts its work in line with targets and indicators aligned with its area of activity and submits its findings and recommendations to the Sustainability Directorate for presentation and reporting to the Sustainability Committee. This ensures that the sustainability goals identified at the strategic level are internalized and disseminated at the operational level. In this context, a total of five reports were submitted to the Sustainability Committee in 2024 by the Sustainability Directorate on Physical Climate Risk Scenario Analyses, Climate Risks and Opportunities, Carbon Footprint Performance, Sustainability Goals, and Sustainability-related activities.

The activities of the working groups also contribute to meeting stakeholder expectations more effectively, increasing employee participation and establishing a sustainability culture throughout the company.

### **1.5. Environmental, Social and Governance Policies**

At İzmir Demir Çelik, one of the core components of our sustainability management structure is our corporate ESG policies. These policies are determined in line with the company's field of activity and aligned with sustainable development principles. They encompass our environmental responsibilities, employee rights and social impact, ethical governance, Corporate Risk, Corporate Communications , and stakeholder relations. Our sustainability strategies are shaped by these policies, and data collected from relevant departments based on the content of the policies is reported to the Sustainability Committee by the Sustainability Department regarding compliance with these policies. Based on these data, the Sustainability Committee audits policy compliance performance twice a year and reports it to the Board of Directors. In the report dated December 31, 2024, submitted to the Sustainability Committee for 2024, policy compliance performance was evaluated positively.

by the Board of Directors, upon the recommendation of the Sustainability Committee, by resolutions numbered 21 dated June 5, 2024, and numbered 29 dated August 20, 2024. These policies are reviewed periodically, once a year. In this context, the core ESG policies implemented by the Company are listed below. These policies can be accessed [in the sustainability section of our website](#).

- Quality Management
- Environmental and Energy Management

- Our Management Systems Policy
- Our ISMS Policy
- Ethical Principles and Code of Conduct Procedure
- Human Rights Policy
- Employee Compensation Policy
- Corporate Risk Management Policy
- Corporate Communications / Complaint / Suggestion Policy
- Corporate Social Responsibility Policy
- Customer Satisfaction Policy

### **1.6. Sustainability Audit and Monitoring Process**

At İzmir Demir Çelik Sanayi A.Ş., sustainability auditing and monitoring processes are conducted within a multi-layered structure, encompassing both the corporate governance structure and internal control systems. Company-wide internal audit activities are conducted within the framework of the business plan determined by the Board of Directors, encompassing production, management, and investment processes. Internal audit activities are structured to ensure that processes are carried out within the scope of Management Systems and in compliance with relevant standards, legislation, and internal regulations, to enhance the reliability of financial statements, and to ensure the efficient use of company resources.

The Internal Audit Unit reports directly to the Executive Board and reviews all financial, administrative, commercial, and technical operations in accordance with laws, internal company regulations, procedures, and internationally accepted auditing principles. Furthermore, preventive and corrective recommendations are developed against potential risks, guided by a continuous improvement approach in line with management system standards. The Audit Committee and the Early Risk Detection Committee contribute to this structure as oversight and control mechanisms. In accordance with Capital Markets Board regulations, the Board of Directors periodically evaluates the effectiveness of the internal audit system. Targets for risks and opportunities are not included in the company's remuneration policy.

Sustainability practices are systematically audited under the supervision of the Board of Directors, under the direction of the Sustainability Committee, and through corporate reporting processes conducted by the Sustainability Department. As of 2024, the Sustainability Committee will assess the implementation level of environmental, social, and governance (ESG) policies, performance indicators related to achieving sustainability goals, and risk and opportunity management processes at least twice a year.

The audit process relies not only on internal resources but also monitors opinions, suggestions, and complaints from external stakeholders. Contact forms accessible on the company's corporate website allow stakeholders to provide feedback on sustainability practices. Specific requests regarding ethical matters are evaluated by the Ethics Committee, which operates confidentially; applications are received through the Ethics Notification Form published on the website. For employees, requests, suggestions, and complaints are submitted through an internal web-based platform. These notifications are reviewed by Human Resources and relevant units and, if necessary, reported to the Sustainability Committee.

The process of monitoring sustainability targets is carried out with the contribution of relevant internal units; indicators such as carbon emissions , energy consumption, and occupational health and safety are measured and analyzed periodically. This data is submitted to the Sustainability Directorate by the Sustainable Structural Steel coordinator and responsible personnel. Sustainability and climate-focused reports prepared by the Directorate are reviewed and evaluated by the Sustainability Committee. A member of the Committee, authorized by the Public Oversight Authority and holding the title of sustainability assurance auditor, contributes to the interpretation of these reports and the formation of the Committee's opinion, in accordance with his or her professional competence. The final evaluation is submitted to the Board of Directors for approval, and the principle of transparency is observed in publicly disclosed sustainability reports.

İzmir Demir Çelik's sustainability reporting began to be structured in 2024, based on the Turkish Sustainability Reporting Standards (TSRS 1 and TSRS 2). In this context, processes for systematically monitoring and disclosing sustainability performance metrics (such as greenhouse gas emissions , energy consumption, waste management, and occupational health and safety indicators) have been established, periodic targets within the scope of TSRS have been defined, and budgeting efforts have been initiated to finance these targets.

The establishment of financial relationships for activities related to sustainability goals will be structured in future periods as required by TSRS. Because there has not yet been a specific investment or financial resource allocation in line with these goals for the 2024 reporting period, the direct impact of the relevant metrics on the financial statements is not presented at this stage. However, if there are impacts related to the announced indicators in future periods, their impact on the financial statements will be transparently reflected in the report.

### **1.7. Certification and Management Systems**

İzmir Demir Çelik Sanayi A.Ş. holds certificates and documents demonstrating compliance with national and international standards such as quality, environment, occupational health and safety, energy management, and information security. In this context, the company systematically monitors its production processes through integrated management systems and supports activities carried out in line with sustainability principles with documents and standards audited by impartial organizations.

Our certifications have become an integral part of our corporate sustainability policies, which aim not only to ensure legal compliance but also to increase competitiveness in foreign markets, ensure customer trust, document our environmental and social responsibility, and increase our resilience to climate-related risks.

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**The company's Management System and Standards certifications and their relationship with sustainability;**

| Management System / Standard                               | Issued by           | Validity Date    | Common Characteristics Associated with Sustainability                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Additional Relationships of the Management System                                                                                                                                                                                                                                                            |
|------------------------------------------------------------|---------------------|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ISO 9001 Quality Management System                         | Cares Certification | December 5, 2026 | <b>* Understanding the Expectations of Related Parties and Stakeholders, Internal/External Issues and Actions Taken for Them, * Determining and Appointing Management System Responsibles, Creating and Announcement of Policies , * Risk Assessment and Prevention Activities, Opportunity Assessment, * Goals:</b> Determining metric targets and planning to achieve them, <b>* Resource Management:</b> People - Competence/Education, Environment - Physical, Mental , Equipment, <b>* Operation:</b> Compliance with relevant standards and legislation, monitoring of legal requirements, carrying out production and activities by planning accordingly, purchasing , storage etc. transactions, <b>* Performance Evaluation:</b> Internal audits, management review meetings, <b>* Continuous Improvement:</b> Recording nonconformities and planning and carrying out necessary actions for correction/prevention. | Traceability, Customer Complaint and Satisfaction Management, Preparation of Quality Plans According to Standards and Product Quality Controls by Performing Tests, Input Raw Material Quality Controls, Calibration Controls of Measuring Equipment, Evaluation of Suppliers                                |
| ISO 14001 Environmental Management System                  | Cares Certification | August 4, 2027   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Environmental Impact Assessment, Waste Management and Reduction, Wastewater and Chemical-Hazardous Material Management, Emission Measurement Monitoring and Reduction, Biodiversity Monitoring and Development, Emergency/Accident Management and Drills, Performance Evaluation with Monthly Board Meetings |
| ISO 45001 Occupational Health and Safety Management System | Cares Certification | May 17, 2028     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Analysis of Accidents, Performance Evaluation with Monthly Board Meetings, Achieving Goals with a Reward System, Emergency Drills, Selection of Personal Protective Equipment                                                                                                                                |
| ISO 50001 Energy Management System                         | TSE                 | March 29, 2027   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Periodic Energy Audits , Evaluating These Opportunities and Managing Actions to Reduce Energy Intensity                                                                                                                                                                                                      |
| Sustainable Construction Steel                             | Cares Certification | December 1, 2026 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | KPI ) Related to These Issues , Prioritization of Sustainability Issues through Periodic Surveys , Evaluation of Main Suppliers in Terms of Sustainability Issues, Analysis of the Transportation Impact of Main Raw Material Purchases and Factory Transportations (Service-Car- Travel ),                  |
| Sustainable Structural Steel                               |                     |                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                              |
| ISO 27001 Information Security Management System           | ASB                 | December 6, 2025 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Ensuring Data and Information Security                                                                                                                                                                                                                                                                       |

## 1.8. Sustainability Activities

### Annual Activity Summary in Compliance with TSRS 1 and TSRS 2 Standards

İzmir Demir Çelik Sanayi A.Ş. systematically strengthened its corporate sustainability approach in environmental, social, and governance areas throughout 2024. All activities were carried out in line with the goal of full compliance with the Turkish Sustainability Reporting Standards (TSRS 1 and TSRS 2), the European Green Deal, the Border Carbon Adjustment Mechanism (CBAM), the Emissions Trading System (ETS), and relevant national legislation.

#### 1.8.1. Environmental Activities and Climate Actions

*Biodiversity Monitoring and Reporting:* A comprehensive Biodiversity Monitoring Report has been prepared for İzmir Demir Çelik and its group companies and published publicly on its website as of 2024. This practice represents a sustainability approach based on observations regarding the impacts of climate and environmental risks on the local ecosystem.

*Scrap Preheating System Launched:* Thanks to the scrap preheating system launched at Steel Mill 2, energy consumption and natural gas requirements have been significantly reduced. This implementation demonstrates the implementation of low-carbon production models to combat transition risks.

*Water Management and Wastewater Recycling:* Digital monitoring of water consumption began with SCADA-supported metering systems; the DAF wastewater disposal facility was commissioned in May 2024, and graywater recycling began. Employees were also provided Water Efficiency Management System training.

These practices contribute to reducing water management risks, particularly for the company operating in the Gediz Basin, where water resources are dwindling and sudden climate events like floods are intensifying. Graywater recycling and digital monitoring systems reduce water consumption pressure and increase infrastructure resilience to flash floods. Assessments of the regional climate risk mitigation effects of these practices are discussed in detail in the "Flood and Overflow Risk" section of our report.

*Preparations for Compliance with the CBAM and ETS:* The European Union's CBAM mechanism and the Emissions Trading System (ETS) processes, expected to be implemented in Turkey, were closely monitored throughout 2024. İzmir Demir Çelik strengthened its carbon monitoring, reporting, and verification infrastructure to comply with these regulations.

*Legal Compliance and Regulation Monitoring:* In order to be instantly informed about the regulations in 2024, program membership was made, all environmental legislation, especially the Water Efficiency Regulation, End-of-Waste Criteria and Industrial Emissions Management Regulation, was closely monitored, necessary preliminary compliance assessments were made and action plans were created.

### 1.8.2. Social Sustainability, Stakeholder Engagement and Ethics

*Mental Health and Addiction Training:* Addiction awareness training was organized in 2024 to support the mental and spiritual health of employees .

*Collaboration with Local Communities:* Within the scope of the social support project carried out in collaboration with Kozbeyli Primary School in June 2024, educational materials were provided and social ties with the local people were strengthened.

*Establishment of an Ethics Management System:* The Ethical Principles and Code of Conduct Procedure was prepared in 2024, and the management approval process was completed. Additionally, an independent ethics reporting line was launched, and a multi-channel system was established through which complaints and notifications can be directly forwarded to the Internal Audit Director .

*Supplier Sustainability Assessment:* A sustainability survey was conducted for scrap, alloy, and additive suppliers throughout 2024, and a 58% response rate was received. The assessment found that 86% of raw material suppliers were located in EU/OECD countries.

### 1.8.3. Corporate Governance , Compliance and TSRS Preparations

*Sustainability Authorization:* In 2024, a Board of Directors decision was adopted to establish a Sustainability Committee to develop, monitor, and improve the Company's sustainability strategies and activities, and a Sustainability Directorate to execute and report on these activities. This established a governance structure aligned with TSRS .

*ESG Policies Developed:* Human Rights Policy, Employee Compensation Policy, Enterprise Risk Management Policy, Corporate Social Responsibility Policy and Customer Satisfaction Policy were prepared and entered into force with the decision of the Board of Directors.

*TSRS Reporting Preparation:* Institutional preparation and data structuring efforts were carried out throughout 2024 for sustainability reporting in line with the TSRS 1 and TSRS 2 standards published by the Public Oversight Authority.

*Green Transformation Support Applications:* Applications were submitted for the Responsible Program and the UR-GE Project, supported by the Turkish Ministry of Trade , aiming to increase carbon compliance capacity in foreign trade processes. These applications were not finalized during the reporting period.

### 1.8.4. Education, Digitalization and OHS Modernization

*OHS and Training Infrastructure Development Plans:* In preparation for 2025, investments in the artificial intelligence-supported OHS training module , virtual reality (VR)-supported safety training, and digital infrastructure have been planned.

*Legal Compliance Tracking Has Been Digitalized:* Human resources notifications (wages, positions, contracts, ethical rules, company rules, etc.) have begun to be communicated digitally to employees through the TÜRKEP system.

*Digitization of Domestic Market Quality Certificates:* In order to increase the satisfaction of domestic market customers, quality certificates have been prepared through a web-based program, enabling faster response to customers.

