ALFA SOLAR ENERJİ

TSRS-COMPLIANT SUSTAINABILITY REPORT

2024

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About the Report

This report covers the activities of Alfa Solar Enerji Sanayi ve Ticaret A.Ş. for the period between 1 January and 31 December 2024 and has been prepared in accordance with the Turkish Sustainability Reporting Standards (TSRS), which entered into force following their publication in the Official Gazette on 1 January 2024. The report has been prepared by the Company's Investor Relations and Sustainability Department.
The TSRS have been issued by the Public Oversight, Accounting and Auditing Standards Authority (KGK) and are based on the international standards developed by the International Sustainability Standards Board (ISSB).

Within the scope of the transition period, disclosures are provided solely in accordance with TSRS 2 – Climate-related Disclosures, covering information on climate change–related risks and opportunities, strategy, governance, risk management, as well as metrics and targets. Nevertheless, TSRS 1 – General Requirements for Disclosure of Sustainability-related Financial Information has also been taken into consideration in the preparation of this report.

Scope of the Report

The scope of this report includes the activities of Alfa Solar Enerji as reflected in its financial statements for the period from 1 January to 31 December 2024. The disclosures within the scope of the report cover all activities under the control of the Company that are included in the consolidated financial statements. The organizational boundaries for sustainability- and climate-related financial information have also been determined in alignment with the consolidation framework applied in the financial statements.

In the preparation of the report, the TSRS 2 Sector-Based Application Guidance, namely "Volume 32 – Electric Utilities and Power Generators" and "Volume 44 – Solar Technology and Project Developers," has been taken into consideration. In line with these sector documents, disclosure topics and metrics aligned with the Company's activities have been assessed, and those deemed applicable have been reflected in the report.

Reporting Period and Frequency

Alfa Solar Enerji is preparing its first sustainability report under the TSRS for the financial period ending on 31 December 2024. The Company will continue to prepare annual reports in accordance with TSRS 1 and TSRS 2 on a regular basis as of 1 January 2024.

Data Sources and Methodology

The information included in the report has been compiled from environmental and operational data obtained from the Company's internal data systems, greenhouse gas emission calculations, strategy documents, risk assessments, management statements, and financial reports. In addition, verified and/or supportable regional information obtained from subsidiaries has been utilized. Furthermore, scientific studies, national and international scenario sets, and publicly available data sources have been used as supporting inputs. The accuracy and consistency of the data have been ensured through the Company's internal control mechanisms.

The data and assumptions used in the preparation of the report have been structured, to the extent possible, in a manner consistent with the information used in the preparation of the financial statements, in accordance with the Turkish Accounting/Financial Reporting Standards.

Judgements and Uncertainties

In preparing its climate-related financial disclosures, the Group addresses risks and opportunities within the framework of international standards, guidelines, and best practices, and conducts a comprehensive assessment across the entire value chain when identifying material information. The data included in the report are obtained from the Company's internal sources as well as from independent providers whose reliability is widely recognized, and may therefore include estimated values, as they are based on measurements and assumptions. Nevertheless, ensuring the highest possible level of accuracy, completeness, and reliability of the disclosures is adopted as a fundamental objective.

Connection with Financial Disclosures

The sustainability- and climate-related information included in this report covers Alfa Solar Enerji and its subsidiaries and should be considered together with the consolidated financial statements. The report covers the period from 1 January to 31 December 2024 and has been prepared in alignment with the consolidated financial statements for the same period.

The data sets and assumptions used in the sustainability disclosures have been prepared based on the same accounting policies, methodologies, and estimates applied in the financial reports, in order to ensure consistency, and the presentation currency is the Turkish lira (TRY).

Independent Assurance

This report has been evaluated within the scope of the mandatory independent audit required pursuant to the Turkish Sustainability Reporting Standards, which were published by the Public Oversight, Accounting and Auditing Standards Authority (KGK) in the Official Gazette No. 32414 (M) dated 29 December 2023.

Within this framework, a limited assurance engagement has been conducted by Yeditepe Bağımsız Denetim ve Yeminli Mali Müşavirlik A.Ş. in accordance with GDS 3000 “Assurance Engagements on Non-Historical Financial Information” and GDS 3410 “Assurance Engagements on Greenhouse Gas Statements”, and the limited independent assurance statement is included in this report.

Transition Reliefs

In this report, Alfa Solar Enerji has made use of certain transitional reliefs granted under Articles E3, E4, E5, and E6 of TSRS 1, as well as Articles C3, C4, and C5 of TSRS 2. The transitional reliefs applied by the Company are outlined below:

- During the current reporting period, only “Climate-related Disclosures” under TSRS 2 have been applied; disclosures relating to other sustainability matters have been deferred to subsequent reporting periods.
- No comparative information for prior periods has been presented.
- By making use of the relief that permits the exclusion of Scope 3 greenhouse gas emissions for the first two years, Scope 3 emissions have not been disclosed.
- The climate-related financial disclosures were prepared and published after the issuance of the Company’s financial statements. No changes were made based on information obtained during the intervening period.
- Greenhouse gas calculations for the year 2024 were carried out in accordance with the ISO 14064 standard.

About Alfa Solar Enerji

Alfa Solar was established and commenced operations in 2011 under the name “Alfa Solar Enerji Sanayi ve Ticaret A.Ş.” with the purpose of manufacturing photovoltaic solar panels capable of generating electricity from solar energy in Türkiye. Following its incorporation in 2011, the Company carried out activities for approximately two years, including the design of the panels to be manufactured and the machinery layout, construction of the factory, and installation of the machinery line. In 2014, the Company first commenced trial production and subsequently transitioned to mass production.

The Company’s main field of activity is the sale of the photovoltaic solar panels it manufactures. Although the installation of solar power plants is included among its fields of activity, the Company does not currently engage, directly or indirectly, in the installation of solar power plants. As of 11 September 2023, following the acquisition of Ada GES Elektrik Üretim Anonim Şirketi, the Company has also begun to carry out electricity generation and sales, which are among its fields of activity.

The Company’s largest shareholder and founder is Alfa Kazan Enerji ve Çevre Yatırımları Anonim Şirketi. The Company’s head office is located in the Çankaya district of Ankara, from where its management activities are conducted.

As of 31 December 2024, 23% of the Company’s shares are publicly traded. The Company’s shares are listed and traded on Borsa İstanbul Main Market (Yıldız Pazar) under the ticker symbol “ALFAS.”

Business Model and Value Chain

Alfa Solar Enerji, in its climate-related financial disclosures, takes into account not only its own operations but also its subsidiaries and the entire value chain. The value chain encompasses a wide range of stakeholders, from raw material suppliers and equipment providers to employees, consultants, logistics companies, and customers, and shapes the Company’s operations through upstream and downstream interactions.

Direct Subsidiaries of Alfa Solar Enerji

Trade Name	Principal Activity	Ownership Interest (%)	Country
Ada GES Elektrik Üretim A.Ş.	Electricity Generation and Sales from Solar Energy	100	Türkiye
Alfa Solar Romanya Şti.	Electricity Generation and Sales from Solar Energy	90	Romania
AlfaSolar Teknoloji Yatırımları A.Ş.	Investment in Technology and Software Companies	99,5	Türkiye
Golden Solar Single Member I.K.E	Electricity Generation and Sales	100	Greece

GOVERNANCE

GOVERNANCE

Sustainability Governance Structure of Alfa Solar Enerji

The Board of Directors holds the highest level of responsibility for the Company's sustainability- and climate change–related activities. In this context, the strategic planning of sustainability practices and their integration into decision-making processes are carried out under the leadership of senior management.

Sustainability activities are conducted by the Sustainability and Investor Relations Department, which operates under the direct supervision of the Chief Financial Officer (CFO). The Board of Directors is regularly informed about developments related to sustainability and climate matters and provides guiding decisions when deemed necessary.

The strategic management of sustainability matters within the Company is ensured by the Sustainability Committee, which operates under the authority of the Chief Executive Officer (CEO). With the support of the Sustainability Department, the Committee undertakes efforts to integrate environmental, social, and governance (ESG) factors into the corporate strategy and plays an active role in the management of climate-related risks and opportunities.

The Company assesses sustainability- and climate change–related risks from short-, medium-, and long-term perspectives, and develops and implements action plans to manage these risks. Performance indicators determined in line with priorities such as reducing the carbon footprint, enhancing energy efficiency, and adopting sustainable business models are regularly monitored and reported to the Board of Directors. Climate risks are systematically analyzed and reported in accordance with Company policies, while sustainability practices are periodically reviewed, and improvement recommendations are submitted to the Sustainability Committee.

The Sustainability Policy defines the authorities and responsibilities of the CEO, the Sustainability Committee, and the relevant departments within the Company's governance structure, while also setting out the fundamental principles guiding the Company's sustainability strategy. In this regard, the Company commits to aligning its sustainability investments with the United Nations Sustainable Development Goals (SDGs) and to contributing to the achievement of these goals.

The Board of Directors

The Board of Directors is responsible for the highest level of oversight of the Company's sustainability strategies and risk management processes. This scope of responsibility encompasses all sustainability-related matters, including but not limited to environmental and climate-related risks and opportunities.

As of 2024 and the reporting period, the monitoring of all processes related to sustainability management at the Board of Directors level is ensured through briefings provided at least once a year by the Investor Relations and Sustainability Department.

The Board of Directors of Alfa Solar Enerji, composed of members with diverse experience and competencies, possesses the necessary expertise to oversee sustainability- and climate-related matters.

Within the scope of the Company's periodically reviewed sustainability priorities, the Board of Directors defines and approves the strategy, policies, and related risks and opportunities in the field of sustainability.

The Sustainability Committee, operating under the leadership of the Chief Executive Officer (CEO), provides technical knowledge and expertise on climate change and sustainability matters, thereby contributing to the Board of Directors' effective decision-making and oversight processes.

The Company's management approach to sustainability-related risks and opportunities is conducted on an annual basis, with the overall responsibility for this process assumed directly by the Board of Directors.
The Company's risk management approach is structured as an integral part of strategic decision-making processes. and internal company policies.

The Board of Directors not only determines the strategic direction but also adopts a proactive and holistic approach to ensure the effective management of risks. As climate change is considered a critical sustainability risk, the Board of Directors plays an active role in climate and risk management processes. In this context, two members of the Board of Directors serve on the Sustainability Committee, ensuring the integration of sustainability considerations into decision-making mechanisms.

Members of the Board of Directors regularly assess key risk areas to which the Company may be exposed, including financial, operational, strategic, legal, reputational, and cybersecurity risks. Within this framework, while guiding the development of risk mitigation strategies, the Board also monitors the effectiveness of implemented practices and ensures that high-priority risks are managed accurately and in a timely manner. In addition, effective communication channels with senior management are maintained to ensure that up-to-date developments related to risks and risk management activities are communicated to the Board of Directors in a timely manner.

In order to foster a risk-aware corporate culture, the Board of Directors seeks to ensure that risk management strategies are integrated into all operational processes and decision-making mechanisms of the Company. The Company's crisis management plans and emergency scenarios are approved by the Board of Directors and are subject to periodic review. The Board also bears responsibility for ensuring that all activities are conducted in compliance with legal regulations, sector standards, and internal company policies.

All risk management processes, including sustainability- and climate-related risks and opportunities, are systematically integrated into the Company's strategic decision-making mechanisms under the guidance of the Board of Directors.

Sustainability Committee

With due consideration for the sustainability of the needs of future generations, Alfa Solar established its Sustainability Committee at the beginning of 2024 in order to integrate sustainability into its business practices.

Since its establishment, the Company has taken care to ensure that all of its activities are aligned with a sustainability-oriented approach. The Sustainability Committee was established to integrate this approach into the business model in a more systematic and focused manner.

An effective governance structure is of critical importance for the integration of environmental, social, and governance (ESG) matters across the Company. The management of sustainability-related matters is carried out by the Sustainability Committee operating under the authority of the Chief Executive Officer (CEO).

The Sustainability Committee, led by the CEO of Alfa Solar and operating under the coordination of the Sustainability Department, was established in 2024. The Committee, composed of senior management, convenes at regular intervals, and committee decisions are reported to the Board of Directors.

The members of the Committee consist of department heads with experience and expertise in different fields, enabling sustainability matters to be addressed from a strategic, holistic, and interdisciplinary perspective.

Chaired by the Chief Executive Officer (CEO), the Sustainability Committee convenes quarterly to assess impacts, risks, and opportunities arising in the field of sustainability. Committee members are responsible for ensuring the integration of the Company's sustainability and climate strategies into business processes.

The Sustainability Committee is among the highest-level bodies responsible for the overall management, coordination, and oversight of all activities related to sustainability and climate change within the Company. By ensuring the effective monitoring, assessment, and management of sustainability-related risks and opportunities, the Committee oversees the alignment of the Company's strategy with sustainability objectives.

The Committee's primary responsibilities include ensuring the effective functioning of the sustainability governance structure, monitoring the Company's sustainability strategy and targets, assessing potential impacts related to climate change, enhancing sustainability performance,

and defining sustainability processes through indicators established at the business unit level. Where deemed necessary, these processes are carried out in collaboration with other relevant committees and dedicated working groups.

Where deemed necessary by the Committee, temporary or permanent working groups composed of representatives from different departments may also be established to address specific agenda items aimed at supporting the Company's sustainability objectives.

The Committee analyzes sustainability-related risks and opportunities and ensures their integration into strategic decision-making processes. During these analyses, economic, environmental, and social impacts are considered collectively, and a holistic perspective is adopted by taking potential trade-offs into account. At Committee meetings, national and international developments, sustainability standards, sector trends, technological advancements, and digitalization are regularly reviewed. In addition, stakeholder expectations, changes in legal regulations, and market conditions are analyzed and incorporated into decision-making processes. This comprehensive approach enables not only the effective management of existing risks but also the efficient identification and evaluation of long-term opportunities.

