

TSRS COMPLIANT
SUSTAINABILITY REPORT FOR 2025



sarkuysan

Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

INDEPENDENT AUDITOR'S REPORT

TO THE GENERAL ASSEMBLY OF SARKUYSAN ELEKTROLİTİK BAKIR SANAYİ VE TİCARET ANONİM ŞİRKETİ;

We have undertaken limited assurance engagement of Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret Anonim Şirketi and its subsidiaries ("all together to be referred to as the "Group") about the information ("Sustainability Disclosure") presented in compliance with Türkiye Sustainability Reporting Standards 1 "General Provisions Regarding the Disclosure of Financial Information Related to Sustainability" and Türkiye Sustainability Reporting Standards 2 "Disclosures Related to Climate" belonging to the year ending on December 31, 2025.

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

OUTCOME OF LIMITED ASSURANCE

Based on the procedures conducted by our party as described under the title, "Summary of the Efforts Undertaken to be a Basis for Assurance Outcome," and the evidence we obtained, there was no point that stood out that led us to believe that the Sustainability Disclosure of the Group belonging to the year ending on December 31, 2025 had not been prepared in accordance with Türkiye Sustainability Reporting Standards ("TSRS") issued by Public Oversight, Accounting and Auditing Standards Authority ("KGK") covering all of its significant aspects.

We do not offer any assurances concerning any other information associated with Sustainability Information (including any images, audio files, website links, or embedded videos).

ISSUES TO CONSIDER

As detailed in the About the Report section of the TSRS-Compliant Sustainability Report, the Group has taken into account the exemption announced by the resolution of KGK Board dated December 25, 2025, published in the Official Gazette dated December 30, 2025, with reference number 33123 in its TSRS-compliant Sustainability Report for 2025, and therefore, disclosed only information associated with the climate-related risks and opportunities for its second annual reporting period. However, this issue does not have an impact on our conclusion.

As explained in the About the Report section of the TSRS-Compliant Sustainability Report, the Group used its right to exclude Scope 3 GHG emissions. This exemption is valid for the first two years of reporting as per Temporary Article 3 of the Resolution of the Board related to the Implementation of "Turkish Sustainability Reporting Standards (TSRS)" published in the Official Gazette dated December 29, 2023, with reference number 32414. Therefore, as the TSRS-Compliant Sustainability Report is the second sustainability report of the Group prepared in compliance with the TSRS falling under the exemption decision, Scope 3 GHG emissions were not disclosed. However, this issue does not have an impact on our conclusion.

STRUCTURAL LIMITATIONS IN PREPARING SUSTAINABILITY DISCLOSURE

Sustainability Disclosure is subject to some structural uncertainties originating from the lack of scientific and economic information. The inadequacy of scientific information in the calculation of GHG emissions leads to uncertainties. Furthermore, Sustainability Disclosure includes uncertainties based on climate-related scenarios due to the lack of data in relation to the likelihood, timeline and impacts of potential climate-related physical and transition risks in the future.



RESPONSIBILITIES OF MANAGEMENT AND SENIOR MANAGEMENT IN RELATION TO SUSTAINABILITY DISCLOSURE

The Group Management is in charge of the following:

- › Preparing Sustainability Disclosure in accordance with the provisions of Turkish Sustainability Reporting Standards,
- › Designing, implementing, and sustaining internal supervision related to the preparation of Sustainability Disclosure which do not include significant errors originating from fault or fraud.
- › The Group Management is also in charge of selecting and implementing adequate sustainability reporting methods as well as offering plausible assumptions and predictions in accordance with the prevailing conditions.

Senior Management is in charge of supervising the Group's sustainability reporting process.

INDEPENDENT AUDITOR'S RESPONSIBILITY REGARDING LIMITED ASSURANCE ENGAGEMENT OF SUSTAINABILITY DISCLOSURE

We are in charge of the following:

- › Planning and conducting assurance efforts in order to obtain a limited assurance about whether Sustainability Disclosure contains significant errors originating from fault or fraud,
- › Drawing an independent conclusion based on the evidence we obtain and procedures we follow; and reporting this conclusion to the Group Management.
- › As we are in charge of reporting an independent conclusion regarding the Sustainability Disclosure developed by the Management, we are not allowed to be involved in the preparation process of the Sustainability Disclosure to avoid compromising our independence.

FOLLOWING PROFESSIONAL STANDARDS

We conducted limited assurance engagement in accordance with Assurance Engagement Standard of "3410 Assurance Engagements on Greenhouse Gas Statements" in relation to Green House Gas emissions contained in the Sustainability Disclosure and Assurance Engagement Standard 3000 "Assurance Engagements Other Than Independent Engagement or Limited Independent Engagement of Historical Financial Disclosures" published by KGK.

INDEPENDENCE AND QUALITY CONTROL

We adhered to the independence provisions and other ethical guidelines outlined in the Code of Ethics for Independent Auditors (Including Independence Standards) (Code of Ethics) published by KGK, which emphasizes integrity, objectivity, professional competence and diligence, confidentiality, and adherence to professional conduct standards. Our Company adheres to the stipulations of Quality Management Standard 1, and accordingly, upholds a thorough quality control system that includes ethical guidelines, professional standards, and documented policies and procedures to ensure compliance with relevant requirements of the legislation. Our efforts were undertaken by a multi-disciplinary and independent team, which includes auditors and specialists in sustainability and risk management. We benefitted from the efforts of our expert team in order to assist in assessing the validity of the information and assumptions regarding the climate- and sustainability-related risks and opportunities of the Group. We are solely responsible for the conclusion of this assurance.



SUMMARY OF THE EFFORTS UNDERTAKEN AS A BASIS TO ASSURANCE CONCLUSION

It is essential for us to plan and take action related to our efforts in addressing the areas we identify as having a high likelihood of containing substantial errors in the Sustainability Disclosure. The procedures we follow are based on our professional reasoning. As we conducted limited assurance engagement with regard to the Sustainability Disclosure:

- › In-person and online interviews were conducted with the senior personnel of the Group working at key positions in order to understand the processes used to obtain the information in the Sustainability Disclosure.
- › The Group's internal documentation was used to assess and review the information related to sustainability.
- › Disclosure and presentation of information related to sustainability were assessed.
- › Through relevant investigations, we have established our opinions regarding the Group's control structure and information systems in relation to the preparation of the Sustainability Disclosure. However, the design of certain control activities was not assessed, no evidence was obtained regarding their implementation, and the effectiveness of operation was not tested.
- › An assessment was conducted to determine if the Group's estimation methods were appropriate and consistently applied. Nonetheless, our procedures do not include testing the data that underpins the estimates or developing our own estimates to assess the Group's estimates.
- › Digitization methods regarding GHG and selection of the Reporting policies were assessed.

Procedures followed in limited assurance engagement differ from reasonable assurance engagement in terms of nature and timeline, having narrower scopes. In conclusion, the assurance level ensured as a result of the limited assurance engagement is significantly lower compared to the assurance level to be obtained as a result of reasonable assurance engagement.

MGI BAĞIMSIZ DENETİM A.Ş.
A MEMBER OF MGI WORLDWIDE



ÖZCAN AKSU
AUDITOR IN CHARGE
(İSTANBUL, AUGUST 19, 2026)



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ABOUT THE REPORT

Our sustainability strategy is founded on the principles of transparency, accountability, and the creation of long-term value, integrating environmental awareness into economic and social responsibilities, ensuring the protection of future generations' right to life while fulfilling the requirements of the present. In this report, we address the impacts of climate-related risks and opportunities on our operations considering governance, strategy, risk management, metrics, and targets, and disclose our approach that guides our future efforts to our stakeholders.



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TERMS & ABBREVIATIONS	
Term / Abbreviation	Definition
CBAM	Carbon Border Adjustment Mechanism
ETS	Emissions Trading System
ESG	Environmental, Social and Governance
SPP	Solar Power Plant
GHG Protocol	International standard methodology for calculating and reporting greenhouse gas (GHG) emissions
IEA	International Energy Agency
IPCC	Intergovernmental Panel on Climate Change
ISSB	International Sustainability Standards Board
KGK	Public Oversight, Accounting and Auditing Standards Authority
KRI	Key Risk Indicator
CSIB	Corporate Sustainability and Innovation Board
CSIS	Corporate Sustainability and Innovation System
NZE 2050	Net Zero Emissions by 2050 Scenario
SSP	Shared Socioeconomic Pathways
SSP2-4.5	The climate scenario that projects intermediate emission reduction
SSP5-8.5	High-emissions future scenario
tCO ₂ e	tonnes of CO ₂ equivalent
TSRS	Turkish Sustainability Reporting Standards
TSRS 1	The Standard for General Provisions on Disclosure of Sustainability-Related Financial Information
TSRS 2	The Standard for Climate-Related Disclosures
TFRS	Turkish Financial Reporting Standards
RER-G	Renewable Energy Resource Guarantee System
I-REC	International Renewable Energy Certificate
Scope 1 Emissions	Direct GHG emissions that occur from sources that are controlled or owned by an organization

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Term / Abbreviation	Definition
Scope 2 Emissions	Indirect GHG emissions from the use of purchased electricity, steam, heat, or cooling
Scope 3 Emissions	Other indirect GHG emissions occurred in the value chain
Product Carbon Footprint (PCF)	Total GHG emissions caused by a product throughout its lifecycle
Energy Intensity	The amount of energy consumed per unit of a product or an activity
Emission Intensity	GHG emissions produced per unit of a product or an activity
Financial Materiality	The potential that a piece of information can influence investors' decisions.
Physical Risk	Risks from the physical impacts of climate change
Transition Risk	Policy and legal, technology, market and reputation risks related to the transition to a lower-carbon economy
Climate-Related Opportunities	Business, investment, or efficiency opportunities from climate change mitigation or adaptation
Resilience	The capacity of an organization for the adaptation to climate change impacts and the sustainability of its operations
Value Chain	All upstream and downstream operations that compose the production process of a product or a service
Scenario Analysis	A method for assessing risks and opportunities under various climate and economic future assumptions
Internal Carbon Price	A hypothetical or actual carbon price employed to integrate carbon costs into decision-making processes

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We, at Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş., are pleased to publicly disclose our second sustainability report, developed in compliance with the Turkish Sustainability Reporting Standards (TSRS), to provide information regarding our activities and relationships with our stakeholders, in line with the principles of transparency, accountability, and sustainable value creation.

This report herein covers the fiscal period of January 1, 2025, to December 31, 2025, aligning with the Company's financial reporting period. The sustainability-related risks and opportunities discussed in the report have been assessed based on a financial materiality approach and structured to enable investors to assess their impacts on short-, medium-, and long-term cash flows of the Company, as well as its access to finance and its operating value.

As detailed in the governance section, efforts are ongoing to enhance the corporate infrastructure that will ensure the systematic integration of sustainability objectives and strategies, as well as sustainability-related risks and opportunities, especially concerning climate change, within the Company's operational and administrative processes. Hence, the goal is to enhance mechanisms that will ensure developing systematic information, documenting and reporting processes related to acquiring, assessing, and documenting sustainability-related information from related departments and reporting the information to relevant governance bodies, and also ensure defining roles and responsibilities, as well as systematically including sustainability issues to the Company's decision-making processes in the future. The data, assumptions, and methodologies considered in this report herein are consistent with the data and assumptions used in the consolidated financial statements of Sarkuysan, developed in accordance with Turkish Financial Reporting Standards (TFRS). Moreover, the currency used in this report, i.e., Turkish Lira (TL), is consistent with the currency submitted in the financial statements of the Company.

As efforts related to enhancing the corporate structure and processes are ongoing during the reporting period, the materiality principle and data compliance defined in TSRS 1, as well as the existing skills, capabilities, and resources of the Company were taken into account for the financial statements related to sustainability; thus, mostly qualitative statements were made considering the available data and assessment capabilities. The purpose is to improve the scope and attributes of disclosures in line with the enhanced data collection, control, information-document, assessment and reporting infrastructure in subsequent reporting periods.

The organizational boundaries of this report were determined in compliance with the subsidiaries provided in the consolidated financial statements of the Company. In the assessment of sustainability-related risks and opportunities, the impacts that may arise from the activities as part of consolidation, as well as the activities of major suppliers, logistics and customers within the Company's value chain, were taken into account.

This report was developed to facilitate the assessment of the sustainability-related financial information reported in accordance with TSRS 1 and TSRS 2, in connection with the Company's strategy, business model, risk management processes and financial performance.



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The subsidiaries included in the consolidation as of December 31, 2025, the Company's effective shareholding ratios in these subsidiaries and their areas of activity are as follows:

AFFILIATED COMPANIES AS OF DECEMBER 31, 2025

Name of the Subsidiary	Field of Activity	Country	Effective Affiliation Ratio %
Sarmakina San.ve Tic. A.Ş.	Packaging material (steel reel), production machinery manufacturing, and trade.	Türkiye	99
Sarda Dağ.ve Tic.A.Ş.	Marketing and distribution.	Türkiye	99.97
Bektaş Emaye Kablo San. Tic. A.Ş.	The company earns real estate rental income and affiliation income.	Türkiye	99.84
Bemka Kupferlackdraht GMBH.	Marketing and Distribution	Germany	99.6
Sark Bulgaria A.D.	Electrolyte copper and conductor production	Bulgaria	100
Sark Wire Corp.	Copper wire production and marketing.	USA	100
Sark Gıda San. Tic. A.Ş.	Food purchasing and retailing	Türkiye	99
CRW Metal San. ve Tic. A.Ş.	Electrolyte copper wire manufacturing and trade.	Türkiye	82.5
Sar Makina Bulgaria EAD.	Packaging material (steel reel), production machinery manufacturing, and trade.	Bulgaria	99
Sartech Foods Gıda San. ve Tic. A.Ş.	Wholesale of Dried Legumes	Türkiye	99

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The sustainability reporting of Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş. is formulated based on the company's organizational structure and its fields of operation. Therefore, all subsidiaries subject to consolidation were integrated into the report while defining the boundaries of reporting, and assessments were carried out within this overall framework.

In financial statements, all subsidiaries are consolidated through full consolidation method, and Sarkuysan and its consolidated subsidiaries are referred to as "the Group" in the financial statements. The Group also owns 44.44% of Demisaş Döküm Emaye Mamulleri Sanayi A.Ş. –traded in Istanbul Stock Exchange– that has operations in manufacturing and trading of iron, casting, enamelware, enamel casting containers, and other goods used in the automotive and domestic appliances industry. Demisaş is not included in the full consolidation as a subsidiary but considered as an affiliate using the equity accounting in the financial statements.

In the assessment of sustainability-related risks and opportunities as per TSRS, the impacts that may arise from the activities as part of consolidation, as well as the activities of major suppliers, logistics and customers within the company's value chain, were taken into account.

Globally recognized methodologies were used in calculating and reporting GHG emissions, and an operational control approach was adopted while determining the organizational boundaries. Accordingly, all structures over which the company has administration and steering authority were included in the assessment process. GHG emissions were calculated as per the GHG Protocol methodology and reported in accordance with the ISO 14064-1 standard.

The TSRS-compliant sustainability report of Sarkuysan for 2025 was subject to limited assurance engagement by an independent auditing company, and the assurance process was conducted in line with the requirements of the relevant standards. The purpose of the assurance process

is to foster confidence in the reliability, accountability, and traceability of the sustainability information presented in the report.

This report herein is the second sustainability report of the company published as per the framework of TSRS. Therefore, the report includes comparative information with the previous reporting period in the available indicators, and performance changes and trends were assessed through relevant indicators.

The methods, data collection and analysis approaches used during the reporting process were carried out in line with the previous period and enhanced by adopting a continuous improvement mentality. This approach supports the existing data collection and evaluation processes for monitoring corporate sustainability performance. Efforts to improve data quality, strengthen internal control mechanisms, and integrate sustainability performance indicators into corporate decision-making processes were sustained during the reporting period.

The company is committed to advancing a corporate structure that will facilitate the integration of financial data concerning sustainability with its strategy, business model, risk management processes, and financial performance. Therefore, the goal is to systematically embed sustainability-related risks and opportunities into strategic planning, risk management, investment evaluation, and other relevant decision-making processes in the upcoming period.

The company is committed to transparency, comparability, verifiability, and consistency principles in line with the requirements of TSRS in developing its sustainability-related financial statements and sustains its efforts to mature its reporting systems.

Should you have any comments, suggestions, or questions concerning the report, please do not hesitate to contact us at the following e-mail address:

E-mail: yatirimciiliskileri@sarkuysan.com

STATEMENT OF COMPLIANCE (TSRS 1- 72)

This report herein was developed in full compliance with TSRS 1 "General Provisions on the Disclosure of Sustainability-Related Financial Information" and TSRS 2 "Disclosures Related to Climate" of the Turkish Sustainability Reporting Standards published by the Public Oversight, Accounting and Auditing Standards Authority (KGK) to cover the fiscal period of January 1, 2025, to December 31, 2025.