## 2. STRATEGY

This section explains İzmir Demir Çelik Sanayi A.Ş.'s strategic approach to climate and sustainability issues within the scope of TSRS 1 and TSRS 2. Information is also provided on the strategic planning and operational practices developed as part of the transition to a low-carbon economy. The relationship between the company's business model and value chain and its climate and sustainability strategies is defined.

### 2.1. Our Sustainability Strategy and Climate Transition Plan

At İzmir Demir Çelik Sanayi A.Ş., we approach sustainability not only as a means to limit environmental impacts, but also as a holistic approach that supports our business strategy, financial resilience, and long-term competitiveness. In line with this approach, we conduct all our activities within the framework of a sustainability strategy aligned with the United Nations Sustainable Development Goals (SDGs), aligned with Türkiye's net-zero carbon targets, and based on the transition to a low-carbon economy.

Our sustainability strategy centers on goals focused on reducing environmental impact, resource efficiency, social inclusion, ethical governance, and green growth. The company prioritizes energy efficiency projects, recycling practices, digital infrastructure investments, and green certification processes to support sustainable production and environmentally friendly industrial transformation.

Our Climate Transition Plan, developed in line with our strategic objectives, is designed in line with the 1.5°C scenario. This plan includes our short-, medium-, and long-term mitigation strategies, investment priorities, and transformation-focused operational policies. Key components of this plan include reducing fossil fuel consumption, modernizing energy-intensive processes, and strengthening low-carbon production infrastructure. İzmir Demir Çelik, which utilizes Electric Arc Furnace (EAF) technology for production, has a low-carbon production infrastructure, and holds certifications for Sustainable Construction Steel and Sustainable Profile Steel, making it a leading company capable of meeting the demand for green products.

To manage the financial impacts of our climate transition, multi-dimensional cost projections were prepared, taking into account the European Union's Border Carbon Adjustment (CBAM), Emissions Trading System (ETS), and potential carbon pricing scenarios. These projections are explained in detail in the "Carbon Regulations and Pricing Risk" section of the report under the "Transition Risks" heading. Digital infrastructures for product-based carbon footprint calculations and embedded carbon management are being developed, and reporting processes are being strengthened. The 143.18 MWe solar energy investment and additional renewable resource analyses carried out by İzdemir Enerji A.Ş., a group company, directly contribute to strategies to reduce carbon intensity.

All these strategic efforts are monitored under the supervision of the Board of Directors, under the guidance of the Sustainability Committee, and through relevant internal audit processes. Performance data is collected periodically and shared transparently through publicly available sustainability reports. İzmir Demir Çelik's sustainability strategy has been formulated in accordance with TSRS 1 and TSRS 2 standards.

Our sustainability strategy and climate transition plan aim not only to comply with legal obligations but also to create sustainable value, strengthen stakeholder trust and long-term financial resilience.

## **2.2. Business Model and Value Chain**

İzmir Demir Çelik Sanayi A.Ş. and its group companies operate in iron and steel production (İzmir Demir Çelik and Akdemir Çelik), electricity generation (İzdemir Energy), and port services (İDÇ Port Operations). This structure enables holistic management of the value chain, from raw material supply to final product shipment, despite the group companies specializing in different areas of activity.

Production processes are run using Electric Arc Furnace (EAF) technology, which supports a low-carbon production approach; energy supply is supported by in-group resources and diversified through renewable energy investments. The presence of port and logistics services within the group reduces external dependency and provides greater control over the supply chain.

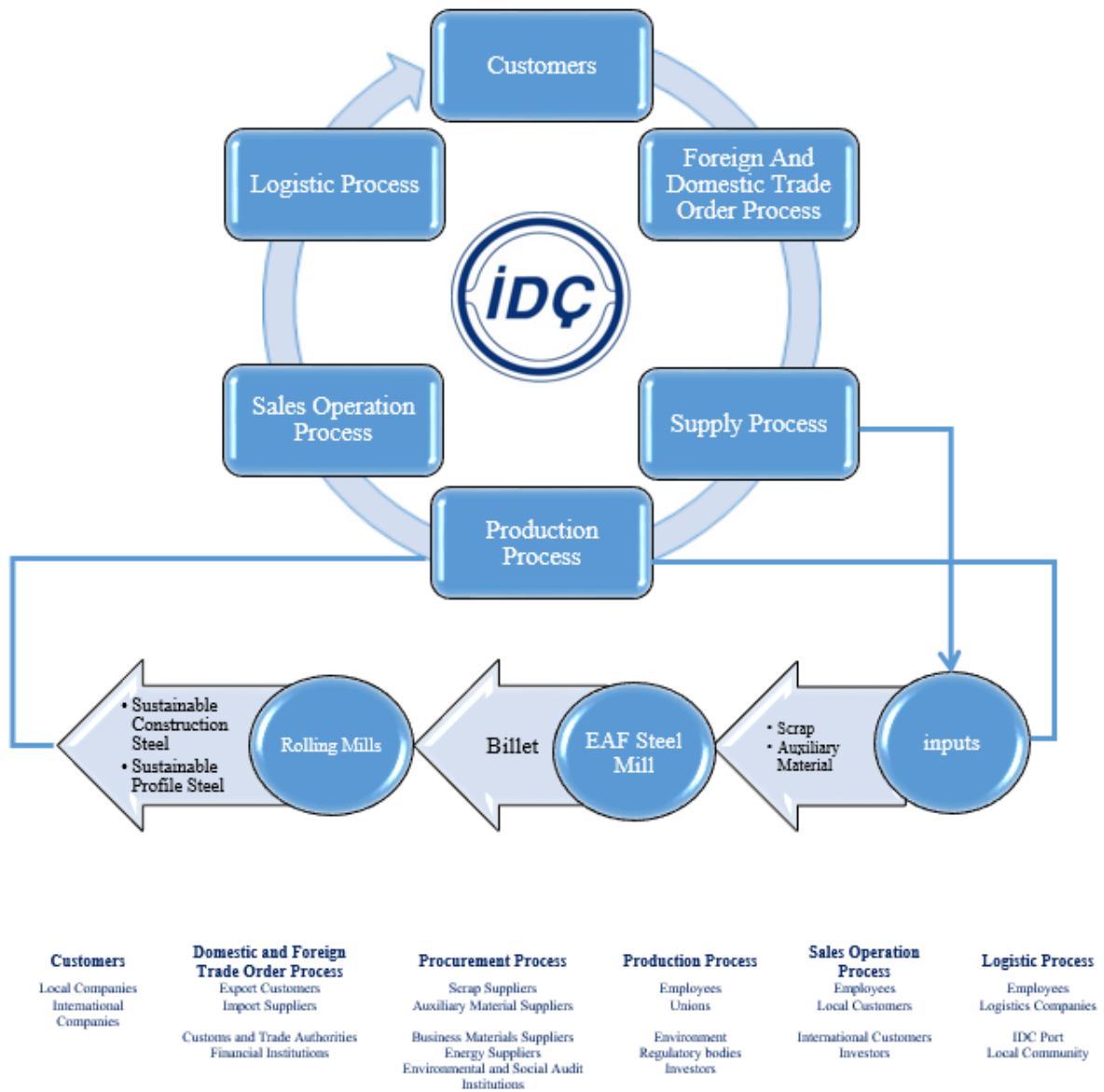
All of the company's finished products are certified as 100% sustainable steel. This feature allows İzmir Demir Çelik to differentiate itself with a low carbon footprint in both domestic and international markets, creating a strategic competitive advantage, particularly within the context of the European Union's Carbon Border Adjustment (CBAM).

Group companies are increasing the environmental and social resilience of their value chain through measures such as energy efficiency projects, renewable energy investments, and strengthening port infrastructure against the impacts of climate change. This structure ensures that sustainability strategies are integrated into the business model, with each company conducting activities in its own area of expertise.

The potential impacts of transition risks and physical risks related to climate change on the business model and value chain are taken into account; these impacts are discussed in detail in the “[Risks and Opportunities](#)” section of the report.

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***Izmir Iron and Steel Value Chain***



## 2.3. Climate-Related Risks and Opportunities

### 2.3.1. Definitions of Risk and Opportunity

| Probability Assessment |            |                                                                              |                 | Maturity  |             |
|------------------------|------------|------------------------------------------------------------------------------|-----------------|-----------|-------------|
| Probability Score      | Definition | Explanation                                                                  | Possibility (%) | Duration  | Explanation |
| 1                      | Very Low   | It has never happened in the last 10 years and is unlikely in the future.    | <5%             | 0-2 Years | Short Term  |
| 2                      | Low        | Very rare                                                                    | 5%–15%          | 2-7 Years | Medium Term |
| 3                      | Middle     | It has happened under certain conditions and is possible in the near future. | 15%–40%         | > 7       | Long Term   |
| 4                      | High       | It has been observed repeatedly in the last 3–5 years and may reoccur.       | 40%–70%         |           |             |
| 5                      | Very High  | Repeated from year to year or systemic                                       | >70%            |           |             |

| Financial Risk and Opportunity Threshold Value |            |                       |                    |
|------------------------------------------------|------------|-----------------------|--------------------|
| Impact Score                                   | Definition | Impact Amount (TL)    | Revenue *Ratio (%) |
| 1                                              | Very Low   | <100 million          | <0.25%             |
| 2                                              | Low        | 100–250 million       | 0.25% – 0.50%      |
| 3                                              | Middle     | 250–500 million       | 0.50% – 1.00%      |
| 4                                              | High       | 500 million–1 billion | 1.00% – 2.00%      |
| 5                                              | Very High  | >1 billion            | > 2.00%            |

| Total Risk and Opportunity Impact Score Calculation (= Probability Score x Impact Score) |                           |                                           |
|------------------------------------------------------------------------------------------|---------------------------|-------------------------------------------|
| Total Score                                                                              | Risk Level                | Action                                    |
| 1–4                                                                                      | Low Risk / Opportunity    | Monitored, reporting may not be necessary |
| 5–9                                                                                      | Medium Risk / Opportunity | Monitored, planned, reported              |
| 10–15                                                                                    | High Risk / Opportunity   | Reported, action taken                    |
| 16–25                                                                                    | Critical Risk/Opportunity | It is considered as a strategic priority  |

\*Net sales revenue in the financial statements dated 31.12.2024 was taken as basis.

### 2.3.2. Climate Risks

| Climate-Related Supply Chain Risk                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                 |
|---------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                   | <b>Term:</b> <i>Long</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Probability:</b> <i>Low</i> <b>Effect:</b> <i>Medium</i>  |
| <b>Materiality Effect</b>                         | : Impact on Operational Continuity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                 |
| <b>Business Model / Value Chain</b>               | : Supply Chain                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                 |
| <b>Impact Statement</b>                           | : In the supply chain structure based on maritime and road transportation, extreme weather events such as storms, heavy rainfall, strong winds and high wave conditions carry risks that can cause delays that can directly affect production processes in both domestic logistics and international transportation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                 |
| <b>Impact Measurement:</b>                        | : Qualitative                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                 |
| <b>Affected Company:</b>                          | : Izmir Iron and Steel Industry Inc. , Izdemir Energy Electricity Production Inc., IDC Port Operations Inc., Akdemir Steel Industry and Trade Inc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                 |
| <b>Data Sources / Calculation Tool / Scenario</b> | <p>: SSP1-1.9 , SSP1-2.6, and SSP2-4.5 , delays in ship berthing due to severe storms or high wave conditions could lead to the inability to deliver materials to production sites on time. This is considered a risk that could disrupt production plans for İzmir Demir Çelik and Akdemir Çelik. For İzdemir Enerji, delayed arrival of coal and auxiliary materials could affect capacity utilization in electricity generation. For İDÇ Liman İşletmeleri A.Ş., the temporary suspension of port operations could disrupt ship berthing and departure schedules. This could lead to financial and reputational impacts, such as reduced port revenues, increased vessel waiting times in the port area, penalties, and customer satisfaction risks. Similarly, port-related delays in the delivery of export products by sea could lead to postponement of customer delivery dates and jeopardize contractual obligations.</p> <p>Road transportation is also an integral element in the Group Companies' supply and delivery operations. However, situations such as floods, landslides, transportation disruptions and delays in transport vehicles that may occur due to extreme weather events may lead to production materials not reaching the site on time or products not being shipped to customers on time.</p> <p>hypothetically analyzed using the IPCC AR6 SSP scenarios (SSP1-1.9 , SSP1-2.6, and SSP2-4.5). Calculations were made using the formula "annual number of events × average delay time per event ." Delays per event were</p> |                                                                                                                                                 |

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|                                                | <p>taken as 6–24 hours for ship berthing/departure , 4–12 hours for loading/unloading operations , and 3–8 hours for land transportation delays .</p> <p>Accordingly, scenario -based total downtimes are:</p> <ul style="list-style-type: none"> <li>• SSP1- 1.9 scenario: 0–44 hours</li> <li>• SSP1- 2.6 scenario: 13–88 hours</li> <li>• SSP2- 4.5 scenario: 26–132 hours</li> </ul> <p>calculated as .</p>                                                              |
| <b>Financial Impact</b>                        | : The financial impact of this risk cannot be measured due to uncertainties such as unknown product and product quantities procured, the severity of the climate event, the number of ships in port and the schedule, and customer contract terms, variable scenario assumptions, and multiple influencing factors . The financial threshold impact of the risk is assumed to be medium.                                                                                     |
| <b>Risk Monitoring Mechanism</b>               | : Continuous evaluations of logistics operation units, Sustainability committee periodic risk assessments.                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Resilience Scenario / Action Plans</b>      | : It provides risk transfer through insurance systems in transportation and logistics processes. Marine transportation cargo While the entire transportation process for bulk cargo is covered by insurance , land transport is protected by CMR insurance and extended commodity insurance. Insurance extensions are available for cargo that must wait in the port area, and cargo security is ensured through temporary storage solutions within the port when necessary. |
| <b>Related Sector-Based Disclosure Subject</b> | : Climate-related supply chain risk is a relevant sector- specific disclosure topic related to supply chain management. Discussion and analysis on supply chain management are presented under <a href="#">the Supply Chain Management heading in the metrics and targets section.</a>                                                                                                                                                                                       |