The Committee does not merely monitor current activities; it also assumes a guiding role to ensure the dynamic management of the sustainability strategy, based on recommendations received from business units and the Sustainability Department. Matters such as updating the strategy, reshaping sustainability approaches, or intervening in response to developments encountered during implementation constitute the core agenda items of the Committee.

The Company's large-scale strategic decisions are addressed from a sustainability perspective; the potential environmental, social, and governance (ESG) impacts of such decisions are evaluated together with risk and opportunity analyses, with the aim of integrating an awareness of trade-offs into the decision-making processes.

More detailed information regarding the duties and responsibilities of the Sustainability Committee can be found on pages 109–110 of the Alfa Solar Enerji Integrated Annual Report.

Sustainability Department

The coordination and execution of sustainability activities are carried out by the Sustainability and Investor Relations Department, which operates under the direct supervision of the Chief Financial Officer (CFO). This department manages the operational processes supporting the implementation of sustainability objectives and contributes to the Company's corporate sustainability performance by organizing related reporting and stakeholder communication.

Alfa Solar Enerji's sustainability approach is not limited solely to a vision or strategy document; it also encompasses efforts aimed at integrating this approach into business processes. In this context, the Sustainability Department has been structured to ensure the company-wide adoption of the sustainability strategy, its alignment with relevant processes, and its effective implementation across operations.

The primary responsibility of the Sustainability Department is to coordinate and guide activities aimed at the continuous improvement of the Company's environmental, social, and governance (ESG) performance. Within this scope, the Department is responsible for the planning, implementation, and monitoring of sustainability initiatives carried out with both internal and external stakeholders. In order to enhance employees' sustainability awareness, strengthen corporate awareness, and promote the adoption of strategic sustainability objectives, the Department works in close collaboration with relevant business units and, where necessary, with external partners.

The Department monitors national and international sustainability standards, reporting frameworks, and regulatory requirements, and ensures the applicability and implementation of related procedures, policies, and practices within the Company. It manages and reports, in coordination with relevant business units, processes related to data generation, data collection, and assurance of data reliability for CDP, GRI, TSRS, as well as other sustainability- and climate change–focused reporting platforms.

In addition, the Department plays an active role in defining the Company's sustainability targets and in developing the actions required to achieve these targets. In this context, it directly contributes to the development, implementation, and performance monitoring of action plans. The Sustainability Department not only monitors the achievement of targets but also supports strategic sustainability management by developing improvement recommendations aimed at enhancing process effectiveness.

As of 2024, the Sustainability Department has assumed a critical role in enhancing Alfa Solar Enerji's environmental, social, and governance (ESG) performance. The Department carries out the processes of identifying, analyzing, monitoring, and managing existing and potential risks that may affect the Company's ability to achieve its sustainability objectives, and integrates the responses developed for these risks into the Company's overall risk management system. In particular, by taking into account the impacts of climate change on operations, financial structure, and long-term strategic planning, the Department also evaluates related opportunities and informs the relevant governance bodies accordingly.

In addition, the development, updating, and integration of sustainability and climate policies into business processes fall under the direct responsibility of the Sustainability Department. Monitoring and reporting on whether developed projects and implemented action plans are progressing in alignment with the Company's strategy are also within the scope of the Department's responsibilities.

Risks and opportunities related to climate and sustainability are classified by taking into account both their operational and financial impacts, and, based on the analyses conducted, actions aimed at enhancing the Company's long-term resilience are developed. This structure not only strengthens strategic resilience across the organization but also directly contributes to the sustainable value creation process.

Committee for the Early Detection of Risks

The Committee for the Early Detection of Risks, established in 2022, operates within Alfa Solar Enerji with the aim of contributing to the strengthening of the Company's risk management system. Reporting directly to the Board of Directors, the Committee assumes an advisory role, particularly in the early identification of financial and operational risks.

The scope of the Committee's responsibilities encompasses a broad perspective, including risks related to sustainability and climate change. In this context, environmental, social, and governance (ESG) risks that the Company may face are assessed, while necessary measures are developed by taking into account their potential impacts on long-term business strategies and financial performance.

Climate-related risks and opportunities are analyzed from both quantitative and qualitative perspectives. Based on these assessments, the identified risks are communicated to the Sustainability Committee, and department managers within the Committee prepare action plans specific to their respective areas of responsibility. These plans serve as an important reference for mitigating potential impacts, strengthening adaptation processes, and identifying investment needs.

Integration of Sustainability into Performance Management

Alfa Solar Enerji implements a performance-based bonus system in order to enhance employee engagement and alignment with strategic objectives. As of 2024 and the reporting period, this system has been implemented through a multidimensional approach that encompasses not only individual performance but also sustainability performance.

Throughout the year, individual performance indicators (KPIs) have been established for all employees, with due attention paid to ensuring that these indicators are aligned with the Company's overall strategic objectives and sustainability vision. Employee performance is monitored at defined intervals during the year based on the periodic review of the established targets and the assessment of achievement levels, and bonus payments are implemented in line with the results obtained.

At the senior management level, sustainability-linked criteria have been explicitly integrated into performance and remuneration processes. Strategic objectives related to sustainability and climate change are incorporated into the individual KPI systems of relevant executives, and these matters have a direct impact on performance evaluations.

In particular, Sustainability Committee members, as well as department managers and specialist-level employees holding critical roles related to climate and sustainability, have sustainability- and climate-specific targets included in their performance indicators.

Although the weightings of targets within overall performance are not defined by a fixed ratio, KPIs are evaluated on a semi-annual basis through regular monitoring processes, and achievement levels are tracked by the Human Resources Department.

This approach supports the adoption of sustainability as a company-wide culture, while enabling employees' individual contributions to be measured through concrete and quantifiable targets, thereby allowing them to directly contribute to long-term success.

Remuneration and Reward System

Alfa Solar Enerji adopts a fair, transparent, and competitive remuneration approach for its employees. This approach aims to enhance employees' quality of life and is structured by taking into account key factors such as competencies, level of experience, performance, scope of responsibilities, and career level. The remuneration process is carried out within a comprehensive assessment framework that considers not only individual qualifications but also overall economic conditions, inflation rates, and sectoral wage benchmarks at the national level.

Within the scope of the Company's Remuneration Policy, the fixed remuneration applicable to Members of the Board of Directors is determined annually at the Ordinary General Assembly meeting, based on an assessment of the scope of their duties and responsibilities.

The remuneration structure established for senior management is designed as a two-component system, consisting of a fixed salary and a performance-based variable bonus. In determining fixed remuneration, factors such as the size of the Company, managerial responsibilities, long-term strategic objectives, and the market value of the relevant position are taken into consideration. This process is conducted in alignment with national regulations and international human resources practices.

Under the performance-based bonus system, individual and corporate achievements are evaluated based on the targets (KPIs) set throughout the year. Following the semi-annual performance evaluations, bonus payments are made in accordance with the level of achievement of individual and sustainability-related objectives. This system aims to directly integrate sustainability-oriented performance into reward mechanisms, while also enhancing employee motivation and supporting the sustainability of corporate success.

Integration of Sustainability into Business Processes

As one of Türkiye's leading energy companies, Alfa Solar Enerji, with a strong awareness of the need to mitigate the impacts of climate change, leverages advanced technologies and specialized expertise to minimize the potential environmental and social impacts of its operations.

By incorporating sustainability-related risks and opportunities into strategic decision-making processes, the Company closely monitors not only issues such as climate change, energy efficiency, natural resource use, and waste management, but also regulatory developments and market trends.

The Company addresses these risks and opportunities in an integrated manner across investment decisions, operational processes, innovative projects, and stakeholder relations. By developing innovative products and services, it focuses on enhancing energy efficiency and expanding renewable energy investments.

With its strong organizational structure and dynamic governance model, Alfa Solar Enerji strives to develop its products and services through the use of globally accredited certifications, analyses, and tests that are concrete, reliable, and based on sustainable measurements, while carrying out all its operations and activities. Sustainability objectives established across the Company's facilities, offices, areas of operation, and all organizational levels are effectively communicated and embedded.

Alfa Solar Enerji considers climate change and environmental sustainability as an integral part of its corporate governance structure.

When making investment decisions, environmental risks and opportunities are examined at both local and global levels. In accordance with international standards, the environmental, social, and economic impacts of investments are assessed. The environmental performance of investments is evaluated in compliance with legal requirements and is subject to regular audits.

The management of climate-related risks is not limited solely to practices specific to individual projects; rather, it is carried out in an integrated manner within core operational processes such as quality management, energy efficiency, environmental management, and occupational health and safety. In this context, the quality and environmental standards implemented by the Company under its Integrated Management System (IMS) enable the systematic monitoring, assessment, and incorporation of climate risks into a continuous improvement cycle.

Within the scope of the IMS, the Company has established a structure aligned with international standards, including ISO 9001 (Quality Management), ISO 14001 (Environmental Management), ISO 45001 (Occupational Health and Safety), and ISO 50001 (Energy Management). These standards form the basis for the identification, monitoring, and control of climate-related environmental impacts at the corporate level.

In addition, the Company approaches climate risk management not only as a means of ensuring compliance with existing regulations, but also as a strategic management tool that contributes to the achievement of its long-term objectives. Accordingly, the Company continues to develop policies and procedures aimed at ensuring that climate-focused risks are more strongly embedded within the corporate culture.

Consideration of Climate-Related Matters in Decision-Making Processes

Alfa Solar Enerji plays a significant role in mitigating and adapting to climate change and continuously enhances its efforts to contribute to the environment and society. In this context, through the renewable energy power plant investments carried out in 2024, the Company has expanded its sustainable energy portfolio while taking important steps toward reducing environmental impacts.

As a leading company in the energy sector, the fight against climate change is of critical importance for the Company. Aware of the impacts of greenhouse gas emissions released into the atmosphere as a result of energy production activities, the Company considers it among its responsibilities to minimize its environmental footprint and to transition toward sustainable energy generation. Within this framework, the Company takes concrete steps toward a sustainable future by integrating climate-related risks and opportunities into its business plans.

Developing effective solutions to combat the climate crisis has become one of the Company's priority objectives, and accordingly, renewable energy investments are being continuously increased. In line with the Company's target of achieving a 1 GW renewable energy power plant investment portfolio, power plant investments are ongoing not only in Türkiye but also in Romania.

In 2024, significant steps were taken to increase the use of electric vehicles in employee transportation in order to reduce environmental impacts. By promoting sustainable mobility, the Company raises employee awareness of environmentally friendly transportation alternatives through meetings and encourages the preferential use of sustainable options whenever possible.

With the aim of mitigating climate change risks arising from greenhouse gas emissions and aligning its business model with the energy transition, the Company initiated solar power plant installation projects in 2023 to meet the electricity consumption of its administrative and factory buildings. The installation of the power plant was completed in August 2024.


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STRATEGY

STRATEGY

Alfa Solar Enerji regards climate change not only as an environmental threat, but also as a key dynamic shaping economic and technological transformation. In line with this understanding, climate-related risks and opportunities are integrated into the Company's business strategies and decision-making mechanisms with a long-term value creation perspective.

In the corporate strategy development processes, climate-related factors are addressed through a holistic approach and are taken into consideration across all decision-making areas, from production and investments to procurement and financial planning. Within this framework, the Company acts in line with multidimensional objectives, including reducing carbon emissions, enhancing energy efficiency, expanding the use of alternative resources, strengthening supply chain resilience, and developing a renewable energy–based product portfolio.

Legal frameworks shaped by global and national regulations in the fight against climate change also play a determinative role in the Company's strategic direction. In particular, initiatives such as the European Green Deal, the European Union Emissions Trading System (EU ETS), and the Carbon Border Adjustment Mechanism (CBAM) have a direct impact on the Company's operational processes and investment plans.

Alfa Solar Enerji positions its sustainability strategy as an effective risk management tool. In this context, priorities such as reducing the carbon footprint, transitioning to low-carbon technologies, ensuring full compliance with environmental regulations, and adopting circular economy principles are addressed in an integrated manner with the Company's business model.

Throughout the reporting period, the Company's operations were not exposed to any significant financial impacts arising from climate change. No material adverse effects on assets were observed with respect to either physical risks (such as extreme weather events) or transition risks (such as regulatory changes or market adaptation).

Within the Company's existing infrastructure, there are no idle production lines, obsolete technologies, or assets that are not climate-aligned. Similarly, there have been no instances of changes in asset use, asset conversion, or asset closures due to climate-related reasons.

In line with its sustainability vision, Alfa Solar Enerji develops strategies aimed at enhancing corporate resilience against the potential impacts of climate change, strengthening adaptation mechanisms, and effectively managing risks. Within this framework, sustainability-related risks and opportunities are systematically integrated into the Company's strategic planning and decision-making processes.

Policies and practices developed in priority areas such as climate-related impacts, environmental responsibilities, and supply chain resilience are implemented by the relevant business units and directly embedded into operational processes. Through this approach, sustainability principles become one of the core elements guiding the Company's day-to-day operations.

The Company's sustainability strategy has a dynamic structure. This strategy is periodically reviewed and updated in response to newly emerging environmental, economic, or technological risks, thereby enhancing the Company's adaptive capacity. Sustainability objectives are integrated into the Company's strategy with a short-, medium-, and long-term perspective, while transformation across the entire value chain is pursued through collaborative and innovation-focused projects.

Sustainability performance is regularly measured and reported, and the findings are presented to senior management for strategic evaluation. Where necessary, timely and effective actions are taken, ensuring the continuation of a proactive approach to sustainability management.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Alfa Solar Enerji addresses the multidimensional impacts of climate change through a holistic approach, considering both physical and transition-related risks as an integral part of its strategic planning. Analyses conducted in line with the Company's enterprise risk management approach are structured to cover short-, medium-, and long-term time horizons, and the potential impacts of climate-related uncertainties on the business model are examined in a comprehensive manner.