This report includes statements regarding financially-material risks and opportunities related to sustainability, as well as climate-related risks and opportunities of Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş. and its consolidated subsidiaries. These statements were developed based on the financial materiality approach specified by TSRS.

The company developed its sustainability-related financial statements in accordance with TSRS provisions, and these statements contain information to facilitate investors and other users of financial statements to assess short-, medium-, and long-term cash flows of the company, as well as its access to finance and its operating value.

This report herein was approved and decided to be published by the Board of Directors of Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş. on August 19, 2026.

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TRANSITION PROVISIONS AND EXEMPTIONS

The reporting process conducted as per the framework of TSRS 1 and TSRS 2 benefitted from the following exemptions, as part of the Resolution of the Board of KGK dated 25.12.2025 regarding extending the transition exemptions for the first implementation period.

The transition provisions and exemptions implemented during the reporting period are summarized as follows:

- › As per Annex E5 of TSRS 1, the sustainability statements in this reporting period focus primarily on climate-related risks and opportunities. The scope of disclosures on other sustainability issues will be expanded in the upcoming reporting periods.
- › As per Annex E6(b) of TSRS 1, comparative information on sustainability issues other than climate was not presented in this reporting period.
- › As per Annex E4 of TSRS 1, this report herein was prepared and disclosed to the public following the publication of the consolidated financial report for 2025.
- › The disclosure on Scope 3 GHG emissions was not presented in this reporting period as per the transition exemption specified in Temporary Article 3 of the Resolution of the Board of the Public Oversight, Accounting and Auditing Standards Authority dated 27.12.2023.

UNCERTAINTIES & ASSUMPTIONS USED IN REPORTING

The analyses, assessments, and projections included in this report herein were developed taking into account available data sets, industrial developments, climate projections, and national and international regulations.

During the assessment of physical climate-related risks, the SSP2-4.5 and SSP5-8.5 scenarios developed by the Intergovernmental Panel on Climate Change (IPCC) were considered. On the other hand, the Net Zero Emissions by 2050 (NZE 2050) scenario published by the International Energy Agency (IEA) was taken into account during the assessment of transition risks.

However, the forward-looking assessments in this report herein include a certain degree of uncertainty due to;

- › uncertainties in climate projections,
- › variations in energy markets,
- › evolution of carbon pricing mechanisms,
- › technological transformations,
- › and potential changes in regulatory requirements

As part of scenario assessments, the potential impacts of temperature increases, water stress, extreme weather events, carbon costs, energy prices, and regulatory developments on the activities of the Company were addressed. These efforts can be considered as a study to understand the possible risks and opportunities under various climate conditions and to assess their potential impacts on the activities of the Company.

As from the reporting period, efforts are ongoing to enhance the corporate structure that will ensure the systematic consideration of the outcomes of scenario analyses in the strategic planning, investment evaluation, capital allocation, and other relevant decision-making processes of the Company. Accordingly, efforts are underway to improve governance, information flow, reporting, and decision-making processes in order to support the effective and systematic functioning of the mechanisms to be established. The goal is to develop mechanisms that will ensure systematic consideration of the outcomes of scenario analyses in relevant administrative assessment and decision-making processes in the upcoming periods, in line with the enhancement of the sustainability governance and risk management infrastructure.

INDUSTRY-SPECIFIC GUIDELINES AND METRICS

This report herein was developed considering the provisions of TSRS 1 and TSRS 2 as part of Turkish Sustainability Reporting Standards (TSRS). Regarding the industry-specific implementations of TSRS 2, the industry-specific implementation guideline in "Volume 10: Metals and Mining" was considered, taking into account the nature of the activities of the company and its main field of activity.

Considering Sarkuysan's main field of activity, i.e., the manufacturing of copper and conductive products, priority assessment issues were addressed as energy consumption, GHG emissions, water consumption, raw material supply, resource efficiency, occupational health and safety, and product lifecycle impacts.

The company evaluates the applicability of industry-specific indicators based on the nature of its activities and its operational structure, with the purpose of expanding the scope of industry-specific disclosures in line with the progression of reporting maturity.

The Board of Directors is in charge of the development of the sustainability-related financial statements included in the report in accordance with the provisions of TSRS and for the effective execution of the reporting processes.

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With more than half a century of production expertise, our state-of-the-art facilities, and an annual manufacturing capacity surpassing 220,000 tons, we integrate copper into every aspect of life. We are passing on our robust industrial legacy to the future, emphasizing our dedication to quality, reliability, and perpetual enhancement.

ABOUT SARKUYSAN

Our Company has a significant place in the country's industrialization history as it is the first successful publicly traded and aggregate company. The Company, which produces electrolytic copper products, copper tubes and copper busbars over an area exceeding 200,000 m² in the Gebze, Tuzla and Darica regions, with an indoor area of approximately 90,000 m², increased its initial capacity of 10,000 tons/year to an annual production capacity of over 220,000 tons and became a global company.

The products are used as standard inputs in electro-technic, electronics, engine, communication, power generation and distribution, solar power, household appliances, measuring devices, defense, automotive, chemical, construction, heating-ventilation and sanitary installation industries.

Copper serves as a key input in energy transformation, electrification, renewable energy systems, electric vehicles, energy transmission and distribution infrastructures, and data centers, and the surging global demand for copper offers Sarkuysan long-term strategic opportunities.



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Our global reach spans from Türkiye to more than 70 countries across five continents, where we play a vital role in advancing energy transformation, electrification, and modern communication infrastructures. Taking strength from the strategic role of copper, we endorse sustainable growth and long-term value creation.

Sarkuysan is certified with TS EN ISO 9001, IATF 16949 Quality, ISO 14001 Environment, ISO 45001 Health and Safety, and ISO 50001 Energy Management systems for all the operations carried out. Using the "sks" brand on its products, Sarkuysan meets a substantial part of the domestic demand while exporting approximately half of its production range to more than 70 countries in 5 continents.

The international customer portfolio and export-oriented structure of the company enhance the strategic significance of risks and opportunities arising from sustainability, climate change, low-carbon product expectations, and carbon regulations.

Today, a significant number of the cars and commercial vehicles produced in Europe use Sarkuysan wires. The Company has been providing oxygen-free and nickel-plated copper wires to the suppliers of NASA in the USA for years as well as the aircraft manufacturers lately.

Sarkuysan manufactures a significant portion of its own machinery and plants used during the manufacturing process. Moreover, generating a considerable portion of the power and steam requirement of the Company vital

for the production consistency at the co-generation plant within its premises, the Company also offers its 50 years of experience and know-how to other countries.

The integrated manufacturing structure offers the company considerable benefits regarding operational efficiency, energy security, resource efficiency, and bolstering its capacity to adjust to climate change.

Sarkuysan is a group of companies. SARMAKINA A.Ş., operating in machinery and spare parts manufacturing and environmental protection technologies field; DEMISAŞ A.Ş., producing pig and nodular cast iron for automotive and machinery manufacturing sectors; SARDA A.Ş., a marketing and trade company; and BEKTAŞ A.Ş. are the sister companies in the group.

Sarkuysan has an agency in Italy where is an important country for direct marketing purposes of the products as part of the Company's busy export operations. In addition, Sarkuysan has become a pioneering Turkish industrial organization in the USA with SARK WIRE, a subsidiary which began production in Albany, New York as from the end of 2009, and the completion of the two manufacturing plants constructed in Toccoa, Georgia; and in Bulgaria with Sark Bulgaria factory, which was established in Shumen on 10.06.2016 and put into operation for production in 2019. Furthermore, Sarkuysan facilities located at the Aegean Free Trade Zone manufacture and export products with high added value.

The company functions on a global scale, with activities in Türkiye, the USA, Bulgaria, and Germany, assessing sustainability-related risks and opportunities from the perspectives of both its own operations and its value chain.

Having approximately 1,353 employees in total, approximately 90% of the personnel of the group of companies working in the production units have either vocational school or high school degrees, and they are provided in-house and outsourced training programs every year.



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Being aware of its social responsibilities, Sarkuysan continuously develops social projects at all fields. Frej Han, which was renovated and used as the Company Headquarters for several years, is an important contribution to our cultural legacy. The Company contributes to education by building the Sarkuysan High School in Gebze and the Sarkuysan Elementary School in Darica and by granting non-refundable scholarships to higher education students. Sarkuysan also supports State Religious Affairs with the Sarkuysan Mosque inspired by and constructed as an Ottoman Architectural complex. Contributing to the healthcare industry by allocating the funds reserved at the beginning of the year for the urgent medical device requirements of a healthcare institution, the Company also supports sports with its Table Tennis Team. Contributing to arts with its Turkish Music Choir, Folk and Modern Dance Groups composed of its employees, the Company pays utmost attention to the environment by developing forestation areas. And last but not least is that Sarkuysan promotes our country by hosting international events.

At a corporation, with approximately 87,000 shareholders, Sarkuysan supplies materials to numerous sectors in the domestic and international markets under the "sks" trademark for the production of many modern industrial products; facilitates and colors life and creates substantial added value with significant employment opportunities; brings foreign currencies to the country, pays taxes and distributes profits. Sarkuysan is a dynamic, global, publicly held corporation with modern means of production and corporate organization governed by professionals.

Sarkuysan is persistently working on establishing a corporate structure to systematically evaluate the potential impacts of sustainability- and climate-related risks and opportunities on the Company's strategy, business model, investment decisions, and long-term value creation strategy. The goal is to develop mechanisms that will ensure significant sustainability-related risks and opportunities are considered in the Company's relevant administrative, operational, assessment, and decision-making processes in the upcoming periods.



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OUR BUSINESS MODEL

Sarkuysan's business model focuses on generating value by processing and transforming electrolytic copper into high value-added conductive products, which are then supplied as inputs to various industries and exported to global markets.

The majority of the company's production activities are conducted at its facilities located in the Kocaeli region, specifically in Gebze, Tuzla, and Darıca, where copper wire, copper tube, and copper busbars are manufactured. The production capacity of the company has grown considerably over the years, achieving an annual production capacity that surpasses 220,000 tons.

The core operational structure of Sarkuysan is designed around the processing of copper in various forms and the formulation of products that supply standard inputs to diverse industries. The products are directly used in the manufacturing processes of several industries including energy, automotive, electronics, defense, communication, construction, and HVAC.

The main business activities that stand out within the company's business model are as follows:

- › **Manufacturing conductive and copper products:** A wide range of product portfolio is offered, featuring the manufacturing of electrolytic copper wire, enameled wire, busbars, and tubes.
- › **Custom and advanced technology products:** Nickel- and tin-plated wires, PV ribbon wires, and products for applications that require high performance are manufactured.
- › **International production and retail network:** Manufacturing activities are ongoing in the USA and Bulgaria, and marketing and distribution activities are carried out in Germany.
- › **Distribution and commercial structure:** The group companies engage in marketing and distribution efforts, thus establishing an integrated structure between production and the market.

The company's organizational structure supports the value chain through its subsidiaries, besides its manufacturing operations. This structure enables different companies to engage in production, machine manufacturing, distribution, and trading activities.

The key components of Sarkuysan's business model can be summarized as follows:

- › High-volume and integrated production infrastructure
- › Wide range of products and multi-industrial customer base
- › Export-oriented growth approach (retail to 70+ countries over 5 continents)
- › Value chain structure supported by subsidiaries
- › Certified manufacturing system in compliance with international standards

The company supplies raw materials on a global scale and supplies its processed products to global markets, adhering to a business model based on import-export balance. Sarkuysan supports this business model through a sustainability approach with the goal to create long-term value in line with environmentally friendly manufacturing processes, energy efficiency, and effective use of resources.



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VALUE CHAIN

The value chain of Sarkuysan is founded on an integrated structure that begins with the global supply of copper raw materials, and then progresses through electrolytic refining, advanced production techniques, and the delivery of the final product to the customer.

The company's production activities are mainly carried out at its facilities located in the Kocaeli region, specifically in Gebze, Tuzla, and Darıca, and the company has an international presence due to its production facilities located in the USA and Bulgaria, as well as its retail and distribution network in Germany.

Achieving an annual production capacity surpassing 220,000 tons, Sarkuysan exports a significant part of its production to more than 70 countries over 5 continents.

RAW MATERIAL AND SUPPLY MANAGEMENT

The fundamental input of the company is copper raw material; this raw material is supplied on a global scale. This structure supports both supply security and production continuity.

Input used in manufacturing is as follows:

- › **Main raw material:** Copper
- › **Auxiliary materials:** Coating and alloy input
- › **Machinery & equipment:** Partially supported by in-house manufacturing capabilities

MANUFACTURING & OPERATIONAL STRUCTURE

The manufacturing model of Sarkuysan features a multi-layered structure, beginning with the production of electrolytic copper and progressing through advanced processes of processing.

These processes include:

- › Production of pure copper by electrolysis
- › Production of wire rod by continuous casting
- › Wire drawing, plating and shaping operations

and the company has the capability to employ various casting and manufacturing technologies concurrently.

LOGISTICS & DELIVERY

Sarkuysan manages its production and delivery processes via order-based planning and delivers its products to Europe, the USA, and other global markets thanks to its global retail network.

The substantial share of exports positions the company's logistics capability and global customer access as an essential element of the value chain.

INDUSTRIES SERVED AND CUSTOMER SEGMENTS

The company's products are used in numerous industries including;

- › Energy
- › Automotive
- › Electronics and Telecommunication
- › Defense
- › Construction and Infrastructure
- › HVAC

and this diversity constitutes a prominent factor in balancing the demand risk.

CUSTOMER RELATIONS & POST-RETAIL PROCESSES

Sarkuysan, with its extensive product range and technical manufacturing capability, can deliver standard products alongside customized solutions to its customers.

In post-retail processes, a continuous improvement approach is adopted aligning with product quality, technical support and customer feedback.

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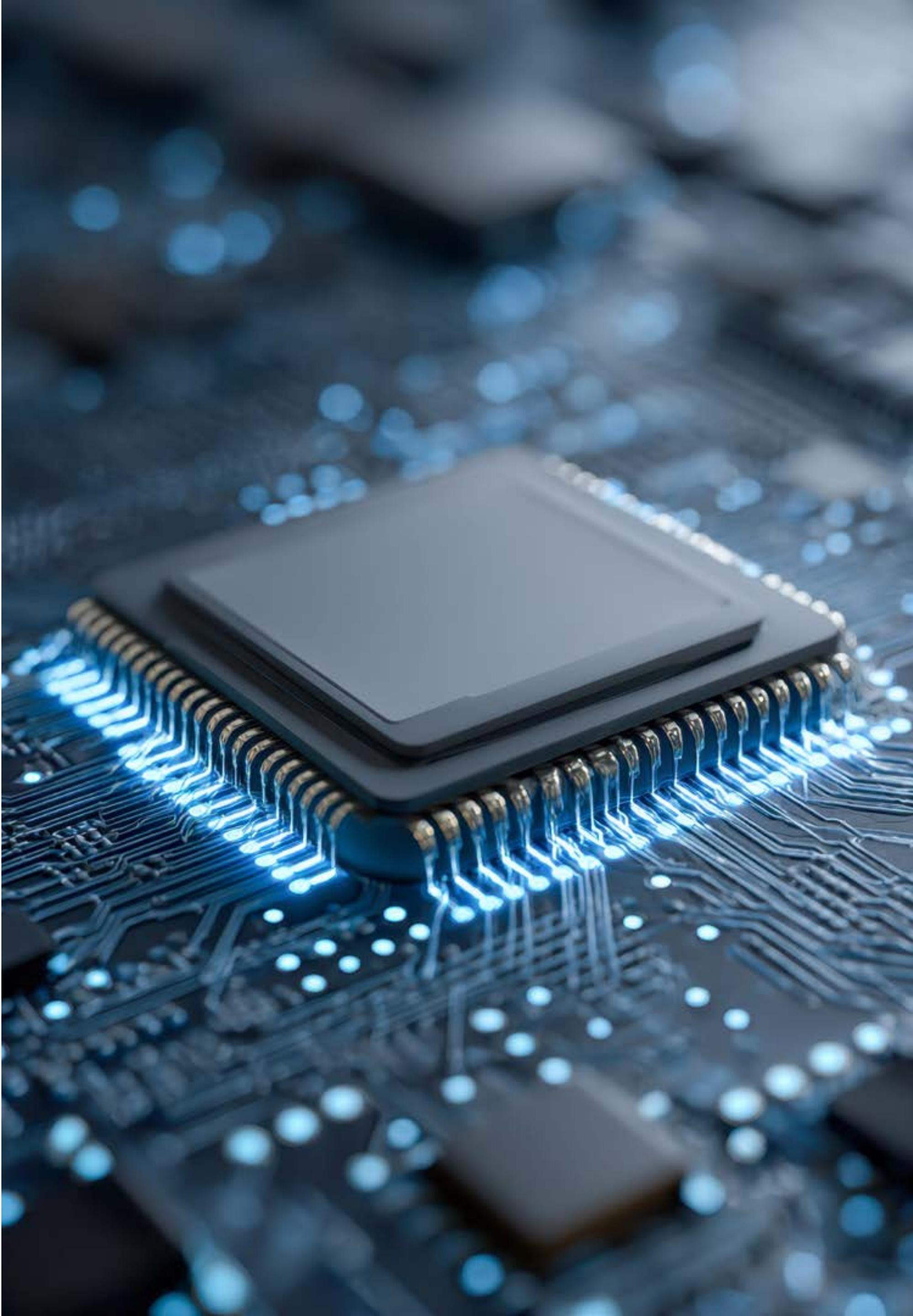
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We regard sustainability as an integral part of our corporate strategy, and we seek to create an all-encompassing governance structure that facilitates the identification, assessment, and monitoring of sustainability-related risks and opportunities, with well-defined roles and responsibilities.