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| <b>Risk of Operational Dependence on Water Resources</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                               |
|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <b>Term:</b> <i>Long</i>                                 | <b>Probability:</b> <i>Medium</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Effect:</b> <i>Low</i>  |
| <b>Materiality Effect</b>                                | : Impact on Operational Continuity, Environment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                               |
| <b>Business Model / Value Chain</b>                      | : Production Planning                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                               |
| <b>Impact Statement</b>                                  | : İzmir Demir Çelik Sanayi A.Ş. considers its dependence on water resources to be one of the fundamental risks that must be managed for operational sustainability. Industrial activities, particularly in cooling systems, rolling mill operations, steel mill processes , and auxiliary facilities, largely depend on a continuous water supply. Consequently, the company's water consumption is so high that it cannot be considered independent of environmental impacts. Similarly, İzdemir Energy Electricity Generation Inc. considers its dependence on water resources to be one of the fundamental risks that must be managed for operational sustainability, given the amount of water used in the boiler turbine and FGD units and in the process .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                               |
| <b>Impact Measurement:</b>                               | : Quantitative/Qualitative                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                               |
| <b>Affected Company:</b>                                 | : Izmir Iron and Steel Industry Inc. , Izdemir Energy Electricity Production Inc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                               |
| <b>Data Sources / Calculation Tool / Scenario</b>        | <p>: According to the findings of İzmir Demir Çelik's ISO 14046 Water Footprint Inventory Report, total annual blue water consumption is calculated as 2,237,308.98 m<sup>3</sup>, green water potential is 160,759.22 m<sup>3</sup>, and gray water production is 289,894.60 m<sup>3</sup>. These figures clearly demonstrate the company's technical and structural dependence on water, making water a strategic asset for both resource security and sustainable operations.</p> <p>Approximately 83% of blue water consumption comes from groundwater, while 17% comes from seawater. Considering the 296,000 m<sup>2</sup> facility area and the steady production rate throughout the year, it appears that demand for these resources is high and requires continuity. According to İzdemir Energy's water monitoring data, all of the 13,379 m<sup>3</sup> of water withdrawn is seawater, and 683,000 m<sup>3</sup> of water goes to the boiler turbines and FGD units within the production processes and is used within the process . Some of this water evaporates, while the remainder is discharged back into the sea through sea discharge.</p> <p>The risk of dependence on water resources was analyzed hypothetically , considering the IPCC AR6 SSP scenarios (SSP1-1.9, SSP1-2.6, SSP2-4.5) . Calculations were made using the formula "annual number of</p> |                                                                                                               |

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|-----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                   | <p>events × average downtime per event." Downtime per event was taken as 6–24 hours for İzmir Demir Çelik Üretim due to water criticality, and 2–8 hours for İzdemir Enerji due to reserve and buffer capacity. Accordingly, scenario -based total downtimes are:</p> <p>SSP1- 1.9 scenario: 0–32 hours</p> <p>SSP1- 2.6 scenario: 8–64 hours</p> <p>SSP2- 4.5 scenario: 16–96 hours</p> <p>as follows .</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Financial Impact</b>                                                           | <p>: When evaluated in terms of financial impacts, this dependency has no measurable impact on the company's income statement or cash flow. The primary reason for this is that water is not a directly purchased product; blue water consumption is not paid for; it is an input embedded in production processes ; therefore, potential losses cannot be directly matched with a financial value. However, there is a possibility of disruptions in the production process ; in this context, a disruption due to water dependency would only result in labor costs. This value is below the financial risk threshold.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Risk Monitoring Mechanism</b>                                                  | <p>: The ISO 14046 Water Footprint Annual Inventory Report is monitored annually through annual risk assessment reports prepared by the Sustainability Directorate.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Resilience Scenario / Action Plans Related Sector-Based Disclosure Subject</b> | <p>: The water management strategy, developed in line with the Water Footprint Inventory, is based on four main axes: measurement, monitoring, improvement, and recovery. Initially, the annual rainwater potential of 160,759 m<sup>3</sup> was analyzed, and plans were made to use this water for non -process purposes such as floor washing, vehicle washing, and landscape irrigation. With the establishment of the technical infrastructure, rainwater collection systems and storage units have the potential to reduce blue water consumption by up to 7% annually. Furthermore, the pollution load of water from industrial and domestic wastewater treatment plants was analyzed, and suitable areas for recovery were identified based on parameters such as COD, TSS, and oil and grease. Accordingly, the necessary improvement projects for the reuse of treated water were planned, and the first steps were taken to recycle gray water. The plan included field-wide metering , real-time consumption monitoring with measurement equipment installed at process points, and the plan to obtain ISO 46001 Water Efficiency Management System certification. This plan also includes training within the Group.</p> |
| <b>Related Sector-Based Disclosure Subject</b>                                    | <p>: -based disclosure topic related to operational dependency on water resources is related to water management. As a result of the resilience scenario and action plans, water management data is planned to reduce water abstraction and consumption. Current data and reduction targets are presented in the report under the "<a href="#">Metrics and Targets</a> " section.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

### 2.3.3. Climate-Related Transition Risks

The climate-related transition risks identified during the reporting period are as follows ;

| Border Carbon Adjustment Mechanism (Transition Risk) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                               |
|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <b>Term:</b> <i>Short</i>                            | <b>Probability:</b> <i>High</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>Effect:</b> <i>Low</i>  |
| <b>Materiality Effect</b>                            | : Regulatory Compliance Obligation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                               |
| <b>Business Model / Value Chain</b>                  | : Supply Chain Management, Foreign Trade, Sales and Customer Relations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                               |
| <b>Impact Statement</b>                              | : The EU Border Carbon Adjustment Mechanism (BCDM), which entered into force in 2023, is in transition until the end of 2025. During this period, importers of certain emissions- intensive goods will be required to report their embodied and indirect emissions. Companies will be liable to pay a carbon price based on the reported emissions .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                               |
| <b>Impact Measurement:</b>                           | : Quantitative/Qualitative                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                               |
| <b>Affected Company:</b>                             | : Izmir Iron and Steel Industry Inc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                               |
| <b>Data Sources / Calculation Tool / Scenario</b>    | : İzmir Demir Çelik's 2024 exports to Europe amounted to 37,228 tons of structural steel ( profile iron), representing 10% of the total export volume. These sales generated approximately 917 million TL in revenue, representing 1.98% of the total revenue. The 2024 export data is based on the increasing trend in European export volume each year. Therefore, to reflect 2026, the most recently released annual data was used. Within the scope of the SKDM (Supporting Cost Efficiency Measurement), the company's average product-based ( profile iron) emission value was calculated as 0.522 tCO <sub>2e</sub> /ton, based on the European Union's benchmark value of 0.215 tCO <sub>2e</sub> /ton for the 2021–2025 period . Based on these data, a carbon cost was calculated using two scenarios based on a net emission difference of 11,431 tons . In the first scenario, if the carbon price is €65/ton, the company will pay approximately €743,000 in annual carbon tax. In the second scenario, if the carbon price is €90/ton, this amount reaches approximately €1,029,000. These calculations are based on European Emissions Trading System (EU ETS) price trends and transition indicators, and are prepared for hypothetical scenario purposes. |                                                                                                               |

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| <b>Future Financial Impact</b>                 | : In calculations regarding the carbon cost of İzmir Demir Çelik's 2024 exports to Europe, the first scenario (€65/ton) projects an annual carbon tax of approximately €745,000, while the second scenario (€90/ton) projects an annual carbon tax of €1,030,000. Using an estimated Euro/TL exchange rate of 47 TL/€ for 2026, these scenarios can result in a short-term financial impact of approximately 35 million TL to 48 million TL in 2026. This value is below the financial risk threshold.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Risk Monitoring Mechanism</b>               | : It is monitored every year through annual risk assessment reports prepared by the Sustainability Directorate.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Resilience Scenario / Action Plans</b>      | <p>: The vast majority of İzmir Demir Çelik's total exports as of 2024 are destined for Middle Eastern countries. Exports to European Union countries constitute only 10% of total exports, while 90% are destined for other markets, primarily the Middle East. This regional distribution reduces carbon cost pressure from Europe and can directly impact the competitiveness of products destined for the European market. Furthermore, İzmir Demir Çelik aims to further systematically calculate its carbon footprint to manage transition risks stemming from carbon pricing and is conducting assessments for the digitalization of product -based calculation infrastructures. In this context, technical analyses and infrastructure alignment efforts have been prioritized for the integration of embedded carbon monitoring systems into production processes .</p> <p>prioritizes product -based environmental certification processes to offer high-carbon solutions for its products offered to the European market and to meet sustainability expectations . In this regard, İzmir Demir Çelik is one of the first manufacturers in Turkey to hold the Sustainable Construction Steel Certificate and also holds the Sustainable Profile Steel Certificate. These certifications demonstrate that production processes and product performance are evaluated in terms of environmental impact and comply with sustainability criteria . The company is continuously evaluating and improving its certifications in this area.</p> |
| <b>Related Sector-Based Disclosure Subject</b> | : -specific disclosure topics related to the risk of a border carbon adjustment mechanism relate to energy management and greenhouse gas emissions. Greenhouse gas emission and energy management metrics and targets are presented under the <a href="#">"Metrics and Targets" section of the report.</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

#### 2.3.4. Physical Climate Risks

The physical climate risks identified during the reporting period are as follows:

| Storm Risk (Physical Climate Risk)  |                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                               |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <b>Term:</b> <i>Long</i>            | <b>Probability:</b> <i>Low</i>                                                                                                                                                                                                                                                                                                                                        | <b>Effect:</b> <i>Low</i>  |
| <b>Risk Type Definition</b>         | : <b>Acute: Risks arising from</b> short -term, sudden and generally extreme weather events.                                                                                                                                                                                                                                                                          |                                                                                                               |
| <b>Materiality Effect</b>           | : Impact on Operational Continuity and Facility Security                                                                                                                                                                                                                                                                                                              |                                                                                                               |
| <b>Business Model / Value Chain</b> | : Production Operations, Open Area Stocking and Logistics Processes                                                                                                                                                                                                                                                                                                   |                                                                                                               |
| <b>Impact Statement</b>             | : According to meteorological data analyzed for the Aliğa region, storm risk is a low-probability, long-term threat. Rare, high-wind events have the potential to damage open-air storage areas, production roofs, and port equipment . These impacts can lead to temporary production interruptions, maintenance and repair costs, labor costs, and reduced revenue. |                                                                                                               |
| <b>Impact Measurement:</b>          | : Quantitative/Qualitative                                                                                                                                                                                                                                                                                                                                            |                                                                                                               |
| <b>Affected Company:</b>            | : Izmir Iron and Steel Industry Inc. and Group Companies                                                                                                                                                                                                                                                                                                              |                                                                                                               |

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|---------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Data Sources / Calculation Tool / Scenario</b> | <p>: In the storm risk assessment process, long-term wind data from the Turkish General Directorate of Meteorology (MGM) for the period 1938–2024 and wind speed data from the NASA POWER platform for the period 1981–2022 were used. In addition, the analyses were based on the internationally recognized Beaufort Scale for regional wind intensity classification; comparative evaluations were made with threshold values based on average wind speeds measured at 10 meters. In this context, the average wind speed obtained specifically for the Horozgediği Neighborhood of the Aliğa district of İzmir province was calculated as 4.59 m/s, which corresponds to the Beaufort 3 class “moderate wind” category. Among all periods, only 17.58 m/s was reached in January 2004, and this value is above the storm threshold of the Turkish General Directorate of Meteorology (17.1 m/s). However, with this isolated exception, it was determined that extreme meteorological values exceeding the storm threshold did not systematically occur in the region in all analyzed periods . There were no physical damage, operational disruptions, or financial impacts from storms in the company's operations throughout 2024. This supports the classification of the risk as having a low probability of occurrence, based on both modeling outputs and historical observational data.</p> <p>the IPCC AR6 SSP scenarios (SSP1-1.9 , SSP1-2.6, SSP2-4.5), event frequency and downtime for group companies were hypothetically analyzed. Accordingly;</p> <p>SSP1-1.9 scenario , downtimes are 24–48 hours in total,<br/>54–108 hours in the SSP1-2.6 scenario,<br/>SSP2-4.5 scenario , it was calculated between 66 and 192 hours.<br/>These values were obtained by evaluating the operations of İzmir Demir Çelik , İDÇ Port, Akdemir Çelik, and İzdemir Energy separately.</p> |
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|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Financial Impact</b>                   | <p>: To directly calculate the financial impact of physical risks (e.g., acute storm events), detailed, time-stamped data is needed on numerous operational variables, such as the event duration, the affected production processes , the stage of production at the time of the event, the number of ships operating in the port area, and the stage of loading or unloading processes. Therefore, precise financial impact estimates cannot be made.</p> <p>However, based on historical operational data, lost production quantities and expenses related to lost labor can be calculated on an hourly basis. However, the values resulting from these calculations fall below the financial significance threshold set by the company and are not directly reportable .</p> <p>Therefore, the financial impacts of such events cannot yet be determined quantitatively at a measurable level; however, they are monitored within risk monitoring systems and integrated into internal reporting processes .</p> |
| <b>Risk Monitoring Mechanism</b>          | <p>: Storm risk and high wind events are monitored annually by the Sustainability Directorate and the OHS unit. Insurance policies are reviewed annually, and emergency plans are updated.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Resilience Scenario / Action Plans</b> | <p>: Emergency scenarios have been developed for critical areas, and crane and roof systems have been reviewed. Comprehensive insurance coverage has been provided to protect against potential damage to port and production sites, and employees are conducting regular disaster/storm drills.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