Across all regions in which it operates, the Company regularly analyzes the physical impacts of climate change —in particular issues such as water scarcity and extreme weather events—and also incorporates into its risk management processes the regulatory, financial, and technological changes that may arise during the transition to a low-carbon economy. In this context, the potential impacts of developments such as carbon pricing or emissions trading on raw material costs are taken into consideration.

At the same time, climate-related opportunities constitute a key strategic priority. Developments such as the increasing demand for renewable energy, growing interest in sustainable products and services, digitalization, and investments in green technologies are assessed as new growth areas for Alfa Solar. By integrating these opportunities into its business model, the Company supports the creation of both environmental and economic value.

Alfa Solar also evaluates the opportunities arising from climate change through a systematic approach. The rapidly increasing global demand for renewable energy, market expansion in low-carbon technologies, and advancements in energy storage systems are considered strategic opportunities for the Company.

No significant risk of material adjustments to the carrying amounts of assets and liabilities reported in the financial statements is anticipated for the current or subsequent reporting periods.

Alfa Solar Enerji's approach is not limited solely to risk mitigation, but also aims to establish a corporate structure resilient to climate change. In this context, sustainability-based strategies are defined, regular review mechanisms are implemented, and climate-related assessments are actively incorporated into decision-making processes. All these efforts are carried out in alignment with TSRS 2, across the dimensions of governance, strategy, risk management, and performance metrics.

Definitions of Risks and Opportunities

Time Horizon	Linkage to Strategic Decision-Making Processes
SHORT TERM: 0–3 YEARS	This period focuses on the Company's priority objectives and matters requiring immediate action. Operational priorities and tactical implementations are addressed in alignment with the Company's strategy. Due to the inherently uncertain nature of climate change, the definition of the short term is kept flexible, thereby supporting rapid and effective decision-making processes in response to unforeseen risks.
MEDIUM TERM: 3–10 YEARS	The medium-term period is shaped by the implementation of strategic initiatives and the advancement of capacity-building efforts. During this phase, key focus areas include sustainable product development, restructuring the supply chain in line with environmental and social criteria, and preparation for new regulations. The reason this period extends beyond the traditional financial planning horizon is that the impacts of climate change emerge gradually over time.
LONG TERM: 10 YEARS AND BEYOND	In the long term, the focus is on the achievement of strategic objectives and the management of systemic transformation. Within this scope, the Company aims to decarbonize the supply chain, capitalize on opportunities arising from climate change, and enhance resilience against climate-related risks across operational processes. This long-term perspective plays a guiding role in the Company's strategic decision-making processes.

Types of Risks		
Physical Climate Risks	**Acute Risks**	Sudden and severe events such as storms, floods, and heatwaves
	Chronic Risks	Gradually developing impacts such as increases in average temperatures, sea level rise, and long-term changes in precipitation patterns
Climate Transition Risks	**Policy Risk**	Obligations arising from new carbon taxes or environmental regulations
	Technology Risk	Adaptation and cost challenges associated with the transition to low-carbon technologies
	Legal Risk	Litigation and liabilities that may arise due to non-compliance with climate-related regulations
	Market Risk	Risks arising from changes in supply and demand driven by climate change
	Reputational Risk	Negative impacts on brand value and stakeholder trust resulting from the failure to meet environmental expectations

Position of Risks and Opportunities within the Value Chain	
Stage	**Description**
Upstream	The process through which raw materials, intermediate goods, and inputs are sourced from suppliers.
Direct Operations	Activities covering the Company's production, operational, and management processes under its direct control.
Downstream	The process encompassing the delivery of products to the market, customer engagement, and after-sales services.

Priority Climate-Related Risks

Physical Climate Risks

RISK INFORMATION	**Chronic Physical Risk** **Water Stress Risk** **Time Horizon:** Medium and Long Term **Impact:** Low **Likelihood:** High **Value Chain Stage Where the Risk is Concentrated:** Direct Operations
RISK DESCRIPTION	Permanent changes in precipitation patterns may lead to a reduction in water resources, particularly during prolonged drought periods, thereby posing risks to operations. According to data from the WRI Aqueduct Water Risk Atlas, both the Company's factories in Kırıkkale and its head office in Ankara are located in areas classified as having "Extremely High" water stress, under both baseline and future scenarios.
IMPACTS OF THE RISK ON OPERATIONS AND THE VALUE CHAIN	At the solar panel manufacturing facilities located in Kırıkkale, water consumption is limited to domestic-use purposes, and no water is used in the panel production process. Therefore, direct operational impacts are limited; however, water scarcity may lead to increased water procurement costs. Water stress may also extend beyond the Company's direct operations and affect the supply chain. Production disruptions experienced by water-dependent subcontractors and suppliers may result in delivery delays and increases in input costs. The pass-through of these cost increases to product prices could indirectly raise the Company's production expenses. In addition, water-related constraints may disrupt suppliers' production and logistics processes, negatively affecting operational continuity and increasing costs while reducing efficiency across the value chain. In the planned cell manufacturing facility, water will be used as a critical input in the production process. Accordingly, potential future water scarcity may have more pronounced impacts on production efficiency.
IMPACTS OF THE RISK ON FINANCIAL POSITION, FINANCIAL PERFORMANCE, AND CASH FLOWS	Increasing water stress has the potential to lead to higher water prices and short-term operational disruptions in the event of supply interruptions. During the current reporting period, no material impact of this risk on the Company's financial position, performance, or cash flows has been observed. In the medium term, increases in water prices may result in higher operational costs. In particular, at the planned cell manufacturing facility—where water constitutes a critical input—supply interruptions may directly affect production processes. Measures taken to address water supply challenges and potential operational inefficiencies may increase operating expenses. In the long term, potential water supply constraints may necessitate infrastructure investments and lead to production disruptions. Rising water prices may continue to increase operational costs over the long term. However, due to data limitations and measurement uncertainties, the quantitative magnitude of these impacts could not be calculated, and only qualitative assessments have been conducted. The fact that the cell manufacturing facility has not yet become operational also contributes to uncertainty in forward-looking estimates regarding the relationship between water consumption and production efficiency. Moreover, as potential rates of increase in water prices and their impact on operational costs cannot be reliably forecast, quantitative estimation is not feasible. Consequently, the financial impacts of the risk cannot be expressed numerically, and vulnerabilities related to revenues and operations can only be assessed in general qualitative terms.
MITIGATING ACTIONS	The Company regularly monitors water stress indicators in the regions where its facilities are located. In parallel with the planned cell manufacturing investment, water footprint studies have been initiated and the scope of water management has been expanded. In addition, alternative water supply sources, water recovery practices, and emergency response plans are being evaluated.
IMPACTS OF THE RISK ON STRATEGY AND DECISION-MAKING PROCESSES	Given the limited dependence on water in current operations, short-term impacts on business continuity are assessed as low. However, with the planned cell manufacturing investment, water management will become a more critical area. Accordingly, this issue is regularly monitored by the Sustainability Committee and is integrated into strategic decision-making processes.

Physical Climate Risks

RISK INFORMATION	**Acute Physical Risk** **Extreme Weather Events Risk** **Time Horizon:** Long Term **Impact:** Low **Likelihood:** High **Value Chain Stage Where the Risk is Concentrated:** Direct Operations and Upstream Value Chain
RISK DESCRIPTION	Increasing extreme weather events arising from the climate crisis—such as fires, floods, storms, hail, and similar events—may give rise to risks related to damage to factories, machinery, and raw materials, as well as ensuring employee safety. Such events may also lead to disruptions in supply chain processes and damage to energy infrastructure. In particular, solar panels installed at solar power plant (SPP) sites may be adversely affected by such events, and the progress of ongoing investments may also be disrupted.
IMPACTS OF THE RISK ON OPERATIONS AND THE VALUE CHAIN	Extreme weather events driven by climate change may pose significant risks to existing energy infrastructure and operations. Floods, storms, heavy rainfall, and extreme temperatures may increase maintenance costs and cause damage to energy transmission lines, leading to power outages and operational failures. Severe precipitation and temperature fluctuations may create structural issues in administrative buildings, damage equipment, and disrupt business continuity. Disruptions within the logistics network may cause delays in raw material supply and customer deliveries, resulting in operational interruptions across the value chain. Damage occurring at solar power plants may make site access more difficult for repair teams, particularly under conditions such as heavy snow or storms. This may lead to extended repair durations, higher maintenance costs, and increased safety risks at sites.
IMPACTS OF THE RISK ON FINANCIAL POSITION, FINANCIAL PERFORMANCE, AND CASH FLOWS	Historical data indicate that extreme weather events have not caused significant disruptions to date in the regions where the Company’s facilities and sites are located. Accordingly, the financial impacts of extreme weather risks are expected to remain relatively low and manageable in the short and medium term. However, in the long term, climate change is expected to lead to increased frequency and severity of such events. Under such circumstances, maintenance and infrastructure expenditures, capital investments, and insurance premiums may increase. Physical damage caused by extreme climatic conditions may raise repair costs, while production interruptions may exert pressure on cash flows and adversely affect profitability. Nevertheless, due to data limitations and uncertainties, it is not possible to quantitatively estimate these impacts. Limited local damage statistics, wide probability ranges across different climate scenarios, and uncertainties regarding the timing of potential impacts further increase this uncertainty. Events such as floods may lead to temporary disruptions in production and delivery processes, higher operational costs, and short-term fluctuations in revenue streams.
MITIGATING ACTIONS	Rainwater drainage systems are in place at the factory sites, where rainwater is collected separately and discharged into the nearest stream. Stored raw materials and products are kept in enclosed areas and protected in elevated locations. Factory and warehouse buildings are designed to be resilient to strong winds and heavy rainfall. The amount and duration of outdoor storage are minimized, and logistics planning is adjusted accordingly. Employees regularly participate in emergency drills, and protective infrastructure measures are continuously reviewed by the Facility Security Unit together with the Environment and Occupational Health and Safety (EHS) Department. Electrical installations are regularly inspected and efforts are made to prevent overloading. In addition, investments in backup power systems are planned to ensure the continuity of critical operations during power outages. To address risks at solar power plant sites, the Company’s R&D Department conducts studies aimed at enhancing the resilience of solar panels to harsh climatic conditions. Production security is supported through maintaining specific raw material stock levels, and supply chain strategies for emergency situations are being developed.
IMPACTS OF THE RISK ON STRATEGY AND DECISION-MAKING PROCESSES	Emergency scenarios are being developed, and plans are in place to provide logistical support from alternative facilities when necessary. In light of increasing physical risks, insurance policies are regularly reviewed, and asset protection has become an integral part of strategic decision-making processes.

Transition Risks

RISK INFORMATION	**Market Risk** **Risk of Increase in Prices of Carbon-Intensive Raw Materials Due to the Planned Emissions Trading System (ETS) in Türkiye** **Time Horizon:** Short to Medium Term **Impact:** Low **Likelihood:** High **Value Chain Stage Where the Risk is Concentrated:** Direct Operations and Upstream Value Chain
RISK DESCRIPTION	The National Emissions Trading System (ETS) planned to be implemented in Türkiye during the 2025–2026 period is expected to introduce carbon pricing, which may lead to cost increases, particularly in energy and raw material procurement. Although Alfa Solar does not have a direct ETS obligation, the use of carbon-intensive raw materials in its production processes may give rise to indirect cost pressures.
IMPACTS OF THE RISK ON OPERATIONS AND THE VALUE CHAIN	The implementation of the planned ETS in Türkiye is expected to lead to increased costs, particularly in high carbon-intensive sectors such as electricity and aluminum. The pass-through of these costs to suppliers may result in an indirect increase in Alfa Solar's production costs. This pressure may become more pronounced in production stages requiring high energy consumption, potentially leading to an upward impact on per-unit production costs. However, the solar power plant (SPP) investment that has already been completed to meet the Company's own energy needs is expected to offset potential increases in energy costs required for production. Accordingly, electricity cost increases are not anticipated to pose a significant risk for the Company. Nevertheless, supplier cost increases resulting from the ETS for carbon-intensive materials, such as aluminum, may drive higher per-unit production costs, which could in turn lead to increases in final product prices. Therefore, in the medium term, shifting toward low-carbon material sourcing, collaborating with suppliers with lower carbon footprints, and developing joint carbon reduction projects with suppliers may emerge as strategic necessities.
IMPACTS OF THE RISK ON FINANCIAL POSITION, FINANCIAL PERFORMANCE, AND CASH FLOWS	While the direct cost impact of the ETS is expected to be limited in the short term, indirect costs are likely to become more pronounced in the medium and long term as carbon pricing becomes more established. Potential increases in electricity prices, additional costs applied to carbon-intensive raw materials, and the pass-through of these costs by suppliers may result in higher production costs and exert pressure on profitability. The financial magnitude of potential costs arising from ETS implementation cannot yet be quantified, as the regulatory framework and carbon price levels have not been finalized. While potential increases in electricity prices are expected to be balanced by the Company's SPP investments, uncertainty remains regarding the price trajectory of carbon-intensive raw materials. In addition, the extent to which suppliers will pass cost increases through to product prices remains unclear. Accordingly, direct impacts are considered limited in the short term; however, in the medium and long term, there is a possibility that production costs may increase structurally as the scope of carbon pricing expands. Nevertheless, as such cost increases are expected to be experienced across the sector, price pass-through mechanisms may help to mitigate pressure on profitability.
MITIGATING ACTIONS	To reduce indirect greenhouse gas emissions from electricity, which are expected to fall within the scope of the ETS, the Company has commissioned solar power plant (SPP) investments. In addition to an SPP site in Afyon established to meet the Company's own electricity needs, SPP installations are also located on factory rooftops. The installed capacity of these facilities is sufficient to meet the Company's increasing energy demand. The Company operates under a sustainable supply chain strategy, working with corporate suppliers compliant with international standards and establishing alternative suppliers to mitigate emergency risks. Sector-specific and climate-related regulations and publications are closely monitored by the Legal and Sustainability Department and the Sustainability Committee, and compliance strategies are developed accordingly.
IMPACTS OF THE RISK ON STRATEGY AND DECISION-MAKING PROCESSES	Regulatory mechanisms such as the ETS are integrated into the Company's risk management and sustainability processes. Controlling energy costs and reducing the carbon footprint are among the core priorities of Alfa Solar's sustainability strategy. Investment decisions, long-term strategy, financing policies, and market expectations are evaluated in an integrated manner, and ETS-related risks are considered within this framework.