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SUSTAINABILITY GOVERNANCE STRUCTURE

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş. considers sustainability as an integral part of its corporate strategy; the company adopts a global sustainability approach encompassing environmental, social, and governance dimensions. The company's understanding of sustainability is shaped in line with shareholder expectations, legal obligations, international standards, and goals of creating long-term corporate values.

Efforts are ongoing to ensure that sustainability processes are conducted under the roof of Corporate Sustainability and Innovation System (CSIS), integrated with the company's strategic goals, managed on a corporate level, and based on the principle of continuous improvement. Efforts are underway to develop infrastructure that systematically addresses sustainability goals and strategies, as well as sustainability-related risks and opportunities, with a particular emphasis on climate change, within operational processes.

The Corporate Governance and Sustainability Committee (CGSC)–under the supervision of the Board of Directors–is one of the key components of the Company's existing sustainability governance structure. Furthermore, efforts are ongoing to develop a governance structure that encompasses the Corporate Sustainability and Innovation Board (CSIB) along with sub-working groups to be organized based on sustainability priorities, to support systematic implementation of sustainability processes.

Ongoing efforts to integrate sustainability goals and strategies as well as sustainability related risks and opportunities regarding sustainability, particularly climate, into operational processes will be accelerated significantly in 2026-2027 period.

- › Systematic integration of risks and opportunities associated with climate and sustainability into corporate decision-making mechanisms,
- › Structuring reporting processes for the Board of Directors,
- › Organizing reporting processes from sub-committees and sub-working groups to sustainability committee,
- › Creating systematic documentation and information management processes to support sustainability strategies,
- › Defining control mechanisms in priority areas such as carbon emission monitoring, energy management, supplier assessment, clarifying job descriptions, and reporting responsibilities, and completing infrastructure deficiencies.

Sustainability governance model is based on corporate management principles, transparency, responsibility, accountability, and ethical management. Therefore, mitigating environmental impacts, improving employee well-being and occupational health and safety, fostering a culture of innovation, and contributing value to society are identified as key priorities.

The ultimate goal of the process is to clarify authorities and obligations of all relevant units under the roof of corporate governance in a global manner in line with the policies and procedures to be established and the corporate infrastructure.



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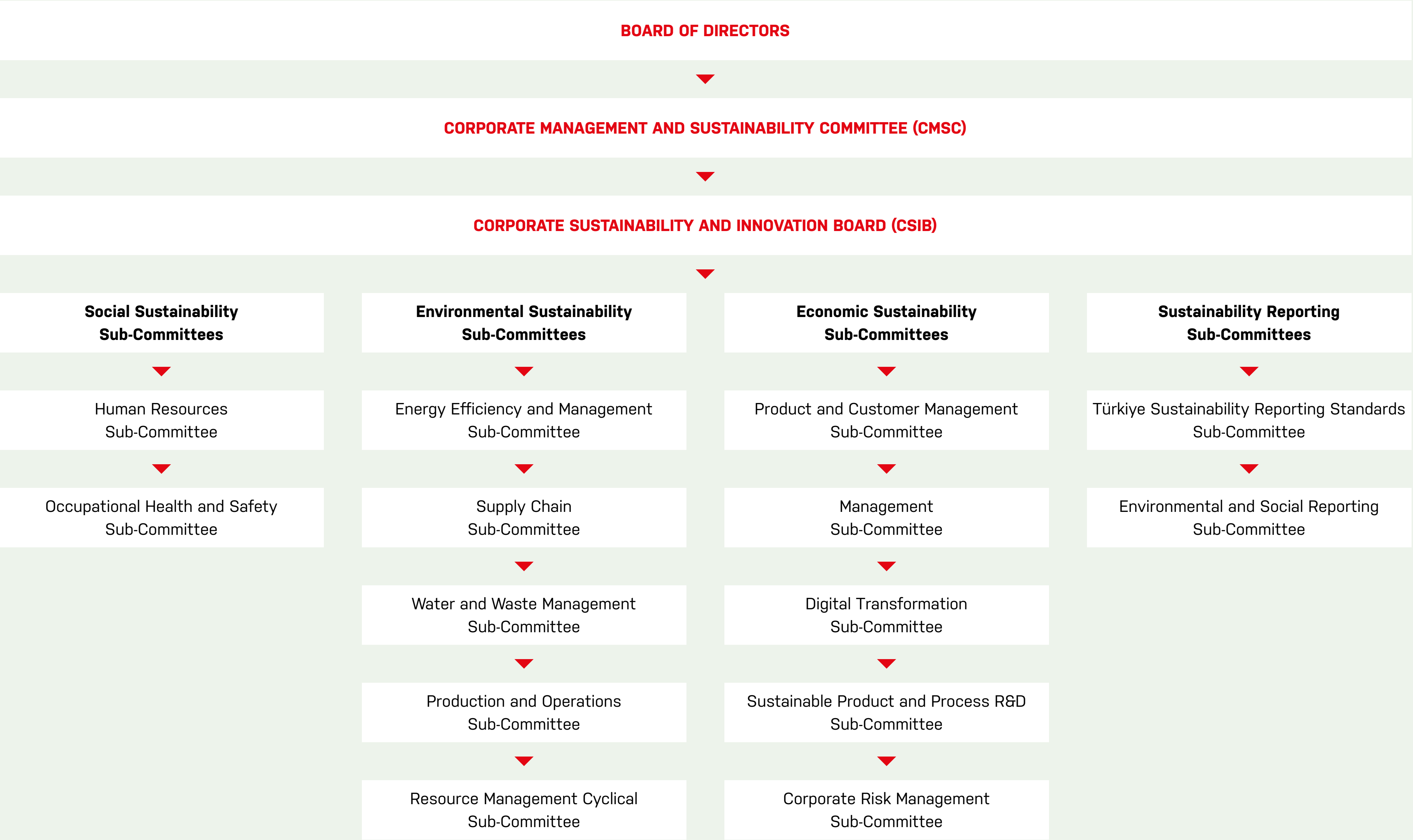
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We address our sustainability approach under the supervision of the Board of Directors, with the goal to systematically integrate climate and sustainability-related risks and opportunities into our strategy, business model, and corporate risk management processes.

SUPERVISION OF THE BOARD

The Board of Directors of Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş. holds the ultimate responsibility for ensuring that the Company's sustainability approach is managed and supervised at the highest level. Efforts are currently underway to establish a governance structure that will systematically integrate sustainability as well as climate-related risks and opportunities into the Company's strategy, business model, and corporate risk management processes.

Sarkuysan, being the sole company in Türkiye that is entirely open to the public, has a Board of Directors consisting of 14 members, with most not holding executive positions. The Chair and CEO positions are held by separate individuals. Five independent members serve on the Board of Directors in compliance with the independence criteria stipulated in the Corporate Governance Principles of the Capital Markets Board. A Corporate Governance and Sustainability Committee, an Audit Committee and an Early Risk Detection Committee serve under the Board of Directors.

Sarkuysan sustains its efforts to establish a multi-layered governance structure that will facilitate the identification, assessment, monitoring, and assignment of material sustainability issues, particularly climate-related risks and opportunities, to the relevant governance bodies. The goal of the structure to be established is to set up a systematic information flow and reporting mechanism that will enable the assessment of short-, medium-, and long-term impacts of key sustainability-related risks and opportunities at related organizational levels, and to ensure that pertinent issues are presented to the Board of Directors.

The structure to be established will have the purpose of having strategic, operational, financial, and other issues that are deemed to create sustainability-related risks and opportunities for Sarkuysan to achieve its short-, medium-, and long-term goals, assessed by the relevant layers of the organization, beginning from the Board of Directors.

The primary goal of Sarkuysan's sustainability policy is to consider the sustainability approach as an essential part of the corporate culture and integrate this approach into decision-making, implementation processes, and ways of doing business of individuals, teams and stakeholders through products and services.

Therefore, the goal is to ensure that the processes related to identifying, assessing, prioritizing, and reporting sustainability-related risks and opportunities are carried out under the supervision of the Corporate Governance and Sustainability Committee as part of the structure to be established, and to define the roles and responsibilities of the relevant governance bodies related to developing sustainability strategies, setting annual and long-term targets, and monitoring implementation performances.



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The structure of the Corporate Sustainability and Innovation Board (CSIB) will be improved to support the efforts of the Corporate Governance and Sustainability Committee. CSIB is expected to facilitate the execution of the sustainability strategy across the Company, assist in aligning performance outcomes with corporate objectives, and support coordination among relevant working groups regarding sustainability issues.

CSIB shall work under the leadership of the Managing Director, and with the contribution of relevant Assistant Managing Directors and executives of sub-working groups in the context of sustainability priorities. CSIB shall meet at least four times a year and submit their assessment results to the Corporate Governance and Sustainability Committee.

The current members of the Board of the Company are as presented.

Although the aforementioned members of the Board of Directors were holding their positions as of the date of the publication of the sustainability report, some changes occurred in the structure of the Board of Directors during the reporting period and the period leading up to the publication date of the report. Accordingly, Mr. Ayhan Zeytinoğlu had held his position as a Member of the Board until April 18, 2025, and Ms. Fatma Burcu Cesur, and also Ms. Virma Sökmen and Mr. Mehmet Nazmi Erten, Independent Members of the Board, held their positions until April 24, 2026.

The current members of the Corporate Governance and Sustainability Committee of the Company are as presented.

Although the aforementioned members of the Committee were holding their positions as of the date of the publication of the sustainability report, some changes occurred in the Committee structure during the reporting period and the period leading up to the publication date of the report. Accordingly, Ms. Fatma Burcu Cesur, Ms. Ilfeta Aksoy, and Mr. Mehmet Nazmi Erten held their positions as members of the Committee until April 24, 2026.

MEMBERS OF THE BOARD		
Name & Surname	Position	
Hayrettin ÇAYCI	Chair	
Hamit MÜCELLİT	Acting Chair	
A. Hamdi BEKTAŞ	Member of the Board	
Cenap TAŞKIN	Member of the Board	
Turgay ŞOHOĞLU	Member of the Board	
Bekir MENETLİOĞLU	Member of the Board	
Özge Neslihan ÇAYCI	Member of the Board	
Diana Manuş URUN	Member of the Board	
İpek ÖZCAN	Member of the Board	
Fatma Zeynep Kuman	Independent Member of the Board	
Oytun ÖZER	Independent Member of the Board	
İlfeta AKSOY	Independent Member of the Board	
Mehmet Ali YILDIRIMTÜRK	Independent Member of the Board	
Ahmet ÇİMENOĞLU	Independent Member of the Board	

CORPORATE MANAGEMENT AND SUSTAINABILITY COMMITTEE		
Name & Surname	Position in the Company	Duty in the Committee
Oytun Özer	Independent Member of the Board	Chair
Turgay ŞOHOĞLU	Member of the Board	Member
Özge Neslihan ÇAYCI	Member of the Board	Member
Bekir MENETLİOĞLU	Member of the Board	Member
Fatma Zeynep KUMAN	Independent Member of the Board	Member
Şefiye DURMAZ YAYLA	Investor Relations Manager	Member

COMPETENCE & CAPACITY DEVELOPMENT

Considering the Corporate Sustainability and Innovation System (CSIS) structure to be established under Sarkuysan, members of all relevant committees, boards, and sub-working groups are expected to consist of professionals experienced in various fields, including finance, environment, energy, production, supply chain, human resources, and management systems. Therefore, members of committees and sub-working groups shall have competence in at least one of the designated areas of expertise, and all these areas shall be represented in the committee.

- › Finance,
- › Environmental management,
- › Supply chain management,
- › Energy management,
- › Waste management,
- › Manufacturing processes,
- › Human resources,
- › Management systems,
- › Sustainability legislation knowledge.

These areas of expertise are considered vital for assessing sustainability- and climate-related risks and opportunities, and for developing related corporate processes in the upcoming periods. Training programs and external consultancy services in required areas are employed to cultivate the essential competencies.

Moreover, Şefiye YAYLA, one of the members of the Sustainability Committee, successfully completed the Corporate Sustainability Reporting Expertise (KSURU) training and got certified, which documents the level of competency of the committee.

The goal is to develop training, disclosure, documentation and assessment mechanisms that will ensure personal development in sustainability competence, as well as facilitating the transfer of the acquired knowledge and experiences into corporate processes in the upcoming periods.

In conjunction with building these competencies within the Company, there is a need for expert consultants to formulate reporting processes that comply with TSRS.

The goal is to develop training, disclosure, documentation and assessment mechanisms that will ensure personal development in sustainability competence, as well as facilitating the transfer of the acquired knowledge and experiences into corporate processes in the upcoming periods.

INFORMATION FLOW, SUPERVISION AND REPORTING PROCESS

Works are currently ongoing to build infrastructure to enable sustainability goals and strategies as well as risks and opportunities regarding sustainability, particularly climate, to be considered in operational processes. This process will be significantly accelerated in 2026-2027 period as part of consultancy services to be received and corporate capacity building efforts.

As part of these efforts, plans include developing the structuring of the processes for reporting to the Board of Directors, the processes for the sub-committees and sub-working groups to report to the sustainability committee, and systemic document and information management processes to support sustainability strategies. The

structure to be established is expected to develop the sustainability reporting and coordination process being carried out in accordance with the designated information flow, from the operational level to the Board of Directors.

The reporting and coordination process is designed to be structured in the following order of information flow: Field/ Operation Level, ESG Working Groups, CSIB, Corporate Governance and Sustainability Committee, and the Board of Directors. Thus, the goal is to develop a reporting mechanism that will ensure that sustainability- and climate-related material issues are evaluated at the relevant levels, that the assessment results are presented systematically to the relevant boards and committees, and that the essential issues are presented to the Board of Directors.

Related ongoing efforts include defining the information and documentation, reporting scope, responsibilities, and reporting frequency for the transfer of risk assessments, scenario analyses, critical risk indicators, and other necessary assessment findings to the relevant governance bodies. The ultimate structure to be established is expected to have risk assessment results to be reported at least twice a year and reassessed as often as deemed necessary, should significant changes occur.

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We are committed to fostering the effective assessment of sustainability- and climate-related risks and opportunities by developing competencies in diverse areas of expertise, and to reinforcing our corporate capacity through training, information exchange, and expert guidance.

INTEGRATING CLIMATE-RELATED RESPONSIBILITIES INTO JOB DESCRIPTIONS AND POLICIES

Efforts are currently underway to systematically incorporate the tasks and responsibilities associated with sustainability and climate-related risks and opportunities into the Company's job descriptions, internal policies and procedures, as well as governance processes.

With the purpose of disseminating climate-related responsibilities throughout the organization, efforts are still ongoing to clearly define the obligations associated with tracking, assessing, and reporting sustainability-related risks and opportunities in the job descriptions of people who work under CSIS. Therefore, the purpose is to clarify the roles, authorities, and reporting responsibilities of the relevant committees, boards, and sub-working groups.

Members of the committees, boards, and sub-working groups under CSIS are expected to possess the necessary competencies in areas, including environment, energy management, waste management, sustainability legislation,

finance, production, supply chain, and human resources. Training, licensing, and consulting activities related to the development of these competencies are detailed in the Competence and Capacity Development section.

The existing compensation policy of the Company does not directly consider climate change and sustainability performance. Nevertheless, as part of the medium-term plans, the goal is to initiate efforts to integrate sustainability- and climate-related performance indicators into performance assessment and compensation mechanisms.

MANAGEMENT OF RISKS & OPPORTUNITIES

CURRENT SITUATION IN THE REPORTING PERIOD 2025

As efforts progress on the development of the aforementioned extensive structure, a targeted study for identifying and assessing risks and opportunities has been carried out as part of the preparation works of the TSRS report of 2025. This study, apart from the continuous and systematic corporate risk management structure that is targeted to be established, primarily focused on identifying, defining, assessing, and prioritizing climate-related risks and opportunities that may be financially significant in the reporting period.