| Flood and Inundation Risk (Physical Climate Risk) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                               |
|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <b>Term:</b> <i>Long</i>                          | <b>Probability:</b> <i>Low</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>Effect:</b> <i>Low</i>  |
| <b>Risk Type Definition</b>                       | : <b>Acute: Risks arising from</b> short -term, sudden and generally extreme weather events.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                               |
| <b>Materiality Effect</b>                         | : Impact on Operational Continuity and Facility Security                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                               |
| <b>Business Model / Value Chain</b>               | : Production Operations, Open Area Stocking and Logistics Processes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                               |
| <b>Impact Statement</b>                           | : In the North Aegean Basin, where İzmir Demir Çelik and its Group Companies operate, the Hayıtlı Stream, its dry streambed, and nearby dams and reservoirs were considered for flood risk assessment. In this context, although Hayıtlı Stream is not directly listed as a risk area on the flood hazard map, the risk of acute flooding, albeit low-probability, is not excluded given the region's topography and infrastructure deficiencies. Flood-related production disruptions, workforce interruptions, and maintenance and repair costs could have financial impacts on operational processes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                               |
| <b>Impact Measurement:</b>                        | : Qualitative                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                               |
| <b>Affected Company:</b>                          | : Izmir Iron and Steel Industry Inc. and Group Companies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                               |
| <b>Data Sources / Calculation Tool / Scenario</b> | : In the assessment of flood and inundation risk; the Provincial Disaster Risk Reduction Plan (IRAP) published by the Provincial Disaster and Emergency Directorate of the İzmir Governorship of the Republic of Turkey was considered as a source. The North Aegean Basin Flood Management Plan, Flood Hazard and Risk Maps, prepared by the General Directorate of Water Management (SYGM) of the Ministry of Agriculture and Forestry, as well as 50, 100 and 500-year flood scenarios for the Aliğa District Intra-Residential Creek, and in this context, flood modeling based on hydrograph values and technical analyzes on the factors causing floods were taken into consideration. In addition; Long-term precipitation data from Dikili Meteorological Station for the years 1960–2017 were used as the basis for determining the region's annual average precipitation amount (624.1 mm), maximum and minimum values, and climatic trends. Factors such as the Hayıtlı Stream around the Foça Steel Factory, dry stream beds, proximity to Nemrut and Çandarlı Gulfs, topographic slope, and alluvial structure were integrated into the scenario analysis .<br><br>The analyses revealed that while Hayıtlı Creek is not directly classified as risky on the flood hazard |                                                                                                               |

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|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                  | <p>map, stream capacities throughout Aliğa District are not sufficient to meet the 500-year flood flow rate and that there are some infrastructural deficiencies. Therefore, this risk was considered a low-probability but potentially operationally disruptive acute risk scenario.</p> <p>the IPCC AR6 SSP scenarios (SSP1-1.9 , SSP1-2.6, SSP2-4.5), incident frequency and downtime for group companies were hypothetically analyzed. Accordingly;</p> <ul style="list-style-type: none"> <li>• SSP1-1.9 scenario, downtimes are 9–44 hours in total ,</li> <li>• the SSP1-2.6 scenario 32–80 hours ,</li> <li>• the SSP2-4.5 scenario 64–180 hours</li> </ul> <p>These values were obtained by evaluating the operations of İzmir Demir Çelik , İDÇ Port, Akdemir Çelik and İzdemir Energy separately .</p> <p>The calculation is based on the formula “annual number of events × average downtime per event”, where downtime per event is calculated to include acute impact, drainage/cleaning and safety-quality checks. was determined hypothetically .</p> |
| <b>Financial Impact</b>          | <p>: To directly calculate the financial impact of flood and inundation risk, detailed, time-stamped data is needed on numerous operational variables, including the time of the event, the affected production processes , the stage of production at the time of the event, the number of vessels operating in the port area, and the stage of loading or unloading processes. Therefore, precise financial impact estimates cannot be made.</p> <p>However, based on historical operational data, lost production quantities and expenses related to lost labor can be calculated on an hourly basis. However, the values resulting from these calculations fall below the financial significance threshold set by the company and are not directly reportable .</p> <p>Therefore, the financial impacts of such events cannot yet be determined quantitatively at a measurable level; however, they are monitored within risk monitoring systems and integrated into internal reporting processes .</p>                                                           |
| <b>Risk Monitoring Mechanism</b> | <p>: Flood and Inundation Risk is monitored annually by the Sustainability Directorate and the OHS unit. Insurance policies are reviewed annually, and emergency plans are updated.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

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|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Resilience Scenario / Action Plans</b> | : To protect the existing streambed against acute flood and inundation risks, a gap was left on the parcel side to facilitate stream maintenance and cleaning.<br>Crisis management processes were defined, and emergency plans were developed for high-risk facilities. A drill was conducted with employees in 2024 to address flood and inundation risks.<br>Insurance policies were issued to cover flood and inundation risks. |
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| <b>Sea Level Rise (Physical Climate Risk)</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Term:</b> <i>Long</i>                      | <b>Probability:</b> <i>Low</i> <b>Effect:</b> <i>Low</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Risk Type Definition</b>                   | : <b>Chronic:</b> Risks arising from permanent climatic changes that occur gradually and in the long term, increasing in intensity over time.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Materiality Effect</b>                     | : Operational Continuity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Business Model / Value Chain</b>           | : Production Operations, Open Area Stocking and Logistics Processes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Impact Statement</b>                       | : , a subsidiary of İzmir Demir Çelik , is located on the shores of Nemrut Bay in Aliğa and is directly exposed to the long-term risk of sea level rise projected to occur due to global climate change. Physical assets of port infrastructure, such as docks, fortifications, drainage systems, electrical infrastructure, back service areas, and port cranes, are vulnerable to this chronic physical risk. High wave impact, tidal anomalies , and coastal flooding have the potential to cause operational disruptions, infrastructure deformations, and reduced service revenues. Furthermore, because disruptions to the connected logistics network are likely to occur, this risk is assessed to have strategic implications for operational performance in the medium to long term. |
| <b>Impact Measurement:</b>                    | : Qualitative                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Affected Company:</b>                      | : IDC Port Operations Inc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

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| <b>Data Sources / Calculation Tool / Scenario</b> | : NASA Sea Level Projection as part of the risk assessment Tool data and the SSP2-4.5 and SSP5-8.5 scenarios published by the IPCC were taken as basis. In this framework, according to the SSP2-4.5 scenario , the median sea level rise is projected to be 0.14 m by 2040 and 0.56 m by 2100; and according to the SSP5-8.5 scenario, this value is projected to reach 0.77 m by 2100. The infrastructure risk that may arise due to rising sea levels is supported by the identification of systems that may be exposed in the port area and physical vulnerability analyses. Factors such as climate scenarios, technical feasibility data, and regional ground sensitivity were evaluated together to estimate the impacts on operational capacity. Since the risk of sea level rise has the potential to have limited impacts in the short to medium term (2024–2030), the probability of exposure is assessed as low. The distance of İDC Port Operations from the coast, the current level of fortifications, and the terrain elevation differences are not at a level that would create direct pressure under short- and medium-term rise scenarios. Furthermore, no operational disruption, flooding, or structural deformation due to sea level rise has been observed as of 2024. |
| <b>Financial Impact</b>                           | : To directly calculate the financial impact of sea level rise risk, detailed, time-stamped data is needed on numerous operational variables, including the time of the event, the affected production processes , the stage of production at the time of the event, the number of vessels operating in the port area, and the stage of loading or unloading processes. Therefore, precise financial impact estimates cannot be made.<br>However, based on historical operational data, lost production quantities and expenses related to lost labor can be calculated on an hourly basis. However, the values resulting from these calculations fall below the financial significance threshold set by the company and are not directly reportable .<br>Therefore, the financial impacts of such events cannot yet be quantified; however, they are monitored within risk monitoring systems and integrated into internal reporting processes .                                                                                                                                                                                                                                                                                                                                             |
| <b>Risk Monitoring Mechanism</b>                  | : Sea Level Rise events are monitored annually by the Sustainability Directorate and the OHS unit. Insurance policies are reviewed annually, and emergency plans are updated.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

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| <b>Resilience Scenario / Action Plans</b> | : İDÇ Port Operations has developed a multi-dimensional adaptation strategy that includes preventative and adaptive measures against sea level rise. This includes projects to increase the resilience of coastal infrastructure, restructure rainwater drainage systems, strengthen fortification systems, and implement corrosion prevention solutions. Additionally, structural measures such as elevated platform systems, modular terminal solutions, and early warning sensor infrastructure have been planned, and financial security against chronic climate risks has been provided by expanding insurance policy coverage. All of these initiatives are being implemented within the framework of risk mitigation plans based on climate scenarios developed according to IPCC and NASA projections . |
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| <b>Fire Risk (Physical Climate Risk)</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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| <b>Maturity:</b> <i>Medium</i>           | <b>Probability:</b> <i>Medium</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                                          | <b>Effect:</b> <i>Middl</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Risk Type Definition</b>              | : <b>Acute: Risks arising from</b> short -term, sudden and generally extreme weather events.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Materiality Effect</b>                | : Impact on Operational Continuity and Facility Security                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Business Model / Value Chain</b>      | : Production Operations, Open Area Stocking and Logistics Processes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Impact Statement</b>                  | : wind ) that can cause fires in open fields where production and energy-intensive operations are carried out . The entire province of Izmir is classified as a first-degree forest fire-prone area. Fires originating in the surrounding area, or due to technical malfunctions within the facility, could directly damage critical components such as open storage areas, high-temperature equipment , cable systems, and transformer substations, and could cause production downtime. Downtime may occur due to power outages, personnel evacuations, and OHS measures. While maintenance, repair, and downtime costs during a fire are predictable , the net financial impact of lost production is uncertain, depending on the duration, location , and extent of spread of the fire. |
| <b>Impact Measurement:</b>               | : Qualitative                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Affected Company:</b>                 | : Izmir Iron and Steel Industry Inc. and Group Companies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

|                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Data Sources / Calculation Tool / Scenario</b> | <p>: In the fire risk analysis, the İzmir AFAD Provincial Disaster Risk Reduction Plan (2024) was used as the main data source; the 2023 Administrative Activity Report of the General Directorate of Forestry, the 2019–2023 Fire Management Plan prepared by the İzmir Regional Directorate of Forestry, the Forest Fire Meteorological Early Warning System (MEUS) operated by the General Directorate of Meteorology, and the records of the large-scale fire incident in the Aliğa -Çaltıdere region in 2023 were examined. Meteorological data obtained from these sources were evaluated together with parameters such as temperature, wind speed, humidity rate during the fire season, as well as the understory flora , fuel load, and topographic structure.</p> <p>During the April–October period, which is considered the fire season, temperatures in İzmir reach 43 °C, humidity rate drops to an average of 52%, and wind speeds reach 8.03 m/s. These conditions are the main meteorological factors that increase the probability of fire outbreak and spread. Open storage areas, scrap storage areas, high-temperature process equipment, and external wiring systems located around the factory are particularly vulnerable to fire. Furthermore, the indirect effects of fires that may break out in nearby forested areas are also taken into account for operational continuity. In this context, the region where İzmir Demir Çelik and its group companies are located is classified as a "medium" risk group in terms of fire risk. During 2024, no fire-related physical damage, operational interruptions, or financial impacts were experienced in the company's operating areas.</p> <p>the IPCC AR6 SSP scenarios (SSP1-1.9 , SSP1-2.6, SSP2-4.5), fire-related incident frequency and downtimes for the group companies were hypothetically analyzed.</p> <p>SSP1-1.9 scenario , the total downtime is 0–66 hours,<br/>21–132 hours in the SSP1-2.6 scenario ,<br/>42–198 hours in SSP2- 4.5 scenario</p> <p>These values were obtained by evaluating İzmir Iron and Steel production, İDÇ Port, Akdemir Steel and İzdemir Energy operations separately .</p> <p>The calculation is based on the formula “annual number of incidents × average downtime per incident”, and downtimes per incident are determined hypothetically as acute downtime + max { fire extinguishing/cleaning, quality control .</p> |
|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Financial Impact</b>                   | <p>: To directly calculate the financial impact of fire risk, detailed, time-stamped data is needed on numerous operational variables, including the time of the event, the affected production processes , the stage of production at the time of the event, the number of ships operating in the port area, and the stage of loading or unloading processes. Therefore, precise financial impact estimates cannot be made.</p> <p>However, based on historical operational data, lost production quantities and expenses related to lost labor can be calculated on an hourly basis. However, the values resulting from these calculations fall below the financial significance threshold set by the company and are not directly reportable.</p> <p>Therefore, the financial impacts of such events cannot yet be determined quantitatively at a measurable level; however, they are monitored within risk monitoring systems and integrated into internal reporting processes .</p>                                                                                                                                                                                                                                                                        |
| <b>Risk Monitoring Mechanism</b>          | <p>: Fire risk is monitored annually by the Sustainability Directorate and the OHS unit. Insurance policies are reviewed annually, and emergency plans are updated.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Resilience Scenario / Action Plans</b> | <p>: İzmir Demir Çelik and its group companies are implementing a comprehensive resilience scenario that implements multi-dimensional, preventative measures against fire risk. Fire detection and automatic fire suppression systems have been installed throughout the facility in accordance with national standards; equipment, particularly in critical areas, is protected with fire-resistant insulation materials and tested, certified cable systems. Fire safety distances and physical buffer zones (e.g., stone barriers) have been established in open storage areas to reduce the potential for fire spread. Scenario</p> <p>-based response plans have been developed as part of emergency management , and fire drills were conducted with the participation of all personnel in 2024. Periodic maintenance procedures are in place for electrical installations, and early detection systems are in place to prevent overheating, short circuits, and contact failures. All group companies are protected against fire risk with insurance policies.</p> <p>Thanks to this structure, fire risk is systematically managed not only at the technical level but also from the perspective of corporate awareness and operational continuity.</p> |