Transition Risks

RISK INFORMATION	**Policy and Legal Risk** **Regulatory Framework and Risks Related to the Transition to a Low-Carbon Economy** **Time Horizon: Short to Medium Term** **Impact: Low** **Likelihood: High** **Value Chain Stage Where the Risk is Concentrated: Direct Operations**
RISK DESCRIPTION	Rapidly evolving regulations aimed at combating climate change may directly affect the feasibility of projects in the energy sector and lead to increased costs. Failure to comply with new obligations may result in administrative fines, loss of incentives, difficulties in accessing finance, and even license revocations. In addition, the insufficiency of incentives and financial instruments designed to support the transition to low-carbon technologies may hinder the achievement of sustainability objectives and further increase transition-related risks.
IMPACTS OF THE RISK ON OPERATIONS AND THE VALUE CHAIN	Frequent and rapidly changing regulations in the energy sector may create uncertainty in project planning and implementation, thereby disrupting operational processes. In the event of non-compliance, the Company may face administrative penalties and additional cost burdens. Failure to meet national and international commitments aimed at reducing carbon emissions may increase non-compliance risks across the entire value chain, affecting not only production activities but also the supply chain as a whole. In particular, the tightening of emissions-related regulations may elevate both legal sanction risks and cost pressures. On the other hand, the limited availability of financial instruments and market incentives to support the transition to low-carbon technologies may restrict the adoption of such technologies and slow down the transformation process. The reduction or removal of public support and economic incentives may increase investment costs, hinder access to finance, and potentially have a negative impact on customer demand.
IMPACTS OF THE RISK ON FINANCIAL POSITION, FINANCIAL PERFORMANCE, AND CASH FLOWS	Failure to fulfill new climate-related obligations arising from international agreements to which Türkiye is a party may expose the Company to sanctions such as administrative fines. Investments required to ensure regulatory compliance—such as carbon footprint measurement systems, energy efficiency solutions, and environmental reporting infrastructure—may generate additional costs, thereby increasing general administrative expenses. Moreover, potential administrative fines, license cancellations, or loss of incentives resulting from non-compliance may lead to direct cash outflows and revenue losses. Limited access to financial instruments and market incentives during the transition to low-carbon technologies may increase investment costs and result in inefficient use of capital expenditures. Nevertheless, the Company closely monitors regulatory developments and proactively manages compliance processes. Accordingly, no sudden or material financial burden is anticipated in the short term. Significant uncertainties exist regarding the likelihood, timing, and magnitude of future regulations related to climate change and risks associated with the transition to a low-carbon economy. For this reason, the financial impacts of these risks cannot be quantified with precision. However, administrative fines that may arise from non-compliance with regulatory obligations, as well as the additional costs associated with compliance and the transition to a low-carbon economy, are considered among the most probable impacts.
MITIGATING ACTIONS	The Company prioritizes investments aimed at improving energy efficiency and renewable energy projects across its operations. Government support schemes and incentive programs for renewable energy investments are closely monitored, and eligible funding and investment opportunities are evaluated. To ensure that energy consumption is met from renewable sources, rooftop and ground-mounted solar energy systems have been installed, contributing to the reduction of the carbon footprint. In addition, a transition to electric vehicles has been initiated in transportation activities to reduce environmental impacts. Alfa Solar Enerji conducts its climate and environmental management activities in accordance with international standards under the Integrated Quality Management Model. In this context, globally recognized systems such as ISO 14001 Environmental Management System and ISO 50001 Energy Management System are implemented. The Legal and Sustainability Department and the Sustainability Committee closely monitor sector-specific and climate-related legislation and publications, and compliance strategies are developed accordingly.
IMPACTS OF THE RISK ON STRATEGY AND DECISION-MAKING PROCESSES	Climate-related regulations and risks associated with the transition to a low-carbon economy are regularly addressed in Sustainability Committee meetings and integrated into senior management decision-making processes. This ensures the adoption of a proactive approach to managing regulatory risks in both strategic planning and day-to-day operations.

Priority Climate-Related Opportunities

OPPORTUNITY INFORMATION	**Renewable Energy Generation and Use** **Time Horizon:** Medium and Long Term **Impact:** Low to Medium **Likelihood:** High **Value Chain Stage Where the Opportunity is Concentrated:** Direct Operations
OPPORTUNITY DESCRIPTION	For Alfa Solar, renewable energy investments are considered a strategic area that both enables long-term control of energy costs and contributes to climate targets through the reduction of operational emissions. Through rooftop and ground-mounted solar power plant (SPP) projects, the Company is progressing toward its goal of eliminating Scope 2 emissions and views the energy transition as a significant lever for operational efficiency and corporate reputation. These investments not only provide protection against potential cost increases arising from carbon-based energy sources, but also create opportunities for access to green funds and sustainable finance instruments. Rising global energy costs, increasingly stringent sustainability regulations, and growing expectations for carbon footprint reduction are positioning renewable energy use as a source of competitive advantage.
IMPACTS OF THE OPPORTUNITY ON OPERATIONS AND THE VALUE CHAIN	The increasing strategic focus on renewable energy generation and use delivers multifaceted benefits, including lower energy costs, reduced carbon footprint, and enhanced environmental compliance across the Company's production processes. The integration of low-carbon energy sources, such as solar power, into operations leads to a reduction in direct electricity consumption–related emissions (Scope 2) and strengthens energy supply security. Meeting energy demand through the Company's own solar power plants reduces external dependency and limits risks arising from volatility in energy prices. Furthermore, increasing the use of renewable energy strengthens the perception among customers and investors that the Company operates with a strong sense of environmental responsibility, positively affecting brand value, facilitating integration into green supply chains, and providing a competitive advantage in areas where sustainability criteria are required, such as public tenders.
IMPACTS OF THE OPPORTUNITY ON FINANCIAL POSITION, FINANCIAL PERFORMANCE, AND CASH FLOWS	Alfa Solar's renewable energy investments increase the predictability of energy costs in the short term by reducing exposure to market price fluctuations. By utilizing self-generated electricity, the Company lowers operational costs, and in the medium term, SPP investments and energy efficiency projects are expected to deliver cost advantages and supply security, in alignment with the objective of eliminating Scope 2 emissions. In addition, these investments are expected to have positive effects on investor confidence and the Company's access to sustainable finance, thereby supporting its long-term competitiveness. Energy efficiency initiatives implemented under the ISO 50001 Energy Management System reduce energy intensity and enable the establishment of a more resilient financial structure against emissions-related cost pressures. This transformation supports the stabilization of energy expenses, reduces unit production costs, and contributes to the improvement of gross profit margins and overall profitability. Moreover, the reduction of the carbon footprint and the strengthening of environmental compliance help protect the Company against future regulations, such as carbon taxes and emissions trading systems (ETS) expected to enter into force, thereby preventing potential financial losses arising from penalties. The opportunity to benefit from public support and incentive mechanisms for the green transition—such as tax incentives, grants, and low-interest loans—is also expected to reduce investment costs, shorten payback periods, and enhance financial sustainability.
IMPACTS OF THE OPPORTUNITY ON STRATEGY AND DECISION-MAKING PROCESSES	Solar power plant investments are regarded not only as tools for emissions reduction, but also as strategic investments that strengthen energy supply security and enhance operational resilience. Renewable energy is positioned at the core of investment planning and is closely monitored by the Sustainability Committee. While energy efficiency is systematically managed under ISO 50001, emissions calculations aligned with ISO 14064-1 and the GHG Protocol are integrated into the Company's long-term climate objectives, ensuring consistency between operational actions and strategic decision-making.

OPPORTUNITY INFORMATION	**Increase in Renewable Energy Demand Driven by Changing Customer Preferences** **Time Horizon:** Medium and Long Term **Impact:** Medium to High **Likelihood:** High **Value Chain Stage Where the Opportunity is Concentrated:** Direct Operations and Downstream Value Chain
OPPORTUNITY DESCRIPTION	The increase in average temperatures associated with climate change is driving a rise in Türkiye's overall energy demand. This development is expected to lead to growing demand for renewable energy within the context of the energy transition. As part of the transition to a low-carbon economy, the promotion of solar energy solutions in industrial facilities and residential buildings is anticipated. In addition, companies seeking to reduce greenhouse gas emissions are expected to increasingly turn to renewable energy investments in order to lower their carbon footprints.
IMPACTS OF THE OPPORTUNITY ON OPERATIONS AND THE VALUE CHAIN	Increasing global environmental awareness, carbon emission reduction targets, and concerns regarding energy security are significantly reshaping the energy preferences of both individual consumers and corporate customers. This transformation is rapidly accelerating demand for renewable energy sources. The emergence of solar energy as a clean, cost-effective, and sustainable resource creates substantial growth potential for panel manufacturers and energy producers. This development not only supports increased sales volumes in existing markets, but also offers strategic opportunities for entry into new markets. Rising demand for renewable energy encourages capacity expansion and technological transformation within the Company's production facilities. The need for higher-efficiency solar panels accelerates research and development activities and supports investments in advanced technologies across production lines. In this context, the Kuzey (former) Factory, which had an annual production capacity of 290 MWp, has been modernized to adapt to evolving technologies, and its capacity has been increased to 500 MWp through the installation of new, technologically advanced production infrastructure. This development represents a significant advancement in terms of the Company's efficiency, technological adaptability, and production capability. In addition, the Company's solar panel production capacity was increased from 1,480 MWp to 1,980 MWp as of 2025. Active solar power plant (SPP) investments in Türkiye and Romania are also continuing as planned.
IMPACTS OF THE OPPORTUNITY ON FINANCIAL POSITION, FINANCIAL PERFORMANCE, AND CASH FLOWS	The increase in demand for renewable energy has a direct impact on the Company's revenues and profitability. With the commissioning of ongoing investments, particularly the expansion of SPP capacity, revenues are expected to increase over the long term. In line with the Company's 1 GW installed capacity target, Alfa Solar is expected to continue its growth by expanding its market share in electricity generation. Growing demand for renewable energy has the potential to strengthen cash flows by supporting growth in both solar panel sales and revenues from electricity generation. However, due to variability in the probability, timing, and magnitude of future product and service sales, the financial impact of this opportunity has not been quantified and has been assessed qualitatively only.
IMPACTS OF THE OPPORTUNITY ON STRATEGY AND DECISION-MAKING PROCESSES	Opportunities in the renewable energy sector are closely monitored at the management level and play a key role in shaping investment decisions and product development strategies. In this context, the Company's investments in renewable energy are being actively pursued.

SCENARIO ANALYSES AND CLIMATE RESILIENCE

Alfa Solar Enerji utilizes scenario analyses in order to more effectively manage the risks and opportunities arising from climate change. Within the scope of studies conducted in 2025, the Company's resilience to climate-related impacts that may affect its operations over the long term has been assessed. These analyses were prepared with the contributions of the Company's Sustainability Department and focus on both physical risks and transition risks. The assessments are designed to be integrated into strategic planning and decision-making processes.

In the analysis of climate-related risks, the International Energy Agency (IEA) scenarios—STEPS and NZE—were considered to assess transition risks, while physical risk analyses were based on the RCP 2.6, RCP 4.5, and RCP 8.5 scenarios published by the Intergovernmental Panel on Climate Change (IPCC). Through these scenarios, the potential risks and opportunities the Company may encounter under different climate conditions are systematically identified, and the necessary mitigation measures and areas requiring further development are determined.

Key risks identified for the Company include the potential cost increases associated with carbon pricing and regulatory developments, disruptions to logistics and supply chains caused by climate-related extreme weather events, and possible efficiency losses in operational processes. Conversely, the strategic importance of solar energy and the growing demand for low-carbon products present significant opportunities for the Company's business model.

The Sustainability Department regularly monitors climate-related metrics, shares the results with senior management, and develops action plans in areas deemed necessary. In addition, existing insurance policies are periodically reviewed, exclusions are assessed, and the Company's financial protection capacity against climate risks is analyzed.

Physical Climate Scenario Analyses

This study, conducted in 2025 using a desktop-based methodology to assess the Company's vulnerability to climate change–related physical risks, was carried out with a long-term perspective and a scenario-based approach. Prepared in alignment with the TSRS 2 framework, the analysis draws on internationally recognized scientific data sources.

Within the scope of the analysis, climate projections for 2030, 2050, and beyond were evaluated based on the RCP 2.6, RCP 4.5, and RCP 8.5 scenarios developed by the Intergovernmental Panel on Climate Change (IPCC).

The study focused in particular on three critical physical impact areas—increases in average temperatures, extreme weather events, and water stress. The direct and indirect implications of these impacts on the Company's operations were analyzed separately for each scenario.

Efforts to assess the local-scale implications of global scenarios, combined with the limited availability of local climate data and the inherent uncertainty of forward-looking projections, constitute significant sources of uncertainty in the interpretation of impacts on the Company's activities. Nevertheless, the analyses indicate that most physical risks are likely to be long-term in nature and to have relatively low impacts on the Company. However, water stress risk has been identified as a more tangible and higher-probability threat, and this factor has begun to be taken into account, particularly in long-term capacity planning.

These scenario analyses are not limited solely to risk identification, but also contribute directly to decision-making processes. The findings provide strategic inputs to management in areas such as updating the risk management framework, prioritizing research and technology investments, and shaping product strategy from a climate resilience perspective.