The study carried out in 2025 assessed the primary climate-related risks and opportunities by considering the Company's activities, production processes, energy and water consumption, raw material supply, geographical regions in which the Company operates, value chain, customer expectations, and regulatory developments. The SSP2-4.5 and SSP5-8.5 scenarios, and the IEA Net Zero Emissions by 2050 (NZE 2050) scenario were used in the assessment of physical risks and transition risks, respectively.

In assessing risks and opportunities, existing quantitative data and metrics were used. On the other hand, as of the reporting period, qualitative assessments were also considered significant, taking into account the data infrastructure and, particularly, the capacity to quantitatively measure the prospective financial impacts. Accordingly, existing quantitative data, alongside with the potential impacts of risks and opportunities on activities, operational continuity, cost structure, customer and market relationships, regulatory developments, competitiveness, value chain, and long-term value creation capacity were qualitatively assessed.

Quantitative data and defined financial impact thresholds were included in the assessment in the event that the financial impacts can be measured reasonably. In the event that adequate quantitative data was not available or reliable prospective impacts were not possible to measure, the existing information and data, scenario outcomes, and qualitative assessments were used. Therefore, the study conducted in 2025 was not merely an assessment based on mathematical risk scoring; instead, it adopted an approach that incorporated both quantitative metrics and qualitative assessments.

The outcomes of the assessments in 2025 study revealed that priority climate risks are water scarcity and drought, energy costs and energy supply security, and product carbon footprint requirements and low carbon transition in customer expectations, while priority climate opportunities are renewable energy and energy efficiency investments as well as sustainable product development activities.

This study conducted in 2025 has the purpose of establishing a basis for more detailed risk management, information-documentation, monitoring and reporting structure that is anticipated to be developed in the upcoming periods.

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TARGET STRUCTURE

Sarkuysan currently sustains its efforts to establish a structure that will systematically integrate sustainability- and climate-related risks and opportunities into the corporate risk management processes. As part of the target structure to be established, the goal is to define processes related to identifying, assessing, prioritizing, monitoring, and reporting sustainability- and climate-related risks and opportunities, to define roles and responsibilities related to these processes, to set up the required information, document, and data infrastructure, and to develop information flow and reporting mechanisms that will facilitate the transfer of assessment results to relevant governance bodies.

The structure to be established is expected to ensure that the Corporate Risk Management Sub-Working Group will coordinate assessment studies associated with sustainability- and climate-related risks and opportunities with the contribution of relevant working groups, and that processes will be developed to facilitate the transferring of results obtained to the Corporate Sustainability and Innovation Board (CSIB), the Corporate Governance and Sustainability Committee (CGSC), and to the Board of Directors, if required.

Once the target structure is established, the purpose is to conduct risk and opportunity assessments within the framework of specific methodologies, defined responsibilities, a systematic information and documentation system, data collection and control processes, as well as specified reporting principles, and to develop mechanisms that will ensure the results obtained are considered in relevant risk management, strategic planning, and administrative assessment processes.

CONTROLS AND PERFORMANCE MONITORING

The Company sustains its efforts to improve its processes related to data collection, verification and reporting in order to monitor its sustainability performance. Efforts are ongoing to incorporate sustainability indicators into corporate processes, develop performance indicators, and enhance the ESG data infrastructure.

Efforts are ongoing to enhance data quality, reinforce reporting procedures, and facilitate more efficient monitoring of sustainability performance.

Although sustainability performance was not directly incorporated into compensation systems during the reporting period, efforts are underway to integrate sustainability indicators into performance assessment mechanisms.



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STRATEGY

Assessing the impacts of climate-related risks and opportunities on our business model, value chain, and long-term value generation approach, we are formulating a strategic approach that will enhance our resilience against evolving climate conditions and the transition to a low-carbon economy.



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Assessing the impacts of climate-related risks and opportunities on our operations, the business model, and value chain, we establish a corporate structure that integrates our findings into strategic planning and investment decisions.

CURRENT SITUATION IN THE REPORTING PERIOD 2025

As part of the TSRS-compliant reporting efforts undertaken in 2025, efforts were put to identify and assess the potential impacts of major climate-related risks and opportunities on the activities, business model, and value chain of the Company, albeit on a narrower scale than the comprehensive corporate target structure to be established.

As part of these efforts, physical risks, transition risks, and climate-related opportunities were assessed considering the Company’s manufacturing structure, energy and water consumption, raw material supply, geographical regions that the Company operates, export structure, customer expectations, and regulatory developments.

While existing quantitative data and metrics were used in the assessments, there has also been a significant focus on qualitative assessments, considering the current data and measurement capabilities that can reliably quantify particularly the financial outcomes of prospective impacts.

Although these efforts in 2025 do not mean that climate-related risks and opportunities are systematically integrated into strategic planning, investment, or other decision-making processes, efforts are exerted to establish a corporate structure in order to achieve integration.

TARGET STRUCTURE

Sarkuysan is persistently working on establishing a corporate structure to enable systematic assessment of the potential impacts of risks and opportunities related to climate change on the Company's strategy, business model, value chain, and long-term value creation strategy.

The target structure to be established has the goal to assess the current and anticipated impacts of climate-related risks and opportunities on the Company's activities, financial performance, business model, and value chain in the short, medium, and long term, and to develop mechanisms that will ensure that the outcomes of climate scenarios are considered in the assessments and that the material issues are transferred to the relevant administrative assessment processes.

As a result, efforts are currently underway to establish information, documentation, data, reporting, and governance infrastructure that will facilitate a more systematic integration of climate-related risks and opportunities into strategic planning, investment assessment, risk management, and other pertinent decision-making processes.



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DEFINING CLIMATE-RELATED RISKS AND OPPORTUNITIES

CLIMATE AND INDUSTRY-SPECIFIC CONTEXT

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş. ("Sarkuysan") considers climate change as a strategic material issue affecting the global economy, energy systems, supply chains, and industrial production. The Company carefully tracks the risks due to climate change posed by climate change, as well as the opportunities that come with the transition to a low-carbon economy.

Copper is one of the key inputs for renewable energy systems, electric vehicles, energy transmission and distribution infrastructures, data centers, and digital transformation investments. The acceleration of electrification, coupled with the momentum of the energy transition worldwide, suggests that the demand for copper will increase over the long term. Sarkuysan is convinced that this transformation will lead to considerable growth opportunities for industry.

On the other hand, the European Union Emissions Trading System (EU ETS), the Carbon Border Adjustment Mechanism (CBAM), the Turkish Climate Law, and regulations related to the emissions trading system impose new obligations and compliance requirements on companies involved in energy-intensive production activities. Sarkuysan employs a holistic approach to address the impacts of climate change on its financial performance, operational continuity, competitiveness, and long-term value generation.

SARKUYSAN'S CLIMATE STRATEGY

The climate strategy of Sarkuysan is founded on effective management of climate-related risks, enhancing operational resilience, boosting energy and resource efficiency, promoting low-carbon production methods, and ensuring sustainable growth.

The Company addresses sustainability and climate change issues with the contribution of the existing Corporate Governance and Sustainability Committee and related working groups and sub-working groups and sustains its efforts to develop the sustainability governance structure, including the Corporate Sustainability and Innovation Board (CSIB). The goal is to integrate climate-related risks and opportunities into corporate risk management processes and to periodically assess these risks and opportunities at the senior executive level through the structure to be established as a result of ongoing efforts.

Considerable efforts were directed to enhance the sustainability governance framework during the second reporting period developed as per TSRS. Consequently, employees engaged in sustainability reporting processes have undergone training programs recognized by the Public Oversight, Accounting and Auditing Standards Authority (KGK), with several staff members successfully completing the relevant licensing procedures. The senior management team were provided training on sustainability, climate change, and TSRS practices. Moreover, corporate capacity has been bolstered by securing guidance from consultants specialized in climate change and sustainability.

These efforts are anticipated to enhance the Company's knowledge and competency in sustainability reporting as well as in assessing climate-related risks and opportunities. Additionally, efforts are ongoing to establish a systematic approach to governance, information flow, reporting, and decision-making processes.

IDENTIFYING CLIMATE-RELATED RISKS & OPPORTUNITIES

Climate-related risks and opportunities were assessed in accordance with the provisions of TSRS 1 and TSRS 2.

During the assessment period, physical risks (acute and chronic), transition risks (legal and policy, technological, market, and reputational risks), and climate-related opportunities were taken into account. The business model,

manufacturing processes, energy and water consumption, raw material supply, logistics activities, customer expectations of the company, as well as regulatory developments were assessed in identifying risks and opportunities.

As part of the efforts undertaken by the Corporate Risk Management Sub-Working Group, risks and opportunities were assessed within the framework of likelihood and impact criteria, while taking into account short-, medium-, and long-term time horizons. Besides the existing quantitative data, qualitative elements, including the nature of activities, operational significance, potential impacts on the value chain, customer and market relationships, regulatory developments, and long-term value generation capacity were also considered in the assessments. Furthermore, efforts are still ongoing to establish a structure that will ensure that these efforts are undertaken within the framework of specified methodologies, critical risk indicators (CRIs), a systematic information and documentation system, data collection and control processes, as well as designated monitoring and reporting principles.

As a result of the assessments conducted for 2025, prominent transition risks included energy costs and energy supply security, as well as changes in customer expectations regarding low-carbon products and product carbon footprint information. Physical risks consisted of water scarcity and drought, while primary opportunities were assessed as renewable energy and energy efficiency investments, along with sustainable product development activities.

Efforts are currently underway to establish the corporate infrastructure that will facilitate conducting these assessments within a more systematic structure for risk management, information and documentation, monitoring, and reporting in the upcoming periods.

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GEOGRAPHIC & OPERATIONAL EXPOSURE

Sarkuysan's operations are mainly concentrated in its manufacturing facilities located in the Darıca and Gebze districts in Kocaeli, as well as the Tuzla district in Istanbul. There is also a branch sustaining its operations in the Aegean Free Trade Zone in Izmir.

A significant portion of the company’s activities are carried out in its manufacturing facilities located in the Marmara Region. The facility in Gebze, in particular, has a critical operational significance, as it is responsible for approximately 85% of total energy consumption, and around 70% of water consumption, as well as approximately 98% of Scope 1 GHG emissions.

Physical risk assessments take into account geographical locations, fields of activity, and operational significance of the facilities. Risks related to temperature increases, extreme rainfall, floods, drought, water stress, and energy supply were assessed for the Darıca, Gebze, and Tuzla facilities within the Marmara Region. Considering the activities within the Aegean Free Trade Zone in Izmir, drought and water stress risks were expected to stand out.

Given that the Mediterranean Basin –where Türkiye is located– is a sensitive region as far as the physical impacts of climate change are concerned, the risk assessments efforts for 2025 also considered the exposure of locations –that the company operates within– to climate-related physical risks. As a result, potential physical risks, including temperature increases, drought, water stress, extreme rainfall, and floods, were assessed considering the locations that the company operates within. In the upcoming periods, the goal is to support location-based physical risk assessments with more systematic data collection, monitoring, and reporting processes.

SCENARIO ANALYSIS

Globally recognized sets of scenarios were used in assessing climate-related risks and opportunities.

In physical risk analyses, the SSP2-4.5 and SSP5-8.5 scenarios developed by the Intergovernmental Panel on Climate Change (IPCC) were considered. Whilst the SSP2-4.5 scenario represents a moderate reduction in emissions, the SSP5-8.5 scenario reflects a projection of a high-emission future.

On the other hand, the Net Zero Emissions by 2050 (NZE 2050) scenario published by the International Energy Agency (IEA) was taken into account during the assessment of transition risks.

As part of scenario assessments, the potential impacts of temperature increases, water stress, extreme weather events, carbon costs, energy prices, and regulatory developments on the activities of the Company were addressed. These efforts can be considered as an evaluation to understand the possible risks and opportunities under various climate conditions and their potential impacts on the activities of the Company.

Efforts are ongoing to enhance the corporate structure that will ensure the systematic consideration of the outcomes of scenario analyses in the strategic planning, investment evaluation, capital allocation, and other relevant decision-making processes of the Company. The goal is to integrate the outcomes of scenario analyses with relevant administrative assessment processes in the upcoming periods, in line with the enhancement of governance, information flow, risk management and reporting infrastructure.

VALUE CHAIN IMPACTS

Sarkuysan's value chain comprises the procurement of raw materials, production processes, logistics operations, and the delivery of products to customers.

As part of the TSRS-compliant reporting efforts undertaken in 2025, the potential impacts of climate change on various levels of the value chain were assessed using available information and data. At the stage of procuring raw materials, key issues involve disruptions in supply due to climate, the costs of energy, and risks emerging from suppliers. The fundamental impact areas in production processes consist of energy consumption, water consumption, and GHG emissions. During the assessment stage, sustainability-related potential risks and opportunities in the upstream and downstream segments of the value chain were taken into consideration.

The Company's extensive retail network, which spans over 70 countries across five continents, has led to an assessment that shifts in customer expectations concerning sustainability, carbon regulations, and low-carbon products in export markets—particularly within the EU—could present both potential risks and opportunities for the Company.

The anticipated growth in copper demand, stemming from developments in energy transformation, electrification, and investments in renewable energy, was also assessed as a possible climate opportunity for the Company.

Nevertheless, efforts are ongoing to enhance the information and data infrastructure that will facilitate the systematic provision, assessment, monitoring, and reporting of sustainability-related data from both the upstream and downstream segments of the value chain.

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ASSUMPTIONS & UNCERTAINTIES

The assessments in this report were made considering available data sets, climate projections, national and international regulations, and forward-looking assumptions.

In the analysis of physical risks, the IPCC Sixth Assessment Report (AR6), CMIP6 climate projections, SSP scenarios, and regional climate data were taken into account. The assessment of transition risks was based on the IEA NZE 2050 scenario, as well as regulatory developments in the EU and Türkiye.

Uncertainties in climate models, variations in energy markets, the establishment of carbon pricing systems, transformations in technology, and potential modifications in regulatory frameworks may lead to discrepancies between analytical results and real-world outcomes. Therefore, the assessments provided in this report are based on certain assumptions, and future outcomes may differ from these assumptions.

The assessments provided in this report were made based on the information available at the date of the report and may be revised in the future should new data sources become available or if there are changes in the regulatory framework.



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OUR RISKS

As part of the reporting process of TSRS 2025, Sarkuysan carried out an assessment with the purpose of identifying, defining, and prioritizing climate-related risks that might have an impact on its operations. The assessments considered the Company's business model, manufacturing processes, energy and water consumption, procurement of raw materials, logistics functions, customer expectations, developments in national and international regulatory, value chain, and the geographical features of the locations where the Company operates.

Short-, medium-, and long-term time horizons alongside the scenario analyses were used in the risk assessment. Besides the available quantitative data and metrics, qualitative factors, including potential impacts on operational continuity, customer and market relationships, regulatory developments, competitiveness, value chain, and long-term value creation capacity were also taken into consideration. Considerable focus was placed on the qualitative assessments using available data and information in areas where there was an absence of adequate data to reliably quantify prospective financial impacts.

As a result of these assessments, climate-related risks were addressed within the framework of physical climate risks, transition risks, and risks stemming from the value chain and operations. The potential impacts that risks may impose on the Company's revenues, cost structure, cash flows, investment requirements, and long-term value creation capacity were assessed considering the available information and data.

Efforts are currently underway to conduct these assessments, which were undertaken as part of the TSRS-compliant reporting efforts in 2025, within a more systematic structure for risk management in the upcoming periods. Therefore, the goal is to review and update risks at periodical intervals in line with varying conditions, to present outcomes of assessments to the relevant

governance bodies, and to establish information-document, monitoring, and reporting mechanisms that will facilitate the consideration of significant risks in the relevant management assessment processes.

The identified risks were assessed considering their potential impacts on the revenues, cost structure, cash flows, investment plans, and long-term value creation capacity of the company.

PHYSICAL CLIMATE RISKS

Considering scenario analyses and the geographical attributes of the locations that the Company operates, the prominent physical climate risks for Sarkuysan are extreme temperatures, water scarcity and drought, floods, and extreme weather events.

Extreme temperatures may have adverse effects on employees' health and workforce productivity, as well as equipment performance and energy consumption. Rising temperatures contribute to heightened heat stress in manufacturing areas, resulting in reduced operational efficiency and elevated energy expenses associated with cooling requirements. In order to manage these risks, priority action areas encompass temperature monitoring systems, energy-efficient climate control practices, enhancements to working conditions, and training to raise awareness of employees.

The impacts of physical risks were assessed considering short-, medium-, and long-term time horizons, and location-based exposure levels were taken into account in the analyses.

The risk of water scarcity and drought plays a significant role in access to water utilized in manufacturing processes, process continuity, and cooling requirements. Variations in rainfall patterns and drought conditions may escalate the requirement for investments in alternative water resources, water recovery, and water efficiency in the long term. Therefore, efforts are currently undertaken to monitor

process-based water consumption, and develop recovery systems, besides carrying out water efficiency projects.