### 2.3.5. Climate-Related Opportunities

Climate-related opportunities identified during the reporting period are as follows:

| Production Infrastructure, Certification and Market Distribution Opportunity |                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------------------------------------------------------------|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Maturity:</b> <i>Medium</i>                                               | <b>Probability:</b> <i>Medium</i> | <b>Effect:</b> <i>Middle</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Materiality Effect</b>                                                    | :                                 | Impact on Operational Continuity and Facility Security                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Business Model / Value Chain</b>                                          | :                                 | Production Operations,                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Impact Statement</b>                                                      | :                                 | İzmir Demir Çelik Sanayi A.Ş. conducts steel production using Electric Arc Furnace (EAF) technology. This production method is lower in carbon intensity and has relatively less environmental impact compared to traditional blast furnaces. Furthermore, the company holds the Sustainable Construction Steel and Sustainable Profile Steel Certificates, making İzmir Demir Çelik the first company in Turkey to hold the Sustainable Construction Steel Certificate. These certifications demonstrate its compliance with green building projects. This production and certification structure enables the company to respond to domestic and international market demands focused on carbon management with a high level of compliance.                                                     |
| <b>Impact Measurement:</b>                                                   | :                                 | Qualitative/Quantitative                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Affected Company:</b>                                                     | :                                 | Izmir Iron and Steel Industry Inc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Data Sources / Calculation Tool / Scenario</b>                            | :                                 | <p>*İzmir Demir Çelik production infrastructure and product certification records (2024)</p> <p>*Comparative emission data for Electric Arc Furnace (EAF) production technology and Blast Furnace : 0.68 tons CO<sub>2</sub> (EAF) vs. 2.33 tons CO<sub>2</sub> (Blast Furnace) (ton/steel) *Literature review showing that 7–9% of global emissions originate from the steel sector *According to global data, EAF usage rate: 28%, Blast Furnace usage rate: 72%</p> <p>*All sustainable product certified 2024 export data: 37,228 tons (917 million TL) to the EU , 1.97% of the 2024 annual revenue, 277,501 tons (4.38 billion TL) to the Middle East and other countries, 9.43% of the 2024 annual revenue</p> <p>* Sectoral regulation scenarios related to SKDM and ETS regulations</p> |

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|------------------------------------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                |   | <p>*Products destined for non-European markets provide significant protection from the carbon cost pressures posed by SKDM.</p> <p>*Due to the EAO infrastructure and low carbon footprint, there is potential for financial opportunity in the coming years, resulting in lower carbon tax burdens and greater demand advantages.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Financial Impact</b>                        | : | <p>While the direct financial impact of this opportunity is linked to potential outcomes such as increased operational revenue and carbon cost advantages, a full and precise quantitative calculation has not been possible. Among the primary reasons for this are the fluctuations in demand for sustainability-focused products in foreign trade markets due to sectoral fluctuations, the varying margin impact of certified products across products, and the lack of clarity regarding carbon prices and liabilities arising under the SKDM (Istanbul Refinement and Control System) according to country-specific regulations. Furthermore, the numerous economic, regulatory , and logistical factors shaping preference rates in export markets limits predictable revenue growth projections . Therefore, the direction and structure of the financial impact represents a qualitatively moderate opportunity, and it is anticipated that it will be recalculated over time as relevant indicators become more conclusive.</p> <p>*Sustainability-focused growth potential in production and export revenues; positive reflection on net sales in the income statement.</p> <p>*The increased preference for certified products and competitive advantage in export markets create the potential for increased gross margins .</p> <p>*Reduced carbon cost provisions due to compliance with carbon regulations may indirectly support profitability.</p> |
| <b>Related Sector-Based Disclosure Subject</b> | : | <p>-specific disclosure related to the opportunity, as it results in lower greenhouse gas emissions by sector due to its production structure and certifications. Greenhouse gas emission metrics and targets are presented under the <a href="#">"Metrics and Targets" section of the report.</a></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

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| <b>Opportunity for Electrical Efficiency and Emission Reduction through Waste Heat Recovery</b> |                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Term:</b> <i>Short</i>                                                                       | <b>Probability:</b> <i>Medium</i> | <b>Effect:</b> <i>Middle</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Materiality Effect</b>                                                                       | :                                 | Energy Efficiency, Cost Reduction and Emission Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Business Model / Value Chain</b>                                                             | :                                 | Production Operations, Energy Consumption and Resource Efficiency Processes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Impact Statement</b>                                                                         | :                                 | Considering the energy-intensive nature of its production operations, İzmir Demir Çelik Sanayi A.Ş. implemented waste heat recovery systems in facilities requiring high temperatures, such as rolling mills and steel mills, to reduce energy consumption and reduce its carbon footprint. These practices were considered opportunities to strengthen the company's environmental performance in terms of both resource utilization efficiency and compliance with sustainable production criteria .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Impact Measurement:</b>                                                                      | :                                 | Qualitative/Quantitative                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Affected Company:</b>                                                                        | :                                 | Izmir Iron and Steel Industry Inc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Data Sources / Calculation Tool / Scenario</b>                                               | :                                 | <p>Based on 2024 production data, engineering calculations for the recovery system integrated into the walking-bottom annealing furnace and the scrap preheating system implemented in the steel mill were carried out theoretically.</p> <p>*2024 production amount: Rolling mill 983,958 tons, steel mill 1,818,633 tons</p> <p>*Total electricity savings: 75,235,558 kWh</p> <p>*Total energy savings: 270,848 GJ ( with a conversion factor of 1 kWh = 0.0036 GJ) * Energy efficiency per ton: Rolling mill 65.37 kWh / ton, steel mill 6 kWh / ton</p> <p>*Electricity Emission Factor (Turkey): 0.426 kg CO<sub>2</sub>/ kWh</p> <p>Reduction Per Ton : 0.028 t CO<sub>2</sub></p> <p>* Steel Mill Per Ton Reduction : 0.0026 t CO<sub>2</sub></p> <p>* Rolling Mill Total Emission Reduction : 27,402 t CO<sub>2</sub></p> <p>*Total Steel Mill Emission Reduction ton CO<sub>2</sub>: 4,648 t CO<sub>2</sub></p> <p>*Total Emission Reduction : 32,050 t CO<sub>2</sub></p> <p>*Electricity unit price: 2.2585 TL/ kWh</p> <p>*Total theoretical energy cost savings: 169,919,510 TL</p> |

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|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                  | These calculations were carried out based on facility-based energy measurement systems and engineering modeling methods under current process conditions ; they were developed under theoretical assumptions to serve as a reference for future climate and production scenarios.                                                                                                                                                                                                                                                             |
| <b>Future Financial Impact :</b>                 | Thanks to waste heat recovery applications, a theoretical cost savings of approximately 169 million Turkish Lira has been calculated for 2024. These savings contribute to the company's profitability by reducing operating expenses. Furthermore, with the upcoming implementation of the ETS, medium-term emissions will be reduced by 28 kg CO <sub>2</sub> /ton for the rolling mill and 2.6 kg CO <sub>2</sub> /ton for the melt shop. The benefits provided in reducing energy costs have a positive impact on core operating profits. |
| <b>Related Sector-Based Disclosure Subject :</b> | Reduction Opportunity through Waste Heat Recovery relates to greenhouse gas emissions , a related sector -based disclosure topic. Greenhouse gas emission metrics and targets are presented under <a href="#">the Metrics and Targets section of the report.</a>                                                                                                                                                                                                                                                                              |

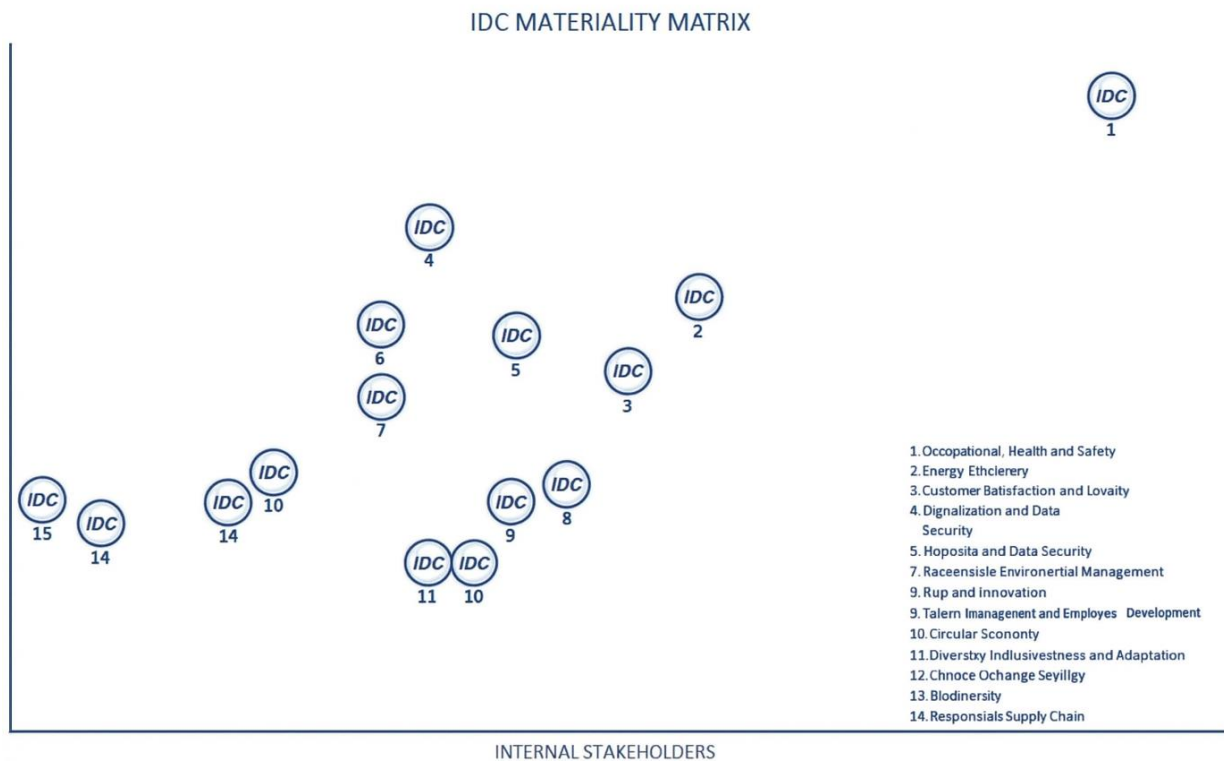
| <b>Waste Management Opportunities</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                  |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| <b>Term:</b> <i>Short</i>             | <b>Probability:</b> <i>Medium</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>Effect:</b> <i>Middle</i>  |
| <b>Materiality Effect :</b>           | Contribution to operational sustainability, environmental security and income generation through the circular economy approach                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                  |
| <b>Business Model / Value Chain :</b> | Production and energy production processes, secondary raw material recovery and waste sales processes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                  |
| <b>Impact Statement :</b>             | İzmir Demir Çelik and İzdemir Enerji consider waste management not just an environmental liability, but a strategic opportunity for resource efficiency and operational optimization . Through the processes of waste classification, re-evaluation, and controlled removal from the system, environmental risks are reduced and value is created in line with sustainability principles. This multi-layered structure not only avoids disposal costs but also enhances the company's competitiveness through a high-value-added resource management system. Through practices such as recycling, regulatory compliance, and digital traceability, waste management is integrated with the company's environmental compliance, corporate reputation, and financial sustainability strategies. |                                                                                                                  |

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|                                                           |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------------------------------|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Impact Measurement:</b>                                | : | Qualitative/Quantitative                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Affected Company:</b>                                  | : | Izmir Iron and Steel Industry Inc. and Izdemir Energy Electricity Production Inc.                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Data Sources /<br/>Calculation Tool /<br/>Scenario</b> | : | İzmir Demir Çelik 2024 Waste Inventory and Sales Invoices:<br>• 63,845 tons of in-production steel recycling application, • A total of 60,426 tons of waste consisting of<br>Scale , Flue Dust, Waste Oil, Various Metals and Scraps resulted in an income of 187,707,466 TL, İzdemir Energy 2024 Waste Inventory and Sales Invoices:<br>* A total of 113,123 tons of waste consisting of fly ash, gypsum, waste oil, waste batteries and electrical-electronic equipment resulted in an income of 35,444,363 TL. |
| <b>Future Financial<br/>Impact</b>                        | : | Total waste sales revenue for 2024 is 223,151,829 TL. Some of this revenue ( Sludge , Flue Dust, Various Metals and Scrap, Fly Ash, Gypsum) is included in the revenue item in financial reports, while others are included in the revenue item from other activities. This revenue is expected to reach 250 million TL in the short term.                                                                                                                                                                        |
| <b>Related Sector-Based<br/>Disclosure Subject</b>        | : | Waste Management Opportunities are not included in the related sector -based disclosure topics, waste management is considered important within the scope of sustainable management and is reported due to the revenue generated.                                                                                                                                                                                                                                                                                 |

### 3. RISK MANAGEMENT

At İzmir Demir Çelik Sanayi A.Ş., the risk analysis process, led by the Sustainability Committee, is structured with contributions from relevant internal units . The sustainability department assesses risks based on multiple criteria , such as probability, impact, exposure , and financial implications, and reports these to the Board of Directors. The identification and reporting of sustainability risks utilizes not only internal operational assessments but also a systematic analysis method based on materiality . The materiality matrix used in this context analyzes both the significance of each sustainability-related issue in terms of the company's strategic objectives and its sensitivity to the expectations of internal and external stakeholders .