Comparison of Assumptions Used in Physical Climate Scenarios

	RCP 2.6 – Sustainability Pathway	RCP 4.5 – Intermediate Pathway	RCP 8.5 – Fossil-Fuel–Intensive Future
SCENARIO OVERVIEW	Carbon emissions are rapidly reduced; global temperature increase is limited to 1.5–2°C by 2100.	Emissions peak by 2040 and then decline. Temperature increase reaches approximately 2.5–3°C by the end of the century.	“Business-as-usual” scenario; emissions increase uncontrollably. Global temperatures may rise by up to 4°C by the end of the century.
ACUTE PHYSICAL RISKS	Acute risks remain low. Events such as hail, floods, and storms are infrequent and of low intensity. Risks of structural damage and insurance premiums are limited. Heatwaves and heavy precipitation may affect operations. Temporary weather-related logistics disruptions may occur.	Acute risks begin to increase: higher flood risk, deterioration of transportation infrastructure, and adverse impacts on employee health may be observed. Heatwaves become more frequent. Heat stress may seasonally restrict employee safety and maintenance activities. Hail and storm events become more pronounced, increasing the likelihood of panel damage.	Acute impacts may reach severe levels. Intense hail, floods, and storms occur frequently. Panel damage, infrastructure losses, and supply chain disruptions may arise. Extreme heatwaves become widespread, making outdoor field operations risky (particularly during July–September).
CHRONIC PHYSICAL RISKS	As temperature increase is limited to a maximum of 1.5°C, long-term chronic impacts are less pronounced. Water scarcity remains limited. Water demand stays at a manageable level. Operational planning may be required during seasonal drought periods. Gradual temperature increases may affect employee comfort and indoor cooling costs.	Water supply may become constrained during summer months in the Central Anatolia region. Investments in water recovery systems may be required. Energy demand increases due to rising temperatures. Productivity losses may occur. Additional energy consumption for cooling and heat control for personnel may be necessary. The lifespan of PV cells may be reduced due to increased UV exposure, leading to higher maintenance costs.	Access to water may become critically constrained. Production interruptions may occur in water-dependent systems. Extreme temperatures may reduce panel performance. Failures in electrical components and increased energy demand for cooling systems may arise. Workforce health risks, climate-induced migration, and delays in product supply may occur. Insurance premiums may increase significantly.

Results of Physical Scenario Analyses and Climate Resilience

According to internationally recognized WRI Aqueduct data, the Ankara–Kırıkkale region is exposed to an “extremely high” level of water stress under the baseline scenario, and this pressure is expected to persist in the 2030 and 2050 projections. The Company’s solar panel manufacturing facility located in Kırıkkale does not require process water in its production activities and only consumes water for domestic purposes, such as cleaning and daily employee use. Accordingly, the impact of water stress on the Company’s current operations remains limited.

However, water use is of critical importance for the planned cell manufacturing facility. As water is required in the cell production process, potential future water scarcity may disrupt production activities and adversely affect the cost structure. This risk becomes more pronounced under high-emission scenarios, particularly RCP 8.5, and emerges as a priority factor in long-term investment and operational planning.

Based on the climate scenario analyses conducted, the risk associated with increases in average temperatures remains at a “very low” level across the RCP 2.6, RCP 4.5, and RCP 8.5 scenarios as of 2030. Moving to the 2050 projections, the analyses indicate that the risk level increases to “low” under the RCP 2.6 and RCP 4.5 scenarios, while reaching a “medium” risk level only under the most adverse scenario, RCP 8.5.

Within this context, in order to enhance resilience to high temperatures, the R&D Department focuses on the development of next-generation solar panel technologies that are adaptable to harsh weather conditions. These efforts aim to mitigate the impacts of climate-related risks.

Another significant implication of rising temperatures is the increase in energy consumption. Growing demand for air conditioning and cooling, particularly during the summer months, exerts upward pressure on energy costs. However, the rooftop and ground-mounted solar power plant (SPP) projects commissioned by the Company play an important role in offsetting this cost pressure. The existing energy infrastructure has sufficient capacity to manage this risk in the short and medium term. Nevertheless, in the long term, the increase in cooling demand driven by higher temperatures is expected to lead to declines in production efficiency and greater maintenance requirements.

Heatwaves, on the other hand, have the potential to create more direct impacts on employee health, productivity, and equipment performance within production processes. According to the analyses conducted, this risk remains at a “low” level in 2030, but increases to a “medium” risk level across all scenarios by 2050. Rising temperatures may increase operational costs by driving higher energy consumption associated with the intensified use of cooling systems. This impact is being mitigated through energy efficiency strategies and the Company’s SPP investments.

Long-term projections indicate an increase in both the frequency and intensity of heatwaves, which is expected to place additional pressure on the efficiency of production machinery. The escalation of heat stress–related health risks also necessitates a reassessment of occupational health and safety practices. Accordingly, measures such as increasing the capacity of cooling systems, ensuring thermal comfort in production areas, and implementing risk-based maintenance planning are considered among the key actions that may be incorporated into the Company’s strategic roadmap in the coming periods.

Transition Scenario Analyses

The transition risks and strategic opportunities that Alfa Solar Enerji may face in the context of climate change have been assessed through a comprehensive scenario analysis focusing on the years 2030 and 2050. While 2030 is regarded as the first milestone year for global climate targets, 2050 represents the focal point of net-zero commitments. The analysis aims to evaluate the implications of different carbon transition pathways at these two critical milestones and to assess how the resulting impacts may be reflected across the Company’s value chain.

Scenario Selection and Scope

Two primary scenarios were considered in the analysis:

- **IEA STEPS (Stated Policies Scenario):** This scenario represents a framework in which current energy policies and commitments are maintained, and the transition to a low-carbon economy progresses at

a relatively slow pace. It is regarded as a pessimistic scenario, assuming that global temperature increase may reach approximately 3°C. Under this scenario, demand for fossil fuels remains relatively high, carbon pricing increases are limited, and the pace of transition to low-carbon technologies is slow.

- **IEA NZE 2050 (Net Zero Emissions by 2050):** This is an optimistic scenario that envisions a future characterized by a rapid and transformative transition aligned with the 1.5°C target. Under this scenario, carbon prices are projected to exceed USD 250 per ton by 2050, accompanied by a sharp decline in the use of fossil fuels and a significant expansion of clean energy technologies.

Both scenarios were addressed comparatively in terms of elements such as carbon taxes, energy transition, Technology investments, regulatory pressures, and customer demands. Through this approach, the impacts that the Company may face under different climate policy environments were evaluated in a holistic manner.

The NZE scenario reveals the regulatory pressures, technological transformation requirements, and cost increases that the low-carbon transition may bring; whereas the STEPS scenario points to an environment in which policies progress in a limited manner, implying lower transition risk but also more limited opportunities.

During the evaluation process, the global economic growth estimates, energy price projections, carbon pricing, emission intensities, and sector-based transformation assumptions provided by the IEA scenarios were taken into account. Alfa Solar Enerji's manufacturing facilities, solar power plants, supply chain, and product strategies were included within the scope of the analysis.

The scenario analyses conducted by the Company were structured on the basis of international macroeconomic and sectoral assumptions. However, factors such as carbon pricing mechanisms under the Emissions Trading System (ETS), whose implementation framework has not yet been clarified, long-term fluctuations in energy prices, projections regarding the pace of transformation in energy policies, the adaptation process of the supply chain, the cost of new technologies, and the predictability of customer demand create uncertainty.

Within this framework, the analyses were carried out using qualitative methods; the scenarios were structured in a manner aimed at creating strategic awareness. The outputs obtained in the first stage were evaluated in line with existing capacity and data availability, and in future periods it is aimed to increase quantitative modelling capacity and to integrate scenario outputs into product development, strategic planning, and financial decision-making processes.

Comparison of Assumptions Used in the Transition Scenarios

CRITERION	STEPS Scenario	NZE 2050 Scenario
Policy Environment	Current policies and nationally announced targets are taken as the basis. The increase in support for renewable energy investments may remain limited.	A rapid and mandatory transition process takes place. Strong policies, subsidies, and regulations are implemented to achieve carbon neutrality targets.
Global Temperature Increase	Under the continuation of current policies, global temperature increase is projected to be in the range of approximately 2.4–3°C by 2100. Extreme weather events and droughts increase, and water stress may become periodic.	If net-zero targets are achieved, temperature increase can be limited to approximately 1.5°C. Climate risks remain at manageable levels. Investments in solar power plants and climate-friendly energy generation gain importance.
Technological Development	Although progress is made in renewable energy and efficiency technologies, the pace of transition may continue at a moderate level. Limited advancement in PV manufacturing technologies and a slowdown in cell efficiency improvements may occur.	Rapid technological transformation may be required; renewables, energy storage, and grid flexibility criteria come to the forefront. Rapidly evolving PV technologies may necessitate revisions in production lines. The Company may need to accelerate its technology investments.

CRITERION	STEPS Scenario	NZE 2050 Scenario
Impact on Solar Power Plant Investments	The gradual reduction of incentives may limit new investment decisions. Investor appetite in the domestic market may remain at a moderate level.	SPP investments accelerate significantly. Government support, tax incentives, and financing channels diversify; new capacity installations increase.
Impact on Panel Manufacturing	Panel manufacturing facilities maintain existing capacity, while domestic demand increases in a limited manner. Exports may face challenges due to pressure from competitive countries.	Panel manufacturing is supported by rapidly increasing global and domestic demand. Opportunities arise for low-carbon product exports (e.g., compliance with CBAM).
Carbon Emissions and Regulatory Compliance	Carbon prices remain low and regional. Sanctions related to Scope 1-2-3 emissions may remain limited. However, corporate customers may demand voluntary standards. Regulatory pressure is moderate.	Emission reductions become mandatory. The carbon footprint of inputs used in panel manufacturing gains importance. Mechanisms such as ETS, CBAM, and carbon taxes create cost pressure on companies. Low-emission manufacturers gain a competitive advantage.
Energy Use and Costs	SPP generation increases, but fossil fuel demand remains high; the energy transition is gradual. Energy costs may be volatile. The Company's SPPs for internal consumption may provide an advantage.	Fossil fuel share declines significantly, while renewables and electrification become dominant. As the Company meets its energy needs through its own SPP investments, it gains a cost advantage and secures low-carbon production.
Access to Finance	ESG-focused financing spreads slowly, and banks continue traditional credit assessment practices.	Access to green bonds, sustainable finance instruments, and climate-focused funds increases. Low-interest credit opportunities expand. Financing costs for low-carbon investments decrease.
Competitive Advantage	Competitive advantage may remain limited unless cost leadership is achieved. ESG-focused investments are not yet mandatory, although voluntary demand is emerging.	Early movers gain significant competitive advantage. Low-emission production accelerates access to new markets and acquisition of corporate customers.
Customer Demand	Corporate customers show interest in low-carbon products, but "mandatory" requirements have not yet emerged. Product differentiation remains limited.	Demand for low-carbon products increases rapidly; customers and suppliers seek carbon-compliant manufacturers. Panel buyers request carbon footprint reports such as ISO 14067.
Physical Risk Outlook	Physical climate risks increase; however, due to lower transition intensity, the adaptation period for companies may be relatively longer.	Risks are kept at more manageable levels. Nevertheless, investments in infrastructure resilience are still required.
Supply Chain and Compliance	The supply chain transitions slowly toward low-carbon compliance. Limited pressure may arise from certain large customers.	Carbon reporting becomes mandatory across the supply chain. Companies generating their own energy through SPPs are preferred by Tier 1-2 customers.
Investment Risk and Uncertainty	Slower policy changes create a perception of lower risk; however, the risk of failing to meet climate targets is high.	Rapid transition may involve higher upfront investment costs, but long-term risks related to market share, financing, and regulatory compliance are better managed.

Outcomes of Transition Scenario Analyses and Climate Resilience

Under the IEA's NZE 2050 scenario, a rapid transition toward a low-carbon economy is envisaged. Within this framework, demand for alternative energy technologies is expected to increase, while carbon prices are projected to rise significantly, leading to substantial cost increases for carbon-intensive raw materials. This development is also expected to necessitate the adoption of new approaches to supply chain management.

The Company is currently implementing energy efficiency projects aimed at reducing Scope 1 and Scope 2 emissions and has developed ground-mounted and rooftop solar power plants with sufficient capacity to meet a substantial portion of its energy demand. Through these investments, the Company has become more resilient to fluctuations in energy costs and has strengthened its security of energy supply. At the same time, the Company's role as a producer of renewable energy solutions aligns closely with the increasing market demand anticipated under the NZE scenario, thereby creating significant growth potential.

The Company's product portfolio and investment structure demonstrate the technical and operational capacity to adapt to the rapid transition environment envisaged under the 1.5°C-aligned transition scenario. This indicates that, supported by its R&D capabilities and renewable energy investments, the Company is well positioned to maintain its competitiveness and demonstrate strategic flexibility in future scenarios targeting net-zero emissions.

Under this scenario, the close monitoring of policy and regulatory developments, the continuation of R&D activities, and the potential activation of incentive mechanisms create opportunities for the Company to both ensure compliance and develop new growth opportunities.

In order to adapt to the transition toward a low-carbon economy, the Company allocates its financial resources in line with strategic priorities. Within this framework, energy transition initiatives, facility modernization, and investments aimed at improving efficiency are given priority. For instance, the modernization and renewal of the production line at the Northern Factory using state-of-the-art technology was completed in 2025. The Company's R&D unit closely monitors technological developments in the renewable energy sector and continues its efforts to enhance the durability and efficiency of solar panels. In addition, investments in solar power plants with energy storage capabilities are ongoing.