Floods and severe precipitation events represent significant physical risks that can lead to interruptions in production facilities, storage areas, logistics operations, and customer deliveries. In order to manage these risks, the goal is to enhance the physical resilience of facilities, reinforce drainage infrastructure, establish alternative delivery plans, and formulate business continuity plans.

Extreme weather events may have adverse impacts on the access of employees to the workplace, maintenance activities, supply chain flow, and logistics operations. Early warning systems, emergency procedures, alternative transportation and delivery plans, as well as supply chain continuity practices are considered fundamental tools in managing these risks.

TRANSITION RISKS

Transition to a low-carbon economy poses significant transition risks as far as Sarkuysan is concerned due to regulatory developments, carbon pricing, technological transformations, customer expectations, and international trade mechanisms.

Carbon pricing and Emission Trading System (ETS) practices are becoming prominent regulatory risks for the company due to the developments in climate legislation in Türkiye. Although the requirement for getting prepared for monitoring, reporting, and verification processes stands out in the short term, carbon costs are likely to apply pressure on manufacturing costs in the medium and long term.

The enhanced reporting and verification liabilities as per the EU Carbon Border Adjustment Mechanism (CBAM) hold significant strategic value, particularly concerning export operations. Calculating the product carbon footprint,

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managing supplier data, and establishing a verifiable carbon data infrastructure are increasingly essential for sustaining competitiveness and ensuring market access.

These developments were assessed to have a potential impact on particularly export activities, product competitiveness, and customer expectations.

Risks of adapting to low-carbon technologies encompass energy efficiency, electrification, renewable energy utilization, low-carbon manufacturing processes, and sustainable product development efforts. Neglecting to invest adequately in these areas in a timely fashion may adversely affect competitiveness, customer relations, and sustainable growth.

The growing sustainability expectations of customers, particularly in Europe, bolster the demand for low-carbon products. In this context, the significance of product carbon footprint calculations, environmental product declarations (EPD), digital product passport (DPP) practices, as well as the enhanced utilization of recycled raw materials are on the rise. Failure to adapt to these requirements may result in losing customers and reduced market access, while successful adaptation may lead to new market opportunities and enhance competitive advantage.

VALUE CHAIN & OPERATIONAL RISKS

The impacts of climate change extend beyond company operations and are assessed throughout the entire value chain, encompassing raw material procurement, energy supply, logistics operations, and customer deliveries.

In risk assessments, impacts that may arise in the upstream (suppliers) and downstream (customers and product use) layers of the value chain were also considered.

Disruptions in the supply of raw materials due to climate, geopolitical developments, and price fluctuations may affect the production continuity and the working capital.

Similarly, volatility in copper prices, movements in currency and exchange rates, and modifications in global trade policies constitute major factors that may affect financial performance.

Energy supply security and energy costs pose critical operational risks for the company due to its energy-intensive manufacturing structure. Key initiatives to mitigate these risks include energy efficiency projects, investments in renewable energy, energy storage solutions, and practices that enhance efficiency in manufacturing processes.

Moreover, the continuity of digital infrastructure, the security of information systems, and the seamless operation of manufacturing equipment are all crucial for maintaining operational continuity. Given that power outages, data center shutdowns, and failures of critical equipment can significantly affect manufacturing and financial processes, disaster recovery plans, backup systems, cybersecurity applications, and predictive maintenance works are regarded as essential practices for managing operational risks.

The Company addresses the climate-related risks identified as part of the TSRS-compliant reporting efforts undertaken in 2025 within the framework of available assessment processes. Efforts are ongoing to create mechanisms that will ensure the integration of outcomes of the periodical reviewing and updating of risks, in accordance with evolving climate conditions, regulatory developments, and market expectations, into corporate risk management, strategic planning, investment assessment, and capital allocation processes.



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DEFINING & PRIORITIZING CLIMATE-RELATED RISKS & OPPORTUNITIES

Sarkuysan puts efforts to integrate the identification, assessment, and management of climate change-related risks and opportunities into corporate risk management processes. In this context, climate-related risks and opportunities were identified under the guidance of the Corporate Risk Management Sub-Working Group, with input from pertinent working groups, considering risk assessments, scenario analyses, climate projections related to the locations in which the company operates, value chain assessments, and industrial developments.

During the assessment process, the company's production activities, energy and water consumption, the structure of raw material supply, export activities, customer expectations, both national and international regulations, as well as the climate conditions of the regions in which it operates. The identified risks and opportunities were analyzed and prioritized in terms of their operational and financial impacts.

TIME HORIZONS

Sarkuysan takes into consideration the timeframes in which the impacts are expected to arise in the assessment of climate-related risks and opportunities. The time horizons used in compliance with the company's strategic planning approach are designated as follows:

Time Horizon	Definition
Short Term	0–3 years
Medium Term	4–10 years
Long Term	Over 10 years

As part of the TSRS-compliant reporting efforts undertaken in 2025, the aforementioned time horizons were considered as a reference in the assessment of the potential impacts of climate risks and opportunities on the activities of the Company.



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RISK & OPPORTUNITY ASSESSMENT METHODOLOGY

An assessment methodology based on the likelihood and impact criteria was adopted in the prioritization of climate-related risks and opportunities. The assessments were conducted with the participation of relevant working groups, and the outcomes were consolidated by the Corporate Risk Management Sub-Working Group.

LIKELIHOOD ASSESSMENT

The probability of a risk or opportunity to occur was assessed using the following scale:

Level of Likelihood	Score
Very Low	1
Low	2
Moderate	3
High	4
Very High	5

IMPACT ASSESSMENT

The impact assessment was conducted by considering the potential impact of the relevant risk or opportunity on the financial performance of the company. Financial impact levels were identified based on probable impacts on total turnover.

Impact Level	Score	Financial Impact
Very Mild	1	Lower than 0.25% of the total turnover
Mild	2	Between 0.25%-0.50% of the total turnover
Moderate	3	Between 0.50%-0.75% of the total turnover
Severe	4	Between 0.75%-1% of the total turnover
Very Severe	5	Higher than 1% of the total turnover

SCORING RISKS & OPPORTUNITIES

Risk and opportunity scores were calculated by multiplying likelihood and impact scores.

Score Range	Priority Level
16–25	High-Priority Risk/Opportunity
10–15	Medium-Priority Risk/Opportunity
1–9	Low-Priority Risk/Opportunity

FINANCIAL MATERIALITY APPROACH

Sarkuysan assesses climate-related risks and opportunities as per TSRS using a financial materiality approach. In the relevant analyses conducted, the potential impacts of the related risk or opportunity on the company's revenues, cost structure, cash flows, investment plans, financing requirements, and long-term value generation capacity were taken into account.

As a result of the analyses carried out as part of financial materiality assessments, the goal is to develop mechanisms that will ensure that the risks and opportunities assessed as high priority are systematically integrated into the Company's strategic planning processes in the upcoming periods and regularly reported to the relevant governance levels.

Financial materiality assessments were carried out considering the information requirements of investors that may affect the decision-making processes. In risk assessments, impacts that may arise in the upstream (suppliers) and downstream (customers and product use) layers of the value chain were also considered.

PRIORITIZED CLIMATE RISKS & OPPORTUNITIES

As a result of risk assessments, scenario analyses, and financial materiality assessments conducted as part of the TSRS-compliant reporting efforts undertaken in 2025, climate-related risks and opportunities that are considered to have the potential to significantly impact Sarkuysan's revenues, cost structure, cash flows, investment requirements, access to finance, and long-term operating value were identified.

The purpose of the assessments was to prioritize climate-related risks and opportunities that have the potential to significantly impact the Company's financial performance or affect the decisions of investors. Therefore, the short-, medium-, and long-term potential impacts of risks and opportunities were considered together with the available quantitative data and qualitative assessments.

As a result of financial materiality assessments, the requirements of the European Union Carbon Border Adjustment Mechanism (CBAM), carbon pricing and Emissions Trading System practices, as well as the heightened expectations of customers concerning low-carbon products were identified as priority climate risks for Sarkuysan. These risks were assessed to have a particular impact on export revenues, production costs, competitiveness, market access, and long-term growth capacity.

Considering the physical risks, water scarcity and drought, the risks associated with energy supply security, and the effects of climate change on the supply chain become prominent. Challenges in accessing water resources utilized in manufacturing processes, rising energy costs, interruptions in energy supply, and disruptions in the procurement of critical raw materials are recognized as key risks that can significantly affect financial impacts on operational continuity, production capacity, and cost structure.

Considering climate-related opportunities, renewable energy investments, energy efficiency projects, greywater utilization practices, sustainable product development activities, and green financing opportunities notably stand out. These opportunities are expected to enhance the company's financial performance by lowering energy and resource expenses, boosting operational efficiency, fulfilling customer expectations, facilitating access to financing, and reinforcing sustainable growth.

The projected growth in copper demand, stemming from energy transition, electrification, renewable energy investments, and network modernization projects, may also present a crucial opportunity for the company in the medium to long term.

The goal is to periodically review these assessments carried out for 2025 in the upcoming periods, to update them in line with changing climate conditions, regulatory developments, technological transformations and market expectations, as well as developing mechanisms that will ensure that the outcomes are integrated into the relevant risk management and administrative assessment processes.

PRIORITY CLIMATE-RELATED RISKS AND POSSIBLE IMPACTS		
Priority Risk	Risk Type	Potential Financial Impact Area
Water Scarcity and Drought	Physical Risk	Operational continuity, water costs, investments
Energy Costs and Energy Supply Security	Transition Risk	Energy expenses, production costs, cash flows
Low Carbon Transformation in Customer Expectations	Transition Risk	Retail revenues, customer relations, market share
CLIMATE-RELATED OPPORTUNITIES & EXPECTED CONTRIBUTIONS		
Opportunity	Financial Impact Area	
Renewable Energy and Energy Efficiency Investments	Cost saving, energy security	
Sustainable Product Development	New customer and market opportunities	

PHYSICAL RISK 1: WATER SCARCITY AND DROUGHT	
TSRS Heading	Definition
Name of the Risk	Water Scarcity and Drought
Risk Category	Chronic physical risk
Description of the Risk	Variations in precipitation patterns, escalating drought conditions, and the growing strain on water resources due to climate change were assessed as risks of more difficult access to water consumed in manufacturing activities, heightened water expenses, and compromised operational continuity.
Affected Value Chain Stages	Raw material supply, production activities and logistics processes.
Affected Locations	Any and all locations where production activities are ongoing, particularly Gebze, Darıca and Tuzla production facilities.
Scenarios Used	Physical risk assessments considered as per SSP2-4.5 and SSP5-8.5 scenarios.
Time Horizon	Medium and long term.
Likelihood of the Risk	High
Type of Impact	Expected impact
Operational Impact	Operational efficiency and production continuity can be affected due to the growing strain on the amount of water used in cooling systems, manufacturing processes, and auxiliary facilities.
Financial Impact	The risk of water scarcity and drought can impact the cost structure, cash flows, and operational continuity of the company due to diminished access to water utilized in manufacturing processes, rising water costs, and additional capital expenditures for alternative water resources. In order to mitigate the risk, the Gebze Greywater Recovery Project that has a total investment amount of approximately 23-25 million TL was planned. The project has the goal to recover approximately 185,000 m³ of water per annum and decrease reliance on the mains water by 80%. Upon the commencement of the project, it is anticipated that the security of water supply will be enhanced, the likelihood of production disruptions caused by drought will be diminished, operational expenses will become more foreseeable, and the long-term operational value will be upheld.
Magnitude of Financial Impact	Considering the available quantitative data, the water infrastructure investment plan worth approximately 23-25 million TL and the significance of accessing water for operational continuity, the risk was qualitatively assessed to have a potential financial impact at moderate level in the short term, and moderate to high level in the medium and long term.
Materiality Assessment	The risk has been assessed as a significant physical climate risk due to dependence on water resources utilized in manufacturing processes, its impacts on operational continuity, the investment requirement in alternative water resources, and the potential impacts of heightened water costs on the cost structure, cash flows, and long-term value creation capacity of the company. The assessments conducted for 2024 and 2025 revealed that the complete volume of water withdrawal took place at facilities located in regions experiencing significant water stress.
Risk Management Approach	Monitoring water consumption, enhancing water efficiency, increasing water recovery opportunities, and process improvements were recognized as crucial focal points for mitigating the potential impacts of water scarcity and drought risk. The Greywater Recovery Project, currently being developed, is a significant step towards minimizing the Company's reliance on water resources.

PHYSICAL RISK 1: WATER SCARCITY AND DROUGHT

TSRS Heading	Definition
Current Actions	Efforts are underway to develop water recovery practices, expand efficiency projects, and evaluate alternative water resources. Therefore, the Greywater Recovery Project, which has the purpose of reusing the outlet water from the Gebze Advanced Biological Wastewater Treatment Plant as industrial process water using advanced treatment technologies, is anticipated to become operational in 2026. Once the project reaches full capacity, it is expected to recover approximately 185,000 m³ of water per annum and significantly decrease reliance on the mains water.
Planned Actions	The Plan is to develop water recovery practices, expand efficiency projects, and sustain advancements in the efficient use of water resources.
Impact on Strategy	Efforts to improve water efficiency and resource utilization are integrated into investment planning and operational development processes.
Impact on Business Model	Given that water is a crucial input in production processes, limitations on access to water resources can impact operational continuity and the cost structure.
Resilience Assessment	Investments in water efficiency practices, recovery projects, and alternative water sources are assessed to support the long-term operational resilience of the company. The Greywater Recovery Project, which will be commissioned in 2026, has the goal to enhance the security of water supply, support operational continuity during drought periods, and reduce dependence on water resources.
Related Metrics	Total water withdrawal, water withdrawal per unit product, and water recovery rate.
Related Targets	Performance indicators related to water efficiency and water consumption per unit product are monitored, and efforts are underway on developing measurable targets.
Governance Relation	The goal is to develop processes to ensure that assessments regarding water scarcity and drought risk are addressed by the Corporate Risk Management Sub-Working Group and related working groups within the sustainability governance structure to be established, and that significant outcomes of the assessments are presented to the relevant governance levels.
Frequency of Risk Monitoring	Being assessed as part of the reporting efforts undertaken for TSRS 2025, the goal is to periodically review and revise when significant changes occur, within the framework of the risk monitoring and reporting structure to be established in the upcoming periods.

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TRANSITION RISK 1: ENERGY COSTS AND ENERGY SUPPLY SECURITY	
TSRS Heading	Definition
Name of the Risk	Energy Costs and Energy Supply Security
Risk Category	Transition risk / Operational risk
Description of the Risk	As a result of the fluctuations in energy prices, potential disruptions to energy supply security, carbon pricing mechanisms, and the transformation in energy markets, the risks assessed are heightened energy costs and impacts on manufacturing activities.
Affected Value Chain Stages	Raw material processing, production activities and logistics processes.
Affected Assets	Manufacturing facilities, auxiliary plants, energy infrastructure, and energy-intensive manufacturing equipment.
Affected Locations	Any and all locations where production activities are ongoing, particularly Gebze, Darıca and Tuzla facilities.
Scenarios Used	Assessments related to energy markets as part of IEA Net Zero Emissions by 2050 (NZE 2050), SSP2-4.5 and SSP5-8.5 scenarios.
Time Horizon	Short, medium and long term.
Likelihood of the Risk	High
Type of Impact	Expected impact
Operational Impact	Rising electricity and fuel costs can impact manufacturing costs, while potential disruptions in energy supply can challenge operational continuity.
Financial Impact	Potential surges in energy prices were assessed to place a potential strain on energy expenses and production costs, which could result in potential financial impacts on profitability and cash flows. Potential disruptions in energy supply were taken into account, as they may have an impact on production continuity, leading to additional operational and financial outcomes.
Magnitude of Financial Impact	Taking into account the existing energy consumption data, the significance of energy in manufacturing costs, potential price variations in energy markets, and the importance of energy supply in terms of operational continuity, the risk was qualitatively assessed to have a potential financial impact at moderate level in the short and medium term, and moderate to high level in the long term, depending on the developments in energy markets.
Materiality Assessment	Given that energy is a crucial component of the Company's production processes, and that the variations in energy prices and energy supply can have potential impacts on cost structure, operational continuity, and competitiveness, the risk was assessed as a significant climate-related risk.
Risk Management Approach	Enhancing energy efficiency, monitoring energy consumption and performance, optimizing resource utilization, and evaluating renewable energy opportunities were recognized as crucial focal points for mitigating the potential impacts of energy costs and energy supply security risks.
Current Actions	ISO 50001 Energy Management System practices, energy consumption monitoring, efficiency projects, and process enhancement efforts are being implemented.