However, not every significant issue is considered a risk. İzmir Demir Çelik classifies and reports issues within its materiality matrix that meet certain criteria as sustainability risks. Within this framework, for an issue to be defined as a "significant risk" in the company's sustainability context, it must meet one or more of the following threshold criteria and have a Risk Impact Score between 1 and 25 points :

#### Risk Prioritization and Reporting Threshold – Determining Criteria:

- 1. Financial Impact Potential:** Calculating the direct or indirect financial impact of the risk as a percentage of revenue between 0.25% and 2% . This indicates whether the risk has an impact on cash flow or financial statements, or is likely to occur in the near future.
- 2. Weakness in Alignment with Strategic Goals:** The issue may threaten medium- to long-term corporate goals such as net zero target, green certification, energy transition or environmental compliance strategies.

3. **Regulation and TSRS Compliance Obligation:** Expected to be clearly disclosed within the scope of TSRS 1 and TSRS 2 standards or having critical importance for compliance with environmental regulations .
4. **Stakeholder Trust and Reputation Risk:** The issue has the potential to cause damage to trust or loss of reputation in the eyes of stakeholders such as customers, investors, public authorities or local communities.
5. **Impact on Operational Continuity:** The issue is at a level that could cause interruptions, disruptions or control difficulties in processes such as production planning, resource management, supply chain or occupational health and safety.

The Company's Materiality Matrix is at the materiality threshold according to the above criteria, Issues with financial, strategic or regulatory impacts are evaluated as "significant risks" based on the scoring made by the Sustainability Directorate and submitted to the Sustainability Committee for approval . Materiality for İzmir Demir Çelik threshold ; " The risk *has the potential to affect the revenue between 0.25% and 2%* **It is defined as** "having the potential to significantly impact a company's long-term value creation capacity, strategic alignment, financial sustainability or stakeholder decisions . "

This assessment process is conducted with a holistic approach, considering not only financial impact but also strategic priorities, environmental sensitivity, governance risk, and compliance obligations. This structure positions the materiality assessment as a dynamic decision-making mechanism, not a static matrix.

### 3.1. Working Method and Evaluation Process

As İzmir Demir Çelik Sanayi A.Ş., we utilize a combination of data sources, including scientific scenarios, national strategies, and internal operational data, when conducting our sustainability risk and opportunity analyses. While the financial impacts of some risks can be calculated directly, others, due to their social or governance implications, can only be monitored through qualitative assessments. For risks with calculable financial impacts, potential financial impacts, calculation approaches, and hypothetical scenarios were used. For risks with strategic importance that cannot be directly measured but whose financial impacts cannot be measured, a multi - criteria assessment is conducted using qualitative analysis, taking into account the risk's probability, potential impact area, duration of exposure, and strategic priority levels . Risk data are presented in tables in the sections titled "Climate Risks," "Climate-Related Transition Risks," and "Physical Climate Risks" in this report.

For each risk element; Risk Prioritization and Reporting Threshold These analyses are analyzed separately, and these analyses are brought to the committee's attention through internal reports and meeting minutes. This approach is based on the company's principle of providing comprehensive, transparent, and decision-supporting information within the framework of TSRS 1 and TSRS 2 standards.

Our data sources are categorized into two main groups: internal and external. Internal sources include data on energy consumption, greenhouse gas emissions, water use, waste management, occupational health and safety data from production processes, human resources reports, financial records, performance indicators integrated into the ERP system , feedback from various departments, environmental monitoring reports, and quality management outputs. Our external data sources include the IPCC's SSP scenarios, NASA POWER meteorological datasets, the

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General Directorate of Meteorology, the General Directorate of Water Management, the Provincial Disaster Risk Reduction Plan (IRAP) published by the Provincial Disaster and Emergency Directorate of the İzmir Governorate of the Republic of Turkey , statistical and policy documents from organizations such as the Ministry of Energy and Natural Resources and the European Commission. Regulatory frameworks such as emissions trading, carbon pricing, CBAM (CBAM), and the Green Deal are used as primary reference points in our analyses.

Our analyses of climate risks were based on the methodological framework recommended by the TCFD ( Task Force on Climate-related Financial Disclosures ), dividing risks into two main groups: "physical" and "transition risks." The physical risks included storm, flood, sea level rise, and fire risks, while the transition risks included the Border Carbon Adjustment Mechanism.

In the risk management process, timeframes are defined separately for each risk as short, medium, and long term, based on analyses of the estimated timeframe and impact of risks. In scenario analyses, the short term (0–2 years), medium term (2–7 years), and long term (<7 years) are considered. While some transition risks (such as border carbon adjustment mechanisms) have short-term impacts, some physical climate risks (such as sea level rise) are evaluated within the framework of long-term strategic planning. This maturity-based risk modeling is designed to support the company's dynamic strategic decision-making processes. Similarly, the same maturity definitions are used when identifying opportunities.

The data modeling process is driven by quantitative calculations and evaluation matrices based on working group feedback. Excel-based comparative tables, site-specific data, and publicly available meteorological analyses are used.

scoring system to holistically determine the significance of risks and opportunities . This system assigns a "Probability Score" (1: very low - 5: very high) and an "Impact Score" (1: very low - 5: very high) to each risk or opportunity, and multiplying these two scores creates a total risk score. The same system applies to opportunities , measuring the potential value-added by each opportunity to the company to create a total opportunity score.

Risks based on total score ranges:

- 1–4: Low Risk (monitored, may not need reporting),
- 5–9: Medium Risk (monitored and planned),
- 10–15: High Risk (reported, action taken),
- 16–25: Classified as Critical Risk (treated as a strategic priority).

Opportunities based on total score ranges:

- 1–4: Low Opportunity (monitored, may not need reporting),
- 5–9: Medium Opportunity ( Monitored, planned, reported, developed ),
- 10–15: High Opportunity (reported, action taken),
- 16–25: Classified as Critical Opportunity (treated as a strategic priority).

This methodology ensures both monitoring of items reflected in the financial statements and prioritization of long-term strategic risks in full compliance with TSRS 1 and TSRS 2.

#### **4. Metrics and Targets**

İzmir Demir Çelik Sanayi A.Ş. is subject to the TSRS 2-Additional Volume 9 Iron and Steel Producers Guide, from the TSRS Sector-Based Application Guide. Metrics for the relevant guide are disclosed under the headings "Greenhouse Gas Emissions," "Energy Management," "Water Management," "Supply Chain Management," and "Activity Metrics." Scope 1, Scope 2, Energy Management, and Water Management metrics for each company are disclosed both consolidated and by company, based on the equity method .

In accordance with the temporary article 3 titled “Transitional provision regarding exemption from disclosure provisions” of the Board Decision on the Scope of Application of the Turkish Sustainability Reporting Standards, the right to exemption regarding the disclosure of Scope 3 greenhouse gas emissions was used during the first two reporting periods; accordingly, Scope 3 data was not included in the report in this reporting period.

As İzmir Demir Çelik Sanayi A.Ş., we are resolutely continuing our efforts to reduce greenhouse gas emissions by 41% by 2030, compared to the reference scenario, and to fully comply with the net-zero emissions targets by 2053, as declared by Turkey within the framework of its climate policies. At the same time, we are strategically aligning ourselves with the steel industry's international decarbonization roadmap and foreign policy initiatives, such as the European Union Green Deal, to implement sustainable production processes.

In this context;

emissions in 2030 The reduction target (41%) and the 2053 net zero commitment form the basis of our sustainability strategy and corporate target periods.

İzmir Demir Çelik has adopted the metric-based targets in the TSRS 2-Additional Volume-9 Iron and Steel Producers Guide at the enterprise level, developing a systematic planning and implementation mechanism for reducing Scope 1 and Scope 2 greenhouse gas emissions , increasing energy efficiency, water management, supply chain management and integrating these into production processes.

Towards achieving these national and international goals, the company;

It aims to regularly monitor relevant metrics, to share performance indicators transparently with the public, to provide measurable and comparable data in line with the general objectives set, and to shape our internal policies and practices within this framework, taking into account the transformation parameters coming from sector guides as well as the targets originating from legislation.

In this context, the company's corporate targets as of 2024 were evaluated in the metrics section of the report under each metric heading in the base period, the period in which it is valid, and the interim and final target periods, and action plans related to these targets were explained.

#### 4.1. Cross-Industry Metrics

|                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Greenhouse Gas Emissions (Scope 1 2)</b>                       | Explained under the heading <a href="#">4.2. Greenhouse Gas Emissions .</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Vulnerable Assets Against Climate-Related Transition Risks</b> | The Company conducted analyses to assess the significance (probability + magnitude) and potential impacts ( exposure ) of climate-related risks and opportunities, taking into account the nature of its activities, business model, and operational locations. As a result of these assessments, no assets were identified as vulnerable to climate-related transition risks in the short to medium term. However, due to the dynamic nature of these analyses, the assessments regarding the definition and identification of vulnerable assets will be reviewed in the future. |
| <b>Vulnerable Assets to Climate-Related Physical Risks</b>        | The Company conducted analyses to assess the significance (probability + magnitude) and potential impacts ( exposure ) of climate-related risks and opportunities, taking into account the nature of its activities, business model, and operational locations. As a result of these assessments, no assets were identified as vulnerable to climate-related physical risks in the short to medium term. However, due to the dynamic nature of these analyses, the assessments regarding the definition and identification of vulnerable assets will be reviewed in the future.   |
| <b>Climate-Related Opportunities</b>                              | <a href="#">2.3. 5.</a> Explained under the heading <a href="#">Climate-Related Opportunities .</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Capital Allocation</b>                                         | As of the reporting period, the Company had no allocated climate-related capital expenditures, no direct use of climate finance instruments, and no investments. The Company continues to advance its sustainability priorities across its business lines, and climate-related capital expenditure allocations and use of climate finance instruments may be considered in the future.                                                                                                                                                                                            |
| <b>Internal Carbon Prices</b>                                     | Explained under the heading <a href="#">4.2. Greenhouse Gas Emissions .</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Pricing</b>                                                    | <a href="#">1.6.</a> Explained under the title Sustainability Audit and Monitoring Process.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

#### 4.2. Greenhouse Gas Emissions

emission data included in this report have not been verified, and the calculation of such data has been carried out using an account-based method for all categories and sources and is presented in accordance with the GHG Protocol. Scope 1 and Scope 2 calculations have been calculated in accordance with the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004) and TS EN ISO 14064-1 :2019 Standard. The Company expresses the greenhouse gases in its Scope 1 direct emissions as Carbon Dioxide (CO<sub>2</sub>), Methane (CH<sub>4</sub>), Nitrous Oxide (N<sub>2</sub>O), Hydrofluorocarbons ( HFCs ), and Sulfur Hexafluoride (SF<sub>6</sub>) as tCO<sub>2</sub> equivalents. The reference sources for the emission factors used in Scope 1 calculations are the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (2006 IPCC Guidelines) . for National Greenhouse Gas Inventories ), TS EN ISO/IEC 17025 accredited laboratory analysis data, Gas Chromatography

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(GC) analysis data, the Intergovernmental Panel on Climate Change Sixth Assessment Report (IPCC AR6), the Water Pollution Control Regulation, the Communiqué on Monitoring, Reporting and Verification of Greenhouse Gas Emissions, and the Turkish National Greenhouse Gas Emission Inventory were used as basis. The reference sources for the emission factors used in Scope 2 calculations were Turkey's Electricity Generation and Electricity Consumption Point Emission Factors. The operational control approach was taken into account when determining organizational limits in greenhouse gas calculations. Calculation-Based Standard and Mass Balance Methods were applied as the calculation method. The Scope 1 and Scope 2 greenhouse gas emission values given below are calculated gross. Since the emissions trading system has not yet been clarified in Turkey and there is currently no obligation or financial risk for the Company to obtain carbon credits based on its emissions performance, no carbon credits were purchased during the reporting period.

**31.12.2024 Greenhouse Gas Emissions (metric tons) CO<sub>2</sub>e**

|                                                      | <b>Izmir Iron and Steel</b> | <b>Izdemir Energy</b> | <b>Akdemir Steel</b> | <b>IDC Port</b> | <b>Consolidated</b> |
|------------------------------------------------------|-----------------------------|-----------------------|----------------------|-----------------|---------------------|
| <b>Scope 1 (t CO<sub>2</sub>e)</b>                   | 271,123                     | 2,095,742             | 24,271               | 3,957           | <b>1.437.752</b>    |
| <b>Scope 2 (t CO<sub>2</sub>e)</b>                   | 497,486                     | 1,758                 | 13,713               | 2,462           | <b>514.613</b>      |
| <b>Scope 1 and Scope 2 Total (t CO<sub>2</sub>e)</b> | <b>768,609</b>              | <b>2,097,500</b>      | <b>37,984</b>        | <b>6,419</b>    | <b>1.952.365</b>    |

During the reporting period, İzmir Demir Çelik's Scope 1 value was 271,123 metric tons of CO<sub>2</sub>/e, while this consolidated amount reached 1,437,752 metric tons of CO<sub>2</sub>e . All of these emissions (100%) are not directly covered by emission -limiting regulations.