On the other hand, the IEA's STEPS scenario assumes a slower transition pathway, with more limited carbon pricing levels and lower pressure from technological change. While this implies a lower transition risk for the Company in the short term, it also indicates that opportunities may remain limited in an environment where demand for renewable energy grows more gradually.

Overall, the Company is assessed to have sufficient financial resilience to support its short-, medium-, and long-term transition investments through a combination of equity resources and external financing options.

CLIMATE CHANGE MITIGATION STRATEGY AND DECISION-MAKING

The Company systematically addresses sustainability-related risks and opportunities within its strategy and decision-making processes and enhances its resilience to climate-related risks by setting short-, medium-, and long-term objectives in areas such as energy and carbon transition, water management, and the circular economy.

The Sustainability Committee regularly evaluates the identified risks and opportunities, contributes to the determination of annual business plans and investment priorities, and ensures that the necessary actions are implemented in line with the decisions taken. Policies developed in relation to climate change, supply chain resilience, and environmental impacts are integrated into business processes by the relevant departments.

Within the scope of the defined strategy, sustainability-related risks and opportunities are reviewed on an annual basis, and the strategy is updated in response to emerging risks. In addition, sustainability objectives are integrated into the Company's overall strategy across different time horizons, with transformation across the entire value chain pursued through collaboration- and innovation-driven initiatives.

The Company's sustainability performance is regularly reported to the Board of Directors, and a proactive management approach is adopted by taking strategic actions when necessary.

Alfa Solar Enerji aims to expand and diversify its renewable energy investments and is implementing new investments in line with this objective. By placing strong emphasis on R&D and innovation, the Company plans to invest in the latest technologies in the energy sector and continues its efforts toward the transition to low-carbon technologies and the improvement of energy efficiency.

Alfa Solar Enerji assumes a significant role in climate change mitigation and adaptation, continuously enhancing its initiatives to contribute to the environment and society. In this context, through the renewable energy power plant investments carried out in 2024, the Company has expanded its sustainable energy portfolio while taking important steps toward reducing environmental impacts.

As a leading company in the energy sector, combating climate change is of critical importance to Alfa Solar Enerji. Aware of the impacts of greenhouse gas emissions resulting from energy production activities on the climate, the Company considers it among its core responsibilities to minimize its environmental footprint and to transition toward sustainable energy production. Accordingly, the Company integrates climate-related risks and opportunities into its business plans and takes concrete actions to support a sustainable future.

- **Renewable Energy Supply**

Alfa Solar Enerji enhances the efficient utilization of solar energy through advanced technologies, thereby making an active contribution to Türkiye's green energy transition. In line with its objective to establish 1 GW of renewable energy power plant capacity, the Company continues its investments with determination not only domestically but also internationally.

With the acquisition of Ada GES in September 2023, Alfa Solar Enerji entered the field of electricity generation and sales from solar energy. In the same year, the Company further expanded its international footprint by acquiring Golden Solar, thereby initiating its first solar power generation activities abroad. In August 2024, the Afyon Solar Power Plant (GES) investment, which was launched to meet the Company's own electricity demand, was successfully completed.

Within the scope of its international operations, investments in multiple solar power plant projects in Romania are progressing rapidly. Alfa Solar Enerji's determined growth strategy in this area not only expands its renewable energy portfolio but also strengthens its identity as a sustainable energy producer in international markets.

- **Sustainable Products**

Alfa Solar Enerji contributes to Türkiye’s sustainable development through the products and services it offers and assumes a strategic role in reducing dependence on imported energy. By developing technological solutions that support the green energy transition, the Company creates added value for the energy sector.

Prioritizing the integration of advanced technology and digitalization into its business processes, Alfa Solar Enerji manufactures solar panels on state-of-the-art production lines, thereby enhancing production efficiency while delivering innovative energy solutions. By increasing its renewable energy investments, which are of critical importance in combating climate change, the Company makes an active contribution to the transformation toward green technologies.

Operating in the solar energy sector, the Company places particular emphasis on investments in solar power plants with energy storage systems, aiming to enable more efficient utilization of renewable resources and to improve energy efficiency. The integration of energy storage systems strengthens the continuity and reliability of energy generation while also making a significant contribution to the reduction of environmental impacts.

- **Climate Focus in the R&D Strategy**

Alfa Solar Enerji places strong emphasis on R&D activities in order to adapt to the challenging conditions brought about by climate change and to enhance its competitiveness in line with net-zero targets. By closely monitoring technological developments in the solar energy sector, the R&D team develops more efficient, longer-lasting, and climate-resilient solar panels. In particular, high-durability module projects are being implemented to address physical risks arising from adverse weather conditions, such as heavy snow loads and icing.

The Company’s product portfolio is technically and operationally prepared for the transition environment aligned with the 1.5°C scenario, thereby providing strategic flexibility throughout the energy transition process. R&D activities supporting renewable energy investments contribute to enhancing panel efficiency and to the development of solutions aligned with long-term climate objectives.

In addition, Alfa Solar is conducting a range of innovative projects, including artificial intelligence–supported visual processing software, automation systems, robotic solutions, and panel maintenance and cleaning technologies. These initiatives constitute an integral component of the Company’s sustainability-focused growth strategy.

- **Energy Transition**

With the objective of mitigating climate change risks arising from greenhouse gas emissions and aligning its business model with the energy transition, Alfa Solar Enerji initiated the installation of solar power plants in 2023 to meet the electricity demand of its administrative and manufacturing facilities. This investment was completed in August 2024.

Following the commissioning of the power plant, the Company began to meet its own electricity consumption through solar energy, a renewable energy source, thereby taking a significant step toward reducing its carbon footprint. This initiative has been implemented in full alignment with Alfa Solar Enerji’s environmental sustainability objectives as well as its strategy for adaptation to the energy transition.

In order to adapt to the transition toward a low-carbon economy, the Company allocates its financial resources in line with strategic priorities. Within this framework, energy transition initiatives, facility modernization, and investments aimed at improving efficiency are given priority. For example, the renewal and modernization of the production line at the Northern Factory using state-of-the-art technology was completed in 2025.

- **Greenhouse Gas Management**

Alfa Solar Enerji positions the production of clean energy technologies and the reduction of greenhouse gas emissions arising from energy generation among its key priorities in contributing to the fight against climate change. In this context, the Company aims to achieve a carbon-neutral structure in the long term.
Throughout 2024, various initiatives were implemented to reduce environmental impacts, with a significant transformation realized particularly in employee transportation. Fossil fuel–powered vehicles have been gradually replaced with electric vehicles, and the Company's fleet has been restructured so that a substantial portion consists of low-emission vehicles.

Alfa Solar Enerji not only provides sustainable solutions in energy production, but also meets its own energy demand through renewable sources, thereby significantly reducing emissions arising from its production processes. These practices reflect the Company's responsibility in addressing the climate crisis and demonstrate the concrete actions taken toward a low-carbon future.

The Company's greenhouse gas management process is conducted in accordance with ISO 14064-1 and the Greenhouse Gas Protocol. Direct emission sources are regularly monitored, and the operational carbon footprint is periodically reported. This systematic approach enables the transparent and traceable management of greenhouse gas emissions.

- **Energy Management and Efficiency**

Alfa Solar Enerji adopts energy efficiency as a priority objective across all operational processes and operates in accordance with the ISO 50001:2018 Energy Management System standard in order to conduct its production activities in a safe, efficient, and sustainable manner.

Within this framework, all energy-consuming equipment in administrative and production facilities is regularly reviewed, and areas for improvement as well as opportunities for energy savings are analyzed in detail. Through energy audits, energy consumption trends are identified, potential inefficiencies are detected, and feasible strategies are developed accordingly. All such assessments are carried out in a systematic manner in line with the ISO 50001 standard.

In line with its climate change mitigation efforts, adaptation objectives, and the transition toward a low-carbon economy, the Company positions energy efficiency as a strategic priority. Accordingly, the Company aims to reduce carbon emissions arising from its production processes through digitalization practices, increased use of renewable energy, and efficiency-oriented investments. These initiatives constitute one of the core pillars of the Company's sustainability strategy.

- **Supply Chain Management**

Alfa Solar Enerji adopts a sustainability-oriented and strategic approach to supply chain management and plans to take significant steps in this area in the coming period. The strategies developed by the Company focus on contributing to the local economy, ensuring supply security and continuity, and minimizing potential risks.

Within this framework, as a medium- to long-term objective, the Company plans to source 50% of materials currently procured from abroad from domestic manufacturers. Through this approach, resilience in supply processes is enhanced, while simultaneously supporting the strengthening of local supply chains.

Alfa Solar Enerji places emphasis on compliance with national and international standards in supplier selection, prioritizing suppliers that hold certifications such as ISO 9001 (Quality Management), ISO 14001 (Environmental Management), ISO 45001 (Occupational Health and Safety), and ISO 50001 (Energy Management). In addition, ethical and social criteria, including product responsibility, respect for human rights, diversity, and inclusiveness, are incorporated into the evaluation process.

The Company assesses suppliers' compliance with environmental and social standards through a risk-based approach. As part of these assessments, suppliers holding the aforementioned certifications are classified within a low-risk category, and their level of compliance with relevant processes is monitored on a regular basis.

- **Financial Planning and Capital Allocation**

The Company identifies areas within its business model that hold transformation potential in order to manage climate-related risks and opportunities, and directs its capital allocation accordingly. Within this context, expanding renewable energy investments and scaling circular economy practices are among the Company's priority objectives.

In financing projects that respond to climate-related risks and opportunities, the Company primarily adopts an equity-based approach, supporting investments aimed at reducing environmental impacts and enhancing efficiency. Nevertheless, the Company also plans to evaluate cost-efficient external financing options for future investments related to climate change mitigation.

The Company's emission reduction and energy transition targets serve as a fundamental basis for investment planning and capital allocation processes, and internal budgets are structured accordingly. In addition, factors such as emissions trading systems, carbon pricing mechanisms, and regulatory developments in domestic and international markets are taken into account, ensuring that resource allocation decisions are aligned with the Company's climate strategy.

RISK MANAGEMENT

RISK MANAGEMENT

Alfa Solar Enerji manages all financial and non-financial risks through a holistic approach aligned with its long-term sustainability objectives. Physical and transition risks arising from climate change, together with environmental, social, and governance (ESG)–related factors, are regularly identified, analyzed, and controlled within the Company's corporate risk management system.

Developments in the fields of climate change and sustainability are expected to create systemic impacts on the Company's operations, while also presenting new opportunities. Accordingly, Alfa Solar Enerji adopts a structured risk management approach for the early identification, prioritization, and management of climate-related risks and opportunities. These risks are integrated across all operations in connection with strategic objectives and are monitored on a regular basis.

The Company identifies its sustainability- and climate-related risks and opportunities by taking into account global, regional, and sectoral developments, as well as scenario analyses and stakeholder feedback. In this context, key risks and opportunities are assessed based on their potential impacts and likelihood of occurrence, and are classified in line with the International Sustainability Standards Board (ISSB) framework—incorporating the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)—and the Türkiye Sustainability Reporting Standards (TSRS).

The Sustainability Directorate plays an active role in the management of sustainability risks, carrying out responsibilities such as assessing environmental and social impacts, shaping sustainability strategies, and submitting recommendations to the Board of Directors.

The Sustainability Committee identifies and evaluates potential sustainability-related risks and opportunities faced by the Company and provides strategic recommendations accordingly. Appointed with specific authorities by the Board of Directors, the Committee assumes a significant responsibility in the development and implementation of sustainability policies. At the same time, by maintaining regular communication with the Board of Directors, the Committee supports the achievement of sustainability objectives.

The Board of Directors assumes a critical role in guiding and overseeing the corporate risk management framework. In order to protect stakeholder value and safeguard the Company's long-term sustainability, the Board ensures that climate- and sustainability-related risks and opportunities are properly identified, prioritized, and managed, thereby providing direction to strategic planning, investment decisions, and operational processes.

In addition, the Board of Directors ensures that a formal and structured approach to the effective management of risks and opportunities is implemented across the Company. The Board approves the corporate risk management strategy and ensures the establishment of the necessary resources and processes.

The Company's sustainability- and climate-focused risk management strategy is integrated across all stages of the business model. In addition to physical and transition risks related to climate change, associated opportunities are also incorporated into financial planning and decision-making processes. The risk management process involves the continuous identification, assessment, and monitoring of these elements and is conducted in alignment with the corporate risk management framework.

In order to protect and enhance corporate value, the Company has established an effective risk strategy against potential risks. The Company seeks to identify, analyze, and evaluate the risks it may encounter in achieving its goals and objectives, to maintain such risks at reasonable levels, to mitigate their impacts, and to develop strategies to address risk exposure.

Risk and Opportunity Assessment Process

As of 2025, Alfa Solar Enerji has integrated the processes for identifying, assessing, prioritizing, and monitoring sustainability- and climate-related risks and opportunities into its corporate risk management framework. Within this scope, risks and opportunities identified in areas such as climate change, carbon regulations, energy transition, environmental compliance, and regulatory developments are classified under operational, financial, and strategic risks and are regularly evaluated by the Sustainability Directorate.

During the assessment process, the likelihood of occurrence, potential impact, position within the value chain (upstream, direct operations, downstream), and short-, medium-, and long-term time horizons are taken into consideration. Physical risks (such as heatwaves, floods, and droughts) and transition risks (including carbon pricing, regulations, and market demand) are analyzed under separate categories and integrated into the risk matrix.

The monitoring of environmental and social metrics is carried out by the Sustainability Directorate, and the data obtained are evaluated on a 5x5 risk and opportunity matrix based on likelihood and impact dimensions. The outcomes of these analyses provide inputs into decision-making processes related to the Company’s operations, supply chain, and financial structure.

As a result of these efforts, energy efficiency, wastewater management, supply chain optimization, and green investments are prioritized, while long-term strategies are shaped in line with the Net Zero target. Process traceability and alignment with international standards are ensured through a greenhouse gas emissions inventory prepared in accordance with ISO 14064-1:2018.