TRANSITION RISK 1: ENERGY COSTS AND ENERGY SUPPLY SECURITY	
TSRS Heading	Definition
Planned Actions	The plan is to develop energy efficiency projects, intensify efforts towards renewable energy utilization, and promote practices that focus on improving energy performance.
Impact on Strategy	The requirements to lower energy costs, enhance energy efficiency, and diversify energy resources are key factors taken into account during the formulation of concrete projects, including investments in SPPs and efforts to achieve energy efficiency. Therefore, efforts are ongoing to establish mechanisms that will ensure systematic consideration of the climate-related energy risks in the strategic planning, investments and other relevant governance processes of the Company.
Impact on Business Model	Given that energy is a crucial component of production processes, variations in energy costs and advancements related to supply security may affect the company's cost structure and operational performance.
Resilience Assessment	Energy efficiency practices, energy management systems, and improvements in resource utilization support the company's resilience against energy-related risks.
Related Metrics	Total energy consumption, energy consumption per unit of product, energy intensity, and GHG emissions.
Related Targets	Performance indicators related to energy efficiency and energy intensity are monitored. Efforts are underway on developing measurable targets.
Governance Relation	The goal is to develop processes to ensure that risks associated with energy costs and energy supply security are addressed by the Energy Efficiency and Management Sub-Working Group and Corporate Risk Management Sub-Working Group within the sustainability governance structure to be established, and that significant outcomes of the assessments are presented to the relevant governance levels.
Frequency of Risk Monitoring	Operational data related to energy consumption and energy performance are monitored as part of the existing energy management practices. The systematic review of energy costs and energy supply security as a climate-related risk was conducted as part of the reporting efforts undertaken for TSRS 2025, and the goal is to periodically reassess the risk within the framework of the risk monitoring and reporting structure to be established in the upcoming periods.

TRANSITION RISK 2: PRODUCT CARBON FOOTPRINT AND LOW CARBON TRANSITION IN CUSTOMER EXPECTATIONS	
TSRS Heading	Definition
Name of the Risk	Product Carbon Footprint and Low Carbon Transition in Customer Expectations
Risk Category	Transition risk
Description of the Risk	The assessment revealed that the elevated expectations of customers for low-carbon products, product carbon footprint data, environmental performance indicators, and sustainable supply chain practices resulted in a risk of reduced competitiveness of existing products and affected market access.
Affected Value Chain Stages	Procurement, manufacturing, product development, retail and customer relations processes
Affected Assets	Product portfolio, customer agreements, export activities, brand value
Affected Locations	All retail and export operations, primarily the ones targeting the EU market.
Scenarios Used	The process for the transition to low carbon economy as part of IEA Net Zero Emissions by 2050 (NZE 2050) scenario was assessed.
Time Horizon	Medium and long term
Likelihood of the Risk	High
Type of Impact	Expected impact
Operational Impact	The elevated expectations of customers for product carbon footprint information, sustainability performance, and transparency in supply chain were assessed to increase the requirement to establish and report product-based environmental data, as well as setting up a data infrastructure that can fulfill customer demands.
Financial Impact	The assessment revealed that failure to meet customer expectations for low-carbon products and verifiable environmental performance data may have adverse impacts on available customer relations, the acquisition of new customers, access to export markets, and overall competitiveness, which could consequently lead to a financial impact on retail revenue.
Magnitude of Financial Impact	Considering the Company's export-oriented operational structure, the global portfolio of customers, heightened customer expectations for low-carbon products, and the growth in the demands of product-based environmental information, the risk was qualitatively assessed to have a potential financial impact at moderate to high level in the medium and long term.
Materiality Assessment	The risk was assessed as a significant transition risk, considering the potential impacts it may have on the Company's export activities, customer relations, market access, competitiveness, and long-term growth capacity.
Risk Management Approach	Developing product carbon footprint efforts, reinforcing the data infrastructure regarding the environmental performance of products, and assessing the evolving customer expectations were recognized as crucial focal points for mitigating the potential impacts of energy costs and energy supply security risks.
Current Actions	Following the reporting period, product carbon footprint and lifecycle analyses for the priority product groups were initiated in 2026 and these efforts are currently underway as of the date of publication of this report.

TRANSITION RISK 2: PRODUCT CARBON FOOTPRINT AND LOW CARBON TRANSITION IN CUSTOMER EXPECTATIONS	
TSRS Heading	Definition
Planned Actions	The plan is to sustain product carbon footprint and lifecycle analyses and expand the scope in the upcoming periods, reinforce the data infrastructure to meet customer expectations and enhance efforts in sustainable product development.
Impact on Strategy	The goal is to develop mechanisms that will ensure that customer expectations regarding low-carbon products and the environmental performance of products were taken into consideration more systematically in the processes of product development, sustainability efforts, and related administrative assessments in the upcoming periods. Following the reporting period, the initiation of product carbon footprint and lifecycle analyses in 2026 is included in the efforts to bolster the existing corporate capacity in this field.
Impact on Business Model	Expectations regarding product carbon footprint and sustainability performance play a more critical role in customer preferences and competitive conditions.
Resilience Assessment	Improving product carbon footprint efforts and expanding sustainable product practices support the company's capacity to adapt to evolving customer expectations.
Related Metrics	The number of products with their carbon footprints calculated, product-based emission intensity, and sustainable product development indicators. These metrics will be set and monitored in line with the progress achieved related to the efforts initiated in 2026.
Related Targets	Sustaining product carbon footprint and lifecycle analyses and expanding the scope in the upcoming periods; hence, increasing efforts in sustainable product development.
Governance Relation	The goal is to establish processes that will ensure that the assessments regarding customer expectations for low carbon transformation and product carbon footprint risk are addressed by relevant working groups within the sustainability governance structure to be established, including the Sustainability Reporting Working Group, the Sustainable Product and Process R&D Sub-Working Group, and the Supply Chain Management Sub-Working Group, and that significant outcomes of the assessments are presented to the relevant governance levels.
Frequency of Risk Monitoring	The risk was assessed as part of the reporting studies undertaken for TSRS 2025. The goal is to periodically reassess the risk within the risk monitoring and reporting structure that will be established in the upcoming periods, taking into account variations in market conditions, regulatory developments, and customer expectations.

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OPPORTUNITY 1: RENEWABLE ENERGY AND ENERGY EFFICIENCY INVESTMENTS	
TSRS Heading	Definition
Name of the Opportunity	Renewable Energy and Energy Efficiency Investments
Category of the Opportunity	Resource efficiency and energy transition opportunity
Description of the Opportunity	Energy efficiency practices, renewable energy utilization, and investments in energy management are regarded as opportunities to decrease energy expenses, enhance operational efficiency, and minimize GHG emissions. Solar energy investments and energy efficiency projects planned by the company support the goal to reduce energy costs, reinforce energy supply security, and minimize GHG emissions. The investment in solar power plant, in particular, with an installed capacity of 14 MWp is regarded as a crucial element in the energy transformation process.
Affected Value Chain Stages	Production activities and operations
Affected Locations	Any and all locations where production activities are ongoing, particularly Gebze, Darıca and Tuzla facilities
Scenarios Used	Developments regarding energy transition as part of IEA Net Zero Emissions by 2050 (NZE 2050) scenario were assessed.
Time Horizon	Medium and long term
Likelihood of the Opportunity	High
Type of Impact	Expected impact
Operational Impact	The assessment revealed that improving the utilization of renewable energy via energy efficiency practices can contribute to enhancing energy performance, decreasing reliance on external energy resources, and promoting operational efficiency in production processes.
Financial Impact	The assessment revealed that investments in energy efficiency and renewable energy can yield favorable financial outcomes by decreasing energy consumption and supply expenses, enhancing resilience to variations in energy prices, and optimizing the long-term cost structure.
Magnitude of Financial Impact	Considering the energy-intensive production structure of the Company, as well as the existing energy consumption levels, planned renewable energy investments, and the significance of energy costs within production costs, the opportunity was qualitatively assessed to have a potential for positive financial impact at moderate to high level in the medium and long term.
Materiality Assessment	Given the significance of energy in manufacturing processes and the impact of energy costs on the cost structure and competitiveness of the Company, renewable energy and energy efficiency investments were regarded as priority climate opportunities.
Risk Management Approach	Developing energy efficiency projects, sustaining the existing measurement and monitoring efforts on energy performance, while also assessing renewable energy investments were recognized as crucial focal points for benefitting from this opportunity.
Current Actions	The Company sustains its measurement and monitoring activities related to energy consumption as part of the ISO 50001 Energy Management System, and efforts to improve processes to achieve energy efficiency are carried out. Moreover, efforts are currently underway to improve the Solar Power Plant investment that has an installed capacity of 14 MWp. The commissioning of this investment has the goal to generate around 22,000 MWh of renewable electricity each year, fulfilling about 25% of total electricity consumption from renewable resources, while also avoiding GHG emissions of approximately 8,800 tCO ₂ e.

OPPORTUNITY 1: RENEWABLE ENERGY AND ENERGY EFFICIENCY INVESTMENTS

TSRS Heading	Definition
Planned Actions	The plan is to develop energy efficiency projects, complete and commission the SPP investment, elevate the utilization of renewable energy, and sustain practices that will improve energy performance.
Impact on Strategy	The requirements to lower energy costs, enhance energy efficiency, and increase the utilization of renewable energy are key factors taken into account during the formulation of concrete projects, including investments in SPPs and efforts to achieve energy efficiency. Therefore, efforts are ongoing to establish mechanisms that will ensure the systematic consideration of the climate-related energy opportunities in the strategic planning, investments and other relevant governance processes of the Company.
Impact on Business Model	Due to the energy-intensive production structure of the Company, enhancing energy efficiency and diversifying energy resources were assessed to have positive impacts on the cost structure, operational continuity, and long-term competitiveness.
Resilience Assessment	Utilizing energy more efficiently and diversifying energy resources reinforce the resilience of the company.
Related Metrics	Total energy consumption, energy intensity, GHG emissions
Related Targets	Targets for enhancing energy efficiency and reducing energy intensity
Governance Relation	The goal is to develop processes to ensure that opportunities associated with renewable energy and energy efficiency are addressed by the Energy Efficiency and Management Sub-Working Group, as well as other relevant working groups within the sustainability governance structure to be established, and that significant outcomes of the assessments are presented to the relevant governance levels.
Monitoring Frequency	Operational data related to energy consumption and energy performance are monitored as part of the existing energy management practices. The assessment of renewable energy and energy efficiency as a climate-related opportunity was conducted as part of the reporting efforts undertaken for TSRS 2025, and the goal is to periodically re-assess the opportunity within the framework of the risk monitoring and reporting structure to be established in the upcoming periods.

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OPPORTUNITY 2: SUSTAINABLE PRODUCT DEVELOPMENT	
TSRS Heading	Definition
Name of the Opportunity	Sustainable Product Development
Category of the Opportunity	Product and market opportunity
Description of the Opportunity	The elevated expectations of customers for low-carbon products, product carbon footprint data, and sustainable manufacturing practices are regarded as an opportunity to enhance a sustainable product portfolio and assess new market opportunities. The energy transformation, electrification, electric vehicles, improving energy transmission and distribution infrastructures, data centers, and the increase in renewable energy investments are expected to increase the copper demand in the medium and long term. The critical role of copper in these transformation processes is recognized as a key factor that can lead to new customers, new markets, and growth opportunities for the company.
Affected Value Chain Stages	Product development, manufacturing, retail and customer relations processes
Affected Locations	All manufacturing and retail activities of the company
Scenarios Used	The process for the transition to low carbon economy as part of IEA Net Zero Emissions by 2050 (NZE 2050) scenario was assessed.
Time Horizon	Medium and long term
Likelihood of the Opportunity	High
Type of Impact	Expected impact
Operational Impact	The assessment indicated that enhancing product carbon footprint efforts, improving data on the environmental performance of products, and expanding product development efforts that take sustainability expectations into consideration can support the capacity of the Company to adapt to evolving customer demands.
Financial Impact	Developing products that meet sustainability and low-carbon expectations were assessed to have positive financial impacts through sustaining and improving the available customer relations, evaluating new customer and market opportunities, and supporting competitiveness in export markets.
Magnitude of Financial Impact	Considering the Company's export-oriented operational structure, the global portfolio of customers, evolving customer expectations for low-carbon products, and the potential impacts of energy transformation on copper demand, the opportunity was qualitatively assessed to have a potential positive financial impact at moderate to high level in the medium and long term.
Materiality Assessment	The opportunity was assessed as a priority climate-related opportunity, considering the potential positive impacts it may have on the Company's retail revenues, customer relations, export performance, competitiveness, and long-term growth capacity.
Opportunity Management Approach	Enhancing product carbon footprint and lifecycle analyses, improving data capacity related to the environmental performance of products, assessing evolving customer expectations, and researching sustainable product development opportunities were recognized as crucial focal points for this opportunity.

OPPORTUNITY 2: SUSTAINABLE PRODUCT DEVELOPMENT

TSRS Heading	Definition
Current Actions	Following the reporting period, product carbon footprint and lifecycle analyses were initiated in 2026 and these efforts are currently underway as of the date of publication of this report.
Planned Actions	The plan is to sustain product carbon footprint and lifecycle analyses, and expand the scope in the upcoming periods, hence, increasing efforts in sustainable product development.
Impact on Strategy	The goal is to develop mechanisms that will ensure that the developments in customer expectations regarding low-carbon products and the environmental performance of products were taken into consideration more systematically in the processes of product development, and related administrative assessments in the upcoming periods. Following the reporting period, the initiation of product carbon footprint and lifecycle analyses in 2026 is included in the efforts to bolster the existing information and data capacity in this field.
Impact on Business Model	The increasing demand for sustainable products may result in new customer and market opportunities.
Resilience Assessment	Enhancing the product portfolio in compliance with sustainability expectations reinforces the long-term competitiveness of the company.
Related Metrics	The number of product groups for which carbon footprint and lifecycle analyses (LCA) were completed. The metric will be monitored in line with the progress achieved related to the efforts initiated in 2026.
Related Targets	Sustaining product carbon footprint and lifecycle analyses and expanding the scope in the upcoming periods; hence, increasing efforts in sustainable product development.
Governance Relation	The goal is to develop processes to ensure that opportunities associated with sustainable product development are addressed by the Sustainable Product and Process R&D Sub-Working Group, Sustainability Reporting Working Group, as well as other relevant working groups within the sustainability governance structure to be established, and that significant outcomes of the assessments are presented to the relevant governance levels.
Monitoring Frequency	The opportunity was assessed as part of the reporting studies undertaken for TSRS 2025. The goal is to periodically reassess the opportunity within the monitoring and reporting structure that will be established in the upcoming periods, taking into account variations in market conditions, regulatory developments, customer expectations, and product development efforts.

RISK MANAGEMENT

We identify, assess, and prioritize sustainability-related risks and opportunities in line with our corporate risk management approach. Monitoring the potential impacts of physical and transition risks on our operations, value chain, and financial performance, we also consider the opportunities arising from the energy transition and evolving market conditions, while also integrating the outcomes into our strategic planning and decision-making processes.



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Sarkuysan currently sustains its efforts to establish a structure that will systematically integrate the identification, assessment, prioritization, monitoring, and reporting of risks and opportunities related to sustainability and climate change into its corporate risk management processes.

As part of the TSRS-compliant reporting efforts undertaken in 2025, a study was conducted to identify, define, assess, and prioritize major climate-related risks and opportunities, albeit on a narrower scale than the more comprehensive and continuous target risk management structure to be established. The assessments considered the Company's activities, manufacturing processes, energy and water consumption, supply of raw materials, logistics functions, customer expectations, regulatory developments, value chain, and the geographical features of the locations where the Company operates.

While existing quantitative data and metrics were used in the assessment of risks and opportunities, there has also been a significant focus on qualitative assessments, considering the current data and measurement capabilities that can reliably quantify the prospective financial impacts. Accordingly, the potential impacts on operational continuity, customer and market relations, regulatory developments, competitiveness, value chain, and long-term value creation capacity were included in the assessment.

The goal is to conduct these efforts, which were undertaken as part of the TSRS-compliant reporting efforts undertaken in 2025, within a more systematic structure for risk management in the upcoming periods, to periodically review risks and opportunities, to revise them in line with varying conditions, to present the assessment results to the relevant governance bodies, and to establish mechanisms related to information-documentation, monitoring and reporting to ensure prominent risks and opportunities are taken into consideration during the relevant administrative assessment processes.

IDENTIFYING AND ASSESSING CLIMATE RISKS

As part of the TSRS-compliant reporting efforts undertaken in 2025, the Company's activities, manufacturing processes, energy and water consumption, supply of raw material, logistics activities, customer expectations, regulatory developments, national and international climate policies, as well as climate projections for the locations where the Company operates were taken into consideration in the determination of climate-related risks and opportunities. The assessment considered physical risks, transition risks and potential impacts due to the value chain altogether.