**31.12.2024 Izmir Iron and Steel and Group Companies Greenhouse Gas Emissions per  
Production Unit (metric tons) CO<sub>2</sub>e**

|                                                         | <b>Izmir Iron and Steel</b> | <b>Izdemir Energy</b> | <b>Akdemir Steel</b> | <b>IDC Port</b> |
|---------------------------------------------------------|-----------------------------|-----------------------|----------------------|-----------------|
| <b>Scope 1 and Scope 2 Total (tons CO<sub>2</sub>e)</b> | 0.423/t                     | 0.82/ MWh             | 0.1/t                | 0.0014/ton      |

İzmir Demir Çelik's product output per metric tonne, combined with Scope 1 and Scope 2 emissions, is 0.423 t CO<sub>2</sub>e . Due to the diverse activities of the group companies, no consolidated per-unit emissions indicator is presented.

### Greenhouse Gas Emission Targets

| Target Purpose                                                                                      | Target Validity Year | Target Year |      | Base Year | Base Year Data per Ton of Product (tons of CO <sub>2</sub> e) | Applicable Section   | Measuring Range |
|-----------------------------------------------------------------------------------------------------|----------------------|-------------|------|-----------|---------------------------------------------------------------|----------------------|-----------------|
|                                                                                                     |                      | 2030        | 2053 |           |                                                               |                      |                 |
| Reduction of Scope 1 and Scope 2 Total Greenhouse Gas Emissions per Ton (tons of CO <sub>2</sub> e) | 2025-2053            | 41%         | 100% | 2024      | 0.423/t                                                       | Izmir Iron and Steel | Annual          |
|                                                                                                     |                      |             |      |           | 0.82/ MWh                                                     | Izdemir Energy       |                 |
|                                                                                                     |                      |             |      |           | 0.0014/t                                                      | IDC Port             |                 |
|                                                                                                     |                      |             |      |           | 0.1/t                                                         | Akdemir Steel        |                 |

The targets presented are intensity targets and include total Scope 1 and Scope 2 greenhouse gas emissions . Work is ongoing to present Scope 1, Scope 2, and Scope 3 greenhouse gas emissions separately.

emission values are calculated every six months by the factory sustainability working groups using the GHG protocol-based calculation method, and are submitted to the Sustainability Directorate. Finally, after the annual calculations are completed, the Sustainability Directorate submits an annual report to the Sustainability Committee, which then reports progress toward achieving the relevant greenhouse gas emission targets to the Board of Directors using the annual measurement interval, using the product metric ton/ MWh value in tons of CO<sub>2</sub>e.

Actions planned within the framework of relevant targets; *İzmir Demir Çelik* ; energy efficiency studies, improvement of operational controls in production processes, *İzdemir Energy*; projects to be carried out to reduce domestic demand and the impact of completed solar power plant investments, *İDÇ Port* ; research and availability measurements of alternative sources for energy and fuel use, *Akdemir Çelik* energy efficiency studies,

Financial budgeting calculations continue within the scope of relevant projects and studies.

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**4.3. Energy Management**

**31.12.2024 Energy Management Metric Data**

|                                               | <b>Izmir<br/>Iron and<br/>Steel</b> | <b>Izdemir<br/>Energy</b> | <b>Akdemir<br/>Steel</b> | <b>IDC<br/>Port</b> | <b>Consolidat<br/>ed</b> |
|-----------------------------------------------|-------------------------------------|---------------------------|--------------------------|---------------------|--------------------------|
| <b>Total energy consumed (GJ)</b>             | 4,024,577                           | 567,810                   | 110,938                  | 19,915              | <b>4,463,869</b>         |
| <b>Percentage of grid electricity (%)</b>     | 100                                 | 2                         | 100                      | 100                 | -                        |
| <b>Renewable energy percentage (%)</b>        | 0                                   | 0                         | 0                        | 0                   | -                        |
| <b>Total fuel consumed (GJ)</b>               | 2,019,247                           | 22,098,833                | 488,711                  | 1,317               | <b>14,513,263</b>        |
| <b>Coal percentage (%)</b>                    | 0                                   | 99.92                     | 0                        | 100                 | -                        |
| <b>Percentage of natural gas consumed (%)</b> | 99.08                               | 0.08                      | 100                      | 0                   | -                        |
| <b>Renewable energy percentage (%)</b>        | 0                                   | 0                         | 0                        | 0                   | -                        |

**Energy Efficiency Target**

| <b>Target Purpose</b>       | <b>Target<br/>Validity<br/>Year</b> | <b>Target<br/>Year</b> | <b>Base<br/>Year</b> | <b>Base Year<br/>Data</b> | <b>Applicable<br/>Section</b>             | <b>Measuring<br/>Range</b> |
|-----------------------------|-------------------------------------|------------------------|----------------------|---------------------------|-------------------------------------------|----------------------------|
|                             |                                     | <b>2030</b>            |                      |                           |                                           |                            |
| Reducing Energy Consumption |                                     | 7.27%                  | 2024                 | 2.03 GJ/t                 | Izmir Iron and Steel Mill                 | Annual                     |
|                             |                                     | 13%                    |                      | 0.23 GJ/t                 | Izmir Iron and Steel Rolling Mill         | Annual                     |
|                             |                                     | 4.08%                  |                      | 0.36 GJ/t                 | Izmir Iron and Steel Profile Rolling Mill | Annual                     |
|                             |                                     | 4.63%                  |                      | 567,730 GJ                | Izdemir Energy                            | Annual                     |
|                             |                                     | 4%                     |                      | 110,938 GJ                | Akdemir Steel                             | Annual                     |

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|                           |           |        |      |            |                                           |        |
|---------------------------|-----------|--------|------|------------|-------------------------------------------|--------|
|                           |           | 5%     |      | 19,915 GJ  | IDC Port                                  | Annual |
| Reducing Fuel Consumption | 2025-2030 | 7.5%   | 2024 | 0.44 GJ/t  | Izmir Iron and Steel Mill                 | Annual |
|                           |           | 13.53% |      | 0.82 GJ/t  | Izmir Iron and Steel Rolling Mill         | Annual |
|                           |           | 4.08%  |      | 1.77 GJ/t  | Izmir Iron and Steel Profile Rolling Mill | Annual |
|                           |           | 110%   |      | 1.986 GJ   | Izdemir Energy                            | Annual |
|                           |           | 0.5%   |      | 488,711 GJ | Akdemir Steel                             | Annual |
|                           |           | 10%    |      | 1.317 GJ   | IDC Port                                  | Annual |

-based targets based on reducing energy intensity, regardless of changes in production volume . Monthly consumption data is monitored by sustainability working groups and reported to the Sustainability Directorate every six months. Ultimately, the annual data is presented by the Sustainability Directorate to the Sustainability Committee in an annual report, which, using an annual measurement interval, reports progress toward achieving the relevant energy efficiency targets to the Board of Directors in GJ values.

The relevant targets have been determined by İzmir Demir Çelik and Group companies within the scope of energy saving potential investment implementation studies, and budgeting calculations are ongoing within the scope of the relevant projects and studies.

#### **4.4. Water Management**

##### **31.12.2024 Water Management Metric Data**

|                                                                     | <b>Izmir Iron and Steel</b> | <b>Izdemir Energy</b> | <b>Akdemir Steel</b> | <b>IDC Port</b> | <b>Consolidated</b> |
|---------------------------------------------------------------------|-----------------------------|-----------------------|----------------------|-----------------|---------------------|
| <b>Total Water Drawn (thousand m<sup>3</sup>)</b>                   | 2,237                       | 13,379                | 103                  | 80              | <b>9,687</b>        |
| <b>Percentage of Areas with High or Extremely High Water Stress</b> | 83%                         | 0%                    | 100%                 | 100%            | 100%                |
| <b>Total Water Consumed (thousand m<sup>3</sup>)</b>                | 2,237                       | 683                   | 103                  | 72              | <b>2,783</b>        |

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|                                                                     |     |    |      |      |      |
|---------------------------------------------------------------------|-----|----|------|------|------|
| <b>Percentage of Areas with High or Extremely High Water Stress</b> | 83% | 0% | 100% | 100% | 100% |
|---------------------------------------------------------------------|-----|----|------|------|------|

İzdemir Power Plant is supplied by seawater. In 2024, the total amount of water arriving at the water treatment unit was 2,605,000 m<sup>3</sup>, of which 683,000 m<sup>3</sup> was used within the process (FGD, boiler, and utility water).

**Water Management Goal**

| Target Purpose                                                | Target Validity Period | Target Year | Base Year | Base Year Data (thousand m <sup>3</sup> ) | Applicable Section   | Measuring Range |
|---------------------------------------------------------------|------------------------|-------------|-----------|-------------------------------------------|----------------------|-----------------|
|                                                               |                        | 2030        |           |                                           |                      |                 |
| Reducing water drawn from the well (thousand m <sup>3</sup> ) | 2025-2030              | 15%         | 2024      | 1,862                                     | Izmir Iron and Steel | Annual          |
|                                                               |                        | 3%          |           | 103                                       | Akdemir              |                 |
|                                                               |                        | 10%         |           | 80                                        | Port                 |                 |
| Reduction of total water consumed (thousand m <sup>3</sup> )  | 2025-2030              | 12.5%       | 2024      | 2,237                                     | Izmir Iron and Steel | Annual          |
|                                                               |                        | 2.2%        |           | 683                                       | Izdemir Energy       |                 |
|                                                               |                        | 1%          |           | 103                                       | Akdemir              |                 |
|                                                               |                        | 10%         |           | 80                                        | Port                 |                 |

are density -based , independent of changes in production volume . Monthly withdrawal and consumption data are monitored by sustainability working groups and reported to the Sustainability Directorate every six months. Ultimately, the annual data is presented to the Sustainability Committee in an annual report by the Sustainability Directorate, which then reports progress toward achieving the relevant water management targets, in thousand m<sup>3</sup>, to the Board of Directors using the annual measurement interval.

It conducts studies to increase water efficiency to ensure the efficient and responsible use of water resources. As part of this approach, which aims to reduce the total amount of water withdrawn and consumed across the group, monitoring, managing, and ensuring the sustainability of water in production processes has been identified as a key priority. Because all water consumed at the İzdemir Power Plant is derived from seawater , there is no target for reducing water withdrawn from wells.

The relevant targets have been determined by İzmir Demir Çelik and Group companies within the scope of their water efficiency potential investment implementation studies, and budgeting calculations are ongoing within the scope of the relevant projects and studies.

#### **4.5. Supply chain management**

İzmir Demir Çelik's supply chain structure is quite extensive and has been categorized in detail. Including 2025, the company will work with a total of 8,893 local and 1,796 global suppliers, demonstrating a diversified and robust supply network on both a local and global scale. Collaborating with 584 new suppliers in 2024 alone demonstrates that the supplier ecosystem is actively updating and expanding.

İzmir Demir Çelik separates its suppliers, who directly provide materials, equipment , or services, on an operational basis, and structures its payment terms, delivery processes, and tracking systems accordingly. A standard 30-day payment system is implemented for payments to suppliers, and the designated payment terms are automatically tracked and managed. Invoice transactions are processed digitally and monitored through a central platform, integrating them into the company's overall workflow .

İzmir Demir Çelik continues to develop documented processes and systems for assessing the performance of critical suppliers in terms of climate risk, carbon intensity, and social compliance, in line with its sustainability-based supply chain management. Furthermore, plans are underway to systematically implement supplier training, assessment, and development programs in line with sustainable procurement principles.

To establish a more resilient structure against potential crises in terms of future supply security, the company plans to develop a supplier evaluation system based on sustainability criteria, integrate performance measurements , and adopt a supplier code that includes social and environmental risks. The company's Supplier Code of Business Ethics is transparently shared with the public on the website <https://www.izdemir.com.tr/surdurulebilirlik/csy-politikalari/tedarikci-is-etigi-kurallari> .