Scenario Analyses and Their Use

Alfa Solar Enerji integrates scenario analyses into its strategic decision-making processes in order to more effectively manage the potential impacts of climate change. Through these analyses, the potential effects of physical and transition risks that may arise across different time horizons are anticipated, and appropriate strategies are developed accordingly.

In the assessment of transition risks, the STEPS and NZE 2050 scenarios published by the International Energy Agency (IEA) are used, while the measurement of physical risks is based on the RCP 2.6, RCP 4.5, and RCP 8.5 projections published by the Intergovernmental Panel on Climate Change (IPCC). In this manner, both carbon pricing mechanisms and regulations related to the energy transition, as well as environmental impacts such as temperature increases, droughts, and extreme weather events, are taken into account.

Alfa Solar’s scenario analyses are grounded in internationally recognized methodologies in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the IFRS S2 standard. Within this framework, energy supply and demand projections, carbon border adjustment mechanisms, and the financial implications of the transition to a low-carbon economy are also evaluated, with the aim of proactively managing climate-related risks and opportunities.

Identification and Prioritization of Risks and Opportunities

Alfa Solar systematically evaluates climate-related risks within the scope of its corporate risk management policies and procedures. In this process, the impact and likelihood definitions of risks, as well as the Company’s risk appetite, are taken into account, and the probability of risks materializing in the short, medium, and long term is analyzed.

The Company’s risk management approach is built upon the prevention of potential non-compliances at an early stage, the examination of root causes of emerging issues, and the implementation of corrective actions to prevent the recurrence of similar problems. Risk management is conducted on a process-based basis, with indicators, interdependencies, and responsible parties defined for each process. In risk assessments, in addition to the Company’s strategy, objectives, and business model, both internal and external contexts are taken into consideration. Within this framework, external factors are evaluated in terms of legal regulations, technological

developments, competition, market dynamics, and social and economic conditions, while internal factors are assessed based on the Company's values, corporate culture, knowledge base, and performance. The inputs obtained are reflected in risk and opportunity analyses together with SWOT analyses and stakeholder expectations.

In the assessment of risks, the Corporate Risk Assessment Matrix is utilized, and a systematic analysis is conducted based on a 5x5 impact–likelihood approach. Through this method, both the probability of risks materializing and their potential impact on strategic objectives are measured using a five-point scale. Under the impact dimension, factors such as financial losses, reputational damage, employee health and safety, environmental impacts, business continuity, and legal obligations are taken into consideration. Likelihood is similarly determined across five levels based on the frequency of occurrence of the risk.

Risks are scored according to their likelihood and impact levels and are categorized as "very low," "low," "medium," "high," and "very high." Risks classified as very high and high are prioritized and addressed by senior management and the Risk Management Committee. For risks assessed at medium and low levels, action plans are developed and implemented in line with appropriate timelines. This classification framework enables the identification of the relative significance of risks and supports the effective allocation of resources.

Within the corporate risk management process, risks are evaluated separately across operational, financial, environmental, legal, and reputational dimensions. For example, potential disruptions in production, interruptions in the supply chain, risks of environmental pollution, occupational health and safety incidents, or legal sanctions are all considered within the scope of impact analysis. At the operational level, the duration of potential production downtime is taken as a key indicator, while at the financial level, the impact on net period profitability is used as the primary basis for determining the magnitude of risk.

Although the assessment process is predominantly based on qualitative evaluations, quantitative assessments are also incorporated where applicable. Likelihood ratings are determined by considering both the frequency of occurrence of the risk and its probability of materializing within a one-year period. This structured approach enables risks to be analyzed and prioritized in a transparent and measurable manner.

Assessment of Risks and Opportunities

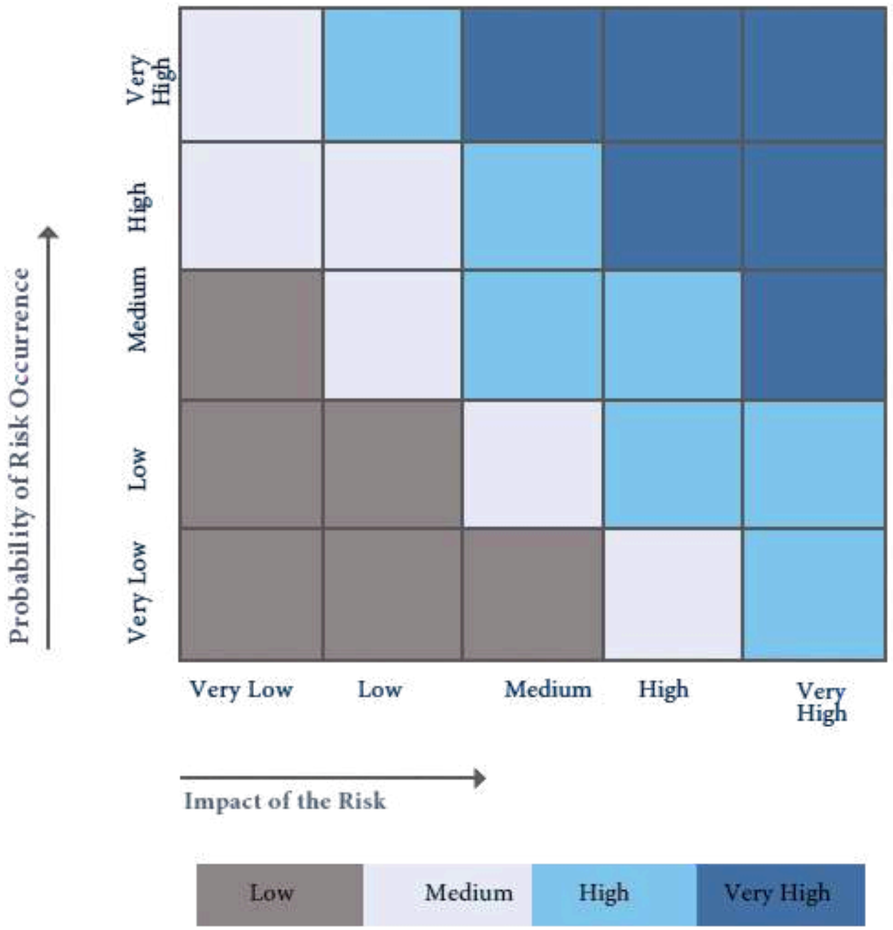
Alfa Solar utilizes the 5x5 impact–likelihood matrix, which is also applied in risk assessments, for the prioritization and monitoring of opportunities. Within this framework, not only climate-related risks but also the opportunities that may arise during the transition to a low-carbon economy are systematically addressed. Identified opportunities are evaluated individually in terms of their level of impact, likelihood of occurrence, and alignment with strategic objectives, and the outcomes of these assessments form the basis for determining the actions to be taken.

In risk management, action plans are developed in line with different risk severity levels. Immediate corrective measures are implemented for very high risks, while cost-effective action plans to be executed within a defined timeframe are prepared for medium-level risks. Low-level risks are closely monitored and followed through internal audit processes. Through this approach, risks and opportunities assessed as medium or above are classified as "significant" and are disclosed in detail within corporate reports.

The Company also evaluates climate- and sustainability-related risks and opportunities through profitability- and revenue-based indicators. However, as of 2024, due to uncertainties in measuring the quantitative impacts of these factors, their financial effects could not be disclosed numerically, and assessments were therefore conducted at a qualitative level. In this context, the materiality threshold was determined based on revenue, in alignment with the financial statements.

In the formulation of the sustainability strategy, global trends, international standards, stakeholder expectations, and the Company's long-term business objectives were taken into consideration. As a result of the prioritization analyses conducted, impacts on the environment, society, and the economy were assessed; and the financial implications of relevant topics for Alfa Solar were analyzed

ALFA SOLAR ENERJİ RISK MATRIX



based on feedback obtained from executives, investors, and key stakeholders. Within this framework, carbon pricing, regulatory pressures, and the physical impacts of climate change were included in the inventory as both risk and opportunity areas.

The evaluation process is carried out by considering the likelihood of occurrence, magnitude of impact, and time horizon of each risk or opportunity. In addition, the relationship of each risk with strategic objectives and the Company's existing adaptive capacity is incorporated into the assessment. Within the scope of impact analysis, the potential implications of risks on operations, financial structure, supply chain, legal obligations, and stakeholder relationships are evaluated.

As a result, the outputs obtained are recorded in the risk and opportunity inventory, the necessary action plans are defined, and the findings are shared with senior management. In this way, the financial impacts of physical and transition-related risks and opportunities that may arise in the short, medium, and long term are evaluated through a holistic perspective.

Integration of Risks and Opportunities into Business Processes

Alfa Solar Enerji has established a strategic and systematic structure by integrating risk management into all business processes. In new projects, risks are analyzed in advance, monitored regularly throughout the process through predefined indicators, and action plans are implemented based on the results obtained. In line with these assessments, action plans appropriate to the identified risk levels are prepared and their implementation is closely monitored.

Physical and transition risks related to climate change are also addressed within this framework and are taken into account in the design of business processes and decision-making mechanisms. Relevant departments monitor these risks and develop mitigation plans accordingly.

Climate-related risks and opportunities have been embedded into the strategic planning and operational management cycle. These factors are systematically evaluated in investment decisions, product development, and supply chain management, and the resulting outputs are reflected in capital allocation, R&D priorities, and business continuity plans. In this way, the Company aims both to enhance its resilience against existing risks and to benefit from the opportunities arising from the transition to a low-carbon economy.

METRICS AND TARGETS

METRICS AND TARGETS

In accordance with TSRS, entities are required to report their responses to climate-related risks and opportunities in a transparent, comparable, and auditable manner. Within this framework, sustainability and climate performance are expected to be demonstrated through concrete indicators and measurable targets. Alfa Solar aims to provide disclosures aligned with TSRS by taking stakeholder expectations into account and to report its progress through traceable and clearly defined metrics.

Climate- Related Metrics

The metrics and targets presented in the report have been prepared in accordance with the “Metrics and Targets” requirements of the Türkiye Sustainability Reporting Standards (TSRS). The metrics have been developed on a consolidated basis, covering Alfa Solar Enerji and its subsidiaries.

Greenhouse Gas Emissions

The Company calculates its greenhouse gas emissions within defined operational and organizational boundaries by taking into account the key activity areas across its value chain in its sustainability reporting. The Company’s 2024 greenhouse gas inventory has been prepared in accordance with the Greenhouse Gas Protocol and the ISO 14064-1:2018 standard. Within this scope, the Company monitors and reports its direct and indirect emissions based on the boundaries determined under the operational control approach.

Emission factors used in the calculations were sourced from internationally recognized standards, including those published by the Intergovernmental Panel on Climate Change (IPCC) and the 2006 Guidelines for National Greenhouse Gas Inventories.

In calculating greenhouse gas emissions, the following emission sources contributing to carbon emissions were taken into consideration:

- Scope 1 emissions: Natural gas consumption; fuel consumption of company vehicles (diesel and gasoline); use of air conditioning systems; consumption of CO_2 fire extinguishers; and CO_2-based gas consumption.
- Scope 2 emissions: Electricity consumption and electricity transmission and distribution losses were taken into account. Scope 2 emissions were calculated using the location-based method.
- Scope 3 emissions: In accordance with the exemption that allows Scope 3 greenhouse gas emissions not to be disclosed for the first two reporting years, Scope 3 emissions have not been reported.

During the greenhouse gas calculation process, uncertainty analyses were conducted by taking into account uncertainties associated with emission factors and uncertainties in the calculation of consumption data within the scope of activities. In the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, the confidence interval for emission factors is specified as 95%.

Uncertainties for all facilities were calculated in accordance with the formula defined in the GHG Uncertainty Tool.

Greenhouse Gas Emissions (tCO_2e) — 2024	**2024**
Scope 1	15.782
Scope 2	8,033.98
Total	**8,191.8**

The emissions inventory was prepared using accounting records and on-site operational data. All calculations were carried out in terms of carbon dioxide equivalent (CO_2e). Although the Company’s subsidiaries do not engage in any activities that give rise to greenhouse gas emissions, they have been included in the scope of the calculations to ensure methodological integrity.

In 2024, Alfa Solar Enerji sourced 100% of its electricity consumption from the national grid. However, following the commissioning of the Afyon Solar Power Plant (GES) in August, the Company has been supplying to the grid an amount of electricity equivalent to its own consumption, thereby achieving carbon balancing. At present, the primary instruments used to reduce carbon emissions are the utilization of renewable energy sources and investments in energy efficiency.

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Table 1: Sustainability Disclosure Topics and Metrics				
Topic	**Metric**	**Category**	**Unit of Measurement**	**Description**
Energy Management in Production	(1) Total energy consumed, (2) percentage of grid electricity, and (3) percentage of renewable energy	Quantitative	Gigajoule (GJ), Percentage (%)	(1) 65,435.184 GJ (2) 100% (3) 45% (*)
Water Management in Production	(1) Total water withdrawn, (2) total water consumed; percentage of each in areas with High or Extremely High Water Stress	Quantitative	Thousand cubic meters (m^3), Percentage (%)	(2) 9,816 m^3 (3) 100%
	Definition of water management risks and discussion of strategies and practices to mitigate these risks	Discussion and Analysis	Not applicable	No water is used in the solar panel production process; water consumption occurs solely for domestic purposes. Water stress levels in the regions where our facilities are located are regularly monitored, and studies are planned within the scope of ISO 14046 Water Footprint management. Taking water stress factors into account, water-related risks and opportunities are regularly assessed.
Management of Energy Infrastructure Integration and Related Regulations	Identification of risks related to the integration of solar energy into the existing energy infrastructure and discussion of efforts to manage these risks	Discussion and Analysis	Not applicable	The integration of solar energy into the existing energy infrastructure is of critical importance for sustainable energy supply and operational efficiency. However, grid capacity constraints, uncertainties in licensing processes, regulatory changes, and difficulties in access to financing constitute significant risk areas within the sector. To manage these risks, Alfa Solar aims to enhance operational flexibility through energy storage systems, smart grid solutions, hybrid power plant applications, and R&D activities; meanwhile, regulatory developments are closely monitored and potential opportunities are evaluated by taking financial incentives into consideration.
	Definition of energy policy–related risks and opportunities and their impact on the integration of solar energy into the existing energy infrastructure	Discussion and Analysis	Not applicable	Changes in energy policies, carbon regulations, domestic production incentives, and green finance standards create new growth and transformation areas for companies. Within this framework, Alfa Solar aims not only to comply with existing regulations but also to strengthen its technological infrastructure in order to establish a more flexible and resilient production structure.