During the assessment of physical risks, the SSP2-4.5 and SSP5-8.5 scenarios developed by the Intergovernmental Panel on Climate Change (IPCC) were considered, while the Net Zero Emissions by 2050 (NZE 2050) scenario published by the International Energy Agency (IEA) was taken into account during the assessment of transition risks. Accordingly, temperature increases, water stress, energy supply security, energy prices, carbon costs, customer expectations, and the potential impacts of regulatory changes on the operations of the company are analyzed.

TIME HORIZONS

Climate-related risks and opportunities are assessed taking into account the timeframes in which their impacts are expected to occur.

Time Horizon	Definition
Short Term	0-3 years
Medium Term	4-10 years
Long Term	Over 10 years

As part of the TSRS-compliant reporting efforts undertaken in 2025, these time horizons were used to assess which periods the potential impacts of risks and opportunities may emerge.

LIKELIHOOD ASSESSMENT

As part of the TSRS-compliant reporting efforts undertaken in 2025, the likelihood of climate-related risks and opportunities to occur was assessed using the following scale.

Level of Likelihood	Score
Very Low	1
Low	2
Medium	3
High	4
Very High	5

Climate projections, developments within the industry, regulatory modifications, market dynamics, and available information and data were taken into account in likelihood assessments.

IMPACT ASSESSMENT

As part of the TSRS-compliant reporting efforts undertaken in 2025, the impact assessment was conducted by taking into account the potential financial impacts of the relevant risk or opportunity on the Company's revenues, cost structure, cash flows, investments, and long-term operating value.

Impact Level	Score	Financial Impact
Very Mild	1	Lower than 0.25% of the total turnover
Mild	2	Between 0.25%-0.50% of the total turnover
Moderate	3	Between 0.50%-0.75% of the total turnover
Severe	4	Between 0.75%-1% of the total turnover
Very Severe	5	Higher than 1% of the total turnover

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Besides financial impacts, the assessment also covered the impacts on operational continuity, compliance with legislation, customer relations, competitiveness, and reputation.

The 2025 assessments considered the financial impact thresholds to be used as a quantitative reference to support the comparative evaluation of risks and opportunities. However, the assessments were not merely based on these thresholds and mathematical scoring. Qualitative elements, including potential impacts on operational continuity, compliance with legislation, customer relations, market access, competitiveness, value chain, and long-term value creation capacity, were also taken into account in areas where forward-looking financial impacts could not be accurately quantified.

PRIORITIZING RISKS & OPPORTUNITIES

Risk and opportunity scores are calculated by multiplying likelihood and impact scores.

Risk/Opportunity Score = Likelihood × Impact

Score Range	Priority Level
16-25	High-Priority Risk/Opportunity
10-15	Medium-Priority Risk/Opportunity
1-9	Low-Priority Risk/Opportunity

As part of the TSRS-compliant reporting efforts undertaken in 2025, risk and opportunity scores were calculated by multiplying the scores of likelihoods and impacts, and these scores were used in the comparative evaluation of risks and opportunities. On the other hand, besides the mathematical scores, existing quantitative data, qualitative assessments, and the potential impacts of the relevant risk or opportunity on the activities of the Company were taken into account in the final prioritization.

The outcomes of the assessments in 2025 study revealed that priority climate risks are water scarcity and drought, energy costs and energy supply security, and product carbon footprint requirements and low carbon transition in customer expectations. On the other hand, priority climate opportunities are renewable energy and energy efficiency investments as well as sustainable product development activities.

FINANCIAL MATERIALITY APPROACH

Sarkuysan assesses climate-related risks and opportunities as per TSRS using a financial materiality approach. Accordingly, the impacts of risks and opportunities on revenues, cost structure, cash flows, investments, access to finance, and long-term value creation capacity were analyzed. Moreover, potential impacts that may arise in the upstream and downstream layers of the value chain are also included in the assessment.

Although the likelihood and financial impact criteria specified by the Company were considered in prioritizing risks and opportunities, the assessments were not based merely on the outcomes of methodological scoring. The available quantitative data were considered together with the qualitative assessments, including the potential impacts on the nature of activities, operational continuity, customer and market relations, regulatory developments, competitiveness, value chain, and long-term value creation capacity.

As a result, risks and opportunities that are considered to be financially material or that may affect assessments of investors regarding the Company's short-, medium-, and long-term cash flows, access to finance, or operating value were prioritized in the reporting.

MONITORING & REPORTING OF RISKS

Efforts are currently underway to establish corporate mechanisms that will ensure the systematic and continuous monitoring and reporting of climate-related risks and opportunities identified as part of the TSRS-compliant reporting efforts undertaken in 2025. As part of structure to be established, the goal is to develop processes to periodically review sustainability-related risks and opportunities, to revise assessments in the event of significant changes or developments, as well as presenting the outcomes of the assessments to relevant working groups, the Committee, and other governance bodies. Therefore, the flow of information and documentation regarding the identification, assessment, monitoring, and reporting of risks and opportunities to be established is stipulated to have a systematic and monitorable structure. As part of the structure to be established, the outcomes of the risk assessment will be reported at least twice a year and the assessments will be revised, if required, in case of significant changes or developments, and submitted to the relevant governance bodies.

The goal is to establish mechanisms that will ensure that outcomes of assessments in the upcoming periods are systematically considered in relevant risk management, investment, strategic planning, and other administrative assessment processes.

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CLIMATE TRANSITION PLAN

Sarkuysan sustained its efforts to develop its approach to mitigating the potential impacts of climate change-related risks and assessing potential opportunities during the transition to a low-carbon economy. Therefore, priority areas to focus were identified as enhancing energy efficiency, elevating the utilization of renewable energy, more efficient utilization of water resources, improving product carbon footprint efforts, and assessing sustainable product opportunities.

The outcomes of the risk and opportunity assessments conducted as part of the TSRS-compliant reporting efforts undertaken in 2025 revealed that priority risk areas are energy costs and energy supply security, water scarcity and drought, alongside with product carbon footprint requirements and low carbon transition in customer expectations, while priority areas of opportunity are renewable energy and energy efficiency investments as well as sustainable product development.

The goal is to establish a more comprehensive transition plan for climate-related risks and opportunities of the Company, as well as improving the efforts to identify priority focus areas, responsibilities, timelines, required resources, targets, and monitoring mechanisms in a more systematic manner in accordance with this plan. Furthermore, some concrete projects and efforts –as described below– related to the environmental performance of energy, water, and products are currently ongoing or being developed. Some of these efforts were undertaken during the reporting period, while some of them related to product carbon footprint and lifecycle analyses were initiated in 2026, following the reporting period.

KEY FOCUS AREAS OF THE TRANSITION PLAN

IMPROVING ENERGY PERFORMANCE & ENERGY EFFICIENCY

Due to its energy-intensive manufacturing structure, the company assesses energy efficiency as one of the key elements of its climate transition plan. Monitoring energy performance, enhancing energy efficiency in manufacturing processes and reducing energy consumption constitute efforts carried out as part of the ISO 50001 Energy Management System. Energy efficiency projects have the purpose of reducing energy costs, mitigating GHG emissions, and enhancing operational resilience.

RENEWABLE ENERGY & LOW-CARBON ENERGY RESOURCES

The Company evaluates opportunities regarding the utilization of renewable energy, taking into account long-term impacts of the energy transition. Efforts in relation to improving renewable energy practices are being planned in order to diversify energy resources, support energy supply security, and reduce carbon intensity.

The Company is currently evaluating renewable energy investments in order to diversify energy resources and reduce carbon intensity. Accordingly, the unlicensed Solar Power Plant (SPP) investment that has an installed capacity of 14 MWp will be put into operation. The investment has the goal to generate around 22,000 MWh of renewable electricity each year, fulfilling about 25% of total electricity consumption of the Company from renewable resources, while also avoiding GHG emissions of approximately 8,800 tCO₂e. The investment is expected to reduce energy costs, reinforce energy supply security, and promote the climate transition process.



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WATER EFFICIENCY & RESOURCE MANAGEMENT

Considering the impacts of climate change on water resources, water efficiency and water management are regarded as key components of the transition plan. Efforts are underway to monitor water consumption, improve processes, apply recovery practices, and optimize resource utilization. These efforts have the purpose of supporting operational continuity and reducing risks associated with water scarcity.

The Company develops water recovery projects as part of the management of risks associated with water scarcity and drought. Therefore, efforts are currently underway to use treated water from the municipal wastewater treatment plant in production processes once further treated by advanced treatment processes. As part of the project, the recovered water is planned to be used in processes using ceramic ultrafiltration and reverse osmosis systems. Once full capacity is attained, the goal is to substantially reduce the reliance on mains water and improve operational resilience.

ADAPTATION TO CUSTOMER EXPECTATIONS & PRODUCT CARBON FOOTPRINT

Improving product carbon footprint efforts in line with increasing expectations on sustainability in global markets, particularly in the EU, is a key issue in the transition plan. The Company has the goal to meet customer expectations, reinforce access to markets, and sustain competitive advantage by improving carbon footprint efforts for its priority product groups. As a result, following the reporting period, product carbon footprint and lifecycle analyses were initiated in 2026 and these efforts are currently underway as of the date of publication of this report.

SUSTAINABLE PRODUCT DEVELOPMENT

In line with the heightened demand for energy transition, electrification, and low-carbon technologies, sustainable product development activities are regarded as a strategic area of opportunity. The Company supports efforts to improve the environmental performance in product development processes and has the purpose of developing product solutions that can adapt to evolving customer expectations.

TRANSITION PLAN BY TIME HORIZONS

SHORT-TERM PRIORITIES (0–3 YEARS)

- › Periodically monitor energy and water performance
- › Develop energy efficiency projects
- › Sustain and improve product carbon footprint and lifecycle analyses
- › Reinforce the integration of climate-related risks and opportunities into corporate risk management processes
- › Enhance sustainability data management and reporting infrastructure

MEDIUM-TERM PRIORITIES (4–10 YEARS)

- › Expand projects designed to reduce energy intensity
- › Enhance the utilization of renewable energy
- › Develop water recovery and efficiency practices
- › Improve sustainable product development efforts
- › Increase the scope of product carbon footprint in priority product groups

LONG-TERM PRIORITIES (10+ YEARS)

- › Improve operational resilience to climate change
- › Enhance low-carbon production practices
- › Improve resource efficiency performance continuously
- › Strengthen a sustainable product portfolio adaptable to evolving customer expectations and market conditions
- › Mitigate long-term impacts of climate-related risks

MONITORING THE TRANSITION PLAN

During the reporting period, concrete efforts undertaken in certain areas, including energy and water, regarding climate-related risks and opportunities are being monitored as part of the available operational processes. Product carbon footprint and lifecycle analyses regarding the environmental performance of products were initiated in 2026, following the reporting period. However, efforts are ongoing to establish a corporate structure that will enable these efforts to be assessed in an integrated climate transition approach, the performance to be monitored, and to be systematically reported to the relevant governance bodies.

In the upcoming periods, the goal is to develop processes that will facilitate the climate transition approach to be reviewed and revised, if required, taking into account modifying regulatory requirements, technological developments, market conditions, customer expectations, and changes in climate-related risks and opportunities.

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CLIMATE RESILIENCE AND SCENARIO ANALYSES

Sarkuysan developed scenario analyses for physical and transition risks to assess the potential impacts of climate change on its business model and strategy. During the analyses, the SSP2-4.5 and SSP5-8.5 scenarios, and the IEA Net Zero Emissions by 2050 (NZE 2050) scenario were used for physical and transition risks, respectively.

- › As a result of scenario analyses, the assessments revealed that;
- › water scarcity and drought may have an impact on operational costs, particularly in the medium and long term,
- › risks related to energy costs and energy supply security may put a strain on production costs,
- › increasing customer expectations for low-carbon products may impact product development processes,
- › and the elevated demand for copper due to energy transition and electrification may offer significant opportunities.

The scenario analyses undertaken as part of 2025 are regarded as an assessment to understand the potential risks and opportunities that the Company may be exposed to under various climate and transition conditions. As from the reporting period, efforts are ongoing to enhance the corporate structure that will ensure the systematic consideration of the outcomes of scenario analyses in the strategic planning, investment evaluation, capital allocation, and other relevant decision-making processes of the Company.

The existing efforts undertaken as part of energy management, the Greywater Recovery Project developed, and SPP investment planned were assessed as examples of the available practices and project for some of the identified climate risks and opportunities. Following the reporting period, product carbon footprint and lifecycle analyses were initiated in 2026. However, efforts are currently underway to develop more comprehensive mechanism for assessment, monitoring, and reporting, which will enable the systematic assessment of the Company's resilience to climate change, integrating the results of scenario analysis into relevant administrative processes.



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Monitoring our climate performance through measurable and comparable metrics, we consistently review our advancements in priority areas, particularly GHG emissions, energy and water consumption. We have the purpose of transparently monitoring our performance and strengthening the impact of our climate actions by integrating our designated goals into our business processes.



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COMPARISON OF INITIALLY REPORTED AND REVISED METRICS FOR 2024

	Initially Reported Metrics in 2024	Revised Metrics	Difference	Difference %
Scope 1 & Scope 2 Emissions (tCO ₂ e	94,842	91,497	3,345	3.53
Energy Consumption (GJ)	1,293,974	1,217,341	76,633	5.92

As part of the TSRS 2 "Climate-Related Disclosures" standard, Sarkuysan follows up cross-industrial climate metrics, industry-specific indicators in compliance with its activities, and climate-related goals to monitor and manage climate-related risks and opportunities and assess their financial impacts. The metrics included in this section cover disclosures regarding the company's GHG emissions, activities exposed to physical and transition risks, activities aligned with climate-related opportunities, capital allocation, use of internal carbon pricing, compensation linkage, and target performance.

As of the reporting period, measurable performance indicators in areas, including GHG emissions, energy consumption, and water utilization were reported. Also, efforts are ongoing to establish quantitative short-, medium-, and long-term climate targets to be monitored as part of the TSRS.

The climate-related risks that Sarkuysan prioritized in the reporting period for 2025 include Water Scarcity and Drought, Energy Costs and Energy Supply Security, and Product Carbon Footprint and Low Carbon Transition in Customer Expectations. On the other hand, prioritized climate-related opportunities were addressed under Renewable Energy and Energy Efficiency Investments and Sustainable Product Development.

CROSS-INDUSTRY CLIMATE METRICS

As part of TSRS 2, cross-industry climate metrics are used to reveal the company's exposure to climate-related risks and opportunities, the financial impacts of these risks and opportunities, and the performance indicators monitored in these areas. The cross-industry metrics assessed by Sarkuysan are presented under the specified headings.

REVISION OF COMPARATIVE METRICS OF 2024

As part of the reporting efforts undertaken for 2025, the data sources, organizational boundaries, consolidation scope, and calculation methodologies, which were used in the calculation of sustainability metrics, were reviewed. As a result of these assessments, the data used in some previously disclosed GHG emission and energy indicators in the reporting period of 2024, as well as the related calculation and consolidation processes were revised.

Thus, the relevant comparative metrics of 2024 were revised to facilitate the comparability of the periods and to use calculation principles consistent with the metrics in 2025. The majority of these revisions emerged once the data of the subsidiary operating in the USA was reviewed. The revised metrics and the differences compared to previously reported amounts, as a result of the validation of data sets and the standardization of calculation and consolidation processes across the Group, are presented below.

The 2024 GHG emission and energy consumption data presented comparatively in the following sections of the report represent the updated values following the aforementioned revisions. These revisions shall not be considered as a subsequent change in the activities or operation volume of 2024. The majority of the revisions came from the verified data sets in relation to our subsidiary in the USA and ensuring a standard in the calculation and consolidation processes across the Group.

SENSITIVE INFORMATION

Production and retail figures were not disclosed as the Group Management considered this information as commercially sensitive and strategically significant in terms of competitiveness. Therefore, production-based GHG emission intensity, energy consumption intensity, and water consumption intensity indicators, which could facilitate the calculation or estimation of production quantities directly or indirectly, were also regarded as commercially sensitive information and were not disclosed in the report.

GHG EMISSIONS

Sarkuysan calculates and monitors its GHG emissions in accordance with globally recognized methodologies. Organizational boundaries are defined considering the company's consolidation scope and operational control approach. Direct emissions of the Company are assessed under Scope 1; while indirect emissions due to the purchased electricity are assessed under Scope 2.

In relation to emission calculations, there is no 3rd party verification other than the auditor.

In 2025, the total Scope 1 and Scope 2 GHG emissions of the Group was 96,236 tCO₂e, representing an increase of 4,738 tCO₂e, i.e. approximately 5.2%, compared to the revised total of 2024, which was 91,497 tCO₂e. Scope 1 emissions decreased by approximately 0.8%, from 42,485 tCO₂e to 42,161 tCO₂e, while Scope 2 emissions increased by approximately 10.3%, from 49,012 tCO₂e to 54,075 tCO₂e. Thus, the increase in total emissions was mainly resulting from the elevated Scope 2 emissions due to purchased electricity.