#### **4.6. Activity Metrics**

##### **31.12.2024 Production Quantities**

|                                                                 | <b>Iron and Steel<br/>Production<br/>Activities (Metric<br/>Tons)</b> | <b>Electricity<br/>Production<br/>Activities ( MWh )</b> | <b>Port Loading<br/>and Unloading<br/>Activities<br/>(Metric Tons)</b> |
|-----------------------------------------------------------------|-----------------------------------------------------------------------|----------------------------------------------------------|------------------------------------------------------------------------|
| <b>Izmir Iron and Steel Billet<br/>(Semi-finished) 100% EAO</b> | 1,818,633                                                             | -                                                        | -                                                                      |
| <b>Izmir Iron and Steel Rebar</b>                               | 997,218                                                               | -                                                        | -                                                                      |
| <b>Izmir Iron and Steel Profile Iron</b>                        | 296,121                                                               | -                                                        | -                                                                      |
| <b>Izdemir Energy</b>                                           | -                                                                     | 2,549,520                                                | -                                                                      |
| <b>Akdemir Steel (Product)</b>                                  | 379,550                                                               | -                                                        | -                                                                      |
| <b>IDC Port</b>                                                 | -                                                                     | -                                                        | 4,454,704                                                              |

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**Izmir Iron and Steel Industry Inc. TSRS Compliance Table**

| <i>Related Section</i> | <i>Relevant Standard Article</i> | <i>Area Where the Relevant Explanation is Located in the Report</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------------------------|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Governance</b>      | TSRS S1-26                       | <b>1. Governance</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                        | TSRS S1-27.a (iv)                | <b>1.2. General Corporate Governance Structure</b><br><i>1.2.1. Board of Directors</i><br><i>1.2.2. Executive Board</i><br><b>1.3. Board of Directors Committees</b><br><i>1.3.1. Audit Committee</i><br><i>1.3.2. Corporate Governance Committee</i><br><i>1.3.3. Early Detection of Risk Committee</i><br><i>1.3.4. Sustainability Committee</i><br><b>1.4. Sustainability Management</b><br><b>1.5. Environmental, Social and Governance Policies</b><br><b>1.6. Sustainability Audit and Monitoring Process</b> |
|                        | TSRS S1-27.b (i-ii)              | <b>1.3. Board of Directors Committees</b><br><i>1.3.1. Audit Committee</i><br><i>1.3.2. Corporate Governance Committee</i><br><i>1.3.3. Early Detection of Risk Committee</i><br><i>1.3.4. Sustainability Committee</i><br><b>1.4. Sustainability Management</b><br><b>1.6. Sustainability Audit and Monitoring Process</b><br><b>1.7. Certification and Management Systems</b>                                                                                                                                     |
|                        | TSRS S2-5                        | <b>1.4. Sustainability Management</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                        | TSRS S2-6.a (iv)                 | <b>1.3. Board of Directors Committees</b><br><i>1.3.4. Sustainability Committee</i><br><b>1.4. Sustainability Management</b><br><b>1.5. Environmental, Social and Governance Policies</b><br><b>1.6. Sustainability Audit and Monitoring Process</b>                                                                                                                                                                                                                                                                |
|                        | TSRS S2-6.b (i-ii)               | <b>1.3. Board of Directors Committees</b><br><i>1.3.4. Sustainability Committee</i><br><b>1.4. Sustainability Management</b><br><b>1.6. Sustainability Audit and Monitoring Process</b><br><b>1.7. Certification and Management Systems</b>                                                                                                                                                                                                                                                                         |
|                        | TSRS S1-28                       | <b>Strategy 2</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

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|                        |                                                                                                                                                                                         |                                                                                                                                                                                                                      |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Strategy</b>        | TSRS S1-29 (ae)                                                                                                                                                                         | 2.1. Our Sustainability Strategy and Climate Transition Plan<br>2.2. Business Model and Value Chain<br>2.3. Climate-Related Risks and Opportunities                                                                  |
|                        | TSRS S1-30 (ac)                                                                                                                                                                         | 2.1. Our Sustainability Strategy and Climate Transition Plan<br>2.3. Climate-Related Risks and Opportunities<br>2.3.1. <i>Definitions of Risk and Opportunity</i>                                                    |
|                        | TSRS S1-31                                                                                                                                                                              | 2.3. Climate-Related Risks and Opportunities<br>2.3.1. <i>Definitions of Risk and Opportunity</i>                                                                                                                    |
|                        | TSRS S1-32 (ab)                                                                                                                                                                         | 2.2. Business Model and Value Chain                                                                                                                                                                                  |
|                        | TSRS S1-33 (ac)                                                                                                                                                                         | 2.1. Our Sustainability Strategy and Climate Transition Plan                                                                                                                                                         |
|                        | TSRS S1-34 (eu), TSRS S1-35 (ad), TSRS S1-36, TSRS S1-37 (eu), TSRS S1-38 (eu), TSRS S1-39, TSRS S1-40 (ac), TSRS S1-41                                                                 | 2.3. Climate-Related Risks and Opportunities<br>2.3.2. <i>Climate Risks</i><br>2.3.3. <i>Climate-Related Transition Risks</i><br>2.3.4. <i>Physical Climate Risks</i><br>2.3.5. <i>Climate-Related Opportunities</i> |
|                        | TSRS S2-8                                                                                                                                                                               | Strategy 2                                                                                                                                                                                                           |
|                        | TSRS S2-9 (ae)                                                                                                                                                                          | 2.1. Our Sustainability Strategy and Climate Transition Plan<br>2.2. Business Model and Value Chain<br>2.3. Climate-Related Risks and Opportunities                                                                  |
|                        | TSRS S2-10 (ad), TSRS S2-11, TSRS S2-12                                                                                                                                                 | 2.3. Climate-Related Risks and Opportunities<br>2.3.2. <i>Climate Risks</i><br>2.3.3. <i>Climate-Related Transition Risks</i><br>2.3.4. <i>Physical Climate Risks</i><br>2.3.5. <i>Climate-Related Opportunities</i> |
|                        | TSRS S2-13 (ab)                                                                                                                                                                         | 2.2. Business Model and Value Chain                                                                                                                                                                                  |
|                        | TSRS S2-14.a (iv), TSRS S2-14.b, TSRS S2-14.c, TSRS S2-15 (eu), TSRS S2-16 (ad), TSRS S2-17, TSRS S2-18 (eu), TSRS S2-19 (eu), TSRS S2-20, TSRS S2-21 (ac), TSRS S2-22 (eu), TSRS S2-23 | 2.3. Climate-Related Risks and Opportunities<br>2.3.2. <i>Climate Risks</i><br>2.3.3. <i>Climate-Related Transition Risks</i><br>2.3.4. <i>Physical Climate Risks</i><br>2.3.5. <i>Climate-Related Opportunities</i> |
| <b>Risk Management</b> | TSRS S1-44.a (i-vi), TSRS S1-43 (eu), TSRS S1-44 (bc)                                                                                                                                   | 3. Risk Management<br>3. Risk Management<br>Risk Prioritization and Reporting Threshold-Determining Criteria<br>3.1. Working Method and Evaluation Process<br>3.1. Working Method and Evaluation Process             |
|                        | TSRS S2-24                                                                                                                                                                              | 3. Risk Management                                                                                                                                                                                                   |
|                        | TSRS S2-25.a (i-vi)                                                                                                                                                                     | 3. Risk Management                                                                                                                                                                                                   |

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|                            |                                                                           |                                                                                                                                                                                                                    |
|----------------------------|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                            |                                                                           | Risk Prioritization and Reporting Threshold-Determining Criteria<br><b>3.1. Working Method and Evaluation Process</b>                                                                                              |
|                            | TSRS S2-25 (bc)                                                           | <b>3.1. Working Method and Evaluation Process</b>                                                                                                                                                                  |
| <i>Metrics and Targets</i> | TSRS S1-45, TSRS S1-46, TSRS S1-47, TSRS S1-48, TSRS S1-49                | <b>4. Metrics and Targets</b>                                                                                                                                                                                      |
|                            | TSRS S1-50 (ad), TSRS S1-51 (ag), TSRS S1-52                              | <b>4.1. Cross-Industry Metrics</b><br><b>4.2. Greenhouse Gas Emissions</b><br><b>4.3. Energy Management</b><br><b>4.4. Water Management</b><br><b>4.5. Supply Chain Management</b><br><b>4.6. Activity Metrics</b> |
|                            | TSRS S2-27, TSRS S2-28 (ac)                                               | <b>4. Metrics and Targets</b>                                                                                                                                                                                      |
|                            | TSRS S2-29 (ag), TSRS S2-30, TSRS S2-31, TSRS S2-32                       | <b>4.1. Cross-Industry Metrics</b><br><b>4.2. Greenhouse Gas Emissions</b>                                                                                                                                         |
|                            | TSRS S2-33 (ah), TSRS S2-34 (ad), TSRS S2-35, TSRS S2-36 (ae), TSRS S2-37 | <b>4.1. Cross-Industry Metrics</b><br><b>4.2. Greenhouse Gas Emissions</b><br><b>4.3. Energy Management</b><br><b>4.4. Water Management</b><br><b>4.5. Supply Chain Management</b><br><b>4.6. Activity Metrics</b> |
|                            |                                                                           |                                                                                                                                                                                                                    |

**INDEPENDENT AUDITOR’S LIMITED ASSURANCE REPORT ON THE INFORMATION PROVIDED  
BY IZMIR DEMIR CELIK SANAYI ANONIM SIRKETI WITHIN THE SCOPE OF THE TURKIYE  
SUSTAINABILITY REPORTING STANDARDS**

**To the General Assembly of Izmir Demir Celik Sanayi Anonim Sirketi,**

We have undertaken a limited assurance engagement on the information (“Sustainability Information”) presented in accordance with “Turkish Reporting Standards for Sustainability 1 General Requirements for Disclosure of Sustainability-related Financial Information” and “Turkish Sustainability Reporting Standards 2 Climate-related Disclosures,” which are included in the Sustainability Report of Izmir Demir Celik Sanayi Anonim Sirketi (the Company) for the year ended December 31, 2024.

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

**Limited Assurance Conclusion**

Based on the procedures we performed, as described in the “Summary of Work Performed as a Basis for the Assurance Conclusion” section of our report, and the evidence we obtained during the assurance process, nothing has come to our attention that causes us to believe that the Sustainability Information included in the Company’s Sustainability Report for the year ended December 31, 2024, is not prepared, in all material respects, in accordance with the Turkish Reporting Standards for Sustainability (TRSS) published by the Public Oversight Accounting and Auditing Standards Authority (POA) in the Official Gazette dated December 29, 2023, numbered 32414 (Repeated 1).

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

The Sustainability Information is subject to inherent uncertainties arising from limitations in scientific and economic knowledge. The inadequacy of scientific knowledge in calculating greenhouse gas emissions leads to uncertainty. Furthermore, due to the lack of data regarding the probability, timing, and impact of potential future physical and transition climate risks, the Sustainability Information contains uncertainties based on climate-related scenarios.

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

The Company’s Management is responsible for:

- Preparing the Sustainability Information in accordance with the principles of the Turkish Reporting Standards for Sustainability,
- Designing, implementing, and maintaining internal control relevant to the preparation of Sustainability Information that is free from material misstatement, whether due to fraud or error,
- Selecting and applying appropriate sustainability reporting methods and making reasonable judgments and estimates that are appropriate to the circumstances.

Those charged with governance are responsible for overseeing the Company’s sustainability reporting process.

**Independent Auditor’s Responsibilities Regarding the Limited Assurance Engagement of the Sustainability Information**

We are responsible for the following:

- Planning and performing the assurance engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error,

(Sealed and signed)

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## **GORUS BAGIMSIZ DENETIM VE YYM A.S.**

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- Reaching an independent conclusion based on the evidence obtained and the procedures performed, and communicating the conclusion reached to the Company's management,
- Understanding the internal control structure, without the objective of expressing an assurance conclusion on the effectiveness of the Company's internal control and performing risk assessment procedures to identify and assess the risks of material misstatement in the sustainability information, whether due to fraud or error.

As we are responsible for issuing 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 avoid compromising our independence.

### **Application of Professional Standards**

We conducted the limited assurance engagement in accordance with “Assurance Engagement Standard 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” published by POA, and in respect of greenhouse gas emissions included in the Sustainability Information, “Assurance Engagement Standard 3410, Assurance Engagements on Greenhouse Gas Statements.”

### **Independence and Quality Control**

We have complied with the independence and other ethical requirements in the Code of Ethics for Independent Auditors (Including Independence Standards) (the Ethical Code) published by POA, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. Our Company applies the provisions of Quality Management Standard 1 and, in line with this, implements a comprehensive system of quality control, including written policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our work was carried out by an independent and multi-disciplinary team consisting of auditors and sustainability and risk specialists. We have utilized the work of our specialist team to assist in evaluating the appropriateness of the information and assumptions related to the Company's climate and sustainability risks and opportunities. We are solely responsible for the assurance conclusion we have provided.

### **Summary of Work Performed as a Basis for the Assurance Conclusion**

We were required to plan and perform our work to address the areas where we determined there was a higher likelihood of material misstatements in the Sustainability Information. The procedures we applied are based on our professional judgement. In conducting the limited assurance engagement on the Sustainability Information:

- A site visit was conducted to the Company's main production facility. During the visit, a limited number of Sustainability Information items were examined, tracing to or from supporting records, where appropriate.
- Face-to-face and online interviews were conducted with key senior personnel of the Company to understand the processes for obtaining and the procedures in place for the Sustainability Information pertaining to the reporting period.
- The Company's internal documentation was used to evaluate and review the sustainability-related information.
- An assessment of the disclosure and presentation of the sustainability-related information was performed.
- The processes for identifying the sustainability-related risks and opportunities deemed financially significant by the Company were understood.

(Sealed and signed)

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- Through inquiries, an understanding has been obtained regarding the Company's control environment and information systems related to the preparation of the Sustainability Information. However, specific control activities have not been evaluated, no evidence has been obtained regarding their implementation, and their operational effectiveness has not been tested.

- The appropriateness of the Company's estimation methods and the consistency of their application have been assessed. However, our procedures did not include testing the data on which the estimates are based or developing our own estimates to evaluate those of the Company.

The procedures performed in a limited assurance engagement differ in nature and timing from those of a reasonable assurance engagement and are narrower in scope. Consequently, the level of assurance obtained from a limited assurance engagement is substantially lower than that which would have been obtained had a reasonable assurance engagement been conducted.

Gorus Bagimsiz Denetim ve Yeminli Mali Musavirlik Anonim Sirketi

(Sealed and signed)  
Niyazi Özpehriz, Certified Public Accountant  
Responsible Auditor  
October 22, 2025 Izmir, Turkey

**ORIGINALLY SIGNED IN TURKISH**

**Ismet Kaptan Mahallesi Gazi Bulvari Munir Birscl Plaza Apt. No:95/13 Konak/IZMIR**  
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