(*) At the Afyon Solar Power Plant (GES), 29,673.21 GJ of electricity was generated. This power plant, which was established to meet the Company's own electricity consumption, was completed in August and commenced electricity generation within the same month. The renewable energy generated is supplied to the grid and offset against the electricity drawn from the grid. In this way, the Company's electricity consumption is directly compensated by its own renewable energy generation. As of 2025, 100% of the energy consumed will be supplied from a renewable energy source, namely solar energy.

Table 2: Activity Metrics				
Activity Metric	**Category**	**Unit of Measurement**	**Data**	**Explanation**
Total capacity of photovoltaic (PV) solar modules produced	Quantitative	Megavat (MW)	961.1 MWp	Total panel capacity manufactured at the production facilities in 2024.
Total capacity of completed solar energy systems	Quantitative	Megavat (MW)	17 MWp	Capacity of the Afyon Solar Power Plant (GES) project commissioned in August 2024.
Total project development assets	Quantitative	Reporting currency	5.908.830 TL	R&D budget expenditure incurred during 2024.

Relevant TSRS Provision	Metric	Current Status
TSRS 2 29 (b)	Climate-related transition risks — amount and percentage of assets or business activities vulnerable to climate-related transition risks	No losses have been incurred.
TSRS 2 29 (c)	Climate-related physical risks — amount and percentage of assets or business activities vulnerable to climate-related physical risks	Projections indicate that the areas of operation exhibit low vulnerability to physical risks. No financial losses related to these risks were incurred during the reporting year.
TSRS 2 29 (d)	Climate-related opportunities — amount and percentage of assets or business activities aligned with climate-related opportunities	Panel manufacturing revenue: TRY 7,661,448,468 Solar power generation (GES) revenue: TRY 36,843,787
TSRS 2 29 (e)	Capital deployment — amount of capital expenditure, financing, or investment allocated to climate-related risks and opportunities	Romania GES investment amount: TRY 87,236,401 Greece GES investment amount: TRY 2,139,781
TSRS 2 29 (f)	Internal carbon prices	The Company does not currently have any internal carbon pricing mechanism in place.
TSRS 2 29 (g)	Percentage of executive remuneration linked to climate-related considerations	Although no specific percentage has been defined, sustainability-related targets are included in the KPIs of relevant unit managers.

TSRS Volume 32 – Electric Power Facilities and Power Generators

Table 1: Sustainability Disclosure Topics and Metrics				
Topic	**Metric**	**Category**	**Unit of Measure**	**Description**
Greenhouse Gas Emissions and Energy Source Planning	(1) Gross total Scope 1 emissions, (2) percentage subject to emission-limiting regulations, and (3) percentage subject to emission reporting regulations	Quantitative	Metric tons (t) CO_2-e, Percentage (%)	(1) 157.82 CO_2-e (2) and (3) not subject to any emission-limiting regulations.
	Greenhouse gas (GHG) emissions associated with power distribution	Quantitative	Metric tons (t) CO_2-e	The Company does not conduct power distribution activities.
	Discussion of the long- and short-term strategy or plan to manage Scope 1 emissions, emission reduction targets, and analysis of performance against these targets	Discussion and Analysis	Not applicable	The Company has a long-term objective of becoming carbon-neutral.
Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in areas of High or Extremely High Water Stress	Quantitative	Thousand cubic meters (m^3), Percentage (%)	(2) 9,816 m^3 (3) %100
	Number of incidents of non-compliance related to water quality permits, standards, and regulations	Quantitative	Number	0
	Description of water management risks and discussion of strategies and practices to mitigate these risks	Discussion and Analysis	Not applicable	No water is used at solar power plant (GES) sites; water consumption occurs solely for domestic needs. Water stress is regularly monitored across the Company, and activities are planned within the scope of ISO 14046 Water Footprint management.
End-Use Efficiency and Demand	Percentage of electricity load delivered through smart grid technology	Quantitative	Percentage (%) based on MWh	This metric is not related to our operations.
	Customer electricity savings resulting from efficiency measures, by market	Quantitative	Megawatt-hours (MWh)	This metric is not related to our operations.

Topic	Metric	Category	Unit of Measure	Description
Nuclear Safety and Emergency Management	Total number of nuclear power units retired according to the results of the most recent independent safety review	Quantitative	Number	0
	Description of efforts to manage nuclear safety and emergency preparedness	Discussion and Analysis	Not applicable	The Company does not operate any nuclear power units.
Grid Resilience	Number of incidents of non-compliance with physical or cybersecurity standards or regulations	Quantitative	Number	0
	Including major event days: (1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI)	Quantitative	Minutes, Number	This metric is not related to our operations.

Table 2: Activity Metrics

Activity Metric	Category	Unit of Measure	Description
Number of (1) residential, (2) commercial, and (3) industrial customers served	Quantitative	Number	The Company does not have retail sales.
Total electricity delivered to (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers	Quantitative	Megawatt (MW)	The Company does not have retail sales.
Length of transmission and distribution lines	Quantitative	Kilometer (km)	Data not available.
(1) Total electricity generated, (2) percentage by primary energy source, and (3) percentage in regulated markets	Quantitative	Megawatt-hour (MWh), Percentage (%)	(1) 16,101.27 MW (2) 100%
Total wholesale electricity purchased	Quantitative	Megawatt-hour (MWh)	18,176.44 MW

Climate-Related Targets

Alfa Solar Enerji shapes its sustainability vision not only around reducing environmental impacts, but also in alignment with long-term climate objectives. The Company seeks to define its targets in line with the 1.5°C goal of the Paris Agreement and Türkiye's nationally determined contribution.

In order to adapt to a low-carbon economy, the Company focuses on developing a sustainable product portfolio, while also aiming to reduce its environmental impacts in areas such as water consumption and waste management. In addition, it evaluates investment opportunities related to innovative products and seeks to establish targets concerning a sustainable supply chain. Combating climate change, ensuring the efficient use of natural resources, and protecting biodiversity constitute the core priorities of the Company's holistic environmental approach.

To reduce its environmental footprint and enhance operational efficiency, the Company has established a range of targets. These targets are based on strategic priorities such as reducing greenhouse gas emissions, expanding renewable energy investments, and promoting environmental awareness and training initiatives. Progress against these targets is monitored and reported on a regular basis through defined metrics. However, the stated climate-related targets have not yet been verified by an independent third party.

Alfa Solar addresses its environmental sustainability targets at both operational and strategic levels. The Company aims to reduce clean water consumption and minimize process-related hazardous waste generation. In line with its vision of becoming carbon neutral, Alfa Solar targets absolute reductions in Scope 1 and Scope 2 greenhouse gas emissions. Efforts to define reduction targets for Scope 3 emissions are ongoing. For the year 2024, performance data related to Scope 1 and Scope 2 emissions are disclosed.

In its emissions reduction approach, the Company prioritizes direct mitigation projects rather than the use of carbon credits. Within this framework, energy efficiency practices, renewable energy investments, and the development of low-carbon products constitute the primary focus areas. As of 2024, the Company does not utilize carbon credits, nor does it plan to rely on this mechanism in the future.

Among the Company's long-term strategic objectives are the reduction of emissions across all production facilities and throughout the value chain, the expansion of renewable energy capacity, and the strengthening of energy supply security. With a target of achieving 1 GW of renewable energy power plant investments, the transition to a low-carbon economy is being accelerated, while simultaneously contributing to regional development and supporting local employment. In addition, through technological innovations and energy storage solutions, the Company aims to enhance efficiency and further strengthen its long-term resilience.

Target Setting Process and Review

The Company regularly reviews its sustainability and climate-related targets in light of strategic priorities, operational performance, regulatory developments, and sectoral trends. This process is carried out by the Sustainability Department, under which the relevance and feasibility of the targets are assessed based on environmental, social, and governance data. Where necessary, metrics are updated or timelines are revised. The outcomes of these evaluations are reported to Senior Management, and the targets are integrated into the Company's strategic decision-making processes in alignment with stakeholder expectations and the pace of transformation within the sector.

Disclosure of Target-Related Performance

The Company regularly monitors, evaluates, and reports on its environmental targets on an annual basis. This process is carried out to ensure the achievability of the targets and to enable strategic updates where necessary. Environmental data tracked annually are publicly disclosed through the Integrated Activity Report, thereby ensuring transparent communication of progress toward climate-related targets. Progress is assessed using reliable, measurable, and comparable indicators.

LIMITED ASSURANCE REPORT IN ACCORDANCE WITH TSRS

INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT ON ALFA SOLAR ENERJİ SANAYİ VE TİCARET A.Ş. SUSTAINABILITY INFORMATION IN ACCORDANCE WITH TURKISH SUSTAINABILITY REPORTING STANDARDS

To the General Assembly of
Alfa Solar Enerji Sanayi ve Ticaret A.Ş.

We have undertaken a limited assurance engagement on Alfa Solar Enerji Sanayi ve Ticaret A.Ş. (the "Company"), sustainability information for the year ended 31 December 2024 in accordance with Turkish Sustainability Reporting Standards 1 "General Requirements for Disclosure of Sustainability-related Financial Information" and Turkish Sustainability Reporting Standards 2 "Climate Related Disclosures" ("Sustainability Information").

Our assurance engagement does not extend to information in respect of earlier periods or other information linked to the Sustainability Information

Our Limited Assurance Conclusion
Based on the procedures we have performed as described under the 'Summary of the work we performed as the basis for our assurance conclusion' and the evidence we have obtained, nothing has come to our attention that causes us to believe that Company's Sustainability Information for the year ended 31 December 2024 is not prepared, in all material respects, in accordance with Turkish Sustainability Reporting Standards published in the Official Gazette dated 29 December 2023, and numbered 32414(M) and issued by Public Oversight Accounting and Auditing Standards Authority (the "POA") . We do not express an assurance conclusion on information in respect of earlier periods.

Emphasized Matter
As explained in the "About the Report and The Company" section of the TSRS-Compliant Sustainability Report, the Company's TSRS-Compliant Sustainability Report for 2024 is the first report prepared within the scope of TSRS. This report only discloses information related to climate-related risks and opportunities, taking into account the exemptions provided by TSRS 1, and does not present comparative information from previous periods. However, this does not affect our conclusion.

Inherent Limitations in the Preparation of Sustainability Information
All assurance engagements have inherent limitations due to the selective testing of the information under review. Therefore, fraud, errors, or non-compliance may occur and go undetected. Additionally, such non-financial information, like that included in reporting documents, is subject to more inherent limitations than financial information, given the nature and methods used to identify, calculate, sample, or estimate such information.

Our engagement provides limited assurance as defined in Assurance Engagement Standards 3000 and 3410. The activities performed within a limited assurance engagement differ from a reasonable assurance engagement by their nature, timing, and less comprehensiveness. Therefore, the level of assurance obtained within a limited assurance engagement is significantly narrower than within the scope of a reasonable assurance engagement.

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

Management of The Company are responsible for:

• The Company management is responsible for the preparation of the sustainability information in accordance with Turkish Sustainability Reporting Standards;

• Designing, implementing and maintaining internal control over information relevant to the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error;

• The Company Management is also responsible for the selection and implementation of appropriate sustainability reporting methods, as well as making reasonable assumptions and developing estimates in accordance with the conditions.

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

Practitioner's Responsibilities for the Limited Assurance on Sustainability Information

We are responsible for:

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

• Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and

• Reporting our conclusion to the Directors of Company.

• Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Company's internal control.

• Design and perform procedures responsive to where material misstatements are likely to arise in the sustainability information. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of Sustainability Information.

As we are engaged to form an independent conclusion on the Sustainability Information as prepared by management, we are not permitted to be involved in the preparation of the Sustainability Information as doing so may compromise our independence.

Professional Standards Applied

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

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Ethical Rules for Independent Auditors (including Independence Standards) (the ''Ethical Rules") issued by the POA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. Our firm applies Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our work was carried out by an independent and multidisciplinary team including assurance practitioners, sustainability and risk experts. We used the work of experts, in particular, to assist with determining the reasonableness of Company's information and assumptions related to climate and sustainability risks and opportunities. We remain solely responsible for our assurance conclusion.

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

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

• Inquiries were conducted with the Company's key senior personnel to understand the processes in place for obtaining the Sustainability Information for the reporting period

• The Company's internal documentation was used to assess and review the information related to sustainability;

• Considered the presentation and disclosure of the Sustainability Information.

• Through inquiries, obtained an understanding of Company's control environment, processes and information systems relevant to the preparation of the Sustainability Information, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness;

Summary of the Work We Performed as the Basis for our Assurance Conclusion (Continued)

- Evaluated whether the Company's methods for developing estimates are appropriate and had been consistently applied, but our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Company's estimates;

- Obtained understanding of process for identifying risks and opportunities that are financially significant, along with the Company's sustainability reporting process.

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

Yeditepe Bağımsız Denetim ve Yeminli Mali Müşavirlik A.Ş.
(Associate Member of Praxity AISBL)

Hasan Ersin
Partner
İstanbul, 19 December 2025