Considering the Kocaeli Facilities of Sarkuysan, in particular, where the majority of the manufacturing activities take place, Scope 1 emissions decreased by approximately 1.0%, from 41,690 tCO₂e in 2024 to 41,272 tCO₂e in 2025. During the same period, Scope 2 emissions increased by approximately 11.9%, from 30,407 tCO₂e to 34,033 tCO₂e. As a result, total Scope 1 and Scope 2 emissions increased by approximately 4.4%, from 72,097 tCO₂e to 75,305 tCO₂e.

In order to independently assess the emission performance of changes in operating volume, emission intensity indicators related to production volume are also monitored in addition to total emissions.

The change in GHG emissions between periods is not solely a result of energy efficiency in production processes, but can also be influenced by production volume, product mix, production schedule, capacity utilization rate, the composition of energy resources used, the grid emission factor of

2024 SCOPE 1 AND SCOPE 2 GREENHOUSE GAS EMISSIONS

	Scope 1	Scope 2	Total
Sarkuysan Kocaeli Facilities (tCO ₂ e)	41,690	30,407	72,097
Sarkuysan Tuzla Facilities (tCO ₂ e)	182	4,039	4,221
Sarkuysan Aegean FTZ Branch (tCO ₂ e)	0	392	392
Subsidiary Sar Makine (tCO ₂ e)	239	526	765
Subsidiary Sark Wire (tCO ₂ e)	243	9,954	10,197
Subsidiary Bulgaria (tCO ₂ e)	131	3,694	3,825
Gross Total (tCO ₂ e)	42,485	49,012	91,497

2025 SCOPE 1 AND SCOPE 2 GREENHOUSE GAS EMISSIONS

	Scope 1	Scope 2	Total
Sarkuysan Kocaeli Facilities (tCO ₂ e)	41,272	34,033	75,305
Sarkuysan Tuzla Facilities (tCO ₂ e)	180	4,196	4,376
Sarkuysan Aegean FTZ Branch (tCO ₂ e)	3	388	391
Subsidiary Sar Makine (tCO ₂ e)	256	392	648
Subsidiary Sark Wire (tCO ₂ e)	318	11,677	11,995
Subsidiary Bulgaria (tCO ₂ e)	132	3,389	3,521
Gross Total (tCO ₂ e)	42,161	54,075	96,236

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We calculate and monitor our GHG emissions in accordance with international methodologies. In 2025, the total of Scope 1 and 2 emissions were 96,236 tCO₂e, with the majority of the increase resulting from Scope 2 emissions due to purchased electricity.

purchased electricity, as well as seasonal and operational factors including temperature and other weather conditions. In particular, the varying energy requirements of manufacturing processes for separate product groups, and the changes in heating, cooling, and other auxiliary operational requirements based on weather conditions, can result in differences in energy consumption. Consequently, GHG emissions differ according to periods, even at exact or similar production volumes.

ACTIVITIES EXPOSED TO CLIMATE-RELATED PHYSICAL RISKS

As a result of the financial materiality assessment, water scarcity and drought were identified as prominent physical climate risks for Sarkuysan. The risk has the potential to have a direct impact on the access to water resources used in manufacturing processes, process water requirements, cooling systems, and operational continuity. Water supply costs, operational continuity, and water efficiency investments are closely monitored, particularly for manufacturing facilities operating in regions suffering from water stress.

2024 WATER WITHDRAWAL AND WATER NON-COMPLIANCE INCIDENTS

	Total Amount of Water Withdrawn (Thousand m³)	Water Non-Compliance Event (No.)
Sarkuysan Kocaeli Facilities	115	-
Sarkuysan Tuzla Facilities	2	-
Sarkuysan Aegean FTZ Branch	1	-
Subsidiary Sar Makine	4	-
Subsidiary Sark Wire	25	-
Subsidiary Bulgaria	14	-
Gross Total	161	0

In areas with high water stress, the percentage of water withdrawn is 100%.

2025 WATER WITHDRAWAL AND WATER NON-COMPLIANCE INCIDENTS

	Total Amount of Water Withdrawn (Thousand m³)	Water Non-Compliance Event (No.)
Sarkuysan Kocaeli Facilities	106	-
Sarkuysan Tuzla Facilities	3	-
Sarkuysan Aegean FTZ Branch	1	-
Subsidiary Sar Makine	3	-
Subsidiary Sark Wire	29	-
Subsidiary Bulgaria	18	-
Gross Total	160	0

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ACTIVITIES EXPOSED TO CLIMATE-RELATED TRANSITION RISKS

The assessments undertaken as part of TSRS 2 identified the financially prioritized transition risks for Sarkuysan as Energy Costs and Energy Supply Security, Product Carbon Footprint and Low Carbon Transition in Customer Expectations. These risks were assessed considering the company's energy-intensive production structure, changes in energy costs, the transition to a low-carbon economy, sustainability expectations in export markets and increasing demand for the environmental performance of products.

Energy resources utilized in manufacturing activities and energy consumption performance are periodically monitored as part of the risk related to energy costs and energy supply security. As part of the risk related to low carbon transition in customer expectations, efforts for product carbon footprint and lifecycle analyses (LCA) were initiated in 2026 following the reporting period with the goal to improve the environmental performance of the products.

The absolute energy consumption at the Kocaeli Facilities, where the majority of the manufacturing activities of the Group take place, was 1,042,305 GJ, while in 2025 it became 1,064,833 GJ.

The changes in energy consumption between the periods can be affected by various factors, including production volume, product mix, capacity utilization, operational conditions, and the composition of consumption in terms of energy resources. The year-on-year decrease in the utilization rate of the cogeneration plant in 2025 was a factor affecting the composition of energy consumption. Therefore, rather than linking the alteration in total energy consumption exclusively to energy efficiency practices, it should be assessed together with these factors affecting energy consumption.

As part of monitoring the risk related to energy costs and energy supply security, the goal is to monitor developments in total energy consumption and renewable energy utilization rates in subsequent reporting periods.

METRICS RELATED TO TRANSITION RISKS

TOTAL ENERGY CONSUMPTION IN 2024

	Total Energy Consumption	Renewable Energy Consumption Rate (%)
Sarkuysan Kocaeli Facilities (GJ)	1,042,305	-
Sarkuysan Tuzla Facilities (GJ)	33,958	-
Sarkuysan Aegean FTZ Facilities (GJ)	2,953	-
Subsidiary Sar Makine (GJ)	8,945	-
Subsidiary Sark Wire (GJ)	97,338	-
Subsidiary Bulgaria (GJ)	31,841	6.5
Gross Total (GJ)	1,217,340	0.2

TOTAL ENERGY CONSUMPTION IN 2025

	Total Energy Consumption	Renewable Energy Consumption Rate (%)
Sarkuysan Kocaeli Facilities (GJ)	1,064,833	-
Sarkuysan Tuzla Facilities (GJ)	35,563	-
Sarkuysan Aegean FTZ Facilities (GJ)	3,016	-
Subsidiary Sar Makine (GJ)	10,507	24.78%
Subsidiary Sark Wire (GJ)	113,675	-
Subsidiary Bulgaria (GJ)	35,393	5.84%
Gross Total (GJ)	1,262,987	0.39%

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ACTIVITIES IN COMPLIANCE WITH CLIMATE-RELATED OPPORTUNITIES

Climate-related opportunities prioritized by Sarkuysan consist of Renewable Energy and Energy Efficiency Investments and Sustainable Product Development activities. These opportunities are of great significance in terms of reducing energy costs, enhancing operational efficiency, assessing new customer and market opportunities, and supporting long-term competitiveness.

CAPITAL ALLOCATION

As from the reporting period, efforts are ongoing to enhance the structure that will ensure systematic consideration of the assessment outcomes of climate-related risks and opportunities in the capital allocation, and investment decisions. On the other hand, several investments and projects are ongoing in various fields, including energy efficiency, renewable energy consumption, efficient consumption of water resources, and improvement of the environmental performance of products.

Accordingly, the SPP investment that has an installed capacity of 14 MWp, as well as the Greywater Recovery Project are significant investments that can be associated with the climate-related risks and opportunities identified as part of the TSRS-compliant reporting efforts undertaken in 2025. Furthermore, process enhancements to achieve energy efficiency are ongoing, and efforts for product carbon footprint and lifecycle analyses were initiated in 2026 following the reporting period.

The goal is to develop information, documentation and decision-making mechanisms that will ensure the assessment outcomes of the climate-related risks and opportunities are taken into consideration more systematically in the processes of investment valuation and capital allocation processes in the upcoming periods.



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PRODUCT CARBON FOOTPRINT AND LIFE CYCLE ASSESSMENT INDICATORS

Indicator	Unit	2024	2025
Product groups for which carbon footprint and lifecycle analyses completed	pcs.	–	-



We address our climate performance together with operational indicators, as well as management processes. Sustaining our efforts on internal carbon pricing and performance-based compensation, we assess energy, water, emissions, and resource efficiency based on the industry.

INTERNAL CARBON PRICE

As of the reporting period, Sarkuysan does not have an internal carbon pricing mechanism officially used in its decision-making, investment evaluation, or capital allocation processes.

COMPENSATION

During the reporting period, sustainability and climate performance indicators were not directly integrated into the executives' compensation systems. However, efforts are currently underway to include sustainability indicators in performance evaluation mechanisms.

INDUSTRY-SPECIFIC METRICS

Considering the main field of activity of the Company, i.e., the manufacturing of copper and conductive products, Sarkuysan addresses industry-specific assessment issues as energy consumption, GHG emissions, water consumption, raw material supply, resource efficiency, and product lifecycle impacts. The feasibility of industry-related metrics is assessed by considering the company's operational structure, manufacturing processes, and data maturity. TSRS 2 provides a structure that requires industry-specific metrics and disclosures to be assessed together with the relevant industry guidelines.



2024-2025 SECTOR-BASED CLIMATE PERFORMANCE INDICATORS

Indicator	Unit	2024	2025
Total Energy Consumption	GJ	1,217,340	1,262,987
Renewable energy consumption rate	%	0.2	0.39
Grid electricity ratio	%	99.80	99.61
The percentage of water withdrawn in areas with high water stress	%	100	100
The amount of water withdrawn in areas with high water stress	m³	161,000	160,000
The indicator planned to be monitored as part of the efforts initiated in 2026	pcs.	–	–

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CLIMATE-RELATED TARGETS

The company's long-term approach is to endorse the transition to net zero emissions by 2053. In line with this approach, the long-term targets for Sarkuysan's Kocaeli facilities include;

- › increasing the percentage of renewable energy in electricity generation to 25%,
- › achieving a water recovery rate of 75%,
- › and completing the integration of digital energy monitoring across all manufacturing lines.

These targets shall only be considered for the Kocaeli facilities of Sarkuysan. It does not imply that the same targets have been set for other facilities and subsidiaries.

However, a quantitative target for the mitigation of GHG emissions has not been set for Sarkuysan's Kocaeli facilities for 2030. Efforts are currently underway to set this target. Therefore, efforts are currently underway to set short- and medium-term quantitative interim targets to support the long-term approach –primarily the target to mitigate the GHG emission–, to define actions, responsibilities, and required resources to endorse achieving these targets, and to develop systematic performance monitoring mechanisms.

The purpose is to develop measurable performance indicators and additional targets in various areas, including GHG emissions, energy efficiency, renewable energy consumption, water efficiency, and the environmental performance of products, and to support these with relevant information-documentation, monitoring, and reporting processes.

During the reporting period, various ongoing activities and projects, including energy efficiency activities, SPP investments, and the Greywater Recovery Project, were being carried out or developed. Following the reporting period, product carbon footprint and lifecycle analyses were initiated in 2026. The purpose is to systematically integrate these efforts and projects into climate targets and performance indicators to be established in the upcoming periods.

MONITORING & REVIEWING TARGETS

Climate-related performance indicators are monitored as part of the available data collection and assessment processes. The purpose is to analyze performance trends based on historical data, to set quantitative climate targets in subsequent reporting periods, and to systematically monitor progress towards these targets once they are established.

Once the quantitative targets are set, target performance will be reviewed periodically in line with data quality, operational developments, regulatory changes, customer expectations, and the company's strategic priorities. In the event of a significant revision in the reference year, scope, calculation method, or target level, the relevant revisions and their justifications will be explained in the reports transparently.

SUBSEQUENT EVENTS

No significant events occurred between the conclusion of the reporting period and the approval date of this report for publication that would require any corrections or further disclosures to the sustainability-related financial statements included herein.



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CONTACT

HEADQUARTERS

Emek Mah. Aşıroğlu Cad. No: 147 41700 Darıca/KOCAELİ
T (0262) 676 66 00 (20 hat)
F (0262) 676 66 80
(0262) 676 66 81
(0262) 676 66 83
E info@sarkuysan.com
www.sarkuysan.com

FACTORY

Beylikbağı Mah. Çelikoğlu Cad. No: 155 41401 Gebze/KOCAELİ
T (0262) 653 26 04 (3 Hat)
(0262) 653 27 52 (7 Hat)
(0262) 653 45 07 (4 Hat)
F (0262) 653 55 12
(0262) 653 27 59
E plant@sarkuysan.com

TUZLA EMAYE FABRIKA

Birlik Organize Sanayi Bölgesi Batı Cad. No: 4, 34953 Tuzla/
İSTANBUL
T (0216) 593 27 27 (pbx)
F (0216) 593 27 33
E info@bemkawire.com.tr
www.bemkawire.com.tr

TUZLA ENAMEL FACTORY

Beylikbağı Mah. 343 Sok. No:6 41401 Gebze/KOCAELİ
T (0262) 653 20 20 (pbx)
F (0262) 654 29 85

STORE

Perpa İş Merkezi, A Blok 7. ve 8. Kat,
No: 733 - 735, 34350 Okmeydanı,
Şişli/İSTANBUL
T (0212) 222 45 96 (2 Hat)
F (0212) 221 98 77
E sksper@sarkuysan.com

BRANCH OFFICE

AEGEAN FREE TRADE ZONE BRANCH OFFICE

Ege Serbest Bölgesi Nilüfer Sok. No: 19 Gaziemir/İZMİR
T (0232) 251 57 51
(0232) 258 00 26
F (0 232) 251 72 78
E sksege@sarkuysan.com

AGENCY

SARKUYSAN S.P.A.

Via Caracciolo 30, 20155 Milano/İTALYA
T (0039) 0234592237
F (0039) 0234592189
E italia@sarkuysan.com

SUBSIDIARIES AND AFFILIATES

DEMİSAŞ DÖKÜM EMAYE MAMULLERİ SAN. A.Ş.

HEADQUARTERS

Emek Mah. Aşıroğlu Cad. No: 147 41700 Darıca/KOCAELİ
T (0262) 677 46 00 (pbx)
F (0262) 677 46 99
www.demisas.com.tr

FACTORY

Vezirhan Beldesi, 11130/BİLECİK
T (0228) 233 10 14
F (0228) 233 12 46
E info@demisas.com.tr

SAR MAKİNA SAN. VE TİC. A.Ş.

HEADQUARTERS AND FACTORY

Osmangazi Mah. Kanuni Sok. No:12 41700 Darıca/KOCAELİ
T (0262) 653 90 82 (pbx)
F (0262) 653 90 89
E info@sarmakina.com.tr
www.sarmakina.com.tr

SARDA DAĞITIM VE TİC. A.Ş.

Emek Mah. Aşıroğlu Cad. No: 147 41700 Darıca/KOCAELİ
T (0262) 654 01 21 (pbx)
F (0262) 654 00 01
E sarda@sarkuysan.com



BEKTAŞ BAKIR EMAYE KABLO SAN. VE TIC. A.Ş.

Emek Mah. Aşıroğlu Cad. No:147 41700 Darıca/KOCAELİ

T (0262) 676 66 95

F (0262) 676 66 85

E bektasemaye@sarkuysan.com

BEMKA KUPFERLACKDRAHT GMBH

Bernier Allee 40, D - 40212 Düsseldorf/ALMANYA

T +49 (0) 211 8632487 - 0

F +49 (0) 211 8632487 - 9

E info@bemka.de

SARK WIRE CORP.

120 Industrial Park Road Albany, NY 12206 USA

T 001 518 453 4199

F 001 518 453 4166

E marketing@sark-usa.com

www.sarkwire.com

SARK BULGARIA AD.

Shumen 9700 Second Industrial Zone No: 1

T 00 359 89 540 3003

F 001 518 453 4166

E project@sarkuysan.com

CRW METAL SANAYİ VE TİCARET A.Ş.

Halil Rifat Paşa Mah. Yüzer Havuz Sok. Perpa Ticaret Merkezi A

Blok No 1 İç Kapı No: 733 Şişli/İSTANBUL

T (0212) 222 45 96 (pbx)

F (0 212) 221 98 77



